Autogrill Group

Annual Report

2014

AUTOGRILL

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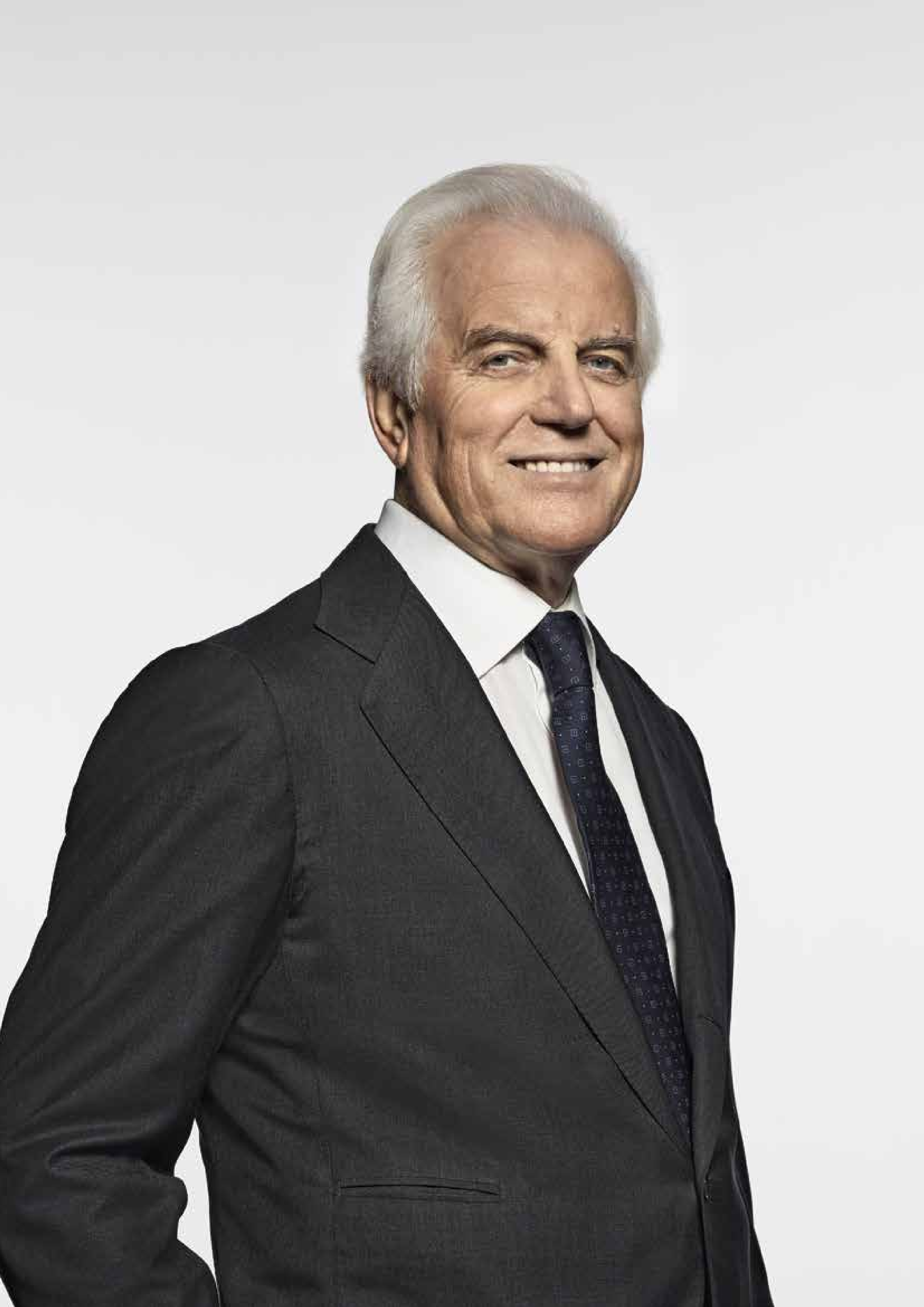
2014 Annual Report

Translation from the Italian original which remains the definitive version

AUTOGRILL



Chairman's message

Dear Shareholders,

This year, the first since the demerger from World Duty Free, reflects the Group's results exclusively in the travel food & beverage business, in which the Company is the world leader.

Autogrill's strategic refocussing on food & beverage is happening at a time when the economic situation is looking more positive than in recent years. The world economy is showing the first signs of recovery, which I trust our Group will be able to exploit increasingly effectively, thanks to the strategy of international expansion underpinning our business development.

Economic recovery has been faster in North America, where the Group further consolidated its leadership, and in emerging markets, especially Asia and the Middle East, where Autogrill entered major new contracts. These are key markets for the future that we will continue to cultivate, ever ready to take up new growth opportunities as soon as they occur.

In Europe, Autogrill prioritised a strategy of selective investments mainly in the airport channel. In Italy, despite the scaling down of commercial operations on motorways, the Company decided to contribute to the growth and prestige of Milan, which is hosting the Expo 2015, by building a multi-store in the heart of the city – Il Mercato del Duomo – where the Group is concentrating much of the know-how and innovation it is developing on the domestic and international markets.

Thanks to this progress, which has strengthened Autogrill's leadership in the sector, and the quality and duration of its concessions portfolio, we look to the future with the conviction that there are still important opportunities to take up, also through industrial aggregation capable of further increasing the value of the Company for all the Shareholders.

Gilberto Benetton

Letter from the CEO

Dear Stakeholders,

In 2014, we worked hard to build the platform for a new phase in the development of our business.

Month by month, Autogrill consolidated its strength in mature markets, like Europe and North America, and took important growth opportunities in emerging markets, mainly by winning new contracts in major airports in fast growing economies like Vietnam, Indonesia, the United Arab Emirates and Turkey.

These initiatives reflect our Group's main focus on the airport channel, where we have made heavy investments and developed new foodservice concepts that we hope will satisfy the needs - which are continually evolving and increasingly sophisticated - of all the travellers that visit our points of sale every day.

Meanwhile, in Italy, where the market continued to be weak, Autogrill started to redefine its boundary of operations to concentrate resources on the locations with the highest potential. Thanks to these measures and the numerous innovations we've introduced, as well as the know-how acquired by the Group over many years of doing business globally, I am confident that Autogrill can exploit the new opportunities that will arise in the future.
A future we are confident of also in light of falling oil prices, which favour increases in traffic flows.

With these assumptions we will continue the work done last year with the conviction that we can build on the good results delivered in 2014.

Gianmario Tondato Da Ruos

Company bodies

Board of Directors[1]

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

Board of Statutory Auditors[9]

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

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

E Executive director

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

L Lead Independent Director

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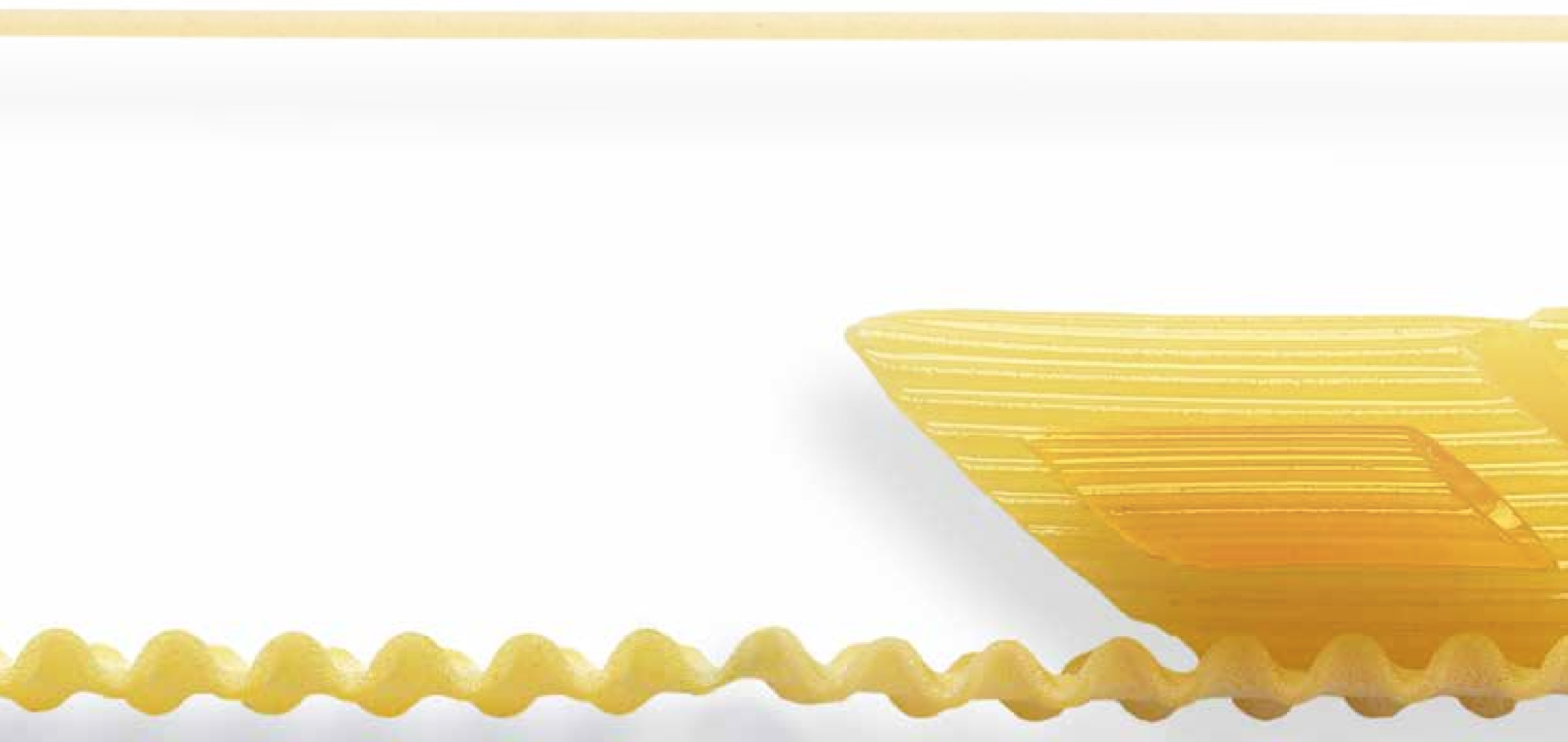
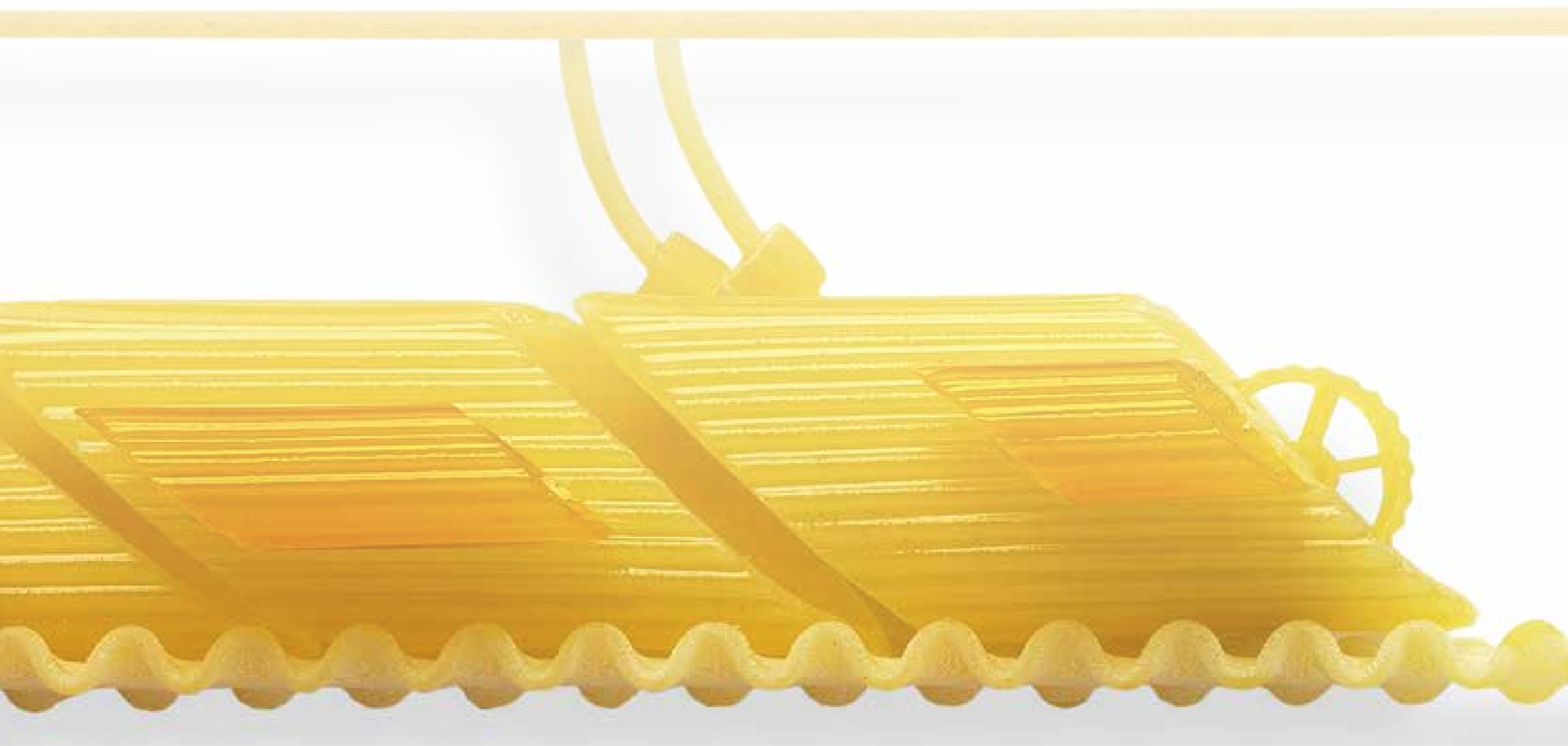


1. Directors' report



Definitions and symbols

Exchange rates: more than half the Group's operations are located in countries which use a non-euro currency, primarily the United States of America, Canada, Switzerland, and the United Kingdom. Due to the local nature of the business, in each country revenue is generally expressed in the same currency as costs and investments. The Group also has a currency risk management policy, financing most of its net assets in the principal non-euro currencies with debt in the same currency, or entering into currency hedges that achieve the same effect. However, this does not neutralize the impact of exchange rate fluctuations when translating individual financial statement items. In comparisons with prior-year figures, the phrase "at constant exchange rates" may also be used, to signify the increase or decrease that would have occurred had the comparative figures of consolidated companies with functional currencies other than the euro been calculated at the same exchange rates employed for the period under review.

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

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

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

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

Symbols: unless otherwise specified, amounts in the directors' report are expressed in millions of euros (€m) or millions of US dollars ($m). In the notes to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k and $k).

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

1.1 The Autogrill Group

Operations

Autogrill is the world's largest provider of food & beverage services for travelers and is the recognized leader of the US and Italian markets.
Present in 29 countries with a workforce of 54,000, it manages more than 4,300 points of sale in approximately 1,000 locations. It operates mainly through concessions: at airports, along motorways and in railway stations, as well as on high streets and at shopping centers, trade fairs and cultural attractions.
It offers a highly varied selection, including both proprietary products and concepts (such as Ciao, Bistrot, Bubbles, Beaudevin and La Tapenade) and third-party concepts and brands. The latter include local brands as well as names recognized around the world (Starbucks Coffee, Burger King, Brioche Dorée, etc.). Autogrill manages a portfolio of more than 250 brands, directly or under license.

Strategy

The Group's strategy is to ensure steady growth in value through expansion and diversification into different geographical areas and channels, constant product and concept innovation, and the improvement of service with a view to increasing the satisfaction of customers and concession grantors.
In the airport and railway station channel, the Group plans to expand in countries where it is already active, as well as in new ones with good potential for an increase in traffic. In the motorway channel, efforts are more selective, given the limited growth potential in developed countries and the extensive investments needed to penetrate new markets.
Menus are kept up-to-date through the development of new concepts and the ongoing review of partner brands, so that the most innovative and attractive brands the market has to offer are always in the Group's portfolio.
The Group judges how well it is achieving its objectives by monitoring customer satisfaction and the growth of sales and cash generation, earned through the acquisition and management of a broad, diversified portfolio of concessions with strategically balanced durations.
Autogrill is committed to simplifying organizational charts and business processes and to enhancing operating efficiency and investments, efforts that are constantly monitored so as to free up financial and managerial resources that can better be devoted to growth.
Maintaining a well-balanced financial structure is crucial to the Group's objectives. Any opportunities for growth by accretion will be assessed for consistency with strategic objectives (in terms of areas and channels served) and financial sustainability.

Autogrill around the world

The Autogrill Group is active in 29 countries around the globe.

Proprietary brands

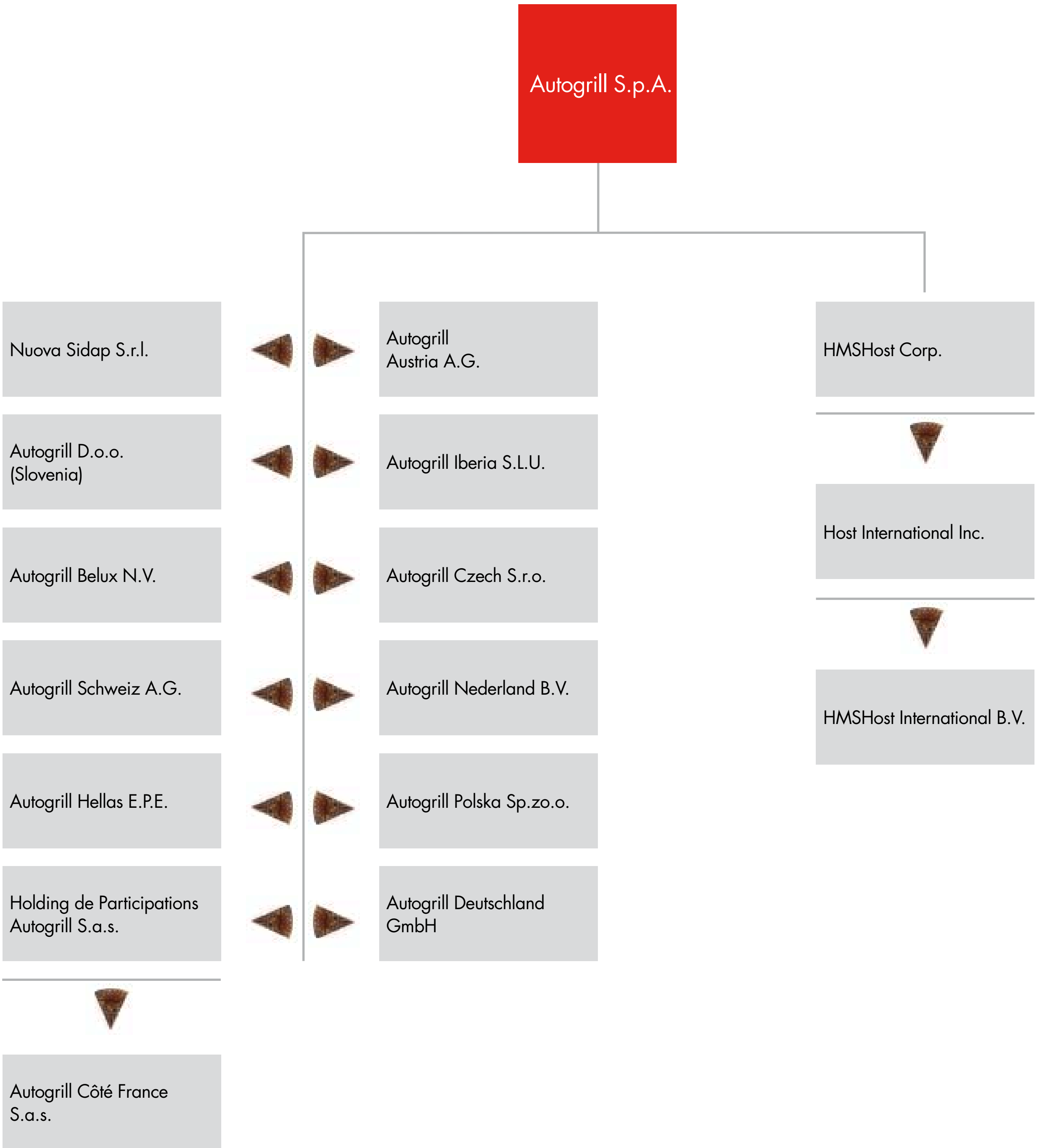
Licensed brands

Australia
Austria
Belgium
Canada
Czech Republic
Denmark
Finland
France
Germany
Greece
India
Indonesia
Ireland
Italy
Malaysia
New Zealand
Poland
Russia
Singapore
Slovenia
Spain
Sweden
Switzerland
The Netherlands
Turkey
United Arab Emirates
United Kingdom
USA
Vietnam

Location by channel

Channel of activity	North America	International	Italy	Other European countries	Total
Airports	82	43	8	11	**144**
Motorways	97	-	410	215	**722**
Railway stations	-	-	14	37	**51**
Malls	5	-	36	9	**50**
Others	-	-	20	7	**27**
Total	**184**	**43**	**488**	**279**	**994**

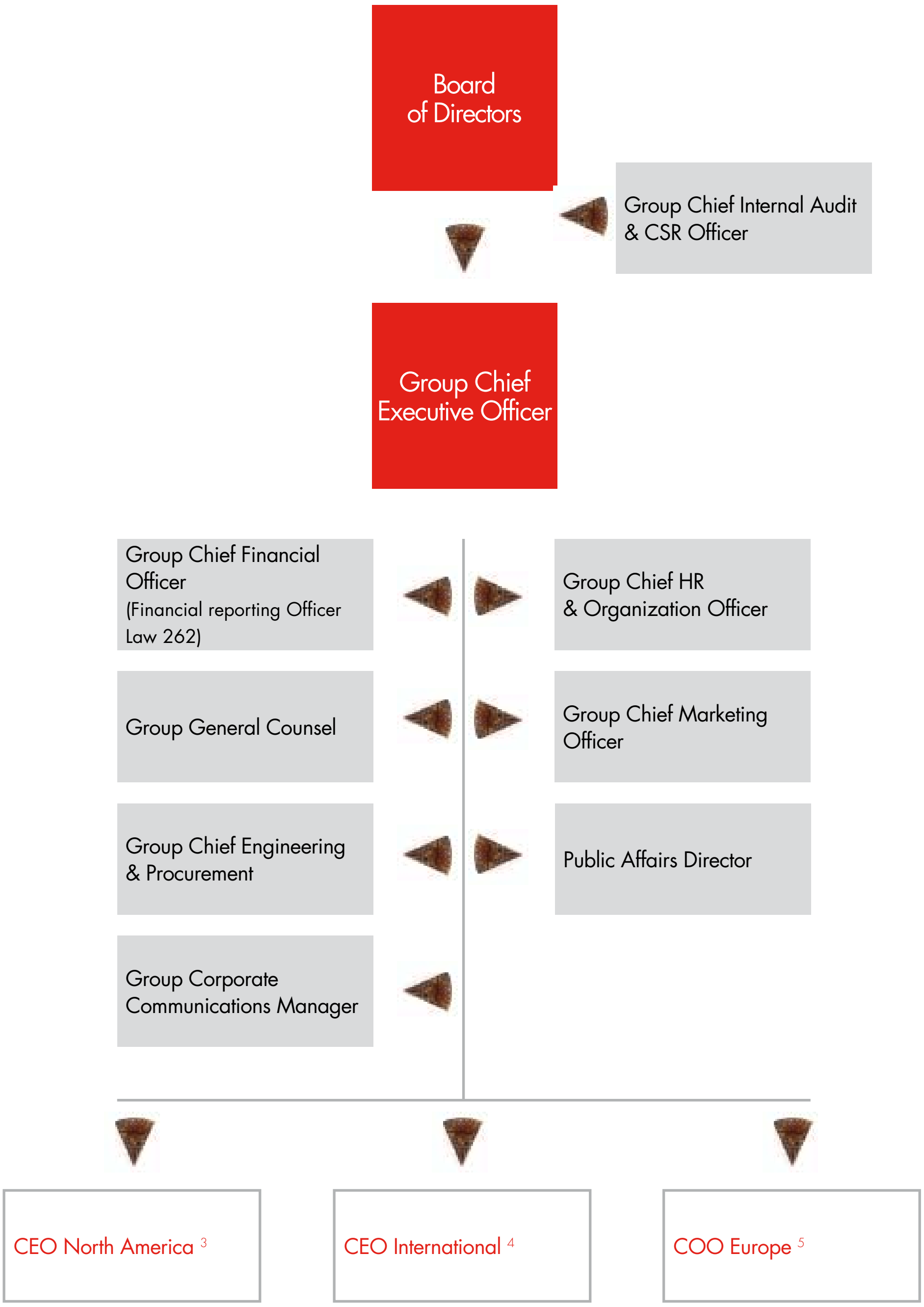
Simplified Group structure[1-2]



