2003 HALF-YEAR REPORT

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Unless otherwise specified, figures in the Operations Report are expressed in millions of Euros, represented by the symbol m€.

Comparative Income Statement figures refer to the first half of 2002, while comparative Balance Sheet figures refer to balances at 2002 year-end. Financial data relating to the amortization of goodwill and the related residual value reported at 30 June 2002 have been adjusted to reflect the estimated useful economic life of the goodwill associated with Autogrill Group Inc. (formerly HMSHost Corporation), as updated in the presentation of the 2002 full year financial statements.

The stronger Euro versus the US dollar renders Group financial data not immediately comparable with like-for-like prior year figures, penalizing the conversion of values relating to some 50% of the assets. Accordingly, constant currencies are applied in the discussion and analysis of Autogrill Group's financial condition and results of operation.

Note: The Report and Consolidated Financial Statements for the half-year ended 30 June 2003 have been translated into English from the original Italian version. Where differences exit, the Italian version shall supercede the English version.

AUTOGRILL SpA

Directors and Corporate Officers – Pursuant to CONSOB n° 97001574/1997

Board of Directors
(appointed until the approval of the 2004 full-year financial statements)

Chairman[1]	Gilberto **BENETTON**
Deputy Chairman	Livio **BUTTIGNOL**
Chief Executive Officer[2]	Gianmario **TONDATO DA RUOS**
Directors	Alessandro **BENETTON**
	Giorgio **BRUNETTI**[3]
	Antonio **BULGHERONI**[4]
	Marco **DESIDERATO**[3]
	Sergio **EREDE**[4]
	Carmine **MEOLI**
	Gianni **MION**[4]
	Gaetano **MORAZZONI**[3]

Board of Auditors
(appointed until the approval of the 2005 full-year financial statements)

Chairman	Gianluca **PONZELLINI**	Financial Auditor
Principal Auditors	Marco **REBOA**	Financial Auditor
	Ettore Maria **TOSI**	Financial Auditor
Alternate Auditors	Giovanni Pietro **CUNIAL**	Financial Auditor
	Graziano Gianmichele **VISENTIN**	Financial Auditor

Independent Auditors
(appointed until the approval of the 2005 full-year financial statements)

Deloitte & Touche SpA (formerly Deloitte & Touche Italia SpA)

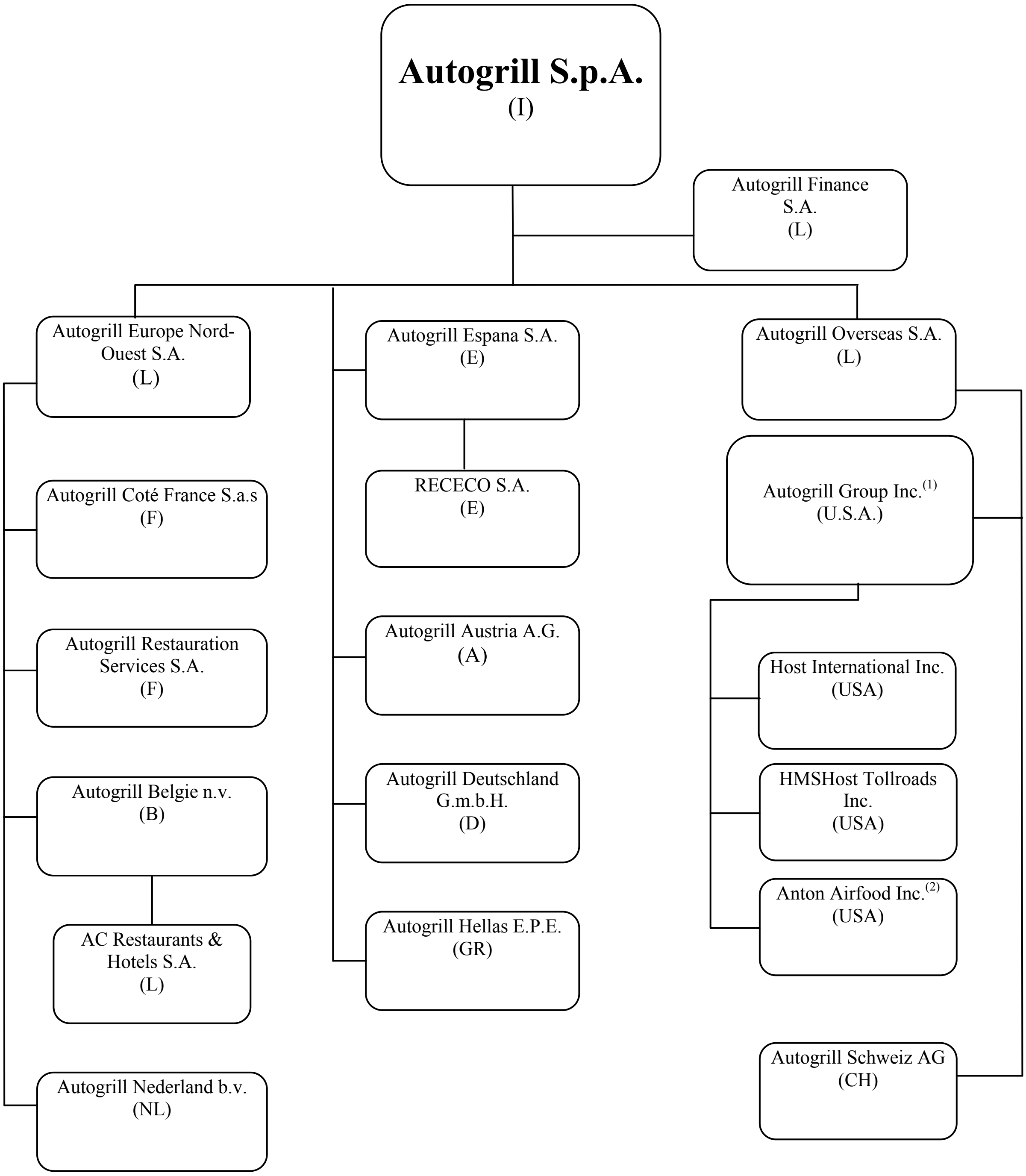
1. Legal and statutory powers and legal representative of the Company including Company signatory.
2. Ordinary executive powers exercised with single signatory, as decided on 24 April 2003.
3. Member of the Internal Audit Committee
4. Member of the Remuneration Committee