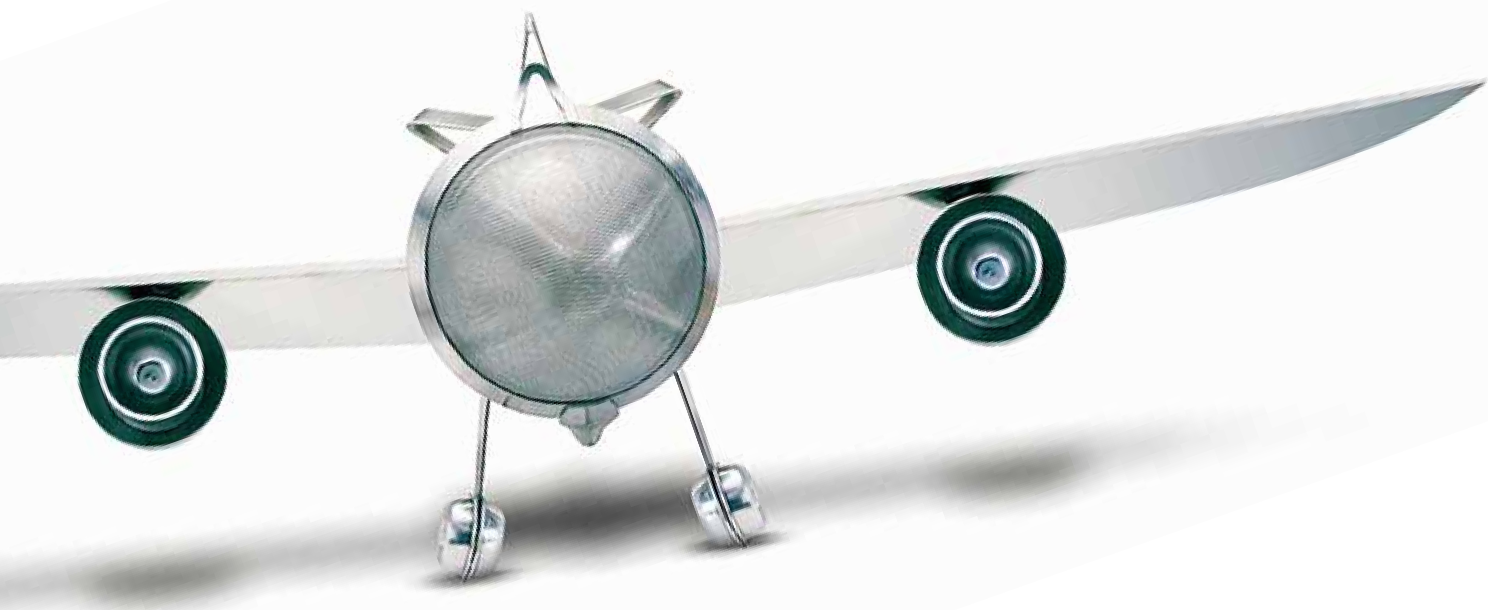
1. Where not otherwise specified, all companies are wholly owned. See the annexes to the consolidated financial statements for a complete list of equity investments. In early January 2015 the investments in Autogrill Catering UK Ltd., HMSHost Ireland Ltd., and HMSHost Sweden AB were sold by Autogrill S.p.A. to a subsidiary of HMSHost Corp.
2. Company names are up-to-date as of March 2015

Organizational structure

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



3. United States of America, Canada
4. It includes North Europe: Amsterdam (Schiphol Airport), Finland, Ireland, United Kingdom, Sweden/ Denmark and Rest of the world: Australia, United Arab Emirates, India, Indonesia, Malaysia, New Zealand, Russia, Singapore, Turkey, Vietnam
5. Italy and Other European countries: Austria, Belgium, France, Germany, Greece, The Nederlands (motorways), Poland, Czech Republic, Slovenia, Spain, Switzerland



1.2 Group performance

1.2.1 General business context

1.2.1.1 The air transport industry and the trend in airport traffic [6]

In 2014 passenger traffic at airports worldwide grew by 5.1%, thanks especially to a 5.8% increase in the international component. The significant growth of the air transport industry was achieved despite limited economic recovery in Europe and a highly unstable political climate in some parts of the world, including Eastern Europe and the Middle East.
In 2014, passengers in North America numbered 1.3 billion, an increase of 3.3% on the previous year. Domestic traffic was up by 2.9%, and international traffic by 6.1%.
In Europe there were around 1.3 billion passengers, an increase of 5.3% on the previous year, with growth rates roughly equal for international traffic (+5.3%) and domestic (+5.1%).
Asia, with about 1.2 billion passengers, enjoyed traffic growth of 5.9%.
In South America, traffic was up by 6.4% to about 370 million passengers, while the Middle East (180 million passengers) showed a 9.4% increase thanks to record growth in international traffic at airports like Abu Dhabi and Doha.

1.2.1.2 The trend in motorway traffic

In Italy, the Group's largest motorway market, traffic increased by a total of 0.9% after three years of decline, thanks in part to lower fuel costs towards the end of the year. The growth was driven more by light traffic (+1.0%) than by heavy vehicles (+0.7%) [7].
In the United States, traffic showed an increase of 0.5% with respect to 2013 [8].

6. Source: IATA - Industry Financial Forecast - December 2014
7. Source: AISCAT - December 2014
8. Source: Federal Highway Administration (FHWA): January - November 2014

1.2.2 Highlights

Due to the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A. with effect from 1 October 2013, the results of the Travel Retail & Duty Free business for the first nine months of 2013 are presented separately, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".
To better represent the performance of the various business segments, starting from the fourth quarter of 2014 the results of HMSHost are split into its two components: North America (United States and Canada) and International (Northern Europe, Middle East and Asia). The International area also includes operations in the United Kingdom, Ireland, Sweden and Denmark, previously included under "Other European countries".
For ease of comprehension, "Corporate" functions serving the Group as a whole no longer include those pertaining to European operations only, which are now termed "European Structure".

			Change	
(€m)	Full Year 2014	Full Year 2013	2013	At constant exchange rates
Revenue	3,930.2	3,984.8	-1.4%	-0.9%
EBITDA	316.2	314.0	0.7%	1.2%
EBITDA margin	*8.0%*	*7.9%*		
EBIT	118.6	88.3	34.4%	35.7%
EBIT margin	*3.0%*	*2.2%*		
Profit from continuing operations	37.0	8.3	343.7%	398.5%
% of revenue	*0.9%*	*0.2%*		
Profit from discontinued operations (demerger)	-	91.1	-100.0%	-100.0%
Profit attributable to owners of the parent	25.1	87.9	-71.4%	-71.1%
Earnings per share (€ cents)*				
- basic	9.9	34.7		
- diluted	9.9	34.6		
Net cash flows from operating activities	223.5	148.1		
Net investment	196.4	162.6	20.8%	21.0%
% of net sales	*5.0%*	*4.1%*		

* Earnings per share of third quarter 2013 includes Profit from discontinued operations (demerger)

			Change	
(€m)	31.12.2014	31.12.2013	31.12.2013	At constant exchange rates
Net invested capital	1,184.0	1,117.5	66.5	(17.3)
Net financial position	693.3	672.7	20.6	(35.4)

Condensed consolidated income statement [9]

(€m)	Full Year 2014	% of revenue	Full Year 2013	% of revenue	Change 2013	Change At constant exchange rates
Revenue	3,930.2	100.0%	3,984.8	100.0%	-1.4%	-0.9%
Other operating income	130.5	3.3%	146.3	3.7%	-10.8%	-10.8%
Total revenue and other operating income	**4,060.8**	**103.3%**	**4,131.1**	**103.7%**	**-1.7%**	**-1.3%**
Raw materials, supplies and goods	(1,304.1)	33.2%	(1,331.4)	33.4%	-2.0%	-1.6%
Personnel expense	(1,296.6)	33.0%	(1,318.2)	33.1%	-1.6%	-1.2%
Leases, rentals, concessions and royalties	(668.5)	17.0%	(677.4)	17.0%	-1.3%	-0.9%
Other operating expense	(475.4)	12.1%	(490.2)	12.3%	-3.0%	-2.7%
EBITDA	**316.2**	**8.0%**	**314.0**	**7.9%**	**0.7%**	**1.2%**
Depreciation, amortization and impairment losses	(197.6)	5.0%	(225.8)	5.7%	-12.5%	-12.2%
EBIT	**118.6**	**3.0%**	**88.3**	**2.2%**	**34.4%**	**35.7%**
Net financial expense	(44.4)	1.1%	(50.5)	1.3%	-12.0%	-12.1%
Impairment losses on financial assets	3.0	0.1%	(2.4)	0.1%	n.s.	n.s.
Pre-tax profit	**77.2**	**2.0%**	**35.4**	**0.9%**	**118.2%**	**123.7%**
Income tax	(40.2)	1.0%	(27.1)	0.7%	48.7%	48.5%
Profit from continuing operations	**37.0**	**0.9%**	**8.3**	**0.2%**	**343.7%**	**398.5%**
Profit from discontinued operations (demerger)	-	0.0%	91.1	2.3%	-100.0%	-100.0%
Profit attributable to:	**37.0**	**0.9%**	**99.4**	**2.5%**	**-62.8%**	**-62.4%**
- owners of the parent	25.1	0.6%	87.9	2.2%	-71.4%	-71.1%
- non-controlling interests	11.9	0.3%	11.5	0.3%	3.0%	3.0%

9. "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated income statement primarily because they do not include revenue and costs from fuel sales, the net amount of which is classified as "Other operating income" in accordance with management's protocol for the analysis of Group figures. This revenue came to € 531.2m in 2014 (€ 561.1m in 2013) and the cost to € 509.6m (€ 542.7m the previous year).

Revenue

The Group closed 2014 with consolidated revenue of € 3,930.2m, a decrease of 0.9% (-1.4% at current exchange rates) compared with the previous year's revenue of € 3,984.8m. After adjusting for the deconsolidation of the US Retail business, which was sold early in the fourth quarter of 2013 and contributed $ 131.5m in revenue, the change was a positive 1.6% (+1.1% at current exchange rates).
Revenue was on the rise for HMSHost's North American operations, sustained chiefly by the increase in average purchase per customer and the positive traffic trend, which led to larger number of transactions.
HMSHost International gave an outstanding performance, thanks in part to its expanded sphere of activity, with new openings at UK airports and its debut in other markets such as Russia and Indonesia.
In Europe, revenue decreased due to the Group's strategy of narrowing its perimeter in Italy. Sales were on the rise in Belgium, Germany and Spain as a result of new openings.

Sales by channel are detailed below:

			Change	
(€m)	Full Year 2014	Full Year 2013	2013	At constant exchange rates
Airports	1,966.9	1,890.5	4.0%	4.8%
Motorways	1,622.4	1,629.9	-0.5%	-0.2%
Railway stations	161.7	145.1	11.4%	11.5%
Other	179.2	220.2	-18.6%	-18.7%
Total (excl. transferred US Retail business)	**3,930.2**	**3,885.8**	**1.1%**	**1.6%**
Transferred US Retail business	-	99.0	-100.0%	-100.0%
Total revenue	**3,930.2**	**3,984.8**	**-1.4%**	**-0.9%**

The general upturn in passenger traffic bolstered the performance of airports, where revenue increased by 4.8% [10]. Overall growth in this channel and expansion at railway stations more than offset the slight decrease in the motorway channel, which is prevalent in Europe, and the decline in sales at other locations—high streets, trade fairs and shopping centers—many of which are no longer operated by the Group.

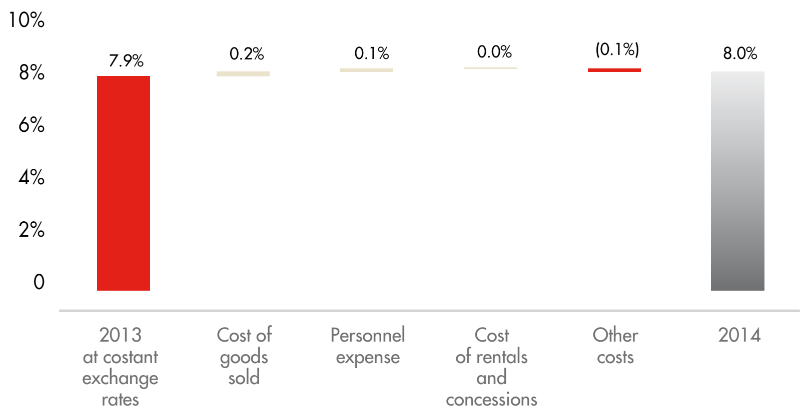
EBITDA

Consolidated EBITDA in 2014 amounted to € 316.2m, an increase of 1.2% (+0.7% at current exchange rates) compared with the previous year's € 314.0m, and went from 7.9% of revenue in 2013 to 8.0% this year.
Excluding non-recurring components [11] and the contribution [12] of the US Retail business (sold in 2013), EBITDA would have increased by 5.9% (+5.4% at current exchange rates) and amounted to 8.3% of revenue (8.0% the previous year); the change stems mainly from the improved profitability of the areas operated by HMSHost.

10. +4% at current exchange rates
11. 2014, reorganization costs of € 11.8m; 2013: net non-recurring charges of € 2.3m (reorganization costs of € 11.6m, demerger costs of € 4.5m and non-recurring income of € 13.8m)
12. Amounting to $ 6.8m

Corporate [13] costs in 2014 amounted to € 20.9m, down from € 27.1m the previous year, when they included costs incurred for the demerger of the Travel Retail & Duty Free business (€ 4.5m).

Change in EBITDA margin



Depreciation, amortization and impairment losses

These came to € 197.6m, down from € 225.8m in 2013 (-12.2%, or -12.5% at current exchange rates). The change reflects a decrease in amortization and depreciation (from € 15.7m in 2013 to € 10.1m), as well as lower investments in recent years with respect to the past.

Net financial expense

Net financial expense in 2014 came to € 44.4m, down from € 50.5m the previous year, due mainly to the fact that the amortization of interest rate hedging instruments was no longer a factor as such instruments were cancelled ahead of their original maturity (March 2013) during the debt refinancing of July 2011. Also contributing were the reduction in average annual indebteness and the lower average cost of borrowing, which fell from 5.4% in 2013 to 5.1%.

Income tax

Tax increased from € 27.1m in 2013 to € 40.2m, due to the higher pre-tax profit, which rose from € 35.4m to € 77.2m. The average tax rate, calculated excluding IRAP and CVAE[14] for both years (€ 8.1m in 2014 and € 9.2m in 2013), came to 41.6% in 2014 and 50.4% the previous year.

13. Compared with the figures published previously, Corporate costs now exclude those incurred by European Structure, in keeping with the new distinctions among operating segments (see page 29)
14. IRAP, which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense, came to € 6.3m in 2014 (€ 7.4m the previous year); CVAE, charged on French operations and calculated on the basis of revenue and value added, amounted to € 1.8m in 2014 (in line with the previous year)

Profit from continuing operations (Food & Beverage)

In 2014 the profit from continuing operations was € 37m, a strong increase on the previous year's € 8.3m, thanks to the improvement in operating profitability and the decrease in financial expense.

Profit from discontinued operations (demerger) (Travel Retail & Duty Free)

The consolidated profit for 2013 included € 91.1m from the Travel Retail & Duty Free business, which was demerged on 1 October 2013.

Profit for the year

The 2014 profit attributable to the owners of the parent amounted to € 25.1m, compared with € 87.9m in 2013, when the Travel Retail & Duty Free business was still part of the Group.
Profit for the year attributable to non-controlling interests came to € 1.9m (€ 11.5m the previous year).

1.2.3 Financial position

Reclassified consolidated statement of financial position [15]

(€m)	31.12.2014	31.12.2013	Change 2013	Change At constant exchange rates
Intangible assets	868.3	811.1	57.2	0.4
Property, plant and equipment	834.9	782.5	52.4	1.5
Financial assets	22.8	22.0	0.8	0.3
A) Non-current assets	**1,726.0**	**1,615.6**	**110.4**	**2.2**
Inventories	123.5	106.1	17.4	14.3
Trade receivables	43.5	46.4	(2.9)	(3.6)
Other receivables	179.9	191.1	(11.2)	(18.2)
Trade payables	(406.7)	(396.2)	(10.5)	0.3
Other payables	(335.0)	(287.5)	(47.6)	(30.5)
B) Working capital	**(394.7)**	**(340.0)**	**(54.7)**	**(37.7)**
C) Invested capital, less current liabilities	**1,331.3**	**1,275.6**	**55.7**	**(35.5)**
D) Other non-current non-financial assets and liabilities	**(147.3)**	**(158.1)**	**10.7**	**18.3**
E) Net invested capital	**1,184.0**	**1,117.5**	**66.5**	**(17.3)**
Equity attributable to owners of the parent	458.5	413.6	45.0	17.6
Equity attributable to non-controlling interests	32.1	31.2	0.9	0.6
F) Equity	**490.7**	**444.8**	**45.9**	**18.2**
Non-current financial liabilities	752.7	748.2	4.5	(48.8)
Non-current financial assets	(4.9)	(11.1)	6.2	7.7
G) Non-current financial indebtedness	**747.8**	**737.0**	**10.7**	**(41.0)**
Current financial liabilities	150.0	128.2	21.8	12.4
Cash and cash equivalents and current financial assets	(204.5)	(192.5)	(12.0)	(6.8)
H) Current net financial indebtedness	**(54.5)**	**(64.3)**	**9.8**	**5.6**
Net financial position (G + H)	**693.3**	**672.7**	**20.6**	**(35.4)**
I) Total as in E)	**1,184.0**	**1,117.5**	**66.5**	**(17.3)**

15. The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and notes, with the exception of "Financial assets", which do not include "Financial receivables from third parties" (€ 4.9m) classified as non-current financial receivables in the net financial position and included in other financial assets (non-current) in the consolidated statement of financial position

Net invested capital at 31 December 2014 came to € 1,184m, up from € 1,117.5m the previous year for an increase of € 66.5m, due to the change in the euro/US dollar exchange rate.

Cash flow

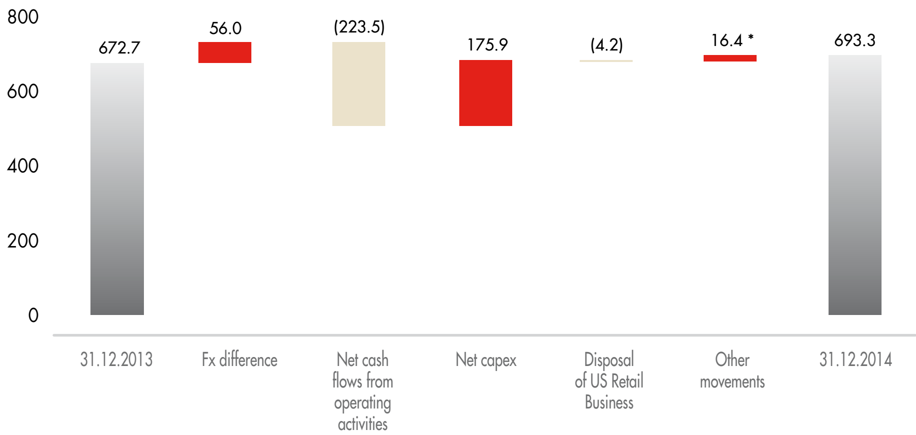
(€m)	Full Year 2014	Full Year 2013
EBITDA	316.2	314.0
Change in working capital and net change in non-current non-financial assets and liabilities	(20.9)	(87.9)
Other items	(4.5)	(1.9)
Cash flows from operating activities	**290.9**	**224.2**
Tax (paid)/refunded	(36.5)	(33.9)
Net interest paid	(30.8)	(42.1)
Net cash flows from operating activities	**223.5**	**148.1**
Net CAPEX	(175.9)	(184.9)
Vietnam acquisition	-	(16.0)
Disposal of Retail US business	4.2	74.1
Free operating cash flows	**51.8**	**21.4**

In 2014 the Group generated free operating cash flows of € 51.8m, rising from € 21.4m the previous year, thanks to an improvement in cash flows from operating activities caused by the reduced absorption of net working capital.
The change in net working capital was helped in 2014 by the receipt of $ 18.2m from the World Duty Free Group in connection with the disposal of the US Retail business, while in 2013 the payment of € 15m in long-term bonuses to managers had contributed to the item's negative balance.
The reduction in net interest paid owes to the decrease in average debt and the benefits arising from the early termination of interest rate hedging derivatives based on bonds issued by HMSHost Corp. (approximately $ 7.6m).

Net financial position

The net financial position at 31 December 2014 was € 693.3m, compared with € 672.7m the previous year. The generation of operating cash flow was sufficient to fund all investment for the year. The increase in the net indebtedness is therefore due solely to the effect of translating debt denominated in US dollars into euros.

Change in net financial position (€m)



* Includes € 12m minority dividend distribution

The fair value loss on interest rate hedging derivatives at 31 December 2014 was € 3.5m, compared with a fair value loss of € 1.3m at the end of 2013 (continuing operations).
At 31 December 2014, 56% of net financial indebtedness was denominated in US dollars and the rest in euros, while 64% was fixed-rate, including by way of interest rate swaps. In 2014 the weighted average cost of debt was 5.1%, down from 5.4% the previous year. Debt consists mainly of committed non-current credit lines from banks and of long-term bonds (private placements). Loans had an average remaining life of three years and four months.
The Group's loan contracts and bond issues require it to uphold certain financial ratios. At 31 December 2014 all of these were amply satisfied.

1.3 Business segments

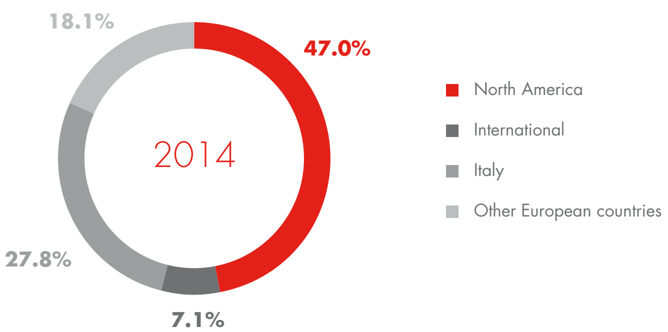
To better represent the performance of the various business segments, starting from the fourth quarter of 2014 the results of HMSHost are split into its two components: North America (United States and Canada) and International (Northern Europe, Middle East and Asia). The International area also includes operations in the United Kingdom, Ireland, Sweden and Denmark, previously included under "Other European countries". For ease of comprehension, "Corporate" functions serving the Group as a whole no longer include those pertaining to European operations only, which are now termed "European Structure".

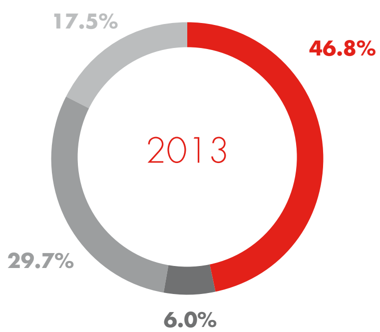
Revenue by geographical area

Revenue is broken down below by geographical area:

			Change	
(€m)	Full Year 2014	Full Year 2013	2013	At constant exchange rates
North America	1,847.9	1,817.8	1.7%	2.6%
International	278.2	232.6	19.6%	20.6%
Total HMSHost	**2,126.2**	**2,050.4**	**3.7%**	**4.7%**
Italy	1,091.7	1,154.1	-5.4%	-5.4%
Other European countries	712.3	681.3	4.6%	4.3%
Total Europe	**1,804.1**	**1,835.4**	**-1.7%**	**-1.8%**
Total (excl. transferred US Retail business)	**3,930.2**	**3,885.8**	**1.1%**	**1.6%**
Transferred US Retail business	-	99.0	-100.0%	-100.0%
Total revenue	**3,930.2**	**3,984.8**	**-1.4%**	**-0.9%**

and here as a percentage of total revenue:





EBITDA by geographical area

Below are the details of EBITDA by geographical area:

					Change	
(€m)	Full Year 2014	% of revenue	Full Year 2013	% of revenue	2013	At constant exchange rates
North America	202.4	11.0%	194.9	10.7%	3.8%	4.6%
International	35.2	12.6%	30.0	12.9%	17.2%	17.9%
Total HMSHost	**237.5**	**11.2%**	**224.9**	**11.0%**	**5.6%**	**6.4%**
Italy	61.9	5.7%	73.2	6.3%	-15.5%	-15.5%
Other European countries	46.7	6.6%	46.3	6.8%	0.9%	0.5%
Europe Structure	(9.0)	-	(8.5)	-	6.2%	6.2%
Total Europe	**99.6**	**5.5%**	**111.0**	**6.1%**	**-10.3%**	**-10.5%**
Corporate costs	(20.9)	-	(27.1)	-	-22.9%	-22.9%
EBITDA (excl. transferred US Retail business)	**316.2**	**8.0%**	**308.9**	**7.9%**	**2.4%**	**2.9%**
Transferred US Retail business	-	-	5.1	-	-100.0%	-100.0%
Total EBITDA	**316.2**	**8.0%**	**314.0**	**7.9%**	**0.7%**	**1.2%**

HMSHost [16]

In 2014, after adjusting for the sale of the US Retail [17] business (which had contributed $ 131.5m), HMSHost produced **revenue** of $ 2,824.6m, an increase of 4.7% (3.7% at current exchange rates) on the previous year's figure of $ 2,723.1m. Overall, sales decreased by 0.2% (-1.1% at current exchange rates).

Revenue by channel is shown below:

			Change	
($m)	Full Year 2014	Full Year 2013	2013	At constant exchange rates
Airports	2,333.2	2,228.4	4.7%	5.6%
Motorways	445.5	440.4	1.2%	2.7%
Other	45.9	54.3	-15.5%	-15.5%
Total (excl. transferred US Retail business)	**2,824.6**	**2,723.1**	**3.7%**	**4.7%**
Transferred US Retail business	-	131.5	-100.0%	-100.0%
Total revenue	**2,824.6**	**2,854.6**	**-1.1%**	**-0.2%**

EBITDA of HMSHost came to $ 315.6m, an increase of 4.0% (+3.3% at current exchange rates) compared with the previous year's $ 305.5m, and rose to 11.2% of revenue from 10.7% in 2013 (11% excluding the US Retail business, now sold) thanks to the improved margin in North America.
The result for the year includes restructuring expenses of $ 7.5m ($ 3.9m in 2013). Excluding these non-recurring charges and the contribution of the US Retail business ($ 6.8m in 2013), EBITDA grew by 7.5% (+6.8% at current exchange rates) and came to 11.4% of revenue (11.1% the previous year).

HMSHost - North America [18]

In 2014 North American operations produced revenue of $ 2,454.9m, down from $ 2,545.7m in 2013 (-2.7% [19] or -3.6% at current exchange rates), due to the change in the scope of consolidation (sale of the US Retail business that contributed $ 131.5m). Net of that change, sales were up by 2.6% (1.7% at current exchange rates).

16 This area covers the Group's operations in North America (USA and Canada) and various international locations in Northern Europe, the Middle East and Asia. In keeping with the new distinctions among business segments, the HMSHost segment now includes the operations of Autogrill Catering UK Ltd., HMSHost Ireland Ltd. and HMSHost Sweden AB, sold by Autogrill S.p.A. to a subsidiary of HMSHost Corp. at the beginning of 2015. In 2014, the transferred operations generated revenue of $ 119.9m ($ 95.3m in 2013) and EBITDA of $ 7.1m ($ 6m in 2013)

17. At 31 December 2014, contracts making up about 90% of the total called for in the agreement had been effectively transferred. The contracts not yet transferred generate approximately $ 60m in annual revenue. The remaining four contracts were sold to World Duty Free Group in February 2015

18. This area includes operations in the United States and Canada

19. The change is provided at both constant and current exchange rates to reflect the impact of the appreciation of the US dollar against the Canadian dollar, quantified as around $ 22m in sales

Revenue from North America is broken down below by channel:

($m)	Full Year 2014	Full Year 2013	Change 2013	Change At constant exchange rates
Airports	1,963.5	1,919.4	2.3%	3.1%
Motorways	445.5	440.4	1.2%	2.7%
Other	45.9	54.3	-15.5%	-15.5%
Total (excl. transferred US Retail business)	**2,454.9**	**2,414.2**	**1.7%**	**2.6%**
Transferred US Retail business	-	131.5	-100.0%	-100.0%
Total revenue	**2,454.9**	**2,545.7**	**-3.6%**	**-2.7%**

Sales in the airport channel grew by 3.1% overall (+2.3% at current exchange rates), while at US airports only [20], on a comparable basis [21], they increased by 5.6% compared with traffic growth of 2.7% [22]. The fact that revenue outpaced traffic reflects a higher number of transactions and especially a greater average purchase per customer, thanks to new concepts like table service at restaurants.
Revenue from US motorways increased by 2.3% on a comparable basis, outpacing the growth of traffic (+0.5% [23]); including Canada, revenue in this channel rose by 2.7% (+1.2% at current exchange rates) thanks to reopenings on the Ontario Turnpike after renovation work in 2013 and 2014.
Sales in the other channels were down by 15.5% for the year, because of the Group's exit from some contracts at shopping centers.
EBITDA in North America came to $ 268.9m, an increase of 1.9% (+1.2% at current exchange rates) compared with the $ 265.6m reported in 2013, and rose to 11% of revenue from last year's 10.4% (10.7% excluding the US Retail business, now sold). The result for the year includes restructuring expenses of $ 7.5m ($ 3.9m in 2013). Excluding these non-recurring expenses and the contribution to 2013 results of the US Retail business, EBITDA grew by 6% (+5.2% at current exchange rates) and came to 11.3% of revenue (10.9% the previous year). Increased labor productivity was mainly responsible for the boost in profitability.

20. Accounting for around 90% of the channel's revenue
21. Same locations and menus
22. Source: Airlines for America, January-December 2014
23. Source: Federal Highway Administration, January-November 2014 (stretches of road served by the Group)

HMSHost - International [24]

The International area covers operations in the United Kingdom, Ireland, Sweden and Denmark, previously included under "Other European countries", which in 2014 produced revenue of $ 119.9m ($ 95.3m the previous year) and EBITDA of $ 7.1m ($ 6m in 2013).

Revenue in the International area, where all operations are concentrated in the airport channel, increased by 20.6% in 2014 (+19.6% at current exchange rates), rising from $ 309.0m the previous year to $ 369.6m.

			Change	
($m)	Full Year 2014	Full Year 2013	2013	At constant exchange rates
North Europe	273.2	237.7	14.9%	15.2%
Rest of the world	96.4	71.3	35.3%	38.9%
Total revenue	**369.6**	**309.0**	**19.6%**	**20.6%**

In Northern Europe, an increase of 15.2% (+14.9% at current exchange rates) reflects the outstanding performance of Schiphol airport in the Netherlands (where revenue was up 6.3% against traffic growth of 4.6% [25]), additional locations in Great Britain, and the Group's first-time presence in Finland, at Helsinki airport.

In other countries, growth was caused by expansion in Vietnam and Turkey (which together grossed $ 10.9m more than in 2013) and by the Group's debut in Indonesia (Bali) and Russia (St. Petersburg), where revenue came to $ 13.7m.

EBITDA for this area came to $ 46.7m ($ 39.8m in 2013), increasing by 17.9% or 17.3% at current exchange rates. As a percentage of revenue it dipped slightly from 12.9% to 12.6%, due to start-up costs for new operations.

24. This area covers international locations in Northern Europe (Schiphol Airport in Amsterdam, the United Kingdom, Ireland, Sweden, Denmark and Finland) and other countries (United Arab Emirates, Turkey, Russia, India, Indonesia, Malaysia, Singapore, Vietnam, Australia and New Zealand)
25. Source: Schiphol Amsterdam Airport: January-December 2014

Europe [26]

Until 2013, the "Europe" area also included operations in the United Kingdom, Ireland, and Sweden/ Denmark. For both 2014 and 2013, those operations are now included under HMSHost International; in 2014 they earned revenue of € 90.3m and EBITDA of € 5.4m (respectively € 71.7m and € 4.5m the previous year).

Revenue generated in Europe in 2014 came to € 1,804.1m, a decrease of 1.8% on the previous year's € 1,835.4m. The growth achieved in various countries, thanks in part to new openings, did not completely offset the reduction in sales in Italy caused by the smaller perimeter of operations.

Sales in Europe by channel are detailed below:

			Change	
(€m)	Full Year 2014	Full Year 2013	2013	At constant exchange rates
Motorways	1,269.2	1,277.1	-0.6%	-0.7%
Airports	210.6	212.5	-0.9%	-1.1%
Railway stations	161.3	144.8	11.4%	11.4%
Other *	162.8	201.0	-19.0%	-19.1%
Total revenue	**1,804.1**	**1,835.4**	**-1.7%**	**-1.8%**

* Including sales to franchisees

Sales along **motorways**, the prevalent channel in Europe, decreased by 0.7% (-0.6% at current exchange rates). The revenue contributed by the new openings in Belgium and Germany was overshadowed by the reduction in the number of locations operated in Italy, due to Autogrill's departure from various contracts during the renewal period.

EBITDA in Europe came to € 99.6m, down by 10.5% (-10.3% at current exchange rates) compared with the previous year's € 111.0m, and fell from 6.1% to 5.5% of revenue. The 2014 result includes reorganization expenses of € 6.1m, while EBITDA for 2013 included net non-recurring income of € 5.8m [27]. Excluding those components, EBITDA would have increased by 0.3% (+0.4% at current exchange rates) and risen from 5.7% to 5.9% of revenue.

The costs incurred by European Structure amounted to € 9.0m, compared with € 8.5m in 2013.

26. This area covers the Group's operations in Italy and the following other European countries: Austria, Belgium, France, Germany, Greece, the Netherlands, Poland, the Czech Republic, Slovenia, Spain and Switzerland
27. Non-recurring income of € 13.8m from the waiver of pre-emption rights on the renewal of expiring subconcessions and reorganization costs of € 8m

Italy

Revenue in Italy came to € 1,091.7m, down from € 1,154.1m the previous year (-5.4%).

The breakdown by channel is shown below:

(€m)	Full Year 2014	Full Year 2013	Change
Motorways	852.9	878.3	-2.9%
Airports	79.1	83.1	-4.9%
Railway stations	35.1	32.8	7.0%
Other *	124.7	160.0	-22.0%
Total revenue	**1,091.7**	**1,154.1**	**-5.4%**

* Including sales to franchisees

Motorway revenue amounted to € 852.9m, down 2.9% with respect to the previous year's € 878.3m. When concession contracts were close to expiring and the bidding process was reopened, the Group chose to focus its investments on the locations deemed to have the highest potential profitability. In accordance with this strategy, it renewed its contracts for just 21 of the 39 locations previously operated. Autogrill's departure from the remaining locations, concentrated in the month of July, caused revenue to decrease by about € 24m with respect to 2013.
With motorway traffic up by 0.9% [28], sales on a like-for-like basis increased by 0.4% with respect to the previous year. In detail, Food & Beverage revenue was down by 1.4%, partly because beverage sales were hurt by the poor weather and cool temperatures during the summer. Conversely, sales of market products increased by 4.6%, thanks in part to various promotions. Sales of complementary goods rose by 0.5%.
Sales at **airports**, totalling € 79.1m (€ 83.1m in 2013), fell by 4.9% due to the closure of various outlets at Milan Malpensa and the Group's departure from the airports serving Florence, Catania, Bari, and Naples, which offset the additional revenue earned from new openings at Rome Fiumicino.
Sales at **railway stations** progressed by 7.0%, with the contribution of new locations opened in 2013 and 2014 at Milano Centrale (Bistrot) and Bari.
The decrease in sales in **other channels** (-22.0% for the year) reflects the closure of unprofitable locations on high streets and at shopping centers and trade fairs.
EBITDA in Italy came to € 61.9m, down by 15.5% on the previous year, and fell from 6.3% of revenue to 5.7%. Excluding non-recurring items [29], EBITDA rose by 3.0% and came to 6.1% of sales (5.6% the previous year), thanks to a decrease in centralized and local operating costs and the benefits achieved by leaving unprofitable locations.

28. Source: AISCAT, January-December 2014
29. 2014, reorganization costs of € 4.2m; non-recurring income of € 13.8m from the waiver of pre-emption rights on the renewal of expiring subconcessions and reorganization costs of € 4.7m

Other European countries

Until 2013, "Other European countries" included the United Kingdom, Ireland, Sweden and Denmark. For both 2014 and 2013, those operations are now included under HMSHost International; in 2014 they earned revenue of € 90.3m and EBITDA of € 5.4m (respectively € 71.7m and € 4.5m the previous year).

Other European countries produced revenue of € 712.3m, up from € 681.3m the previous year, increasing by 4.3% (+4.6% at current exchange rates).

Revenue by channel is shown below:

			Change	
(€m)	Full Year 2014	Full Year 2013	2013	At constant exchange rates
Motorways	416.4	398.8	4.4%	4.2%
Airports	131.6	129.4	1.7%	1.3%
Railway stations	126.3	112.1	12.7%	12.7%
Other	38.1	41.0	-6.9%	-7.6%
Total revenue	**712.3**	**681.3**	**4.6%**	**4.3%**

Sales in the **motorway** channel rose from € 398.8m in 2013 to € 416.4m (+4.2% or +4.4% at current exchange rates), thanks mainly to a wider presence in Belgium.
In the **airport** channel, sales were up by 1.3% (+1.7% at current exchange rates). The solid performance of airport locations in Athens, Brussels, Geneva and Zurich and the start-up of new operations in Düsseldorf more than offset the lapsed contract at Basel-Mulhouse.
The excellent performance of **railway stations** (+12.7%) reflects new openings at the Madrid and Paris stations and in Belgium.
EBITDA in Other European countries came to € 46.7m, an increase of 0.5% with respect to the previous year (+0.9% at current exchange rates). As a percentage of revenue it came to 6.6%, down from 6.8% in 2013.

Capital expenditure by geographical area

Details of net capital expenditure[30] by geographical area are shown below:

(€m)	Full Year 2014	Full Year 2013	Change 2013	Change At constant exchange rates
North America	78.8	75.0	5.1%	1.2%
International	36.8	22.5	63.3%	63.0%
Total HMSHost	**115.6**	**97.5**	**18.5%**	**15.1%**
Italy	38.0	29.8	27.7%	27.7%
Other European countries	36.0	30.0	19.7%	19.5%
Europe Structure	6.8	5.2	29.7%	29.7%
Europe	**74.0**	**59.8**	**23.7%**	**21.4%**
Total	**196.4**	**162.6**	**20.8%**	**22.5%**

Net capital expenditure in 2014, mostly geared toward the airport channel, came to € 196.4m (€ 162.6m in 2013) and concerned the airports of Fort Lauderdale, Washington Dulles, Las Vegas, Toronto, Amsterdam, Helsinki, Bali, and Rome Fiumicino, as well as rest areas on the Pennsylvania Turnpike in the motorway channel.

30. The amount of net capital expenditure consists of gross investments recognized for the year (€ 200m), net of proceeds from the sale of assets (€ 3.6m)

1.4 Outlook

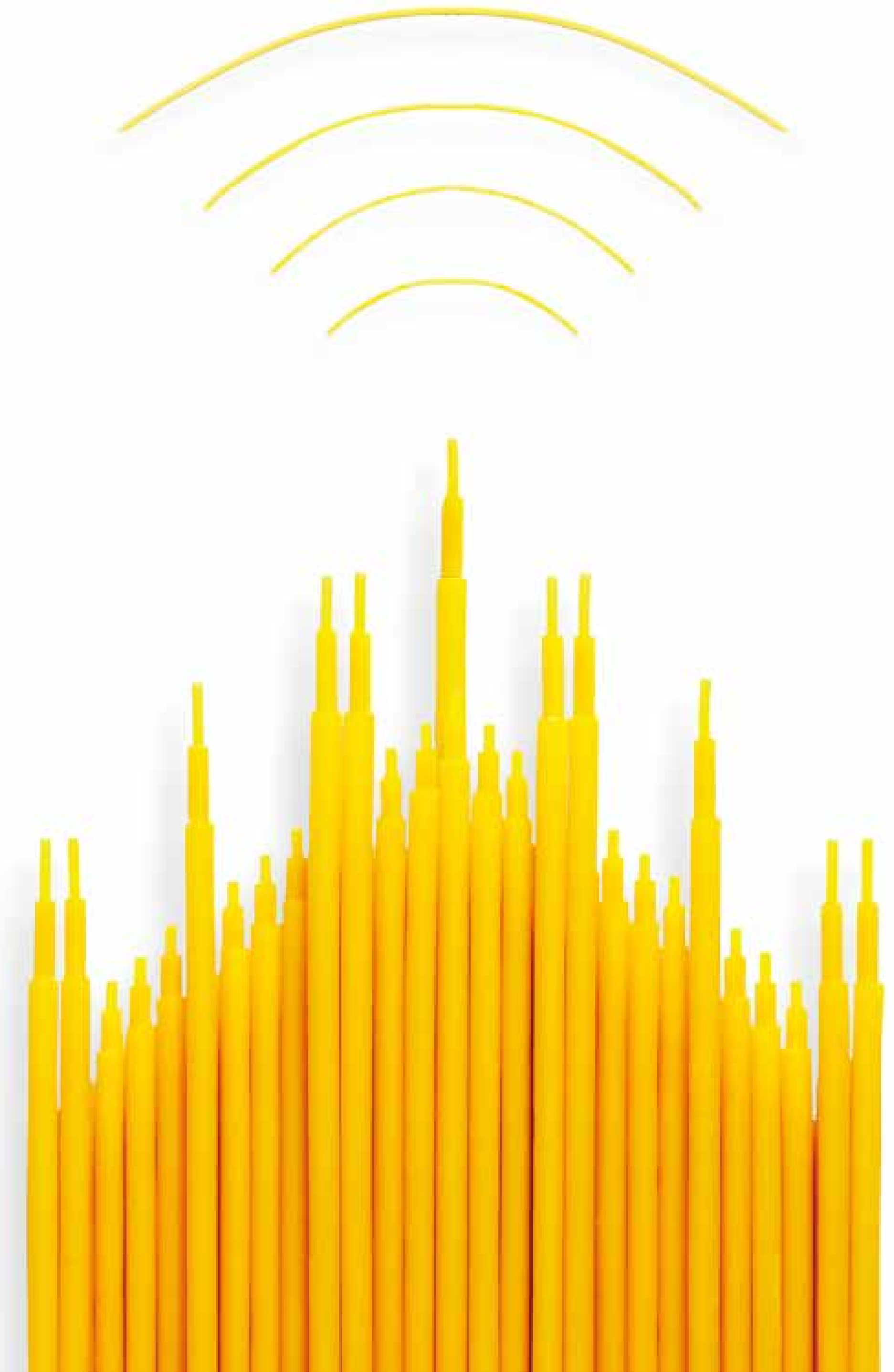
Sales in the first nine weeks [31] of 2015 increased by 1% at constant exchange rates with respect to the same period in 2014 (+9.8% at current exchange rates).
In **North America**, revenue shows an overall increase of 2.1%, with growth at US airports of 3.9%.
The **International** area has done extremely well, with sales up by 26.3%, thanks in part to the many new openings.
Revenue in **Italy** has fallen by 7.9% because of the reduced perimeter, resulting from the selective renewal of motorway concessions and the closure of various locations last year.
Other European countries report growth of 3.6%.

In 2015 the Group will focus on boosting revenue and margins in **North America**, taking advantage of the positive economic cycle and the favorable trend in traffic, which owes in part to lower energy costs.
In the **International** area, management will concentrate on getting business up to speed at the numerous locations awarded in 2014, and on pursuing further opportunities in the airport channel.
In **Italy**, Autogrill will maintain its selective investment strategy and seek further ways to boost efficiency in order to complete its restructuring program.
In **Other European countries** the Group plans to take advantage of a possible upturn in consumption in the eurozone.

Events after the reporting period

Since 31 December 2014, no events have occurred that if known in advance would have entailed an adjustment to the figures reported or required additional disclosures.
On 28 February 2015 Autogrill S.p.A. transferred to World Duty Free Group the Travel Retail activities operated by HMSHost at the Atlanta and Oakland airports and at the Empire State Building. The transfer completes HMSHost Corp.'s sale of its travel retail operations at US airports to World Duty Free Group, as announced to the market on 6 September 2013. The price agreed for the remaining operations was $ 19m.

31. Average exchange rates used to translate figures in the main non-euro currency: 2015, €/$ 1.1489; 2014, €/$ 1.3633



1.5 Other information

1.5.1 Corporate Social Responsibility

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

Autogrill's policy for employees

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

Dialogue and engagement

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

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

Work-life balance

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

Health and safety

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

Autogrill and the environment

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

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

Waste management

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

Energy and water management

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

Environmental certifications

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

Keeping tabs through the Sustainability Report

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

1.5.2 Main risks and uncertainties faced by the Autogrill Group

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

The updated risk matrix is essentially the same as that produced the previous year.
The main risk areas—divided into business risks and financial risks—are presented below.

Business risks

Exogenous factors: traffic statistics and propensity to consume

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

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

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

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

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

Reputation

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

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

- the constant monitoring of procedures and processes, both internally and by outside firms, to keep service efficient and customers and workers safe;

- portfolio reviews to ensure that brands, concepts and products remain appealing;
- the development of customer retention initiatives and client satisfaction surveys;
- training programs to ensure high standards of service.

Loss of reputation can also have indirect causes beyond our control. In Italy, for example, the fact that many travelers use the Group's name to refer to highway rest stops in general ("let's stop at the autogrill") exposes operations in the motorway channel to reputation risk caused by any shortcomings on the part of competitors. Suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill.
Likewise, for operations involving the sale of third-party brands under license or commercial partnerships (a model used widely in emerging markets), any reputation damage suffered by the licensor may expose Autogrill to a potential loss of business due to factors beyond its control.
The impact of these risks is increasingly influenced by the growing use of online information and communication channels (websites, social media, etc.). By making news spread ever faster and to potentially greater numbers of people, this phenomenon has led to a new area of concern: a company's "web reputation".
In response, Autogrill has implemented crisis prevention and management policies and developed a program for the effective communication of the brand's positioning, its reputation and the values it evokes, measured through specific KPI that include monitoring the consistency between its reputation offline and on the Web.

Consumption habits

A change in consumption habits can be a risk if the Group is unable to react in time by adapting its service model and products to what the customer desires.
In developing its concepts and offerings, the Group puts a high premium on innovation and flexibility, so that it can quickly interpret and respond to changes in consumers' purchasing habits, needs and tastes. To this end it periodically conducts specific market research and client satisfaction surveys.
In addition, an extensive portfolio of brands and commercial formulas helps to mitigate this risk.

Concession fees

Most of the Group's operations are conducted under long-term contracts awarded through competitive bidding by the owner of the infrastructure management concession (airport/motorway/station). Concession contracts are therefore a fundamental asset, and their extension under competitive conditions or the acquisition of new ones is a strategic factor.
The contracts signed by the Group generally have a duration exceeding one year and require the operator to pay minimum guaranteed rent, regardless of the revenue earned. Should the revenue earned through the concession fall short of the amount forecast when the contract was awarded, perhaps due to a reduction in traffic or propensity to consume, the contract could become less profitable or even a liability given the ongoing obligation to pay minimum rent.

Over time, there have been changes in the competitive context and in the details of calls for tenders, so it is possible that in the case of new and/or extended contracts, the conditions set by the concession may be less favorable than those valid today.
This risk might expose the Group to long-term losses in profitability, which could be significant in case of a simultaneous wane in traffic or consumer confidence.
Some concession agreements involving Group companies restrict the operator's sphere of operations, e.g. by limiting the range of products that can be sold or how they are priced. The need to comply with such limits could reduce or eliminate the Group's ability to adapt its product range and terms of sale to customers'

changing needs and preferences, which, as mentioned above, is one of the key points of its commercial strategy.
In general, the Group mitigates these risks by focusing on the profitability of its contracts and not bidding at all for those considered to offer poor returns, and by following an approach aimed at building and maintaining a long-term partnership arrangement with the concession grantor, based in part on the development of concepts and commercial solutions that maximize the overall gain.

Labor

Labor is a significant factor for the Group, whose business has a strong customer service component. The need to maintain service standards acceptable to customers and to the concession grantor, and the complexity of international labor laws, limit the flexibility of HR management.
Therefore, major increases in the cost per employee or more stringent regulations can have a significant impact on the Group's profitability.
In this context, the "Living Wage Law" recently implemented in some US states is designed to raise minimum wages. For the moment it has only taken effect in certain states, but it could be extended to others, and is therefore a source of uncertainty with regard to labor costs in these regions.
This risk is mitigated through the constant review of operating procedures in order to make the most efficient use of labor, increase flexibility and reduce occupational hazards.

Regulatory compliance

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

Further risks may arise from:

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

Innovation

The Group's ability to maintain a constant process of innovation for its business model, concepts, products and processes is key to offering a level of service and quality that keeps up with customers' demands.
The potential loss of such an ability would have a direct impact on sales performance and reputation.

Efforts to thwart the risk of reputation loss and regulatory non-compliance (concerning the quality of Food & Beverage preparation and service), and quality controls on raw materials mitigate this threat as well.

Development in emerging markets

The Autogrill Group is active in some emerging markets and hopes to expand into others; such markets typically present greater risks than those found in the areas it prevalently serves.
The exogenous risks of operating in emerging markets may include the disruption of business due to political or social instability, and the establishment/enforcement of trade restrictions.
In addition, the Group operates in these markets through partnerships with local operators that in some cases require their active participation in store management. This raises the risk that such partners will fail to meet their contractual obligations, including in terms of the operating standards needed to ensure a good level of quality and service, which could affect profitability and/or reputation.

Finally, it is difficult to pinpoint local tastes and choose an appropriate selection of products and brands.

To mitigate this risk, the Group has a broad portfolio of brands and commercial formulas and constantly monitors customer satisfaction and the attractiveness of the portfolio in terms of brands, concepts and pricing schemes, so it can interpret new and different needs and react promptly to any issues.

Financial risks

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

1.5.3 Corporate Governance

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

1.5.4 Management and coordination

At its meeting of 27 April 2004, the Board of Directors decided that there were no conditions whereby Autogrill would be subject to the management and coordination of the indirect parent, Edizione S.r.l. (formerly Edizione Holding S.p.A.), pursuant to art. 2497-*bis* of the Italian Civil Code. Following Edizione S.r.l.'s transfer of its entire investment in Autogrill to its wholly-owned subsidiary Schematrentaquattro S.p.A. (formerly

Schematrentaquattro S.r.l.), on 18 January 2007 the Board of Directors agreed that there were no conditions whereby Autogrill would be subject to the management and coordination of its parent, Schematrentaquattro S.p.A. Specifically, at those meetings the Board of Directors verified that there were no indicators of effective dominant influence by the controlling shareholders, given Autogrill's extensive managerial, organizational and administrative autonomy and the lack of instructions or directives from Schematrentaquattro S.p.A. or Edizione S.r.l. that might be evidence of management or coordination activities.

1.5.5 Related party transactions

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

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

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

1.5.7 Research and development

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

1.5.8 Treasury shares

The annual shareholders meeting of 28 May 2014, after revoking the authorization granted on 6 June 2013 and pursuant to arts. 2357 *et seq.* of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2014 Autogrill S.p.A. owned 870,798 treasury shares (1,004,934 at the end of 2013), with a carrying amount of € 3,451k and an average carrying amount of € 3.96 per share. The reduction in the number of treasury shares is due to the exercise of options by various beneficiaries under the 2010 Stock Option Plan.

Autogrill S.p.A. does not own shares or other equity investments representing the share capital of the ultimate parents, and did not at any time during the year, either directly or through subsidiaries, trust companies or other intermediaries.