Autogrill Group Financial Highlights

(m€)	2003 Half-Year	2002[1] Half-Year	% change Gross	% change Constant currencies[2]	2002 Full-Year
Sales	1,421.4	1,526.7	-6.9%	3.6%	3,315.8
EBITDA[3]	164.0	158.3	3.6%	16.8%	402.2
% sales	*11.5%*	*10.4%*			*12.1%*
EBIT[4]	89.6	81.1	10.5%	25.4%	224.4
% sales	*6.3%*	*5.3%*			*6.8%*
Profit before tax	24.2	14.6	66.0%	102.5%	67.9
% sales	*1.7%*	1.0%			*2.0%*
Pre-tax cash flow	143.8	132.6	8.4%	22.7%	349.5%
% sales	*10.1%*	*8.7%*			*10.5%*
Investments[5]	73.6	71.2	3.4%	8.1%	174.7
Net working capital (Operating activities current net assets)	(209.9)	(282.0)			(341.7)
Net capital employed (Operating activities total net assets)	1,290.1	1,325.3			1,156.6
Net borrowings	(1,033.9)	(1,079.6)			(919.8)

1. Profit before tax and net working capital for the first half of 2002 have been increased m€ 14.4 in order to align the amortization period for HMS Host (now Autogrill Group Inc.) goodwill with its estimated useful economic life updated on preparation of the 2002 full-year financial statements.
2. Average exchange rate movements against Euro from first-half 2002 to first-half 2003.
   US Dollar:-18.8%
   Swiss Franc:- 1.5%
3. Profit before income tax, finance costs, non-recurring items and amortization/depreciation charges.
4. Profit before income tax, finance costs and income, non-recurring items, consolidation difference and goodwill amortization.
5. Investments in financial assets and in participations excluded

Simplified Autogrill Group Structure at 30 June 2003



(1)effective 26 June 2003, no longer know as HMS Host Corp.
(2)newly consolidated company

Operations Report

Autogrill Group Profile

Autogrill is the world's leading food and beverage service organization for people on the move. Autogrill operates a network of more than 4,300 food and beverage and retail outlets from 891 locations along motorways, in airports and in railway stations as well as at trade fairs, shopping malls and city centers. A breakdown of the systemwide network by distribution channel and geographic region is given below:

Country sites	Motorways	Airports	Railway stations	Other	Gross at 30 June 2003	Gross at 31 Dec. 2002
Europe	531	13	38	120	702	701
North America	101	77	0	7	185	183
Rest of the world	0	4	0	0	4	4
Total	**632**	**94**	**38**	**127**	**891**	**888**

The following table presents the breakdown of Group sales by geographic region:

Sales	Motorways	Airports	Railway stations	Other	Gross at 30 June 2003
Europe	39.0%	4.1%	2.9%	6.7%	52.7%
North America	9.7%	35.9%	0.0%	1.3%	46.9%
Rest of the world	0.0%	0.4%	0.0%	0.0%	0.4%
Total	**48.7%**	**40.4%**	**2.9%**	**8.0%**	**100.0%**

Europe accounted for the majority of motorway concession sales while North America accounted the bulk of airport concession sales. Sales from both distribution channels are affected by airline and motorway travel. The Group has successfully navigated the through difficult periods of recent years by winning and extending contracts and by utilizing brands to drive capture within existing locations.

Business Seasonality

The Group's business is seasonal, peaking in the summer months as a result of increased tourist travel and at the time of festive holiday occasions.

As a result, sales during the first half of the fiscal year are typically 15% to 20% lower than those for the second half of the year. Profitability is also lower in the first half of the year due to the pro-rata allocation of fixed costs and reduced cost-efficiencies in off-peak periods.

From a financial standpoint, the first half of the year is characterized by downward curved cash and bank balances because franchisees and affiliates pay full year rent, service fees and/or royalty charges in the first half of the year.

Discussion and Analysis of Financial Condition and Results of Operations

Movements on the year-earlier period are reported between brackets in constant currencies.

For the six-month period ended 30 June 2003, sales decreased 6.9% to m€ 1,421.4. Excluding the impact of foreign exchange translation, sales increased by 3.6% from the first half of 2002 to the first half of 2003. On a like-for-like basis of outlets, Group sales rose 1.9% reflecting a pace of growth in excess of traffic and passenger growth. The acquisition of Anton Airfood Inc. accounted for m€ 29.8 of Group sales.

EBITDA increased 3.6% (16.8% on a constant currency basis) to m€ 164.0. EBITDA, as a percentage of sales, increased from 10.4% in the first half of 2002 to 11.5% in the first half of 2003. EBIT, excluding goodwill amortization, increased 10.5% (25.4% on a constant currency basis) to m€ 89.6. Similarly, pretax cash flow grew 8.4% (22.7% on a constant currency basis) to m€ 143.8.

An improving EBITDA enabled the Group to realize a profit before tax of m€ 24.2, up 66.0% (102.5% on a constant currency basis) compared to the same period last year.

Despite investment in fixed assets and acquisitions amounting to m€ 73.6 and m€ 118.7 respectively (m€ 71.2 and m€ 57.9 at 30 June 2002), the Group reduced net borrowings to m€ 1,033.9 (m€ 1,079.6 at 30 June 2002). Net borrowings also declined as a result of U.S. Dollar/Euro exchange rate movements.

Positive results were achieved despite a very difficult operating environment. The war in Iraq, S.A.R.S. (Severe Acute Respiratory Syndrome), poor weather and unrelenting weak economic trends all contributed declining traffic during the first half of 2003. Passenger air traffic at U.S. airports was down 3.6% compared to 2002 half-year figures (Source: A.T.A.) and still remain below pre-September 11^{th} levels. In addition, abnormally high precipitation in the eastern region of the U.S. dampened motorway travel during the first half of 2003.

In the Euro zone and Switzerland, economic conditions remained weak in lockstep with dampened consumer spending trends. Italy, the Group's key European market that contains a large number of branded food and beverage outlets in city centers, was particularly impacted by weak consumer spending. Decreased tourist travel also continued to work against restaurant sales in Central Europe. In Switzerland, tourist travel was also affected by the unseasonable lack of snow, while passenger air traffic continued to be impacted by the failure of the Swiss national airline last fall.

On a like-for-like basis of outlets, Group sales rose 1.9% reflecting a pace of growth in excess of traffic and passenger number performance.

The Group's success in branding and service activities enabled it to increase sales, despite unrelenting weak consumer spending trends. Moreover, improvements in product mix coupled with more effective labor utilization led to improved operating profitability. Labor productivity increased across Europe, and more particularly in Switzerland where productivity began improving in the first quarter of 2003.
The acquisition of Anton Airfood Inc. accounted for m€ 29.8 of Group sales.