1.5.9 Significant non-recurring events and transactions

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

1.5.10 Atypical or unusual transactions

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

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

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

1.5.12 Reconciliation between parent and consolidated equity

(€k)	Equity at 31.12.2013	Changes in equity	Profit (loss) for 2014	Equity at 31.12.2014
Autogrill S.p.A. separate financial statements	374,081	(1,231)	19,039	391,890
Effect of the consolidation of subsidiaries' financial statements and related deferred taxation *	44,250	(9,203)	6,068	41,115
Translation reserve	(4,749)	30,277	-	25,528
Group consolidated financial statements	**413,583**	**19,843**	**25,107**	**458,534**
Equity attributable to non-controlling interests	31,175	(10,922)	11,872	32,125
Total consolidated equity	**444,758**	**8,922**	**36,979**	**490,659**

* The amount includes the combined effect of the subsidiaries contribution to consolidated profit (€ 59,363k), the elimination of dividends paid by subsidiaries to the parent (€ 81,551k) and the impairment losses on investments (€ 28,255k)

2. Consolidated financial statements

2.1 Consolidated financial statements

2.1.1 Statement of financial position

Note	(€k)	31.12.2014	Of which related parties	31.12.2013	Of which related parties
	ASSETS				
	Current assets	551,468		527,250	
I	Cash and cash equivalents	183,241		171,516	
II	Other financial assets	21,244	-	20,949	3,868
III	Tax assets	3,364		5,981	
IV	Other receivables	176,586	18,323	176,310	34,323
V	Trade receivables	43,493	1,367	46,371	1,082
VI	Inventories	123,540		106,123	
	Non-current assets	1,779,489		1,677,767	
VII	Property, plant and equipment	834,903		782,537	
VIII	Goodwill	804,544		749,237	
IX	Other intangible assets	63,752		61,816	
X	Investments	5,775		1,660	
XI	Other financial assets	21,981		31,512	
XII	Deferred tax assets	35,883		43,596	
XIII	Other receivables	12,651		7,409	
	TOTAL ASSETS	2,330,957		2,205,017	
	LIABILITIES AND EQUITY				
	LIABILITIES	1,840,298		1,760,259	
	Current liabilities	891,727		811,830	
XIV	Trade payables	406,698	34,282	396,205	36,586
XV	Tax liabilities	7,779		7,015	
XVI	Other payables	315,361	126	266,890	2,132
XIX	Bank loans and borrowings	136,609		118,755	
XVII	Other financial liabilities	13,405		9,416	
XXIII	Provisions for risks and charges	11,875		13,549	
	Non-current liabilities	948,571		948,429	
XVIII	Other payables	22,997		23,289	
XIX	Loans, net of current portion	330,553		362,278	
XX	Other financial liabilities	6,353		18,207	
XXI	Bonds	415,800		367,706	
XII	Deferred tax liabilities	37,418		50,795	
XXII	Defined benefit plans	101,836		90,336	
XXIII	Provisions for risks and charges	33,614		35,818	
XXIV	EQUITY	490,659		444,758	
	- attributable to owners of the parent	458,534		413,583	
	- attributable to non-controlling interests	32,125		31,175	
	TOTAL LIABILITIES AND EQUITY	2,330,957		2,205,017	

2.1.2 Income statement

Note	(€k)	2014	Of which related parties	2013	Of which related parties
	Continuing operations				
XXV	Revenue	4,461,466	50	4,545,922	56
XXVI	Other operating income	108,853	6,799	127,967	17,746
	Total revenue and other operating income	**4,570,319**		**4,673,889**	
XXVII	Raw materials, supplies and goods	1,813,633		1,874,103	
XXVIII	Personnel expense	1,296,618	114	1,318,190	131
XXIX	Leases, rentals, concessions and royalties	668,466	78,412	677,407	77,156
XXX	Other operating expense	475,363	3,715	490,168	3,828
XXXI	Depreciation and amortization	187,465		210,099	
XXXI	Impairment losses on property, plant and equipment and intangible assets	10,134		15,654	
	Operating profit	**118,639**		**88,268**	
XXXII	Financial income	2,103	90	1,228	52
XXXII	Financial expense	(46,496)	(1,384)	(51,699)	(1,381)
	Adjustment to the value of financial assets	2,977		(2,399)	
	Pre-tax profit	**77,222**		**35,398**	
XXXIII	Income tax	(40,244)		(27,065)	
	Profit for the year - Continuing operations	**36,978**		**8,333**	
	Profit/(loss) for the year attributable to:				
	- owners of the parent	25,107		(1,482)	
	- non-controlling interests	11,871		9,815	
XXXIV	Profit - Discontinued operations (net of tax effects)	-		91,056	(144)
	Profit for the year	**36,978**		**99,389**	
	Profit for the year attributable to:				
	- owners of the parent	25,107		87,859	
	- non-controlling interests	11,871		11,530	
XXXV	**Earnings per share (in € cents)**				
	- basic	9.9		34.7	
	- diluted	9.9		34.6	
XXXV	**Earnings per share - continuing operations (in € cents)**				
	- basic	9.9		(0.6)	
	- diluted	9.9		(0.6)	

2.1.3 Statement of comprehensive income

Note	(€k)	2014	2013
	Profit for the year	**36,978**	**99,389**
	Items that will never be reclassified to profit or loss		
XXIV	Remeasurements of the defined benefit (liability)/asset	(21,777)	(7,408)
XXIV	Tax on items that will never be reclassified to profit or loss	5,239	927
	Items that may be subsequently reclassified to profit or loss		
XXIV	Effective portion of fair value change in cash flow hedges	5,048	6,832
XXIV	Net change in fair value of cash flow hedges reclassified to profit or loss	-	4,490
XXIV	Equity-accounted investees - share of other comprehensive income	(172)	(163)
XXIV	Gain on fair value of available-for-sale financial assets	(842)	262
XXIV	Foreign currency translation differences for foreign operations	33,819	(43,715)
XXIV	Gains (losses) on net investment hedge	(1,024)	7,861
XXIV	Tax on items that may be subsequently reclassified to profit or loss	(947)	(5,530)
	Total comprehensive income for the year	**56,323**	**62,944**
	- attributable to owners of the parent	41,838	51,379
	- attributable to non-controlling interests	14,485	11,565

2.1.4 Statement of changes in equity (note XXIV)

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Treasury shares	Available-for-sale financial assets reserve	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2013	68,688	13,738	(5,581)	(4,749)	346,689	(3,982)	262	(1,482)	413,583	31,175
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	25,107	25,107	11,871
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	3,660	-	-	-	-	-	3,660	-
Foreign currency translation differences for foreign operations and other changes	-	-	-	31,192	-	-	-	-	31,192	2,627
Gains (losses) on net investment hedges, net of tax effect	-	-	-	(742)	-	-	-	-	(742)	-
Equity-accounted investees - share of other comprehensive income	-	-	-	(172)	-	-	-	-	(172)	-
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	(683)	-	(683)	-
Actuarial gains (losses) on defined benefit plans, net of the tax effect	-	-	-	-	(16,524)	-	-	-	(16,524)	(13)
Total comprehensive income for the year	-	-	3,660	30,278	(16,524)	-	(683)	25,107	41,838	14,485
Transactions with owners of the parent, recognised directly in equity										
Contributions by and distributions to owners of the parent										
Allocation of 2013 profit to reserves	-	-	-	-	(1,482)	-	-	1,482	-	-
Capital increase	-	-	-	-	-	-	-	-	-	7,537
Dividend distribution	-	-	-	-	-	-	-	-	-	(21,294)
Stock options	-	-	-	-	124	-	-	-	124	-
Effect due to stock option exercise	-	-	-	-	(25)	532	-	-	507	-
Other movements (Tax effect on US Retail sale under common control)					2,483				2,483	-
Total contributions by and distributions to owners of the parent	-	-	-	-	1,100	532	-	1,482	3,114	(13,757)
Changes in ownership interests in subsidiaries										
Sale of non-controlling interests	-	-	-	-	-	-	-	-	-	222
Total transactions with owners of the parent	-	-	-	-	1,100	532	-	1,482	3,114	(13,535)
31.12.2014	68,688	13,738	(1,921)	25,528	331,265	(3,450)	(421)	25,107	458,534	32,125

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Treasury shares	Available-for-sale financial assets reserve	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2012	132,288	26,458	(15,743)	4,417	551,237	(7,724)	-	96,753	787,686	26,351
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	87,859	87,859	11,530
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	8,129	-	-	-	-	-	8,129	-
Foreign currency translation differences for foreign operations and other changes	-	-	-	(43,769)	-	-	-	-	(43,769)	54
Gains (losses) on net investment hedges, net of tax effect	-	-	-	5,523	-	-	-	-	5,523	-
Equity-accounted investees - share of other comprehensive income	-	-	-	(163)	-	-	-	-	(163)	-
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	262	-	262	-
Actuarial gains (losses) on defined benefit plans, net of the tax effect	-	-	-	-	(6,462)	-	-	-	(6,462)	(19)
Total comprehensive income for the year	-	-	8,129	(38,409)	(6,462)	-	262	87,859	51,379	11,565
Transactions with owners of the parent, recognised directly in equity										
Contributions by and distributions to owners of the parent										
Effect of demerger (Travel Retail & Duty Free)	(63,600)	(12,720)	2,033	29,243	(297,593)	-	-	(89,341)	(431,978)	(6,363)
Effects of demerger on treasury shares and on the share-based payments reserve	-	-	-	-	2,338	3,742	-	-	6,080	-
Allocation of 2012 profit to reserves	-	-	-	-	96,753	-	-	(96,753)	-	-
Capital increase	-	-	-	-	-	-	-	-	-	14,733
Dividend distribution	-	-	-	-	-	-	-	-	-	(17,050)
Share-based payments	-	-	-	-	416	-	-	-	416	-
Total contributions by and distributions to owners of the parent	(63,600)	(12,720)	2,033	29,243	(198,086)	3,742	-	(186,094)	(425,482)	(8,680)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	1,939
Total transactions with owners of the parent	(63,600)	(12,720)	2,033	29,243	(198,086)	3,742	-	(186,094)	(425,482)	(6,741)
31.12.2013	68,688	13,738	(5,581)	(4,749)	346,689	(3,982)	262	(1,482)	413,583	31,175

2.1.5 Statement of cash flows

(€k)	2014	2013
Opening net cash and cash equivalents	**129,579**	**96,770**
Pre-tax profit and net financial expense for the year	121,616	85,869
Amortization, depreciation and impairment losses on non-current assets, net of reversals	197,599	225,753
Adjustment and (gains)/losses on disposal of financial assets	(2,977)	2,399
(Gain)/losses on disposal of non-current assets	(3,373)	(2,346)
Other non-cash items	(1,142)	406
Change in working capital	9,978	(79,512)
Net change in non-current non-financial assets and liabilities	(30,840)	(8,403)
Cash flows from operating activities	**290,861**	**224,166**
Taxes (paid)/reimbursed	(36,525)	(33,925)
Interest paid	(30,836)	(42,096)
Net cash flows from operating activities	**223,500**	**148,145**
Acquisition of property, plant and equipment and intangible assets	(179,529)	(187,365)
Proceeds from disposal of non-current assets	3,585	2,504
Acquisition of consolidated equity investments	(1,335)	(16,160)
Dividends from discontinued operations (demerger)	-	220,000
Disposal of US Retail business	4,220	74,121
Net change in non-current financial assets	11	184
Net cash flows from (used in) investing activities	**(173,049)**	**93,284**
Bond issues "Private Placement"	-	251,953
Repayments of bond "Private Placement"	-	(192,879)
Issue of new non-current loans	-	24,677
Repayments of non-current loans	(42,432)	(402,236)
Repayments of non-current loans from discontinued operations (demerger)	-	70,000
Repayments of current loans, net of new loans	12,227	63,513
Excercise of stock options	523	-
Other cash flows *	(14,029)	(6,209)
Net cash flows used in financing activities	**(43,711)**	**(191,181)**
Cash flows for the year	**6,741**	**50,248**
Net cash flows from operating activities - discontinued operations (demerger)	-	(116,584)
Net cash flows used in investing activities - discontinued operations (demerger)	-	(119,397)
Net cash flows used in financing activities - discontinued operations (demerger)	-	232,299
Cash flows for the year from discontinued operations (demerger)	**-**	**(3,683)**
Effect of demerger	-	(11,683)
Translation differences on net cash and cash equivalents	6,494	(2,073)
Closing net cash and cash equivalents	**142,814**	**129,579**

* Includes dividend paid to non-controlling interests in subsidiaries

Reconciliation of net cash and cash equivalents

(€k)		
Opening - net cash and cash equivalents - balance as of 1 January 2014 and as of 1 January 2013	**129,579**	**96,770**
Cash and cash equivalents	171,516	154,562
Current account overdrafts	(41,937)	(57,792)
Closing - net cash and cash equivalents - balance as of 31 December 2014 and as of 31 December 2013	**142,814**	**129,579**
Cash and cash equivalents	183,241	171,516
Current account overdrafts	(40,427)	(41,937)

2.2 Notes to the consolidated financial statements

Group operations

The Autogrill Group operates in the food & beverage sector at airports, motorway rest stops and railway stations, under contracts known as concessions.

As readers are aware, on 1 October 2013 Autogrill S.p.A. demerged its Travel Retail & Duty Free business to World Duty Free (WDF) S.p.A., as approved by those companies' extraordinary general meetings on 6 June 2013. Consequently, in accordance with IFRS 5 (Non-current assets held for sale and discontinued operations), the profit and loss and cash flow figures of the Travel Retail & Duty Free business for the first nine months of 2013 are presented, respectively, under "Profit from discontinued operations (demerger)" and "Cash flows from discontinued operations (demerger)", consistently with their presentation in the financial statements for the year ended 31 December 2013.

2.2.1 Accounting policies and basis of consolidation

General standards

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

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

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

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2014:
- IFRS 10 Consolidated financial statements;
- IFRS 11 Joint arrangements;
- IFRS 12 Disclosure of interests in other entities;
- IAS 27 (2011) Separate financial statements;
- IAS 28 (2011) Investments in associates and joint ventures;
- Amendments to IFRS 10 Consolidated financial statements, IFRS 12 Disclosure of interests in other entities and IAS 27 Separate financial statements;

- Amendments to IAS 39 Financial instruments: Novation of derivatives and continuation of hedge accounting;
- Amendments to IAS 36 Impairment of assets: recoverable amount disclosures for non-financial assets;
- Guide to the transition: amendments to IFRS 10 Consolidated financial statements, IFRS 11 Joint arrangements and IFRS 12 Disclosure of interests in other entities;
- Amendments to IAS 32 Financial instruments: Presentation – Offsetting financial assets and financial liabilities.

More specifically, IFRS 10 establishes a single model of control to determine whether an investee should be consolidated. According to IFRS 11, investments in joint ventures, i.e. arrangements whereby the parties have rights to the net assets of the entity, are accounted for using the equity method. IFRS 12 combines, in a single standard, the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities.
The newly adopted standards have not had a material impact on the consolidated financial statements, except for the increased disclosures required by IFRS 12 and the change in the consolidation method of Caresquick N.V. (Belgium). That investment, held as a joint venture, is now consolidated using the equity method in accordance with IFRS 11, while in 2013 it was consolidated using the proportionate method in accordance with IAS 31. The company's revenue, net profit, assets and liabilities are not significant for the Group.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning after 1 January 2015:
- Amendments to IAS 19 Employee benefits: employee contributions;
- Annual improvements to IFRS (2010-2012 cycle);
- Annual improvements to IFRS (2011-2013 cycle);
- Interpretation of IFRIC 21 – Levies.

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

Structure, format and content of the consolidated financial statements

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

In accordance with IAS 1 and IAS 7, the formats used in the 2014 consolidated financial statements are as follows:
- Statement of financial position, with assets and liabilities split between current and non-current items;
- Income statement, with costs classified by nature;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows, using the indirect method to determine cash flows from operating activities.

The financial statements of each company in the scope of consolidation are prepared in the currency of its primary location (functional currency). For the purposes of the consolidated financial statements, the assets and liabilities of foreign subsidiaries with a functional currency other than the euro, including goodwill and fair value adjustments generated by the acquisition of a foreign business, are translated at the rates prevailing at year-end. Income and expense are converted at average exchange rates for the year, which approximate those in force when the corresponding transactions took place. Exchange rate differences are recognized in the statement of comprehensive income and shown under "translation reserve" in the statement of changes in equity. Exchange gains and losses arising from receivables or payables with foreign operations, the collection or payment of which is neither planned nor likely in the foreseeable future, are treated as part of the net investment in foreign operations and are recognized in other comprehensive income and shown under "translation reserve" in the statement of changes in equity.

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

	2014		2013	
	Rate on 31 December	Average rate for the year	Rate on 31 December	Average rate for the year
US Dollar	1.2141	1.3285	1.3791	1.3281
Canadian Dollar	1.4063	1.4661	1.4671	1.3684
Swiss Franc	1.2024	1.2146	1.2276	1.2311
British Sterling	0.7789	0.8061	0.8337	0.8493

Basis of consolidation

The scope of consolidation includes subsidiaries for which the Group, pursuant to IFRS 10, is exposed to or has rights to variable returns and is able to affect those returns through power over these investees. The list of consolidated companies is annexed to these notes.

Specifically, the consolidated financial statements include the financial statements at 31 December 2014 of Autogrill S.p.A. and all companies it directly or indirectly controls or controlled during the year. The scope of consolidation also includes the French companies Sorebo S.A., Soberest S.a.s., Volcarest S.A., and some non-fully owned companies belonging to the American Group (see annex), which are controlled on the basis of a 50% or lower stake and an agreement that puts their business under the management of Autogrill.

The financial statements of subsidiaries are consolidated on a line-by-line basis, i.e. by recognizing the full amount of their assets and liabilities at the end of the year and their income and expenses for the entire year or for the portion of the year during which control was maintained, and eliminating the carrying amount of the consolidated equity investments held by the parent against the relative share of equity.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from equity attributable to the owners of the parent. They are determined on the basis of the non-controlling investors' share of the fair value of the assets and liabilities recognized at the date of acquisition (see "Business combinations") and of changes in equity attributable to non-controlling interests after that date.

Any material unrealized gains and losses arising out of transactions between consolidated companies are eliminated, as are all significant payables, receivables, income and expenses between Group companies. These adjustments, like the other consolidation adjustments, take account of any deferred tax effects.

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

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

The scope of consolidation has not changed significantly with respect to the end of the previous year.

HMSHost Corporation (formerly Autogrill Group Inc.) and its subsidiaries close their fiscal year on the Friday closest to 31 December and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last which is a 16-week quarter. As a result, the financial statements included in the 2014 consolidated financial statements cover the period 4 January 2014 to 2 January 2015, while the previous year's financial statements covered the period 29 December 2012 to 3 January 2014.

Accounting policies

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

Business combinations

Business combinations carried out since 1 January 2008

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

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

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

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

For each business combination, any non-controlling interest in the acquiree is measured at fair value or in proportion to the non-controlling interest of 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.

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

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

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

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

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

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

Business combinations carried out before 1 January 2004

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

Business combinations under common control

A business combination in which the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, when that control is not transitory, qualifies as a combination "under common control". Business combinations under common control are outside the scope of IFRS 3 "Business Combinations" and of other IFRS. In the absence of an accounting principle that deals specifically with these transactions, the most suitable accounting principle to be chosen should meet the general object of IAS 8, that is, faithful and reliable presentation of the transaction. Furthermore, the accounting treatment of business combinations under common control should reflect the economic substance of the transaction, regardless of its legal form. The pre-eminence of economic substance is therefore the key factor guiding the method chosen to account for these business combinations. Economic substance must refer to the creation of added value that translates into significant changes in the cash flows of the net assets transferred.

The accounting treatment of the transaction should also take account of current interpretations and trends, in particular OPI 1 (Orientamenti Preliminari Assirevi in tema di IFRS – Preliminary Orientations on IFRS by the Italian Association of Auditors), "Accounting treatment of business combinations of entities under common control in separate and consolidated financial statements".

The Autogrill Group recognizes the net assets transferred at the carrying amounts presented in the consolidated financial statements of the common parent and treats the resulting difference between the acquisition price and the value of the net assets transferred as an adjustment of consolidated equity reserves attributable to the Group. Conversely, in the case of discontinued operations, the difference between the disposal price and the value of the net assets transferred is treated as an adjustment of the Autogrill Group's share of equity reserves.

Acquisitions of non-controlling interests

The Group applies IFRS 10 to all acquisitions carried out after control is assumed. On that basis, acquisitions of non-controlling interests are treated as transactions carried out with shareholders in their capacity as owners, and do not give rise to goodwill. Adjustments to non-controlling interests are based on a proportional amount of the subsidiary's net assets. Previously, the recognition of goodwill from the acquisition of a non-controlling interest in a subsidiary represented the excess cost of the additional investment with respect to the carrying amount of the interest in the net assets acquired at the transaction date.

Investments in associates and joint ventures

An associate is a company over which the Group has a significant influence, but not control or joint control, through participation in decisions regarding the associate's financial and operational policies; a joint venture is an agreement through which the Group has rights to net assets, rather than rights to its assets and obligations for its liabilities.

The income, expenses, assets and liabilities of associates and joint ventures are recognized in the consolidated financial statements using the equity method, except where the investment is classified as held for sale.

Accordingly, investments in associates and joint ventures are initially recognized at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the investees' profits or losses, recognized using the equity method, up to the date it no longer has significant influence or joint control.

Recognition of revenue and costs

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

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

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

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

When the Group is acting as an agent and not as a principal in a sales transaction, the revenue recognized is the net amount of the 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 financial assets available for sale), dividends resolved, proceeds from the disposal 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 investment already held, gains on hedging instruments recognized in profit or loss, and the reclassification of net gains previously recognized in other comprehensive income. Interest income is recognized on an accruals basis using the effective interest method. Dividends are recognized when the Group's right to receive them is established.

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

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

Employee benefits

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

Group companies provide defined benefit and defined contribution plans.

Post-employment benefit plans are formalized and non-formalized agreements whereby the Group provides post-employment benefits to one or more employees. The manner in which these benefits are provided varies according to legal, fiscal and economic conditions in the countries in which the Group operates, and are normally based on compensation and years of service.

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

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

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

The liability is recognized in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the Group, the amount of the asset recognized is limited to the sum of any unrecognized cost for previous employment and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. To establish the present value of these economic benefits, the minimum funding requirements applicable to any Group plan are considered. An economic benefit is available to the 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 Group. Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income.

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

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

Share-based payments

In the case of share-based payment transactions settled with equity instruments of the company, the grant-date fair value of the options granted to employees is recognized in personnel expense with a corresponding increase in equity ("Other reserves and retained earnings"), over the period in which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of options for which the related service and non-market conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that will definitively vest. Likewise, when estimating the fair value of the options granted, all non-vesting conditions must be considered.

In the case of cash-settled share-based payment transactions (or those settled with equity or other financial instruments of a different entity), the fair value of the amount payable to employees is recognized as an expense with a corresponding increase in liabilities over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized as employee benefit expenses in the income statement.

Income tax

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

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

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

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

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or, for transactions other than business combinations, of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income. Deferred tax liabilities are recognized on taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the 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 year-end.

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

Non-current assets

Goodwill

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

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

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

Other intangible assets

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

The Group reviews the estimated useful life and amortization method of these assets at each year-end and whenever there is evidence of possible impairment losses. If impairment losses arise – determined in accordance with the section "Impairment losses on assets" – the asset is impaired accordingly.

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

Concessions, licenses, trademarks and similar rights:	
Software licenses	3-6 years or term of license
License to sell state monopoly goods	Term of license
Contractual rights	Term of the rights
Other:	
Software	3-6 years
Other costs to be amortized	3-10 years or term of underlying contract

Property, plant and equipment

Property, plant and equipment are recognized when it is probable that use of the asset will generate future benefits and when the cost of the asset can be reliably determined. They are stated at purchase price or production cost, including ancillary charges and direct or indirect costs to the extent that can reasonably be attributed to the asset.

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

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

The following are the depreciation periods used for property, plant and equipment:

Property, plant and equipment	Useful life (years)
Industrial buildings	5-50
Plant and machinery	3-13
Industrial and commercial equipment	3-23
Other	3-33

Land is not depreciated.

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

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

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

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

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

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

Leased assets

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

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

Operating lease payments are 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 for the entire duration of the lease (see section 2.2.12 – Operating leases).

Impairment losses on non-financial assets

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

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

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

The recoverable amount is the higher of fair value less costs to sell and value in use. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, it is reduced to the recoverable amount. Impairment losses are 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 charged. The reversal of impairment is taken to the income statement.

Assets/liabilities held for sale and discontinued operations

A discontinued operation is part of a Group whose activities and financial flows are clearly distinguishable from the rest of the Group, and which:

- constitutes a major independent branch or geographical area of business,
- is part of a single coordinated plan to dispose of a major independent branch or geographical area of business, or
- is a subsidiary acquired for the sole purpose of reselling it.

An operation is listed as discontinued when it is sold or when it meets the conditions for being classified as “held for sale”, whichever comes first.

When an operation is listed as discontinued, the comparative statement of comprehensive income is reclassified as if the operation had been discontinued as of the beginning of the comparative year.

The assets and liabilities of operations being discontinued are classified as held for sale if their carrying amount has been or will be recovered mainly through their sale and not through continued use. Once an asset/liability is classified as held for sale, it is recognized at the lower of carrying amount and fair value less cost to sell.

In the financial statements:

- the net profit or loss of discontinued operations is shown separately in the income statement, net of tax effects and cost to sell (if sold), along with any capital gain or loss realized with the sale; the corresponding amounts from the prior year are reclassified for the sake of comparison;
- financial assets and liabilities held for sale and discontinued operations are shown in the statement of financial position separately from other assets/liabilities and are not offset.

Current assets and current and non-current liabilities

Inventories

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

Trade and other receivables

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

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

Other financial assets

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

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

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

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

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 from the acquisition date) that are immediately convertible to cash; they are stated at nominal amount as they are subject to no significant risk of impairment.

Loans, bank loans, bonds and overdrafts

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

Trade payables

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

Derivative financial instruments and hedge accounting

The Group's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates. To manage these risks the Group uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options, and combinations of these. Some Group companies have a policy of converting part of floating-rate debt into fixed-rate. The use of derivatives is governed by Group policies approved by Autogrill S.p.A.'s Board of Directors, which establish precise written procedures concerning the use of derivatives in accordance with the Group's risk management strategies. Derivative contracts have been entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. Group companies do not use derivatives for purely trading purposes, but rather to hedge identified risks.

For further information see the policy described in section 2.2.7.2 "Financial risk management".

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

All derivative financial instruments are initially measured at fair value in accordance with IFRS 13 and IAS 39, with the related transaction costs recognized in profit or loss when incurred. They are subsequently carried at fair value. More specifically, the fair value of forward exchange contracts is based on the listed market price, where available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current spot rate for the residual maturity of the contract using a risk-free interest rate (based on government securities) of the country/currency of the instrument's user.

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

Fair value changes are measured as described below.

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

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

Provisions for risks and charges

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

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

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

Share capital and of treasury shares

The share capital is comprised wholly of ordinary shares, which form part of equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

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

Earnings per share

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

Foreign currency transactions

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

Use of estimates

The preparation of the consolidated financial statements and notes requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, costs and income and the disclosure about contingent assets and liabilities at the reporting date. Actual results may differ. Estimates are used to determine the effects of business combinations, impairment losses on assets, the fair value of derivatives, accrual to the allowance for impairment and to the allowance for 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 in the current and future years.

2.2.2 Discontinued operations – demerger

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, income/costs and cash flows for the Travel Retail & Duty Free business up to the effective date of the demerger (1 October 2013) are shown on the lines “Profit for the year - Discontinued operations (net of tax effects)” and “Cash flows for the year from discontinued operations (demerger)”.

Below are the income statement and the statement of cash flows for the first nine months of 2013 of the discontinued operations.

Income statement

(€k)	First nine months 2013
Revenue	1,531,436
Other operating income	18,803
Total revenue and other operating income	**1,550,239**
Raw materials, supplies and goods	624,753
Personnel expense	154,192
Leases, rentals, concessions and royalties	488,242
Other operating expense	88,988
Depreciation and amortization	65,932
Impairment losses on property, plant and equipment and intangible assets	3
Operating profit	**128,129**
Financial income	7,575
Financial expense	(31,246)
Adjustment to the value of financial assets	2,161
Pre-tax profit	**106,619**
Income tax	(15,563)
Profit for the period	**91,056**
Profit for the period attributable to:	
- owners of the parent	89,341
- non-controlling interests	1,715

Statement of cash flows

(€k)	First nine months 2013
Opening net cash and cash equivalents	**15,366**
Pre-tax profit and net financial expense for the period	130,289
Amortization, depreciation and impairment losses on non-current assets, net of reversals	65,935
Adjustment and (gains)/losses on disposal of financial assets	(2,161)
(Gain)/losses on disposal of non-current assets	421
Change in working capital *	6,488
Net change in non-current non-financial assets and liabilities	(267,463)
Cash flows used in operating activities	**(66,491)**
Taxes paid	(30,840)
Interest paid	(19,253)
Net cash flows used in operating activities	**(116,583)**
Acquisition of property, plant and equipment and intangible assets	(19,471)
Proceeds from sale of non-current assets	113
Disposal of US Retail business	(74,121)
Net change in non-current financial assets	(25,918)
Net cash flows used in investing activities	**(119,397)**
Issue of new non-current loans	996,078
Repayments of non-current loans	(481,311)
Repayments of non-current loans to Autogrill S.p.A.	(70,000)
Repayments of current loans, net of new loans	10,650
Dividends paid to Autogrill S.p.A.	(220,000)
Other cash flows **	(3,118)
Net cash flows from financing activities	**232,299**
Cash flow for the period	**(3,683)**
Closing net cash and cash equivalents	**11,683**

* Includes the exchange rate gains (losses) on income components
** Includes dividends paid to non-controlling interests in subsidiaries

Reconciliation of net cash and cash equivalents

(€k)	
Opening – net cash and cash equivalents – balance as of 31 December 2012	**15,366**
Cash and cash equivalents	18,684
Current account overdrafts	(3,318)
Closing – net cash and cash equivalents – balance as of 30 September 2013	**11,683**
Cash and cash equivalents	29,647
Current account overdrafts	(17,964)

2.2.3 Disposals

In order to transfer all of the Group's Travel Retail & Duty Free operations to World Duty Free S.p.A. (beneficiary of the Autogrill S.p.A. demerger), on 7 September 2013 HMSHost Corporation and its subsidiary Host International Inc. entered into an agreement with World Duty Free Group US Inc. (an indirect subsidiary of World Duty Free S.p.A.) for the sale of the North American travel retail business for the sum of $ 120m. At 31 December 2013, contracts making up about 90% of the total called for in the agreement had been effectively transferred (with a combined value of about $ 105m), as the necessary authorizations from the concession grantors had not yet been obtained for the rest.

The change in the estimated tax charge for HMSHost Corporation on the capital gain from the sale of the US Retail business, recognized in 2013, is included in the 2014 financial statements. The effect is recognized in shareholders' equity as it refers to a business combination under common control.

On 28 February 2015, after the Board of Directors approved the transaction on 24 February 2015, Autogrill S.p.A. transferred to World Duty Free Group the four remaining Travel Retail contracts operated at the Atlanta and Oakland airports and at the Empire State Building in New York, worth a total of $ 19m. The carrying amount at 31 December 2014 of net assets and liabilities transferred is $ 17.6m.

2.2.4 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

(€k)	31.12.2014	31.12.2013	Change
Bank and post office deposits	126,299	102,153	24,146
Cash and equivalents on hand	56,942	69,363	(12,421)
Total	**183,241**	**171,516**	**11,725**

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

II. Other financial assets

(€k)	31.12.2014	31.12.2013	Change
Financial receivables from third parties	19,672	19,597	75
Fair value of interest rate hedging derivatives	798	1,329	(531)
Fair value of exchange rate hedging derivatives	774	23	751
Total	**21,244**	**20,949**	**295**

"Financial receivables from third parties" consists mostly of current receivables due from the non-controlling shareholders of some North American subsidiaries.

"Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 31 December 2014, with a combined notional amount of $ 100m. At 31 December 2013 this item included the current portion of the fair value measurement (total notional amount: $ 75m) of interest rate hedging derivatives.

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

III. Tax assets

These amount to € 3,364k (€ 5,981k at 31 December 2013) and refer to income tax advances and credits.

IV. Other receivables

(€k)	31.12.2014	31.12.2013	Change
Suppliers	66,749	67,890	(1,141)
Lease and concession advance payments	23,040	16,854	6,186
Inland revenue and government agencies	24,984	19,114	5,870
Receivables from credit card companies	11,478	8,919	2,559
Personnel	803	1,101	(298)
Advances to grantors for investments	4,520	4,002	518
Sub-concessionaires	3,786	2,875	911
Receivables from the parent for tax consolidation	14,645	14,564	81
Other	26,581	40,991	(14,410)
Total	**176,586**	**176,310**	**276**

"Suppliers" refers chiefly to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received.

"Lease and concession advance payments" consist of lease instalments paid in advance, as required by contract.

Receivables from "Inland revenue and government agencies" relate mostly to indirect taxes.

Amounts due from "Sub-concessionaires" refer to businesses licensed to others, while "Advances to grantors for investments" concern commercial investments carried out on behalf of concession grantors.

"Receivables from the parent for tax consolidation" concern the amount due from Edizione S.r.l. to the Italian companies in the Group that participate in the domestic tax consolidation scheme; they increased from € 14,564k at 31 December 2013 to € 14,645k at 31 December 2014.

"Other" includes prepayments for maintenance and insurance policies and advances on local taxes. At 31 December 2013, this item included $ 18.2m due to the US subsidiary from World Duty Free Group for the sale of the US Retail business, which was collected in 2014.

V. Trade receivables

(€k)	31.12.2014	31.12.2013	Change
Third parties	49,742	52,208	(2,466)
Allowance for impairment	(6,249)	(5,837)	(412)
Total	**43,493**	**46,371**	**(2,878)**

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

Movements in the "Allowance for impairment" are shown below:

(€k)	
Allowance for impairment at 31.12.2013	**5,837**
Increases, net of use	316
Other movements and exchange rate differences	301
Utilizations	(205)
Allowance for impairment at 31.12.2014	**6,249**

VI. Inventories

Inventories, totalling € 123,540k at 31 December 2014 (up from € 106,123k the previous year), are shown net of the allowance for inventory write-down of € 599k (€ 646k at 31 December 2013), determined considering the estimated recoverability of slow-moving goods. The increase is due in part to a different trend in the purchasing of monopoly goods (lottery tickets) in Italy at the reporting date.

Non-current assets

VII. Property, plant and equipment

The following tables show movements in "Property, plant and equipment" at 31 December 2014 and 2013.

	31.12.2013			Change in gross carrying amount				
Property, plant and equipment (€k)	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	Other movements
Industrial land and buildings	163,957	(84,125)	**79,832**	-	1,218	908	(167)	723
Leasehold improvements	971,328	(674,088)	**297,240**	570	80,802	11,590	(88,052)	64,282
Plant and machinery	216,370	(171,967)	**44,403**	-	2,188	2,545	(13,483)	4,077
Industrial and commercial equipment	745,367	(576,022)	**169,345**	455	38,575	17,789	(40,715)	47,181
Assets to be transferred free of charge	450,963	(358,322)	**92,641**	-	-	8,399	(75,435)	8,220
Other	50,069	(45,549)	**4,520**	(13)	498	1,273	(1,141)	1,948
Assets under construction and payments on account	94,556	-	**94,556**	-	8,982	141,511	(474)	(124,333)
Total	**2,692,610**	**(1,910,073)**	**782,537**	**1,012**	**132,263**	**184,015**	**(219,467)**	**2,098**

	31.12.2012			Change in gross carrying amount				
Property, plant and equipment (€k)	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	Other movements
Industrial land and buildings	155,579	(83,493)	**72,086**	-	(1,080)	3,070	(3,685)	10,073
Leasehold improvements	1,045,151	(719,224)	**325,927**	3,237	(35,219)	7,561	(111,945)	62,543
Plant and machinery	211,773	(168,210)	**43,563**	-	(1,677)	5,598	(6,411)	7,087
Industrial and commercial equipment	757,342	(587,991)	**169,351**	200	(15,715)	15,103	(71,582)	60,019
Assets to be transferred free of charge	462,158	(349,628)	**112,530**	-	-	14,225	(32,447)	7,027
Other	49,314	(44,414)	**4,900**	-	(244)	780	(1,457)	1,677
Assets under construction and payments on account	142,355	-	**142,355**	-	(4,428)	108,670	(3,382)	(148,659)
Discontinued Operations – demerger (Travel Retail & Duty Free) *	311,436	(224,149)	**87,287**	-	(6,069)	44,248	(18,254)	(240)
Total	**3,135,108**	**(2,177,109)**	**957,999**	**3,438**	**(64,432)**	**199,255**	**(249,163)**	**(473)**

* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

Change in gross carrying amount	Depreciation/Impairment losses							31.12.2014		
			Increases							
Total	Change in consolidation scope	Exchange rate gains (losses)	Deprec.	Imp. losses	Decreases	Other movements	Total	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount
2,682	-	(796)	(4,188)	(837)	167	54	**(5,600)**	166,639	(89,727)	**76,912**
69,192	-	(51,417)	(67,523)	(2,080)	87,791	(1,148)	**(34,377)**	1,040,520	(708,465)	**332,055**
(4,673)	-	(1,852)	(11,663)	(1,047)	13,387	63	**(1,112)**	211,697	(173,079)	**38,618**
63,285	52	(26,269)	(63,896)	(1,814)	39,880	(1,659)	**(53,706)**	808,652	(629,728)	**178,924**
(58,816)	-	-	(22,223)	(4,304)	75,396	363	**49,232**	392,148	(309,090)	**83,058**
2,565	13	(426)	(2,288)	(52)	1,128	(366)	**(1,991)**	52,634	(47,540)	**5,094**
25,686	-	-	-	-	-	-	**-**	120,242	-	**120,242**
99,921	65	(80,760)	(171,781)	(10,134)	217,749	(2,693)	(47,554)	2,792,532	(1,957,629)	834,903

Change in gross carrying amount		Depreciation/Impairment losses							31.12.2013		
			Increases								
Demerger	Total	Exchange rate gains (losses)	Deprec.	Imp. losses	Decreases	Other movements	Demerger	Total	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount
-	8,378	656	(3,234)	(1,367)	3,269	44	-	**(632)**	163,957	(84,125)	**79,832**
-	(73,823)	24,611	(77,752)	(3,750)	100,976	1,051	-	**45,136**	971,328	(674,088)	**297,240**
-	4,597	1,359	(11,219)	(326)	6,411	18	-	**(3,757)**	216,370	(171,967)	**44,403**
-	(11,975)	12,586	(65,030)	(1,455)	66,675	(807)	-	**11,969**	745,367	(576,022)	**169,345**
-	(11,195)	-	(34,710)	(6,458)	32,475	-	-	**(8,693)**	450,963	(358,322)	**92,641**
-	756	242	(2,545)	(19)	1,374	(187)	-	**(1,135)**	50,069	(45,549)	**4,520**
-	(47,799)	-	-	-	-	-	-	**-**	94,556	-	**94,556**
(331,121)	(311,436)	4,075	(18,803)	(3)	17,722	-	221,158	**224,149**	-	-	**-**
(331,121)	(442,497)	43,529	(213,293)	(13,378)	228,902	119	221,158	267,037	2,692,610	(1,910,073)	782,537

Investments in 2014 amounted to € 184,015k, while the net carrying amount of disposals was € 1,718k. The disposals generated net gains of € 3,373k.

In addition to depreciation of € 171,781k, impairment testing of individual CGUs resulted in impairment losses of € 10,134k. Impairment testing was based on estimated future cash flows (without considering any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country of operation.

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

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

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

	31.12.2014			31.12.2013		
(€k)	Gross amount	Accumulated depreciation and impairment losses	Carrying amount	Gross amount	Accumulated depreciation and impairment losses	Carrying amount
Land and buildings	6,569	(4,467)	**2,102**	12,795	(10,558)	**2,237**
Plant and machinery	727	(460)	**267**	759	(495)	**264**
Assets to be transferred free of charge	5,108	(3,172)	**1,936**	12,788	(10,667)	**2,121**
Leasehold improvements	519	(329)	**190**	59	(25)	**34**
Industrial and commercial equipment	511	(188)	**323**	7	(3)	**4**
Other	84	(53)	**31**	10	(4)	**6**
Total	**13,518**	**(8,669)**	**4,849**	**26,418**	**(21,752)**	**4,666**

The financial payable for these goods amounts to € 6,296k and is included under "Other financial liabilities" (current) for € 666k (€ 893k at the end of 2013) and "Other financial liabilities" (non-current) for € 5,630k (€ 10,149k the previous year). Future lease payments due after 31 December 2014 amounted to € 9,652k (€ 19,141k at the end of 2013).

The Group also uses third party assets worth € 1,301k and rents businesses with assets worth € 12,769k.

VIII. Goodwill

At 31 December 2014 goodwill amounts to € 804,544k, compared with € 749,237k the previous year.

The cash-generating units (CGUs) were identified on the basis of business segment, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes. Unlike in 2013, the goodwill allocated to the CGUs HMSHost North America and HMSHost International (which covers Northern Europe, the Middle East and Asia) have been shown separately, in keeping with revised management and reporting models.

The carrying amounts of CGUs grouped by operating and geographical segment are presented below:

(€k)	31.12.2014	31.12.2013	Change
HMSHost North America	421,720	373,486	48,234
HMSHost International	58,641	54,056	4,585
Italy	83,631	83,631	-
Switzerland	121,260	118,772	2,488
Belgium	47,136	47,136	-
France	65,280	65,280	-
Other	6,876	6,876	-
Total	**804,544**	**749,237**	**55,307**

The increase is due entirely to exchange rate differences.

The recoverability of the goodwill allocated to each CGU is tested by estimating their value in use, defined as the present value of estimated future cash flows discounted at a rate differentiated by geographical area reflecting the specific risks of the individual CGUs at the measurement date.

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

Future cash flows have been estimated on the basis of the 2015 budget and forecasts for 2016-2019 (explicit forecast period). Cash flows beyond 2019 have been projected by extrapolating information from those forecasts and applying nominal growth rates ("g"), which do not exceed the long-term growth estimates of each CGU's sector and country of operation (consistently with medium- to long-term inflation forecasts by the International Monetary Fund), and by using the perpetuity method to calculate terminal value.

Below are the main assumptions used for impairment testing. The discount rate has changed since the previous year, to reflect the different market conditions at 31 December 2014:

	Forecast nominal growth rate "g"	Discount rate 2014 post tax	Discount rate 2013 post tax
HMSHost North America	2.0%	6.93%	5.40%
HMSHost International	2.5%	7.73%	6.63%
Italy	1.0%	7.24%	7.52%
Switzerland	1.0%	5.15%	4.37%
Belgium	1.0%	6.09%	5.62%
France	1.0%	6.06%	5.44%
Other	1.0%	5.66%-7.08%	4.96%-7.71%

To estimate cash flows for the period 2015-2019, management has made several assumptions, most importantly of air and motorway traffic volumes, future sales, operating costs, investments, and changes in working capital.

The principal assumptions used to estimate cash flows are broken down below by operating segment:

- HMSHost North America: for the years covered by the plan (2015-2019), average annual sales are expected to rise faster than in Europe, driven by projected traffic growth in the airport channel (based on estimates by the Federal Aviation Administration). The renewal rate of existing contracts was estimated on the basis of historical trends. The total incidence of operating costs is expected to decrease slightly due to the positive effect of operating leverage.
- HMSHost International: with internal forecasts the Group plans to grow substantially in markets offering faster growth and higher margins, such as Asia, the Middle East and Northern Europe (UK and Scandinavia), than the average of the markets in which the Group operates.

- Italy: internal forecasts suggest a slight increase in motorway traffic for 2015 and subsequent years. The selective strategy with regard to investments is reflected in the lower expected renewal rate for expiring concessions with respect to historical trends. The reduced sphere of activity due to the assumed decrease in the number of renewals is offset by an expected improvement in the performance of locations whose contracts are renewed, as a result of renovation work. Operating costs, in particular rent, as a percentage of revenue have been revised in accordance with the expiration of leases and concession contracts, reflecting the contractual conditions that management expects will result from their renewal.
- Other European countries: revenue projections are based on internally developed motorway traffic and airport traffic assumptions that differ from country to country. The total weight of location operating expense is expected to decrease thanks to the cost-cutting measures undertaken.

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

On the basis of these assumptions, the amount of goodwill attributed to each CGU was found to be fully recoverable.

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

	Discount rate net of taxes	g
HMSHost North America	13.7%	(12.3%)
HMSHost International	32.7%	n,d,
Italy	14.9%	(15.9%)
Switzerland	6.3%	(0.6%)
Belgium	7.6%	(1.2%)
France	9.9%	(5.0%)

Additional steps included:
- a sensitivity analysis, considering specific risk factors inherent to the plans;
- a comparison between the CGUs' value in use for 2014 and 2013 with gap analysis;
- an analysis of reasonableness between total Group value in use and stock market capitalization.

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

IX. Other intangible assets

The following tables show movements in "Other intangible assets" at December 2014 and 2013.

	31.12.2013			Change in gross carrying amount				
Intangible assets (€k)	Gross carrying amount	Accumulated amort. and impair. losses	Carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	Other movements
Concessions, licenses, trademarks and similar rights	145,927	(100,515)	**45,412**	(1)	4,237	6,959	(1,713)	(355)
Assets under development and payments on account	4,480	-	**4,480**	-	-	8,458	(18)	(4,023)
Other	64,392	(52,468)	**11,924**	(17)	33	562	(100)	3,656
Total	**214,799**	**(152,983)**	**61,816**	**(18)**	**4,270**	**15,979**	**(1,831)**	**(722)**

	31.12.2012			Change in gross carrying amount				
Intangible assets (€k)	Gross carrying amount	Accumulated amort. and impair. losses	Carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	Other movements
Concessions, licenses, trademarks and similar rights	136,124	(96,649)	**39,475**	10,245	(3,868)	5,213	(6,965)	5,178
Assets under development and payments on account	7,594	-	**7,594**	-	-	3,993	(154)	(6,953)
Other	56,633	(47,852)	**8,781**	-	(27)	909	(53)	6,930
Discontinued Operations - demerger (Travel Retail & Duty Free) *	1,031,529	(408,655)	**622,874**	-	(14,892)	217	(22)	239
Total	**1,231,880**	**(553,156)**	**678,724**	**10,245**	**(18,787)**	**10,332**	**(7,194)**	**5,394**

* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

Change in gross carrying amount	Amortization/Impairment losses							31.12.2014		
			Increases							
Total	Change in consolidation scope	Exchange rate gains (losses)	Amort.	Imp. losses	Decreases	Other movements	Total	Gross carrying amount	Accumulated amort. and impair. losses	Carrying amount
9,127	1	(2,768)	(10,611)	-	1,564	1,071	**(10,743)**	155,054	(111,258)	**43,796**
4,417	-	-	-	-	-	-	**-**	8,897	-	**8,897**
4,134	17	(33)	(5,073)	-	95	(5)	**(4,999)**	68,526	(57,467)	**11,059**
17,678	**18**	**(2,801)**	**(15,684)**	**-**	**1,659**	**1,066**	**(15,742)**	**232,477**	**(168,725)**	**63,752**

Change in gross carrying amount		Amortization/Impairment losses							31.12.2013		
			Increases								
Demerger	Total	Exchange rate gains (losses)	Amort.	Imp. losses	Decreases	Other movements	Demerger	Total	Gross carrying amount	Accumulated amort. and impair. losses	Carrying amount
	9,803	2,939	(10,919)	(2,279)	6,965	(572)		**(3,866)**	145,927	(100,515)	**45,412**
	(3,114)	-	-	-	-	-		**-**	4,480	-	**4,480**
	7,759	21	(4,690)	-	53	-		**(4,616)**	64,392	(52,468)	**11,924**
(1,017,071)	(1,031,529)	4,818	(47,129)	-	22	-	450,945	**408,656**	-	-	**-**
(1,017,071)	**(1,017,081)**	**7,778**	**(62,738)**	**(2,279)**	**7,040**	**(572)**	**450,945**	**400,174**	**214,799**	**(152,983)**	**61,816**

Investments in 2014 came to € 15,979k, while amortization totalled € 15,684k.

All "Other intangible assets" have finite useful lives.

X. Investments

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

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

Using the equity method, a reversal of impairment losses of € 2,977k was recognized in the income statement under "Adjustments to the value of financial assets".

Investments at 31 December 2014 and 31 December 2013 are detailed below:

	31.12.2014								
					Revenue	Profit/(loss) for the year	Total assets	Total liabilities	Carrying amount
Name	Registered office	Country	% held	Currency	Currency/000				(€k)
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	MYR	23,031	892	15,907	3,766	1,393
HKSC Developments L.P.	Winnipeg	Canada	49%	CAD	28,154	7,477	59,120	53,291	1,997
HKSC Opco L.P.	Winnipeg	Canada	49%	CAD	67	57	232	136	33
Autogrill Middle East. LLC	Abu Dhabi	United Arab Emirates	49%	AED	8,271	1,396	6,736	1,740	560
Caresquick N.V	Antwerp	Belgium	50%	EUR	7,756	265	2,911	895	1,008
Other									784
Total as of 31 December 2014									**5,775**

	31.12.2013								
					Revenue	Profit/(loss) for the year	Total assets	Total liabilities	Carrying amount
Name	Registered office	Country	% held	Currency	Currency/000				(€k)
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	MYR	28,289	2,261	19,358	4,613	1,161
TGIF National Airport Restaurant Joint Venture	Texas	USA	25%	USD	2,650	82	2	(11)	-
HKSC Developments L.P.	Winnipeg	Canada	49%	CAD	47,038	(7,783)	59,791	61,593	-
HKSC Opco L.P.	Winnipeg	Canada	49%	CAD	56	55	352	129	74
Other									425
Total as of 31 December 2013									**1,660**

XI. Other financial assets

(€k)	31.12.2014	31.12.2013	Change
Interest-bearing sums with third parties	2,563	3,016	(453)
Guarantee deposits	7,862	7,056	806
Other financial receivables from third parties	4,913	4,800	113
Other equity investments	6,643	10,292	(3,649)
Fair value of interest rate hedging derivatives	-	6,348	(6,348)
Total	**21,981**	**31,512**	**(9,531)**

"Other financial receivables from third parties" consist primarily of amounts due from the non-controlling shareholders of some North American subsidiaries.

Because of changes made to the stock option plans (see section 2.2.13), the shares of World Duty Free S.p.A., held to service those plans, are correlated with the liability for share-based payments. Therefore, in accordance with IAS 39, the fair value gains(losses) on the investment are charged to profit or loss in an amount equal to the cost of the plan, in order to reduce the accounting mismatch with the change in the fair value of the option implicit in the stock option cost, the effects of which are recognized in the income statement.

"Other equity investments" (€ 6,643k) covers the fair value of World Duty Free S.p.A. shares, calculated on the basis of market value (stock market price) at the year-end, which was € 7.965 per share. At 31 December 2014 the Group owned 833,965 such shares, down from 1,124,934 a year earlier, due to their use in the context of the exercise of Stock Option Plan 2010 by some beneficiaries.