Product mix improvement on a continuing basis, coupled with a more precise planning of service, has enabled the Group to step up its operating profitability, also in more critical business areas.

Output capacity regained headway across Europe. More particularly, Switzerland confirmed the headway placed in evidence in first-quarter 2003.
According to the "2003 Global Airport Monitor", the annual research survey conducted by I.A.T.A. which ranks airports worldwide, Athens International Airport and the Schiphol Airport in Amsterdam, two airports serviced by Autogrill, have been nominated as the best airports in the world. The number of passengers travelling through these airports represent up to 15 million and over 40 million per annum, respectively.

Additionally, Minneapolis Airport, Vancouver Airport and San Diego Airport, which are also serviced by Autogrill, ranked first, second and fourth in terms of customer preferences.

In addition to improvements in operating performance during the half-year ending 30 June 2003, the Group made large strides in terms of development activities. The Group secured or renewed contracts with sales revenue (as measured by the total sales volume over their respective contract terms) totaling approximately one billion dollars in North America and approximately m€ 75 in Europe.

- In January, Autogrill was awarded contracts for food and beverage services at Houston International Airport in the United States and at the Linate Airport in Milan, with contract terms of 10 years and 5 years, respectively. Also in January, the Group was awarded a contract for food and beverage services at Anversa railway station in Belgium;

- In March, Autogrill was awarded a five-year concession relating to retail services at Atlanta Hartsfield Airport, the largest airport in the world in terms of passenger air traffic;

- In April, the Group was awarded a 5-year renewal for the operation of travel plazas owned by Imperial Oil along Highway 401 in Canada. Autogrill was also granted a 13-year extension to provide food and beverage and retail services to the Northwest Airlines terminal at Minneapolis Airport and a 3-year extension for concessions relating to Christchurch Airport in New Zealand; and

- In June, Autogrill was awarded the renewal of contracts for food and beverage services at Montreal and Seattle Airports, with contract terms of 9 years and 11 years, respectively. In addition, the Group renewed its duty free concession with Seattle for an additional 6 years.

In April of 2003, the Group obtained a 10-year renewal of its license agreement with Starbucks relating to the creation, on an exclusive basis, of Starbucks Coffee sales outlets in airports and along highways across the United States. The first contract was executed in 1984, when Starbucks operated only 166 outlets. The first outlet licensed by the Group opened in 1991 at Seattle's Tacoma International Airport. Today, the Group now operates approximately 180 Starbucks Coffee outlets in airports and along highways. An additional 35 outlets are expected to open in the upcoming months.

During 2003 half-year, the Group acquired a majority stake in Anton Airfood Inc., the third largest restaurant operator in American airports, specializing in small to medium-sized airports. Anton generated sales of more than m$ 60 in 2002. A 25% stake had been held by the Group since June of 2001. As a result of converting a m$ 39 loan into equity, the Group raised its stake to 49% on 1 February 2003. In June of 2003, the Group purchased another 46% for m$ 96.6, bringing the Group's ownership to 95%.

As part of the steps taken to streamline its business portfolio, the Group reached an agreement with Tank & Rast AG involving the transfer at 30 September 2003 of 4 motorway restaurants operated across the German motorway grid. A similar agreement was reached with Esso for an outlet located at Weibach. Despite exiting Germany, The Group will continue to monitor opportunities for development in that country, putting an end meanwhile to the operational management of a market foothold not meeting the threshold footprint needed to capture those economies of scale demanded by the food & beverage service industry. Earlier in the year, Autogrill terminated, effective 31 May 2003, the concession relating to food and beverage services at Basel Airport (Switzerland) and divested certain non-concession related outlets in Italy and Spain. These divestitures should not significantly impact full year results.