The change in the "Fair value of interest rate hedging derivatives" with respect to 31 December 2013 reflects the early termination of such instruments, with a combined notional value of $ 75m.

Details of the derivatives outstanding at year-end are provided in section 2.2.7, "Financial risk management".

XII. Deferred tax assets

Deferred tax assets, shown net of offsettable deferred tax liabilities, amount to € 35,883k (€ 43,596k at 31 December 2013). At 31 December 2014, "Deferred tax liabilities" not offsettable against deferred tax assets amounted to € 37,418k (€ 50,795k the previous year).

Total net deferred tax liabilities at 31 December 2014, amounting to € -1,535k, are analyzed below:

(€k)	31.12.2014 Temporary differences	31.12.2014 Tax effect	31.12.2013 Temporary differences	31.12.2013 Tax effect
Trade receivables	5,469	1,504	5,183	1,426
Other receivables	(36,731)	(13,839)	(32,557)	(13,039)
Property, plant and equipment and other intangible assets	(177,098)	(41,548)	(173,927)	(38,137)
Total temporary differences on assets	**(208,359)**	**(53,883)**	**(201,301)**	**(49,750)**
Other payables	(921)	(15)	(2,657)	(639)
Defined benefit plans	(99,031)	(33,402)	(71,896)	(25,760)
Provisions for risks and charges	(11,856)	(5,048)	(21,173)	(7,485)
Other reserves and retained earnings	152,494	3,767	232,023	7,366
Total temporary differences on liabilities and equity	**40,686**	**(34,698)**	**136,298**	**(26,518)**
Net deferred tax		**(19,185)**		**(23,232)**
Deferred tax assets arising from tax losses		17,650		16,036
Total net deferred tax		**(1,535)**		**(7,197)**

The deferred tax liabilities on "Other reserves and retained earnings" refer mainly to the effect of deferred taxation on the retained earnings of subsidiaries.

Tax losses existing at 31 December 2014 on which deferred tax assets have not been recognized amount to € 120,333k. The corresponding unrecognized tax benefit would be € 35,088k.

XIII. Other receivables

Most of the other non-current receivables (€ 12,651k at 31 December 2014) consist of amounts due from suppliers in relation to installments paid in advance.

(€k)	31.12.2014	31.12.2013	Change
Advance rents and royalties	12,113	6,705	5,408
Other	538	704	(166)
Total	**12,651**	**7,409**	**5,242**

Current liabilities

XIV. Trade payables

Trade payables at 31 December 2014 came to € 406,698k, compared with € 396,205k at the end of 2013. The increase is due primarily to exchange rates, especially that of the US dollar.

XV. Tax liabilities

At € 7,779k, these increased by € 764k and refer to taxes accrued during the year net of offsettable tax. The income tax balance of the Italian companies participating in Edizione S.r.l.'s domestic tax consolidation scheme is recognized under "Other receivables" in current assets.

XVI. Other payables

(€k)	31.12.2014	31.12.2013	Change
Personnel expense	120,813	106,559	14,254
Due to suppliers for investments	82,481	56,401	26,080
Social security and defined contribution plans	47,706	45,310	2,396
Indirect taxes	21,103	21,181	(78)
Withholding taxes	8,597	9,908	(1,311)
Other	34,661	27,531	7,130
Total	**315,361**	**266,890**	**48,471**

The increase in "Personnel expense" is due mostly to the unfavorable exchange rate trend, especially against the US dollar. At 31 December 2014 this item also included the liability for stock options generated by the change in stock option plans as a result of the demerger, as described in section 2.2.13.

"Due to suppliers for investments" went up because of an increase in investments and their different distribution over time in the course of the year.

The item "Other" includes amounts due to directors and statutory auditors (€ 983k), as well as accrued liabilities for insurance premiums, utilities, and maintenance pertaining to 2014.

XVII. Other financial liabilities

(€k)	31.12.2014	31.12.2013	Change
Fair value of interest rate hedging derivatives	3,888	1,197	2,690
Accrued expenses and deferred income for interest on loans	7,576	6,678	898
Lease payments due to others	666	893	(228)
Fair value of exchange rate hedging derivatives	1,043	336	707
Other financial accrued expenses and deferred income	233	312	(79)
Total	**13,405**	**9,416**	**3,989**

"Fair value of interest rate hedging derivatives" refers to the current portion of the fair value of interest rate swaps outstanding at 31 December 2014, with a notional value of € 120m.

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

Details of the derivatives outstanding at year-end are provided in section 2.2.7, "Financial risk management".

Non-current liabilities

XVIII. Other payables

These amount to € 22,997k (€ 23,289k at 31 December 2013) and include mainly the liability to personnel and for defined contribution plans.

XIX. Loans

(€k)	31.12.2014	31.12.2013	Change
Current account overdrafts	40,426	41,937	(1,511)
Unsecured bank loans (current)	96,183	76,818	19,365
Total current	**136,609**	**118,755**	**17,854**
Unsecured bank loans (non-current)	333,281	366,540	(33,259)
Commissions on loans	(2,728)	(4,262)	1,534
Total non-current	**330,553**	**362,278**	**(31,725)**
Total	**467,162**	**481,033**	**(13,871)**

In 2014 no outstanding loans were paid off and no new loans were obtained.

The breakdown of "Unsecured bank loans" at the end of 2014 and 2013 is shown below:

		31.12.2014		31.12.2013	
Credit lines	Expiry	Amount (€k)	Drawdowns in €k *	Amount (€k)	Drawdowns in €k *
Multicurrency Revolving Facility - Autogrill S.p.A. **	July 2016	500,000	308,571	500,000	340,167
2011 Syndicated lines		**500,000**	**308,571**	**500,000**	**340,167**
Revolving facility Agreement - HMSHost Corporation ***	March 2016	205,914	24,710	217,533	26,373
2013 Line		**205,914**	**24,710**	**217,533**	**26,373**
Total		**705,914**	**333,281**	**717,533**	**366,541**
Current portion		***20,591***	-	***36,256***	-
Total lines of credit net of current portion		**685,323**	**333,281**	**681,277**	**366,541**

* Drawdowns in currency are measured based on exchange rates at 31 December 2014 and 31 December 2013
** Starting from October 2013, the line can not be drawn down by HMSHost Corporation and Host International Inc., as originally agreed
*** Original line of $ 300m, reduced to $ 250m, as originally agreed

At 31 December 2014, the credit facilities granted to the Group had been drawn down by about 49%.

The contract for the credit facility of € 500m requires the Group to uphold certain financial ratios: a leverage ratio (net debt/EBITDA) of 3.5 or less and an interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring to the Group as a whole.

The loan contract signed by HMSHost Corporation for $ 300m (reduced to $ 250m as stated in the contract) requires the maintenance of a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring solely to the companies headed up by HMSHost Corporation.

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

At 31 December 2014 all of the above covenants were amply satisfied.

On 6 March 2015, the subsidiary HMSHost Corporation extended the maturity of its $ 250m credit line from 22 March 2016, as originally agreed, to 6 March 2020.

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

XX. Other financial liabilities

(€k)	31.12.2014	31.12.2013	Change
Lease payments due to others	5,630	10,149	(4,519)
Liabilities due to others	289	283	6
Fair value of interest rate hedging derivatives	434	7,775	(7,341)
Total	**6,353**	**18,207**	**(11,854)**

"Fair value of interest rate hedging derivatives" refers to the non-current portion of interest rate swaps outstanding at 31 December 2014, with a notional value of $ 100m.

The change in value reflects the reclassification from non-current to current of interest rate swaps expiring in 2015, for a notional value of € 120m, as well as the trend in interest rates net of payments made.

Details of the derivatives outstanding at year-end are provided in section 2.2.7, "Financial risk management".

XXI. Bonds

(€k)	31.12.2014	31.12.2013	Change
Bonds	418,006	369,911	48,095
Commissions on bond issues	(2,206)	(2,205)	(1)
Total non-current	**415,800**	**367,706**	**48,094**

"Bonds" refer to private placements issued by HMSHost Corporation:

- in May 2007, for a total of $ 150m, maturing in May 2017 and paying interest half-yearly at a fixed annual rate of 5.73%. Exposure to fair value fluctuations was partially hedged by interest rate swaps with a notional value of $ 75m, which were terminated early in December 2014. For this private placement, the fixed interest rate coupons may be adjusted depending on the trend in the leverage ratio of the Group headed up by HMSHost Corporation;
- in January 2013, for a total of $ 150m, maturing in January 2023 and paying interest half-yearly at a fixed annual rate of 5.12%;
- in March 2013, for a total of $ 200m, paying interest half-yearly and split into tranches as summarized in the table below:

Nominal amount ($m)	Issue date	Annual fixed rate	Expiry
25	March 2013	4.75%	September 2020
40	March 2013	4.97%	September 2021
80	March 2013	5.40%	September 2024
55	March 2013	5.45%	September 2025

On the whole, at 31 December 2014 this item amounted to € 415.8m, compared with € 367.7m at the end of 2013. The change is due mostly to the translation effect (€ 49.8m) and the change in the fair value of hedging instruments.

At 31 December 2014, the amount of the bond issued in 2007 reflects a fair value change of € 6m ($ 7.3m), recognized in relation to the outstanding fair value hedge and referring to interest rate swaps that were terminated ahead of their maturity in December 2014. The difference generated by the early termination has been recognized in the income statement using the amortized cost method and at 31 December 2014 amounted to a positive € 0.16m ($ 0.2m).

In December 2014, new interest rate swaps were negotiated on some of the bonds issued in 2013, for a notional value of $ 100m. At 31 December 2014 there was a loss on the hedged item of € 0.37m ($ 0.45m) and a profit of a similar amount on the hedge, so the effect on the income statement was practically nil.

The fair value of the outstanding bonds is measured using valuation techniques based on parameters other than prices that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy (as defined by IFRS 7), with no change on the previous year.

The bond regulations require the Group to uphold certain financial ratios: a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, calculated solely with respect to HMSHost Corporation and its subgroup. For the calculation of these ratios, gross debt, EBITDA and financial expense are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes or their aggregated amounts. Thus, they are not readily apparent from the financial statements.

At 31 December 2014 these contractual requirements were amply satisfied.

XXII. Defined benefit plans

At 31 December 2014 this item amounted to € 101,836k (€ 90,336k at the end of the previous year).

The table below shows details of employee benefits recognized as defined benefit plans. The legal obligation for Italian post-employment benefits (*trattamento di fine rapporto* or "*TFR*") is € 59,045k, compared with € 66,046k determined on an actuarial basis.

(€k)	31.12.2014	31.12.2013	Change
Defined benefit plans:			
Post-employment benefit	66,046	68,528	(2,482)
Health insurance plans	247	242	5
Other defined benefit plans	35,543	21,566	13,977
Total	**101,836**	**90,336**	**11,500**

The following is a reconciliation of the present value of the obligation and the fair value of assets against the liability recognized at 31 December 2014:

(€k)	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Present value of the funded plans	106,491	91,005	94,806	89,635
Fair value of the plan assets	(77,263)	(74,601)	(73,164)	(71,676)
	29,228	**16,404**	**21,642**	**17,959**
Present value of the unfunded plans	72,608	73,932	77,589	54,281
Discontinued Operations – demerger (Travel Retail & Duty Free) *	-	-	10,223	11,944
Net liabilities recognised	**101,836**	**90,336**	**109,454**	**84,184**

* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

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

	Italy		Switzerland		The Netherlands		Other plans	
	2014	2013	2014	2013	2014	2013	2014	2013
Discount rate	0.9%	2.5%	1.1%	2.6%	2.4%	3.7%	1.3%–2.2%	2.5%–3.3%
Inflation rate	2.0%	2.0%	1.8%	2.0%	-	-	2.0%	2.0%
Yield on assets	-	-	3.0%	3.9%	3.0%	3.7%	-	-
Salary increase rate	-	-	1.0%	1.0%	1.0%	1.8%	1.0%–2.5%	2.0%–2.5%
Pension increase rate	3.0%	3.0%	-	-	-	2.0%	-	-
Increase in healthcare costs	-	-	-	-	-	-	7.4%	7.7%

The discount rates were determined based on the yield of high grade corporate bonds at the reporting date.

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

(€k)	2014	2013	Change
Current service costs	1,121	1,706	(585)
Past service costs	(21)	(2,065)	2,044
Net interest expense	2,284	2,547	(263)
Total	**3,384**	**2,188**	**1,196**

Net interest expense is recognized under "Financial expense" net of interest income on plan assets, while the post-employment benefit cost is recognized under "Personnel expense".

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

(€k)	Italy	Switzerland	The Netherlands	Other Plans	Total Food & Beverage	Travel Retail & Duty Free *	Total
Present value of the obligation at 31.12.2012	**72,615**	**75,786**	**19,020**	**4,974**	**172,395**	**151,009**	**323,404**
Current service costs	-	1,166	187	353	**1,706**	101	**1,807**
Past service cost	-	(2,046)	-	(19)	**(2,065)**	-	**(2,065)**
Interest expense	1,907	1,740	788	205	**4,640**	3,205	**7,845**
Actuarial losses (gains) due to:							
- demographic assumptions	-	-	5	(22)	**(17)**	-	**(17)**
- financial assumptions	349	(1,306)	2,087	980	**2,109**	2,350	**4,459**
- experience adjustments	(674)	(711)	-	(241)	**(1,626)**	-	**(1,626)**
Employees' share of contributions	-	2,452	-	59	**2,511**	53	**2,564**
Benefit paid	(5,028)	(6,329)	(577)	(561)	**(12,494)**	(2,781)	**(15,275)**
Exchange rate losses/(gains)	-	(1,257)	-	(13)	**(1,270)**	(3,535)	**(4,805)**
Other	(640)	-	-	(312)	**(952)**	-	**(952)**
Effect of demerger	-	-	-	-	**-**	(150,403)	**(150,403)**
Present value of the obligation at 31.12.2013	**68,528**	**69,495**	**21,510**	**5,403**	**164,936**	**-**	**164,936**
Current service costs	-	996	(241)	366	**1,121**	-	**1,121**
Past service cost	-	-	-	(21)	**(21)**	-	**(21)**
Interest expense	1,577	1,789	776	163	**4,304**	-	**4,304**
Actuarial losses (gains) due to:							
- demographic assumptions	-	-	27	35	**62**	-	**62**
- financial assumptions	6,178	12,484	3,634	929	**23,224**	-	**23,224**
- experience adjustments	694	(1,940)	(910)	2	**(2,154)**	-	**(2,154)**
Employees' share of contributions	-	2,303	-	59	**2,362**		**2,362**
Benefit paid	(10,931)	(4,397)	(606)	(403)	**(16,336)**	-	**(16,336)**
Exchange rate losses/(gains)	-	1,570	-	30	**1,601**	-	**1,601**
Present value of the obligation at 31.12.2014	**66,046**	**82,301**	**24,190**	**6,563**	**179,099**	**-**	**179,099**

* Travel Retail & Duty Free figures are represented in Discontinued operations

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

(€k)	Italy	Switzerland	The Netherlands	Other Plans	Total Food & Beverage	Travel Retail & Duty Free *	Total
Fair value of the assets at 31.12.2012	**-**	**54,326**	**18,838**	**-**	**73,164**	**140,787**	**213,950**
Interest income	-	1,304	789	-	**2,093**	3,022	**5,115**
Estimated yield on plan assets, except interest income	-	(85)	1,677	-	**1,592**	7,963	**9,555**
Employees' share of contributions	-	2,452	-	-	**2,452**	53	**2,504**
Group's share of contributions	-	2,570	597	-	**3,167**	9,989	**13,156**
Benefits paid	-	(6,329)	(577)	-	**(6,906)**	(2,192)	**(9,098)**
Exchange rate gains/(losses)	-	(899)	-	-	**(899)**	(3,310)	**(4,209)**
Other	-	-	(61)	-	**(61)**	(14,112)	**(14,173)**
Effect of demerger	-	-	-	-	**-**	(142,199)	**(142,199)**
Fair value of the assets at 31.12.2013	**-**	**53,338**	**21,263**	**-**	**74,601**	**-**	**74,601**
Interest income	-	1,427	593	-	**2,020**	-	**2,020**
Estimated yield on plan assets, except interest income	-	777	(1,421)	-	**(644)**	-	**(644)**
Employees' share of contributions	-	2,303	-	-	**2,303**	-	**2,303**
Group's share of contributions	-	2,602	239	-	**2,841**	-	**2,841**
Benefits paid	-	(4,397)	(606)	-	**(5,003)**	-	**(5,003)**
Exchange rate gains/(losses)	-	1,144	-	-	**1,144**	-	**1,144**
Fair value of the assets at 31.12.2014	**-**	**57,195**	**20,068**	**-**	**77,263**	**-**	**77,263**

* Travel Retail & Duty Free figures are represented in Discontinued operations

The main categories of plan assets are:

	Switzerland	The Netherlands
Cash and cash equivalents	10.7%	-
Equity instruments	22.9%	-
Bonds	41.0%	-
Real estate	22.2%	-
Other securities	3.2%	100.0%

Equity instruments and bonds have official market prices.

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

	Italy			Switzerland			The Netherlands			Other plans		
(€k)	Increase	Decrease	Change	Increase	Decrease	Change	Increase	Decrease	Change	Increase	Decrease	Change
Discount rate	(1,292)	1,340	0.25%	(2,724)	2,806	0.25%	(1,073)	1,148	0.25%	(339)	373	0.5%
Salary increase rate	-	-	-	317	n.a.	0.25%	-	-	-	365	(335)	0.5%
Pension increase rate	-	-	-	-	-	-	1,742	(1,540)	0.50%	-	-	-
Inflation rate	820	(804)	0.25%	-	-	-	-	-	-	-	-	-

At the year-end, the weighted average duration of the defined benefit obligation was 12.2 years for 2014 and 11.7 years for 2013.

XXIII. Provisions for risks and charges

The change is due to normal allocations and utilizations for the year, and to the release of provisions as described below.

(€k)	31.12.2013	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2014
Provision for taxes	**3,486**	275	393	(1,403)	-	**2,752**
Other provisions	**7,878**	(5,381)	6,446	(30)	-	**8,913**
Provision for legal disputes	**1,762**	55	85	(201)	(1,495)	**206**
Provision for the refurbishment of third party assets	**417**	-	7	(3)	(421)	**-**
Onerous contracts provision	**6**	-	-	(2)	-	**4**
Total provisions for current risks and charges	**13,549**	**(5,051)**	**6,931**	**(1,639)**	**(1,915)**	**11,875**
Provision for taxes	**150**	42	-	(60)	-	**132**
Other provisions	**22,301**	8,237	522	(1,246)	(8,316)	**21,498**
Provision for legal disputes	**4,206**	-	1,385	(163)	(1,657)	**3,770**
Provision for the refurbishment of third party assets	**5,692**	116	309	-	-	**6,117**
Onerous contracts provision	**3,469**	171	1,477	(2,418)	(602)	**2,097**
Total provisions for non-current risks and charges	**35,818**	**8,565**	**3,694**	**(3,887)**	**(10,575)**	**33,614**

(€k)	31.12.2012	Other movements and exchange rate	Allocations	Reversals	Utilizations	Demerger	31.12.2013
Provision for taxes	3,154	121	361	-	(150)	-	3,486
Other provisions	8,248	(3,344)	10,144	-	(7,170)	-	7,878
Provision for legal disputes	382	(63)	1,715	(105)	(168)	-	1,762
Provision for the refurbishment of third party assets	-	337	80	-	-	-	417
Onerous contracts provision	221	(1)	-	(214)	-	-	6
Discontinued Operations – demerger (Travel Retail & Duty Free) *	12,403	(905)	-	-	-	(11,498)	-
Total provisions for current risks and charges	**24,408**	**(3,854)**	**12,300**	**(319)**	**(7,488)**	**(11,498)**	**13,549**
Provision for taxes	390	-	-	(150)	(90)	-	150
Other provisions	21,181	2,655	1,436	(629)	(2,341)	-	22,301
Provision for legal disputes	3,454	-	2,010	(98)	(1,161)	-	4,206
Provision for the refurbishment of third party assets	5,863	(435)	300	-	(36)	-	5,692
Onerous contracts provision	6,571	(1,020)	280	(842)	(1,520)	-	3,469
Discontinued Operations – demerger (Travel Retail & Duty Free) *	6,854	6	-	-	-	(6,860)	-
Total provisions for non-current risks and charges	**44,313**	**1,206**	**4,026**	**(1,719)**	**(5,148)**	**(6,860)**	**35,818**

* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

Provision for taxes

The current portion relates primarily to disputes over US companies' direct and indirect tax obligations.

Other provisions

These refer almost entirely to a United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans. In 2014, € 6,446k was accrued to this provision and € 7,884k was used for insurance settlements.

Provision for legal disputes

This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments, as well as revised amounts where necessary.

Provision for the refurbishment of third party assets

This represents estimated liabilities for ensuring that leased assets are returned in the contractually agreed condition.

Onerous contracts provision

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

XXIV. Equity

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

Share capital

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

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

At 31 December 2014, Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

Legal reserve

The "Legal reserve" (€ 13,738k) is the portion of Autogrill S.p.A.'s profits that cannot be paid out as dividends, in accordance with art. 2430 of the Italian Civil Code.

Hedging reserve

The "Hedging reserve," amounting to € -1,921k (€ -5,581k at 31 December 2013), corresponds to the effective portion of the fair value of derivatives designated as cash flow hedges. The increase of € 3,660k relates to the fair value change of derivatives designated as cash flow hedges (€ +5,048k), net of the tax effect (€ -1,388k).

Translation reserve

Translation differences are generated by the translation into euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the equity method, net of the fair value of instruments designated as net investment hedges. Of the increase, € 31,192k concerns exchange rate gains from the translation of financial statements in foreign currencies, partially offset by the portion of comprehensive income for investments measured using the equity method (€ 172k) and by the change in the fair value of instruments designated as net investment hedges, net of the tax effect (€ 742k).

Other reserves and retained earnings

These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the stock option plans.

In accordance with IAS 19 revised, other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement defined benefit plan assets and liabilities.

The decrease in this item was caused primarily by the change in the actuarial gains/losses of defined benefit plans net of the tax effect (€ 16,524k) and by the allocation to reserves of the 2013 profit on the basis of the shareholders' resolution of 28 May 2014, partially offset by the change caused by the stock option plans with regard to share-based payments (€ 124k).

Treasury shares

The annual general meeting of 28 May 2014, after revoking the authorization granted on 6 June 2013 and pursuant to arts. 2357 *et seq.* of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2014, the parent owned 870,798 treasury shares (1,004,934 at the end of 2013) with a carrying amount of € 3,450k and an average carrying amount of € 3.96 per share. The reduction in the number of treasury shares is due to the exercise of options by various beneficiaries under the 2010 Stock Option Plan.

Other than the above, no additional treasury shares were purchased or disposed of in 2014.

Non-controlling interests

Non-controlling interests amount to € 32,125k, compared with € 31,175k at 31 December 2013. Most of the increase is due to the profit for the year (€ 11,871k) and capital injections (€ 7,537k), net of dividends paid (€ 21,294k).

Other comprehensive income

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

	2014		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount
Actuarial gains/(losses) on defined benefit plans	(21,777)	5,239	(16,538)
Other consolidated comprehensive income items that will not be reclassified to profit or loss	**(21,777)**	**5,239**	**(16,538)**
Effective portion of the fair value change in cash flow hedges	5,048	(1,388)	3,660
Equity-accounted investees - share of other comprehensive income	(172)	-	(172)
Fair value gain(loss) on available-for-sale financial assets	(842)	159	(683)
Foreign currency translation differences from foreign operations	33,819	-	33,819
Gains (losses) on net investment hedges	(1,024)	282	(742)
Other consolidated comprehensive income items that will be reclassified to profit or loss	**36,829**	**(948)**	**35,882**
Total other consolidated comprehensive income	**15,052**	**4,292**	**19,344**

	2013						
	Food & Beverage			Travel Retail & Duty Free			
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount	Total
Actuarial gains/(losses) on defined benefit plans	1,098	(692)	405	(8,506)	1,619	(6,887)	**(6,481)**
Other consolidated comprehensive income items that will not be reclassified to profit or loss	**1,098**	**(692)**	**405**	**(8,506)**	**1,619**	**(6,887)**	**(6,481)**
Effective portion of fair value change in cash flow hedges	3,654	(1,005)	2,649	3,178	(953)	2,225	**4,874**
Net change in fair value of cash flow hedges reclassified to profit or loss	4,490	(1,235)	3,255	-	-	-	**3,255**
Equity – accounted investees – share of other comprehensive income	(163)	-	(163)	-	-	-	**(163)**
Fair value gain(loss) on available-for-sale financial assets	262	-	262	-	-	-	**262**
Foreign currency translation differences from foreign operations	(24,646)	-	(24,646)	(19,069)	-	(19,069)	**(43,715)**
Gains (losses) on net investment hedges	826	(227)	599	7,035	(2,110)	4,924	**5,523**
Other consolidated comprehensive income items that will be reclassified to profit or loss	**(15,577)**	**(2,467)**	**(18,044)**	**(8,856)**	**(3,064)**	**(11,920)**	**(29,964)**
Total other consolidated comprehensive income	**(14,479)**	**(3,159)**	**(17,638)**	**(17,362)**	**(1,444)**	**(18,807)**	**(36,445)**

2.2.5 Notes to the income statement

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

XXV. Revenue

Revenue for 2014 was made up as follows:

(€k)	2014	2013	Change
Food & Beverage sales	3,930,218	3,885,807	44,411
Oil sales	531,248	561,101	(29,853)
Retail US sales	-	99,014	(99,014)
Total	**4,461,466**	**4,545,922**	**(84,456)**

The sale of fuel takes place mainly at rest stops in Italy and Switzerland.