Autogrill Group Condensed Income Statement

2002 Full Year	(m€)	2003 Half-Year	2002 Half-Year [1]	Change Gross		Change Constant currencies	
3,315.8	Sales	1,421.4	1,526.7	(105.3)	-6.9%	48.9	3.6%
91.2	Other operating revenues	37.1	37.1	(0.0)	-0.1%	2.9	8.4%
3,407.0	**Operating revenues**	**1,458.5**	**1,563.8**	**(105.3)**	**-6.7%**	**51.8**	**3.7%**
(1.929.3)	Cost of goods sold	(817.4)	(893.9)	76.5	-8.6%	(11.2)	1.4%
1,477.7	**Gross profit**	**641.1**	**669.9**	**(28.8)**	**-4.3%**	**40.6**	**6.8%**
(1,030.9)	Personnel costs	(453.6)	(494.1)	40.5	-8.2%	(9.7)	2.2%
(15.7)	Provision charges & curr. asset writedown	(3.4)	(6.3)	2.9	-46.7%	2.3	-40.5%
(41.4)	Other operating expenses	(18.2)	(17.8)	(0.4)	2.1%	(2.0)	12.3%
389.7	**Gross Operating Profit**	**165.9**	**151.7**	**14.2**	**9.4%**	**31.2**	**23.2%**
(96.5)	Consolidation differences and goodwill amortization and writedowns[2]	(38.7)	(40.8)	2.1	-5.2%	(1.9)	5.3%
(177.8)	Intangible assets and PPE amortization/depreciation/writedowns	(74.4)	(77.2)	2.8	-3.6%	(5.6)	8.2%
115.4	**Operating Profit**	**52.8**	**33.7**	**19.1**	**56.8%**	**23.7**	**79.9%**
(41.5)	Net finance costs	(21.4)	(18.1)	(3.3)	18.3%	(4.9)	29.8%
(7.3)	Financial assets writedown	(6.5)	(0.3)	(6.2)	n.s.	(6.2)	n.s.
66.6	**Profit from Ordinary Activities**	**24.9**	**15.3**	**9.6**	**63.2%**	**12.6**	**96.9%**
1.3	Net exceptional income/(costs)	(0.7)	(0.7)	0.0	n.s.	0.0	n.s.
67.9	**Profit Before Tax[1]**	**24.2**	**14.6**	**9.6**	**66.0%**	**12.6**	**102.5%**
(55.1)	**Income tax[2]**	**-**	**-**	**-**	**-**	**-**	**-**
12.8	**Profit Before Minority Interest[2]**	**24.2**	**14.6**	**9.6**	**66.0%**	**12.6**	**102.5%**
6.0	Minority Interest	3.1	3.0	0.1	2.6%	0.6	24.8%
(0.7)	Profit/(Loss) before newly consolidated company acquisition	1.1	(1.1)	2.2	n.s.	2.2	n.s.
7.5	**Net Profit[2]**	**20.0**	**12.7**	**7.3**	**58.0%**	**9.8**	**88.8%**
402.2	**EBITDA**	**164.0**	**158.3**	**5.7**	**3.6%**	**23.6**	**16.8%**

1. Not calculated for half-year results
2. Revised to align the amortization period for Autogrill Group Inc.'s (formerly HMSHost Corporation) goodwill with its estimated useful economic life, as updated in the presentation of the Group's 2002 full year financial statements. As a result, the amortization of business goodwill is m€ 14.4, while profit before tax is correspondingly higher.

Analysis of Autogrill Group Condensed Consolidated Income Statement Results

Sales

The Group operates food and beverage outlets, retail outlets and hotels, all with a goal of serving people on the move.

Analysis of Group Sales by Business Segment

	2003 Half-Year	2002 Half-Year	% change Gross	% change Constant currencies
Direct sales to people on the move				
Food & Beverage	1,075.4	1,171.8	-8.2%	3.3%
Retail	317.3	326.9	-2.9%	4.8%
Hotels and other	10.4	11.8	-12.5%	-12.1%
Subtotal	**1,403.1**	**1,510.5**	**-7.1%**	**3.5%**
Sales to third parties	18.3	16.2	13.1%	12.9%
Total	**1,421.4**	**1,526.7**	**-6.9%**	**3.6%**

Food and beverage sales rose 3.3%, excluding the impact of foreign exchange, to m€ 1,075.4. Sales growth reflected the impact of new contracts and increases in average meal purchases, despite reduced traffic at U.S. airports and along Italian motorways. Traffic for these two major sources of Group sales were down 3.6% and up 2.5% (Sources: A.T.A. and Autostrade SpA), respectively. On a like-for-like basis of outlets, sales increased 1.1%.

Note that the above amounts do not include the sales of oil products at service stations run by the Group, which decreased from m€ 25 in the first half of 2002 to m€ 22.6 in the first half of 2003. Only the related up-charge is recorded in the consolidated income statement as other operating revenues.

Other operating revenues

Other operating revenues arise from ancillary activities to the Group's core businesses and consist of franchise income, promotion contributions from suppliers and oil, motorway pass and telephone up-charges.