For details of revenue by segment, see section 2.2.9 (Segment reporting) and the Directors' report.

XXVI. Other operating income

(€k)	2014	2013	Change
Bonuses from suppliers	47,609	51,527	(3,918)
Income from business leases	7,867	8,590	(723)
Affiliation fees	2,661	2,662	(1)
Gains on sales of property, plant and equipment	3,487	2,706	781
Other revenue	47,229	62,482	(15,253)
Total	**108,853**	**127,967**	**(19,114)**

"Other revenue" includes € 23.5m (€ 24.5m the previous year) in commissions for the sale of goods and services for which the Group acts as an agent.

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

XXVII. Raw materials, supplies and goods

(€k)	2014	2013	Change
Purchases	1,827,797	1,870,832	(43,035)
Change in inventories	(14,164)	3,271	(17,435)
Total	**1,813,633**	**1,874,103**	**(60,470)**

This item decreased mainly in correlation with the decline in revenue.

XXVIII. Personnel expense

(€k)	2014	2013	Change
Wages and salaries	1,003,311	1,025,120	(21,809)
Social security contributions	183,879	188,456	(4,577)
Employee benefits	27,006	26,058	948
Other costs	82,422	78,556	3,866
Total	**1,296,618**	**1,318,190**	**(21,572)**

"Other costs" include the portion of the stock option plans pertaining to the year (€ 796k) and fees paid to members of the Board of Directors, as detailed in Section 2.2.13 below.

The average headcount, expressed in terms of equivalent full-time employees, was 40,128 (41,646 the previous year).

The decrease in personnel expense is due mainly to the reduction in staff as a result of the smaller number of locations operated.

XXIX. Leases, rentals, concessions and royalties

(€k)	2014	2013	Change
Leases, rentals and concessions	580,223	593,016	(12,793)
Royalties	88,243	84,391	3,852
Total	**668,466**	**677,407**	**(8,941)**

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

XXX. Other operating expense

(€k)	2014	2013	Change
Utilities	92,098	95,410	(3,312)
Maintenance	73,915	74,932	(1,017)
Cleaning and disinfestations	49,638	49,484	153
Consulting and professional services	33,961	36,964	(3,003)
Commissions on credit card payments	37,151	36,408	743
Storage and transport	15,669	16,138	(470)
Advertising	12,771	13,702	(931)
Travel expenses	22,743	23,811	(1,068)
Telephone and postal charges	17,077	15,769	1,308
Equipment hire and lease	7,532	8,018	(485)
Insurance	4,675	4,622	52
Surveillance	3,327	3,953	(626)
Transport of valuables	5,062	5,282	(219)
Banking services	4,689	4,567	122
Sundry materials	31,317	30,518	799
Other services	28,566	22,833	5,733
Costs for materials and services	**440,192**	**442,411**	**(2,219)**
Impairment losses on receivables	**370**	**1,283**	**(913)**
For taxes	282	212	71
For legal disputes	1,106	3,522	(2,416)
For onerous contracts	(943)	(776)	(167)
For other risks	5,692	10,951	(5,259)
Provisions for risks	**6,138**	**13,909**	**(7,771)**
Indirect and local taxes	**20,823**	**24,095**	**(3,272)**
Other operating expense	**7,841**	**8,470**	**(629)**
Total	**475,363**	**490,168**	**(14,804)**

"Sundry materials" refer to the purchase of inexpensive equipment and to various consumables such as uniforms, office supplies, and advertising materials.

"Consulting and professional services" were received primarily in Italy and the United States.

The item "Other services" includes miscellaneous items such as medical check-ups, public relations, general services, and personnel recruitment and training.

XXXI. Depreciation, amortization and impairment losses

In detail by type of assets:

(€k)	2014	2013	Change
Other intangible assets	15,684	15,609	75
Property, plant and equipment	149,558	159,780	(10,222)
Assets to be transferred free of charge	22,223	34,710	(12,487)
Total	**187,465**	**210,099**	**(22,634)**

Impairment losses (net of reversals) were recognized in the amount of € 10,134k, following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each cash generating unit.

The following table provides a breakdown by type of assets:

(€k)	2014	2013	Change
Other intangible assets	-	2,279	(2,279)
Property, plant and equipment	5,830	6,917	(1,087)
Assets to be transferred free of charge	4,304	6,458	(2,154)
Total	**10,134**	**15,654**	**(5,520)**

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

XXXII. Financial income and expense

(€k)	2014	2013	Change
Interest income	1,116	933	183
Interest differential on exchange rate hedges	74	215	(141)
Ineffective portion of hedging instruments	111	-	111
Other financial income	802	80	722
Total financial income	**2,103**	**1,228**	**875**

(€k)	2014	2013	Change
Interest expense	37,055	44,049	(6,994)
Discounting of long-term liabilities	2,451	2,808	(357)
Exchange rate losses	2,411	723	1,688
Fees paid on loans and bonds	144	1,602	(1,458)
Ineffective portion of hedging instruments	-	23	(23)
Other financial expense	4,435	2,494	1,941
Total financial expense	**46,496**	**51,699**	**(5,203)**
Total net financial expense	**(44,393)**	**(50,471)**	**6,078**

The change in interest expense reflects the decrease in debt and the fact that the 2013 figure included the impact of using the amortized cost method to account for the early termination of interest rate hedging contracts during the Group's refinancing in July 2011.

XXXIII. Income tax

The balance of € 40,244k (€ 27,065k in 2013) includes € 35,523k in current taxes (€ 21,175k the previous year) and € 3,425k in net deferred tax assets (net deferred tax assets of € 1,496k in 2013).

IRAP, which is charged on Italian operations and whose basis is essentially operating profit plus personnel expense, came to € 6,297k (€ 7,387k the previous year).

CVAE, charged on French operations and calculated on the basis of revenue and value added, amounted to € 1,849k (€ 1,830k in 2013).

Excluding IRAP and French CVAE, the actual average tax rate was 41.6%, compared with 50.4% in 2013.

Below is a reconciliation between the tax charge recognized in the consolidated financial statements and the theoretical tax charge. The latter was determined by applying the theoretical tax rate to the gross income earned in each jurisdiction, including additional taxes on future profit distributions by subsidiaries.

(€k)	2014	%	2013	%
Theoretical income tax	**34,427**	**44.6**	**20,594**	**58.2**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(4,252)		(3,415)	
Net effect of unrecognised tax losses, of utilization of unrecognised prior-year tax losses and the revision of estimates on the taxability/deductibility of temporary differences	6,838		6,049	
Other permanent differences	(4,915)		(5,380)	
Income tax, excluding IRAP and CVAE	**32,098**	**41.6**	**17,848**	**50.4**
IRAP and CVAE	8,146		9,217	
Recognised income tax	**40,244**	**52.1**	**27,065**	**76.5**

XXXIV. Profit from discontinued operations (net of tax effects)

This item, listed for 2013 only in the amount of € 91,056k, refers to the net profit of the Travel Retail & Duty Free business for the first nine months of 2013 (i.e. until the effective date of the demerger). See section 2.2.2 for details of the individual items.

XXXV. Basic and diluted earnings per share

Basic earnings per share is calculated as the profit for the year attributable to owners of the parent divided by the weighted average number of ordinary Autogrill S.p.A. shares outstanding during the year; treasury shares held by the Group are therefore excluded from the denominator.

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

Below is the calculation of basic earnings per share:

	2014	2013
Profit/(loss) for the year attributable to owners of the parent (€k)	25,107	87,859
Weighted average no. of outstanding shares (no./000)	253,469	253,395
Basic earning per share (€/cent.)	**9.9**	**34.7**

	2014	2013
Profit/(loss) for the year attributable to owners of the parent (€k)	25,107	87,859
Weighted average no. of outstanding shares (no./000)	253,469	253,395
Weighted average no. of shares included in stock option plans (no./000)	290	204
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	253,759	253,599
Diluted earning per share (€/cent.)	**9.9**	**34.6**

	2014	2013
Profit/(loss) for the year from continuing operations attributable to owners of the parent (€k)	25,107	(1,481)
Weighted average no. of outstanding shares (no./000)	253,469	253,395
Basic earning per share from continuing operations (€/cent.)	**9.9**	**(0.6)**

	2014	2013
Profit/(loss) for the year from continuing operations attributable to owners of the parent (€k)	25,107	(1,481)
Weighted average no. of outstanding shares (no./000)	253,469	253,395
Weighted average no. of outstanding shares included in stock option plans (no./000)	290	204
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	253,759	253,599
Diluted earning per share from continuing operations (€/cent.)	**9.9**	**(0.6)**

2.2.6 Net financial position

Details of the net financial position at 31 December 2014 and 31 December 2013 are as follows:

Note	(€m)	31.12.2014	31.12.2013	Change
I	A) Cash on hand	57.0	69.4	(12.4)
I	B) Cash equivalents	126.3	102.2	24.1
	C) Securities held for trading	-	-	-
	D) Cash and cash equivalents (A + B + C)	**183.3**	**171.6**	**11.7**
II	**E) Current financial assets**	**21.2**	**20.9**	**0.3**
XIX	F) Bank loans and borrowings, current	(136.6)	(118.8)	(17.9)
XXI	G) Bonds issued	-	-	-
XVII	H) Other financial liabilities	(13.4)	(9.4)	(4.0)
	I) Current financial indebtedness (F + G + H)	**(150.0)**	**(128.2)**	**(21.8)**
	J) Net current financial indebtedness (I + E + D)	**54.5**	**64.3**	**(9.8)**
XIX	K) Bank loans and borrowings, net of current portion	(330.6)	(362.3)	31.7
XXI	L) Bonds issued	(415.8)	(367.7)	(48.1)
XX	M) Due to others	(6.3)	(18.2)	11.9
	N) Non-current financial indebtedness (K + L + M)	**(752.7)**	**(748.2)**	**(4.4)**
	O) Net financial indebtedness (J + N) *	**(698.2)**	**(683.8)**	**(14.3)**
XI	**P) Non-current financial assets**	**4.9**	**11.1**	**(6.2)**
	Net financial position - total	**(693.3)**	**(672.7)**	**(20.6)**

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

For further commentary, see the notes indicated for each item. The increase is due principally to the translation into euros of debt denominated in US dollars.

At 31 December 2014 there were no financial payables or receivables with related parties, while at the end of 2013 the Group was owed $ 5.3m by World Duty Free Group US Inc. in relation to the disposal of the US Retail business.

2.2.7 Financial instruments - fair value and risk management

2.2.7.1 Fair value hierarchy

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

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

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

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

	31.12.2014								
	Carrying amount					Fair value			
(€k)	Fair value - hedging instruments	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Fair value of interest rate hedging derivatives	798	-	-	-	798	-	798	-	798
Fair value of exchange rate hedging derivatives	774	-	-	-	774	-	774	-	774
	1,572	-	-	-	1,572				
Financial assets not measured at fair value									
Cash and cash equivalents	-	183,241	-	-	183,241				
Trade receivables	-	43,493	-	-	43,493				
Other current assets	-	102,016	-	-	102,016	-	-	-	-
Other non-current assets	-	12,651	-	-	12,651	-	-	-	-
Other financial assets (current)	-	19,643	29	-	19,672	-	-	-	-
Other financial assets (non-current)	-	15,257	6,724	-	21,981	6,654	-	-	6,654
	-	376,301	6,752	-	383,053				
Financial liabilities measured at fair value									
Fair value of interest rate hedging derivatives	4,321	-	-	-	4,321	-	4,321	-	4,321
Fair value of exchange rate hedging derivatives	1,043	-	-	-	1,043	-	1,043	-	1,043
	5,364	-	-	-	5,364				
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	40,427	40,427	-	-	-	
Unsecured bank loans	-	-	-	426,736	426,736	-	334,358	-	334,358
Finance leases	-	-	-	6,296	6,296	-	-	-	-
Financial liabilities due to others	-	-	-	289	289	-	-	-	-
Bonds	-	-	-	415,800	415,800	-	426,686	-	426,686
Trade payables	-	-	-	406,698	406,698	-	-	-	-
Due to suppliers for investments	-	-	-	82,481	82,481	-	-	-	-
	-	-	-	1,378,726	1,378,726				

	31.12.2013								
	Carrying amount					Fair value			
(€k)	Fair value - hedging instruments	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Fair value of interest rate hedging derivatives	7,677	-	-	-	7,677	-	7,677	-	7,677
Fair value of exchange rate hedging derivatives	23	-	-	-	23	-	23	-	23
	7,700	-	-	-	7,700				
Financial assets not measured at fair value									
Cash and cash equivalents	-	171,516	-	-	171,516	-	-	-	
Trade receivables	-	46,371	-	-	46,371	-	-	-	
Other current assets	-	114,449	-	-	114,449	-	-	-	-
Other non-current assets	-	7,409	-	-	7,409	-	-	-	-
Other financial assets (current)	-	19,598	-	-	19,598	-	-	-	-
Other financial assets (non-current)	-	14,872	10,292	-	25,164	10,292	-	-	10,292
	-	374,215	10,292	-	384,507				
Financial liabilities measured at fair value									
Fair value of interest rate hedging derivatives	8,972	-	-	-	8,972	-	8,972	-	8,972
Fair value of exchange rate hedging derivatives	336	-	-	-	336	-	336	-	336
	9,308	-	-	-	9,308				
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	41,937	41,937	-	-	-	
Unsecured bank loans	-	-	-	439,097	439,097	-	443,218	-	443,218
Finance leases	-	-	-	11,042	11,042	-	-	-	-
Financial liabilities due to others	-	-	-	283	283	-	-	-	-
Bonds	-	-	-	367,706	367,706	-	367,505	-	367,505
Trade payables	-	-	-	396,205	396,205	-	-	-	
Due to suppliers for investments	-	-	-	56,402	56,402	-	-	-	
	-	-	-	1,312,671	1,312,671				

Information on the fair value of assets and liabilities is not included when the carrying amount is a reasonable approximation of fair value.

In 2014 there were no transfers between different hierarchical levels.

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

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

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

2.2.7.2 Financial risk management

The Group is exposed to the following risks:
- market risk;
- credit risk;
- liquidity risk.

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

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

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

Market risk

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

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

Interest rate risk

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

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

At 31 December 2014, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) was 64%. The percentage of fixed-rate debt is higher when considering debt denominated in US dollars (84%) as opposed to debt in euros (38%).

Gross debt denominated in US dollars amounted to $ 621m at the end of the year, including $ 504.8m in bond issues. Part of the interest rate risk is hedged by fixed-to-floating interest rate swaps for $ 100m, classified as fair value hedges.

When applying the policy described above, interest rate risk management instruments were accounted for as cash flow hedges in Group companies' financial statements where they were subject to this risk, and thus recognized as financial assets or liabilities with a specific balancing entry in specific comprehensive income and presented in the hedging reserve under equity. In the year ended 31 December 2014, a fair value gain of € 5,048k was recognized in respect of derivatives found to be effective.

The basic details of IRS contracts used as cash flow hedges at 31 December 2014 are as follows:

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

Below are the details of financial instruments used to hedge fixed-rate debt of $ 100m at the end of the year:

Underlying	Notional amount	Expiry	Average fixed rate received	Floating rate received	Fair value (€k)
Bond issue	€k 25,000	17.01.2023	2.24%	6 months Usd Libor	89
Bond issue	€k 45,000	01.09.2024	2.38%	6 months Usd Libor	158
Bond issue	€k 30,000	01.09.2025	2.44%	6 months Usd Libor	118

These instruments were accounted for as fair value hedges in the financial statements of Group companies subject to this risk, and thus recognized as financial assets or liabilities with a balancing entry in the income statement. A hypothetical unfavorable change of 1% in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at 31 December 2014 would increase net financial expense by € 2,811k.

Currency risk

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

The Group's exposure to currency translation risk is detailed below, in local currency:

(currency/000)	USD	CAD	CHF
Equity	251,462	45,863	174,150
Profit	66,414	8,944	5,729

With respect to the above currencies, a 10% appreciation or depreciation of the euro (to account for currency trends in the first two months of 2015) would have altered equity and profit for the year as shown in the following table:

	USD 1.2141		CAD 1.4063		CHF 1.2024	
(€k)	+10%	-10%	+10%	-10%	+10%	-10%
Equity	(16,576)	20,260	(2,842)	3,473	(12,897)	15,762
Profit	(4,546)	5,556	(594)	726	(423)	517

This analysis was based on the assumption that the other variables, especially interest rates, remain unchanged.

Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk (i.e., the risk attending translation into euros in the parent's or its subsidiaries' financial statements of equity investments denominated in foreign currency) or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognized at fair value under financial assets or liabilities.

Fluctuations in the fair value of hedges of foreign currency financial assets or liabilities are taken to profit or loss, as is the corresponding change in the amount of the hedged assets and liabilities.

The fair value of exchange rate hedges outstanding at 31 December 2014 is shown below:

Notional amount (currency/000)		Expiry	Forward rate	Fair value (€k)
USD	2,400	12.01.2015	1.2949	(75)
USD	1,400	12.01.2015	1.2468	(3)
CAD	44,800	07.01.2015	1.3977	494
CAD	22,500	07.01.2015	1.3975	332
CHF	5,500	23.01.2015	1.2010	(5)
CHF	7,000	23.01.2015	1.2009	(6)
CHF	1,500	23.01.2015	1.2010	(1)
CHF	1,500	23.01.2015	1.2035	(1)
GBP	14,800	13.01.2015	0.7935	(345)
PLN	5,300	23.01.2015	4.2285	14
PLN	4,000	23.01.2015	4.2260	12

For instruments hedging translation risk that are therefore designated as hedges of net investments, the effective component of fair value is recognized in comprehensive income and classified to the translation reserve under equity.

The fair value of these hedges outstanding at 31 December 2014 is shown in the following table:

Notional amount (currency/000)		Expiry	Forward rate	Fair value (€k)
CHF	30,000	27.04.2015	1.21887	(345)
CHF	30,000	27.04.2015	1.21865	(340)

Credit risk

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

The carrying amount of the financial assets is the Group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties, as detailed in Section 2.2.11.

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

Financial assets (€k)	31.12.2014	31.12.2013	Change
Bank and post office deposits	126,299	102,153	24,146
Other current financial assets	19,672	19,598	74
Trade receivables	43,493	46,371	(2,878)
Other current receivables	102,016	114,449	(12,433)
Derivative instruments	1,572	7,700	(6,128)
Other non-current financial assets	21,981	25,164	(3,183)
Other non-current receivables	12,650	7,409	5,241
Total	**327,683**	**322,844**	**4,839**

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

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

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

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

	31.12.2014					
		Expired not impaired				
Trade receivables (€k)	Not expired	1-3 months	3-6 months	6 months-1 year	Over 1 year	Total
Airlines	2,579	864	13	-	-	**3,456**
Franchises	1,430	265	-	3,425	-	**5,120**
Catering services agreements	5,959	2,465	109	498	4	**9,035**
Other	11,967	6,832	1,541	5,405	136	**25,882**
Total	**21,935**	**10,425**	**1,663**	**9,328**	**140**	**43,493**

	31.12.2013					
		Expired not impaired				
Trade receivables (€k)	Not expired	1-3 months	3-6 months	6 months-1 year	Over 1 year	Total
Airlines	5,879	2,970	18	-	15	**8,883**
Franchises	2,641	866	-	1,182	-	**4,689**
Catering services agreements	2,751	2,931	74	510	19	**6,285**
Other	14,011	8,038	66	4,369	31	**26,515**
Total	**25,282**	**14,806**	**158**	**6,061**	**65**	**46,371**

There is no significant concentration of credit risk: the top 10 customers account for 19.2% of total trade receivables, and the largest customer (Tamoil Italia S.p.A.) for 2.71%.

Liquidity risk

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

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

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

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

	31.12.2014							
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current account overdrafts	40,427	**40,427**	40,427	-	-	-	-	-
Unsecured bank loans	429,464	**429,464**	96,183	-	-	333,281	-	-
Lease payments due to others	6,296	**6,296**	207	161	329	861	810	3,929
Liabilities due to others	289	**289**	-	-	-	-	-	289
Bonds	418,006	**418,007**	-	-	-	-	129,358	288,649
Trade payables	406,698	**406,698**	399,061	7,390	223	13	10	-
Due to suppliers for investments	82,481	**82,481**	80,475	2,000	-	-	6	-
Total	**1,383,662**	**1,383,662**	**616,353**	**9,551**	**552**	**334,155**	**130,184**	**292,867**

	31.12.2014							
		Contractual cash flows						
Derivative financial liabilities (€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Forward foreign exchange derivatives	1,043	**1,043**	1,043	-	-	-	-	-
Interest rate swap	4,321	**4,321**		3,888	-	-	-	433
Total	**5,364**	**5,364**	**1,043**	**3,888**	**-**	**-**	**-**	**433**

	31.12.2013							
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current account overdrafts	41,937	**41,937**	41,937	-	-	-	-	-
Unsecured bank loans	443,360	**443,360**	76,819	-	-	-	366,541	-
Lease payments due to others	11,042	**11,042**	255	247	391	1,700	558	7,892
Liabilities due to others	283	**283**	-	-	-	-	-	283
Bonds	369,911	**369,911**	-	-	-	-	116,122	253,789
Trade payables	396,204	**396,204**	388,609	664	6,557	227	144	4
Due to suppliers for investments	56,402	**56,402**	55,154	1,242	-	-	6	-
Total	**1,319,139**	**1,319,139**	**562,774**	**2,153**	**6,948**	**1,927**	**483,371**	**261,968**

	31.12.2013							
		Contractual cash flows						
Derivative financial liabilities (€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Forward foreign exchange derivatives	336	**336**	336	-	-	-	-	-
Interest rate swap	8,972	**8,972**	1,197	-	-	7,775	-	-
Total	**9,308**	**9,308**	**1,533**	**-**	**-**	**7,775**	**-**	**-**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of which the largest 10 account for 26.11% of the total and the leading supplier (Autostrade per l'Italia S.p.A.) for 7.97%.

The bond regulations call for compliance with certain financial ratios, calculated solely with respect to the companies headed up by HMSHost Corporation. They are not guaranteed by Autogrill S.p.A. There are also limits on the distribution of dividends by HMSHost Corporation to the parent, Autogrill S.p.A., if the leverage ratio of the HMSHost subGroup exceeds a certain amount.

The loan contracts (note XIX) and bonds (note XXI) outstanding at 31 December 2014 require the satisfaction of certain financial ratios, specifically, the leverage ratio (net debt/EBITDA) and interest coverage ratio (EBITDA/net financial expense). These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill Group as a whole.

The weighted average term of bank loans and bonds at 31 December 2014, including unutilized credit lines, is approximately three years and four months (four years and two months at the end of 2013).

On 6 March 2015, the subsidiary HMSHost Corporation extended the maturity of its $ 250m credit line from 22 March 2016 to 6 March 2020.

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

2.2.8 Disclosure of non-controlling interests

Non-controlling interests refer mainly to investments in US companies held by Accredited Disadvantaged Business Enterprises (ADBE), whose participation in the operation of concessions is regulated by state and federal law. The Group maintains control of these companies and is principally responsible for the concession fees due to the grantor.

At 31 December 2014, these companies had net assets of $ 118.9m ($ 105.8m at 31 December 2013), revenue of $ 569.2m ($ 508.3m in 2013) and profit for the year of $ 48.6m ($ 44.2m the previous year). The equity attributable to non-controlling interests amount to $ 25.4m ($ 22m at 31 December 2013) and the profit to $ 9.9m ($ 9.4m the previous year).

2.2.9 Segment reporting

The Group operates in the catering sector ("Food & Beverage") at airports, motorway rest stops and railway stations.

Operations take place at major travel facilities (from airports to motorway rest stops and railway stations), serving a local and international clientele. The business is conducted in Europe by Autogrill S.p.A. (directly in Italy and through subsidiaries in other European countries), and in North America, Scandinavia, Middle East and Asia by HMSHost Corporation and its subsidiaries. Offerings reflect the local setting, with the use of proprietary brands, as well as a more global reach thanks to the use of international brands under license. The operational levers are typically assigned to local organizations that are centralized at the country level and coordinated, at the European level, by central facilities.

Performance is monitored separately for each organization, which corresponds to the country served. "Italy," "HMSHost North America," and "HMSHost International" are presented on their own, while the remaining European entities (each of them quite small) are grouped together under the heading "Other European countries." Costs are shown separately for "European Central Structure," which mostly takes care of marketing, purchasing, engineering, human resources, organization, and ICT regarding operations in Europe, and for "Corporate" functions, i.e. the centralized units in charge of administration, finance and control, strategic planning, legal affairs, communication, human resources and organization for the Group as a whole.

With respect to the 2013 financial statements, operating segments have been regrouped to reflect the Group's new organization in three geographical segments: North America, International (Northern Europe, Middle East and Asia), and Europe (which is further split into Italy and other European countries).