Cost of goods sold

Cost of goods sold as a percentage of sales declined 120 basis points as a result of more effective purchasing and more precise planning of service and goods.

Personnel costs

The Group experienced lower personnel costs, with an improvement of 50 basis points, primarily due to increasingly more efficient business models in Europe.

Analysis of Full Time Equivalent Employees by Geographic Region

	2003 First-Half	2002 First-half
Europe	16,515	16,163
North America and Pacific	20,228	19,618
Total	**36,743**	**35,781**

Provision charges and current assets writedowns

Provision charges and current assets writedowns decreased m€ 2.3 to m€ 3.4 due to more favorable commercial risk exposure positions.

Other operating expenses

Other operating expenses increased m€ 2 to m€ 18.2 and consist primarily of taxes and duties (other than income taxes) and till differences.

Non-current assets amortization, depreciation and write-downs

Non-current assets amortization, depreciation and writedowns increased m€ 7.5 to m€ 113.1. This amount consists of consolidation difference amortization and goodwill amortization of m€ 38.7, which increased m€ 1.9 mainly due to the consolidation of Anton Airfood.

Net finance costs

Net finance costs increased m€ 4.9 to m€ 21.4, as a result of an increase in the average cost of borrowing associated with the extension of average debt maturities and diversification of funding sources, including the issue of a m$ 370 private placement on 23 January 2003. The private placement consisted of three tranches: 5.38% Series A Senior Guaranteed Notes in the amount of m$ 44, 5.66% Series B Senior Guaranteed Notes in the amount of m$ 60 and 6% Series C Guaranteed Notes in the amount of m$ 266. The rates obtained were equivalent to spreads of 185, 190 and 195 basis points over the corresponding U.S. government bonds.

Adjustments to the value of Investments

Adjustments to the value of investments resulted in a net expense of m€ 6.5, following the writedown of the Group's equity holding in Pastarito. Because of deteriorating trends, Autogrill elected not to inject additional capital into the company. Therefore, at 30 June 2003, the Group's controlling ownership interest decreased to 11.70%. The book value of the equity holding now mirrors the respective share of book net equity.

Net exceptional costs

Group net exceptional costs, which mainly consist of reorganization costs, amounted to m€ 0.7, unchanged from the year-earlier period.

Profit before acquisition of newly consolidated companies

Profit before acquisition of newly consolidated companies represents the portion of earnings associated with the equity holding in Anton Airfood Inc. from 1 January 2003 through 10 June 2003, related to the 25% stake held from 1 January 2003 to 1 February 2003 and to the 49% stake later held to 10 June 2003, the date on which the 95% controlling ownership interest was acquired.

Autogrill Group Consolidated Condensed Balance Sheet and Related Analysis

(m€)	30 June 2003(1)	31 Dec. 2002	Change – Gross	Change – Constant currencies	30 June 2003(1) (2)
Non-Current Assets					
Intangible assets	1,095.6	1,087.5	8.1	62.7	1,214.5
Property, plant and equipment	498.7	494.7	4.0	19.8	460.4
Investments	24.0	34.1	(10.1)	(8.7)	49.3
	1,618.3	**1,616.3**	**2.0**	**73.8**	**1,724.2**
Net Working Capital					
Inventory	84.9	87.9	(3.0)	0.3	83.7
Trade accounts receivable	56.6	61.0	(4.4)	(3.0)	71.0
Current assets	249.3	238.1	11.2	23.1	220.8
Trade accounts payable	(348.5)	(444.6)	96.1	81.0	(391.3)
Provisions for risks and liabilities	(79.5)	(88.6)	9.1	7.8	(85.3)
Other current liabilities	(172.7)	(195.5)	22.8	15.5	(180.9)
	(209.9)	**(341.7)**	**131.8**	**124.7**	**(282.0)**
CAPITAL EMPLOYED	**1,408.4**	**1,274.6**	**133.8**	**198.5**	**1,442.2**
Non-current operating liabilities including termination benefits provisions	**(118.3)**	**(118.0)**	**(0.3)**	**(1.8)**	**(116.9)**
NET CAPITAL EMPLOYED	**1,290.1**	**1,156.6**	**133.5**	**196.7**	**1,325.3**
FINANCED BY:					
Group Equity and Minority Interest					
Group Equity	236.0	219.1	16.9	20.0	228.3
Minority Interest	20.2	17.7	2.5	3.4	17.4
	256.2	**236.8**	**19.4**	**23.4**	**245.7**
Convertible Bonds (a)	**379.2**	**375.5**	**3.7**	**3.7**	**371.7**
Non-Current Net Borrowings (b)					
Non-current borrowings	464.7	344.1	120.6	186.3	837.4
Non-current financial receivables	-	(92.9)	92.9	89.3	(92.4)
	464.7	**251.2**	**213.5**	**275.6**	**745.0**
Current Net Financial Assets (c)					
Current borrowings	376.0	485.3	(109.3)	(104.8)	109.6
Cash, marketable securities and financial receivables	(186.0)	(192.2)	6.2	(1.2)	(146.7)
	190.0	**293.1**	**(103.1)**	**(106.0)**	**(37.1)**
NET BORROWINGS (a+b+c)	**1,033.9**	**919.8**	**114.1**	**173.3**	**1,079.6**
TOTAL	**1,290.1**	**1,156.6**	**133.5**	**196.7**	**1,325.3**