Key reporting on operating segments is presented below. The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

	2014						
	HMSHost		Europe				
Segment (€k)	North America	International	Italy	Other European countries	European central structure	Corporate	Consolidated
Total revenue and other operating income	**1,852,854**	**284,012**	**1,665,420**	**767,680**	**-**	**353**	**4,570,319**
Depreciation, amortization and impairment losses on property, plant, equipment and intangible assets	(90,030)	(16,274)	(47,577)	(40,772)	-	(2,946)	**(197,600)**
Operating profit/(loss)	**112,343**	**18,890**	**14,300**	**5,911**	**(8,977)**	**(23,828)**	**118,639**
Net financial expense							**(44,393)**
Adjustment to the value of financial assets							**2,977**
Pre-tax profit							**77,222**
Income tax							**(40,244)**
Profit for the year							**36,978**

	31.12.2014						
	HMSHost		Europe				
Segment (€k)	North America	International	Italy	Other European countries	European central structure	Corporate	Consolidated
Goodwill	421,720	58,641	83,631	240,552	-	-	**804,544**
Other intangible assets	12,313	13,038	1,519	16,922	-	19,960	**63,752**
Property, plant and equipment	422,973	59,607	162,135	175,224	-	14,964	**834,903**
Financial assets	9,818	1,353	-	3,357	-	8,314	**22,843**
Non-current assets	**866,825**	**132,639**	**247,285**	**436,055**	**-**	**43,238**	**1,726,042**
Net working capital	**(149,486)**	**(39,480)**	**(115,649)**	**(90,054)**	**-**	**(61)**	**(394,730)**
Other non-current non-financial assets and liabilities	**(56,957)**	**(1,005)**	**(57,985)**	**(28,303)**	**-**	**(3,084)**	**(147,334)**
Net invested capital	**660,381**	**92,155**	**73,651**	**317,698**	**-**	**40,094**	**1,183,979**

	2013						
	HMSHost		Europe				
Segment (€k)	North America	International	Italy	Other European countries	European central structure	Corporate	Consolidated
Total revenue and other operating income	**1,921,808**	**235,394**	**1,775,407**	**741,077**	**-**	**203**	**4,673,889**
Depreciation, amortization and impairment losses on property, plant, equipment and intangible assets	(99,258)	(10,539)	(68,874)	(45,503)	-	(1,578)	**(225,753)**
Operating profit/(loss)	**100,791**	**19,460**	**4,344**	**782**	**(8,459)**	**(28,649)**	**88,268**
Net financial expense							**(50,471)**
Adjustment to the value of financial assets							**(2,399)**
Pre-tax profit							**35,398**
Income tax							**(27,065)**
Profit from discontinued operations							91,056
Profit for the year							**99,389**

	31.12.2013						
	HMSHost		Europe				
Segment (€k)	North America	International	Italy	Other European countries	European central structure	Corporate	Consolidated
Goodwill	373,486	54,056	83,631	238,064	-	-	**749,237**
Other intangible assets	13,013	11,829	1,797	18,622	-	16,554	**61,816**
Property, plant and equipment	380,871	39,480	171,622	177,653	-	12,911	**782,537**
Financial assets	7,279	717	-	1,850	-	12,177	**22,024**
Non-current assets	**774,649**	**106,082**	**257,050**	**436,189**	**-**	**41,642**	**1,615,613**
Net working capital	**(111,573)**	**(32,405)**	**(122,770)**	**(73,218)**	**-**	**(78)**	**(340,044)**
Other non-current non-financial assets and liabilities	**(49,320)**	**(2,763)**	**(83,555)**	**(21,856)**	**-**	**(567)**	**(158,062)**
Net invested capital	**613,756**	**70,913**	**50,726**	**341,115**	**-**	**40,998**	**1,117,507**

2.2.10 Seasonal patterns

The Group's volumes are closely related to the flow of travelers, which is highly seasonal in some businesses, and this in turn affects consolidated results. A breakdown of 2014 results by quarter shows that volumes are concentrated in the second half of the year, and particularly in the third quarter, when business is at a peak due to summer holidays.

	2014			
(€m)	First quarter	First half	First nine months	Full year
Revenue	813.0	1,787.3	2,868.6	3,930.2
% of full year	*20.7%*	*45.5%*	*73.0%*	*100%*
Operating profit/(loss)	(27.2)	14.2	111.3	118.6
% of full year	*n.s.*	*12.0%*	*93.8%*	*100%*
Pre-tax profit/(loss)	(36.5)	(4.8)	82.5	77.2
% of full year	*n.s.*	*n.s.*	*106.9%*	*100%*
Profit/(loss) for the year attributable to owners of the parent	(37.1)	(23.7)	37.5	25.1
% of full year	*n.s.*	*n.s.*	*n.s.*	*100%*

Notes:
- In order to compare data with the figures shown in the Report on operations, revenue does not include fuel sales made primarily in Swiss and Italian motorway service areas
- Profit/(loss) for the year attributable to owners of the parent excluding minorities

The percentages shown are general indications only and should not be used to predict results or the generation of cash.

Indeed, seasonal trends are further magnified by cash flows, with the first quarter seeing a concentration of annual payments (namely concession fees), both as settlement of amounts accrued in the previous year and as advances on the current year.

2.2.11 Guarantees given, commitments and contingent liabilities

Guarantees

At 31 December 2014 the guarantees given by the Autogrill Group amounted to € 264,509k (€ 225,646k at the end of 2013) and referred to performance bonds and other personal guarantees issued in favor of grantors and business counterparties.

Commitments

Commitments outstanding at 31 December 2014, essentially unchanged since the previous year, concern:
- € 2,272k to be paid for the purchase of two commercial properties;
- the value of third-party assets in use (€ 1,301k);
- the value of the assets of leased businesses (€ 12,769k);
- the value of goods on consignment held at Group locations (€ 4,432k).

The Group has also agreed to minimum future payments under operating leases, as detailed in Section 2.2.12.

2.2.12 Operating leases

For the purposes of these financial statements, operating leases are defined as the various kinds of contract through which Group companies carry out their core business.

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

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

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

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

Access concession

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

Area concession

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

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

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

Service concession

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

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

Business lease and commercial lease

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

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

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

Sub-contract

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

The table below gives details by due date of the Group's future minimum operating lease payments at 31 December 2014:

(€k) Year	Total future minimum lease payments	Future minimum sub-lease payments *	Net future minimum lease payments
2015	375,261	19,500	355,762
2016	339,714	16,517	323,197
2017	312,055	15,950	296,106
2018	271,133	14,140	256,993
2019	226,228	12,113	214,116
After 2019	872,674	29,316	843,358
Total	**2,397,065**	**107,535**	**2,289,531**

* Refers to part of the sub-concessions granted mainly in the USA and Italy, as agreed with the grantor

In 2014, the fees recognized in the income statement amount to € 580,223k for operating leases (including € 353,245k in future minimum lease payments), net of € 46,571k for sub-leases (including € 20,903k in future minimum lease payments).

2.2.13 Other information

Related party transactions

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

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

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

	Revenue		Other operating income	
Income statement (€k)	**2014**	**2013**	**2014**	**2013**
Parent:				
Edizione S.r.l.	-	-	92	90
Other related parties:				
Atlantia Group	39	13	1,061	15,855
Benetton Group S.r.l. (formerly Bencom S.r.l.)	-	-	393	391
Verde Sport S.p.A.	11	9	-	6
Olimpias S.p.A.	-	-	-	-
World Duty Free Group	-	-	5,247	1,404
Edizione Property	-	-	5	-
Gemina Group *	-	34	-	-
Total related parties	**50**	**56**	**6,799**	**17,746**
Total Group	**4,461,466**	**4,545,922**	**108,853**	**127,967**
Incidence	**-**	**-**	**6.2%**	**13.9%**

	Trade receivables		Other receivables	
Statement of financial position (€k)	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**
Parent:				
Edizione S.r.l.	-	-	14,647	14,609
Other related parties:				
Atlantia Group	1,032	750	1,058	1,758
Benetton Group S.r.l. (formerly Bencom S.r.l.)	329	327	-	-
Verde Sport S.p.A.	1	5	-	-
Olimpias S.p.A.	-	-	-	-
World Duty Free Group	-	-	2,617	17,956
Edizione Property	5	-	-	-
Total related parties	**1,367**	**1,082**	**18,323**	**34,323**
Total Group	**43,493**	**46,371**	**176,586**	**176,310**
Incidence	**3.1%**	**2.3%**	**10.4%**	**19.5%**

* Income and costs for Gemina Group are shown separately up to the date of merger into the Atlantia Group with effect from 1 December 2013.

Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense)/income	
2014	2013	2014	2013	2014	2013	2014	2013
-	-	100	40	114	131	-	-
78,412	68,702	3,462	3,615	-	-	(1,384)	(1,381)
-	-	-	-	-	-	-	-
-	-	45	65	-	-	-	-
-	-	80	76	-	-	-	-
-	-	28	-	-	-	90	52
-	-	-	-	-	-	-	-
-	8,454	-	33	-	-	-	-
78,412	**77,156**	**3,715**	**3,828**	**114**	**131**	**(1,294)**	**(1,329)**
668,466	**677,407**	**475,363**	**490,168**	**1,296,618**	**1,318,190**	**(44,393)**	**(50,471)**
11.7%	**11.4%**	**0.8%**	**0.8%**	**-**	**-**	**2.9%**	**2.6%**

Financial receivables		Trade payables		Other payables	
31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
-	-	-	-	126	137
-	-	34,217	36,545	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	66	41	-	-
-	3,868	-	-	-	1,995
-	-	-	-	-	-
-	**3,868**	**34,282**	**36,586**	**126**	**2,132**
21,244	**20,949**	**406,698**	**396,205**	**315,361**	**266,890**
-	**18.5%**	**8.4%**	**9.2%**	**-**	**0.8%**

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

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

"Other payables" mostly originate from the same transactions.

The item "Other receivables" also includes:

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

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

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

"Other receivables" originate from the same transactions.

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

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

"Trade payables" originate from the same transactions.

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

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

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

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

Benetton Group S.r.l. (formerly Bencom S.r.l.): "Other operating income" refers to rent and related charges for the sublet of premises in Via Dante, Milan.

All liabilities are current; the receivable from Benetton Group S.r.l. (formerly Bencom S.r.l.) will be settled in installments until the sub-lease expires in April 2017.

World Duty Free Group: "Other operating income" stems mainly from the provision of administrative, IT and legal advisory services by HMSHost Corporation and Autogrill S.p.A.

Remuneration of Directors and Executives with strategic responsibilities

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

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

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

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

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

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

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

Statutory auditors' fees

The following fees accrued to members of the Board of Statutory auditors in 2014:

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

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

Independent auditors' fees for audit and other services

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

Incentive plans for Directors and Executives with strategic responsibilities

2010 Stock option plan

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

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

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

The number of options vested will then correspond to a percentage of the options assigned, ranging from 30% for a terminal value of € 11 per share to 100% for a terminal value of € 17 per share or higher. For each beneficiary there is also a "theoretical maximum capital gain" by virtue of which, regardless of other estimates, the number of options exercisable will be limited to the ratio "theoretical maximum capital gain"/(fair value – strike price) [32].The plan does not allow beneficiaries to request cash payments in alternative to the assignment of shares.

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

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

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

32. As defined by art. 9, para. 4, of D.P.R. 22 December 1986. no. 917

Changes to 2010 stock option plan

On 6 June 2013 the Annual General Meeting approved the proportional partial demerger of Autogrill S.p.A., and as a result made some changes to the stock option plan approved on 20 April 2010. In accordance with these changes:

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

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

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

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

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

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

The CEO has exercised 156,833 World Duty Free S.p.A. options.

Movements during the year are shown below:

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

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

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

During the ordinary and extraordinary shareholders' meeting of 21 April 2011, the shareholders approved a new share-based incentive plan for the Group's top management. In addition to cash incentives (the "main plan") pertaining to 2010-2012, Autogrill's New Leadership Team Long Term Incentive Plan (L-LTIP) envisages the free assignment of ordinary Autogrill shares subject to certain conditions, including the achievement of specified performance targets during the three-year periods 2011-2013 ("Wave 1") and 2012-2014 ("Wave 2").

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

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

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

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

2014 Phantom Stock Option Plan

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

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

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

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

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

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

For 2014, the total costs recognized for this plan amounted to € 1,306k.

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

2.2.14 Significant non-recurring events and transactions

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

2.2.15 Atypical or unusual transactions

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

2.2.16 Events after the reporting period

Since 31 December 2014, no events have occurred that would have entailed an adjustment to the figures in the financial statements or required additional disclosures in these Notes.

On 28 February 2015 Autogrill S.p.A. transferred to World Duty Free Group the Travel Retail activities operated by HMSHost at the Atlanta and Oakland airports and at the Empire State Building in New York. The transfer completes HMSHost Corp.'s sale of its travel retail operations at US airports to World Duty Free Group, as announced to the market on 6 September 2013. The price agreed for the remaining operations was $ 19m.

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

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

2.2.18 Authorization for publication

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

Annexes

List of consolidated companies and other investments

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2014	Shareholders/quota holders
Parent:					
Autogrill S.p.A.	Novara	Euro	68,688,000	50.100%	Schematrentaquattro S.p.A.
Companies consolidated line-by-line:					
Nuova Sidap S.r.l.	Novara	Euro	100,000	100.000%	Autogrill S.p.A.
Autogrill Austria A.G.	Gottlesbrunn	Euro	7,500,000	100.000%	Autogrill S.p.A.
Autogrill Czech S.r.o.	Prague	Czk	154,463,000	100.000%	Autogrill S.p.A.
Autogrill D.o.o.	Ljubljana	Euro	1,342,670	100.000%	Autogrill S.p.A.
Autogrill Hellas E.P.E.	Avlonas	Euro	3,696,330	100.000%	Autogrill S.p.A.
Autogrill Polska Sp.zo.o.	Katowice	Pln	14,050,000	100.000%	Autogrill S.p.A.
Autogrill Iberia S.L.U.	Madrid	Euro	7,000,000	100.000%	Autogrill S.p.A.
HMSHost Ireland Ltd.	Cork	Euro	13,600,000	100.000%	Autogrill S.p.A.
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.000%	Autogrill S.p.A.
Autogrill Deutschland GmbH	Munich	Euro	205,000	100.000%	Autogrill S.p.A.
Autogrill Catering UK Ltd.	London	Gbp	217,063	100.000%	Autogrill S.p.A.
Restair UK Ltd. (in liquidation)	London	Gbp	1	100.000%	Autogrill Catering UK Ltd.
Autogrill Belux N.V.	Antwerp	Euro	10,000,000	99.990%	Autogrill S.p.A.
				0.010%	AC Restaurants & Hotels Beheer N.V.
AC Restaurants & Hotels Beheer N.V.	Antwerp	Euro	3,250,000	99.990%	Autogrill Belux N.V
				0.010%	Autogrill Nederland B.V.
Autogrill Schweiz A.G.	Olten	Chf	23,183,000	100.000%	Autogrill S.p.A.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont-en-Ogoz	Chf	1,500,000	54.330%	Autogrill Schweiz A.G.
Autogrill Nederland B.V.	Oosterhout	Euro	41,371,500	100.000%	Autogrill S.p.A
Autogrill Nederland Hotels B.V.	Oosterhout	Euro	1,500,000	100.000%	Autogrill Nederland B.V.
Autogrill Nederland Hotel Amsterdam B.V.	Oosterhout	Euro	150,000	100.000%	Autogrill Nederland B.V.
Holding de Participations Autogrill S.a.s.	Marseille	Euro	84,581,920	100.000%	Autogrill S.p.A.
Autogrill Aéroports S.a.s.	Marseille	Euro	2,207,344	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Coté France S.a.s.	Marseille	Euro	31,579,526	100.000%	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest)	Marseille	Euro	288,000	50.005%	Autogrill Coté France S.a.s.
Société Porte de Champagne S.A. (SPC)	Perrogney-les-Fontaines	Euro	153,600	53.440%	Autogrill Coté France S.a.s.
Société de Restauration de Bourgogne S.a.s. (Sorebo)	Marseille	Euro	144,000	50.000%	Autogrill Coté France S.a.s.
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	Euro	1,440,000	70.000%	Autogrill Coté France S.a.s.

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

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2014	Shareholders/quota holders
Shenzhen Host Catering Company, Ltd. (in liquidation)	Shenzhen	Usd	-	100.000%	Host International, Inc.
Host Services Pty, Ltd.	North Cairns	Aud	6,252,872	100.000%	Host International, Inc.
Host International of Canada, Ltd.	Vancouver	Cad	75,351,237	100.000%	Host International, Inc.
Marriott Airport Concessions Pty, Ltd.	North Cairns	Aud	3,910,102	100.000%	Host International, Inc.
HMSHost Services India Private, Ltd.	Balgalore	Inr	668,441,680	99.990%	Host International, Inc.
				0.010%	HMSHost International, Inc.
HMSHost Singapore Private, Ltd.	Singapore	Sgd	8,470,896	100.000%	Host International, Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	Myr	-	100.000%	Host International, Inc.
HMSHost New Zealand Ltd.	Auckland	Nzd	1,520,048	100.000%	Host International, Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co., Ltd.	Shanghai	Cny	-	100.000%	Host International, Inc.
HMSHost International B.V.	Haarlemmermeer	Euro	18,090	100.000%	Host International, Inc.
Horeca Exploitatie Maatschappij Schiphol, B.V.	Haarlemmermeer	Euro	45,400	100.000%	HMSHost International B.V.
HMSHost Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	Trl	50,000	100.000%	HMSHost International B.V.
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	Euro	5,000,000	70.000%	HMSHost International B.V.
HMSHost (Shanghai) Catering Management Co., Ltd.	Shanghai	Rmb	7,140,000	100.000%	HMSHost International B.V.
HMSHost Hospitality Services Bharath Private, Ltd.	Karnataka	Inr	500,000	99.000%	HMSHost Services India Private Ltd
				1.000%	Host International, Inc.
NAG B.V.	Haarlemmermeer	Euro	100	60.000%	HMSHost International B.V.
Autogrill Russia LLC	St. Petersburg	Rub	10,000	100.000%	NAG B.V.
HMSHost Finland Oy	Helsinki	Euro	2,500	100.000%	HMSHost International B.V.
PT Autogrill Taurus Gemilang Indonesia	Jakarta	Euro	1,000,000	49.000%	HMSHost International B.V.
HMSHost Nederland B.V.	Haarlemmermeer	Euro	100	100.000%	HMSHost International B.V.
Host-Chelsea Joint Venture #3	Texas	Usd	-	63.800%	Host International, Inc.
Host Bush Lubbock Airport Joint Venture	Texas	Usd	-	90.000%	Host International, Inc.
Host/Diversified Joint Venture	Michigan	Usd	63	90.000%	Host International, Inc.
Airside C F&B Joint Venture	Florida	Usd	-	70.000%	Host International, Inc.
Host of Kahului Joint Venture Company	Hawaii	Usd	-	90.000%	Host International, Inc.
Host/Coffee Star Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.
Southwest Florida Airport Joint Venture	Florida	Usd	-	78.000%	Host International, Inc.
Host Honolulu Joint Venture Company	Hawaii	Usd	-	90.000%	Host International, Inc.
Host/Forum Joint Venture	Baltimore	Usd	-	70.000%	Host International, Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	-	55.000%	Host International, Inc.
Host/Java Star Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.
Host & Garrett Joint Venture	Mississippi	Usd	-	75.000%	Host International, Inc.
Tinsley/Host - Tampa Joint Venture Company	Florida	Usd	-	49.000%	Host International, Inc.
Host-Chelsea Joint Venture #1	Texas	Usd	-	65.000%	Host International, Inc.
Host-Tinsley Joint Venture	Florida	Usd	-	84.000%	Host International, Inc.
Host/Tarra Enterprises Joint Venture	Florida	Usd	-	75.000%	Host International, Inc.
Host/LJA Joint Venture	Missouri	Usd	-	85.000%	Host International, Inc.
Seattle Restaurant Associates	Olympia	Usd	-	70.000%	Host International, Inc.
Bay Area Restaurant Group	California	Usd	-	49.000%	Host International, Inc.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2014	Shareholders/quota holders
Islip Airport Joint Venture	New York	Usd	-	50.000%	Anton Airfood, Inc.
HMSHost Coffee Partners Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	Usd	-	60.000%	Host International, Inc.
Host/Howell - Mickens Joint Venture	Texas	Usd	-	65.000%	Host International, Inc.
Miami Airport FB Partners Joint Venture	Florida	Usd	-	70.000%	Host International, Inc.
HSTA JV	Atlanta	Usd	-	60.000%	Host International, Inc.
Host PJJD Jacksonville Joint Venture	Florida	Usd	-	51.000%	Host International, Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.000%	Host International, Inc.
Host CTI Denver Airport Joint Venture	Colorado	Usd	-	90.000%	Host International, Inc.
HMS - D/FW Airport Joint Venture	Texas	Usd	-	65.000%	Host International, Inc.
HMS - Dallas Fort Worth Airport Joint Venture No. II	Texas	Usd	-	75.000%	Host International, Inc.
Host-Prose Joint Venture III	Richmond	Usd	-	51.000%	Host International, Inc.
Host Adevco Joint Venture	Arkansas	Usd	-	70.000%	Host International, Inc.
Host Shellis Atlanta Joint Venture	Atlanta	Usd	-	70.000%	Host International, Inc.
Host-TFC-RSL, LLC	Kentucky	Usd	-	65.000%	Host International, Inc.
Host -Chelsea Joint Venture #4	Texas	Usd	-	63.000%	Host International, Inc.
Host-CMS SAN F&B, LLC	Delaware	Usd	-	65.000%	Host WAB SAN FB, LLC
Host GRL LIH F&B, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host Fox PHX F&B, LLC	Delaware	Usd	-	75.000%	Host International, Inc.
Host FDY ORF F&B, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
LTL ATL JV, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host ATLChefs JV 3, LLC	Delaware	Usd	-	95.000%	Host International, Inc.
Host ATLChefs JV 5, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host LGO PHX F&B, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host H8 Terminal E F&B, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
Host-Love Field Partners I, LLC	Delaware	Usd	-	51.000%	Host International, Inc.
Host-True Flavors SAT Terminal A FB	Delaware	Usd	-	65.000%	Host International, Inc.
Host Havana LAX F&B, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
Host-CTI DEN F&B II, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host TCC BHM F&B LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host Lee JAX FB, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host/DFW AF, LLC	Delaware	Usd	-	50.010%	Host International, Inc.
Host Havana LAX TBIT FB, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host Houston 8 IAH Terminal B, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
HHL Cole's LAX F&B, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host CMS LAX TBIT F&B, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host WAB SAN FB, LLC	Delaware	Usd	-	95.000%	Host International, Inc.
Host JQE RDU Prime, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host Howell Terminal A F&B, LLC	Delaware	Usd	-	65.000%	Host International, Inc.
Host MCA TEI FLL FB, LLC	Delaware	Usd	-	76.000%	Host International, Inc.
Host MCA SRQ FB, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
HOST ECI ORD FB, LLC	Delaware	Usd	-	51.000%	Host International, Inc.
WDFG TAC ATL Retail, LLC	Delaware	Usd	-	86.000%	Host International, Inc.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2014	Shareholders/quota holders
Host MGV IAD FB, LLC	Delaware	Usd	-	65.000%	Host International, Inc.
Host MGV DCA FB, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
HMSHost Family Restaurants, Inc.	Maryland	Usd	2,000	100.000%	Host International, Inc.
SMSI Travel Centres, Inc.	Vancouver	Cad	10,800,100	100.000%	Host International of Canada, Ltd.
HMSHost Family Restaurants, LLC	Delaware	Usd	-	100.000%	HMS Host Family Restaurants, Inc.
HMSHost Motorways L.P.	Winnipeg	Cad	-	99.9999%	SMSI Travel Centres, Inc.
				0.0001%	HMSHost Motorways, Inc.
HMSHost Motorways, Inc.	Vancouver	Cad	-	100.000%	SMSI Travel Centres, Inc.
HK Travel Centres GP, Inc.	Toronto	Cad	-	51.000%	HMSHost Motorways, Inc.
HK Travel Centres L.P.	Winnipeg	Cad	-	50.9999%	HMSHost Motorways L.P.
				0.0001%	HK Travel Centres GP, Inc.
Host of Hartford, Ltd.	Connecticut	Usd	-	75.000%	Host International, Inc.
Host Solai MDW FB LLC	Delaware	Usd	-	67.000%	Host International, Inc.
Host D&D STL FB, LLC	Missouri	Usd	-	75.000%	Host International, Inc.
Host CTI DEN F&B STA, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host Aranza Howell DFW B&E FB, LLC	Delaware	Usd	-	55.000%	Host International, Inc.
Host-DMV DTW FB, LLC (in liquidation)	Michigan	Usd	-	79.000%	Host International, Inc.
Companies consolidated using the equity method:					
Caresquick N.V.	Antwerp	Euro	3,300,000	50.000%	Autogrill Belux N.V.
Autogrill Middle East, LLC	Abu Dhabi	Aed	100,000	49.000%	HMSHost International B.V.
Dewina Host Sdn. Bhd.	Kuala Lumpur	Myr	250,000	49.000%	Host International, Inc.
HKSC Opco L.P.	Winnipeg	Cad	-	49.000%	HMSHost Motorways LP
HKSC Developments L.P.	Winnipeg	Cad	-	49.000%	HMSHost Motorways LP
Host Kilmer Service Centres, Inc.	Toronto	Cad	100	100.000%	HKSC Developments L.P.

Certification by the CEO and manager in charge of financial reporting

Certification of the consolidated financial statements pursuant to art. 81-*ter* of Consob Regulation 11971 of 14 May 1999 (as amended)

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

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

3. We also confirm that:

   3.1 the consolidated financial statements:

   a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to EC Regulation 1606/2002 of the European Parliament and the Council of 19 July 2002;

   b) correspond to the ledgers and accounting entries;

   c) provide a true and fair view of the financial position, results of operations and cash flows of Autogrill S.p.A. and of companies included in the consolidation;

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

Milan, 12 March 2015

Gianmario Tondato Da Ruos
Chief Executive Officer

Alberto De Vecchi
Manager in Charge of Financial Reporting

External Auditors' Report

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

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

To the shareholders of
Autogrill S.p.A.

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

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

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

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

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

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

Milan, 9 April 2015

KPMG S.p.A.

(signed on the original)

Stefano Azzolari
Director

Autogrill S.p.A.

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