(1) Calculations determined using pre-tax results
(2) Reviewed to align the amortization period for Autogrill Group Inc.'s (formerly HMSHost Corporation) goodwill with its estimated useful economic life, as updated in the presentation of the Group's 2002 full year financial statements.

The Group's net capital employed and net borrowings increased by m€ 196.7 and m€ 173.3 respectively, since December of 2002. Both net capital employed and net borrowings decreased, however, when compared to the same period last year. Increases from December to June were mitigated by FOREX fluctuations. Approximately 80% of the Group's capital employed is held in US dollars, as are borrowings of almost equal value.

The Group's equity has not been significantly affected by FOREX movements, which increased during the half year.

Non-current financial receivables were reset to zero as a result of the aforementioned conversion, on 1 February 2003, of the convertible loan issued to Anton Airfood, as well as a change in the borrowing structure established for the acquisition of Lettuce Serview's Airport Division and SMSI, which occurred in March of 2002. The Parent Company replaced the existing bank line, which was secured by a mC$ 47 deposit, with an inter-company loan in the amount of m€ 148.6. Therefore, accounts receivable from subsidiary companies increased by m€ 148.6.

Autogrill Group Cash Flow Statement

Consolidated Cash Flow Statement

2002 Full Year	(m€)	2003 Half-Year	2002 Half-Year [4]
175.5	**Opening net cash balances [1]**	**(293.1)**	**175.5**
12.8	Financial period net profit/(loss) [2] [6]	22.3	14.6
274.3	Non-current assets amortization, depreciation and writedown charges [6]	110.6	118.0
7.3	Adjustments to the value of investments	6.5	0.1
(0.1)	Non-current assets capital gains/(losses)	(0.1)	0.0
(1.3)	Provisions for risks and liabilities charges	(7.8)	(5.2)
(9.9)	Net change in working capital [2]	(121.8)	(57.3)
4.9	Net change in non-current borrowings and termination benefits provision	1.8	2.9
288.0	**Net cash flow from operating activities**	**11.5**	**73.1**
(174.7)	Investments in intangible assets and property, plant and equipment	(73.6)	(71.2)
5.9	Proceeds from non-current assets disposals	6.0	2.4
(58.3)	Acquisition of consolidated subsidiaries	(118.7)	(57.9)
(9.9)	Net change in investments	3.4	(17.8)
(237.0)	**Net cash flow applied to investing activities**	**(182.9)**	**(144.5)**
7.4	Convertible bond issued (and capitalization of zero-coupon interest)	3.7	3.6
-	Bond issued	323.8	-
78.5	New non-current borrowings	134.5	15.5
(595.2)	Non-current borrowings repayment/transfer to current borrowings	(184.5)	(79.2)
(5.8)	Other	(0.0)	(3.7)
(515.1)	**Net cash flow from (applied to) financing activities**	**277.5**	**(63.8)**
(464.1)	**Increase/(decrease) in cash and cash equivalents**	106.1	(135.2)
(4.5)	FOREX movement on short-term borrowings	(3.0)	(3.2)
(293.1)	**Cash and cash equivalents – Closing balance**	**(190.0)**	**37.1**
(626.7)	**Non-current borrowings [5]**	**(843.9)**	**(1,116.7)**
(919.8)	**Net Financial Position**	**(1,033.9)**	**(1,079.6)**

[1] Newly consolidated companies net cash balances incorporated in opening balance:
30 June 2003: m€ 7.2 and 31 Dec. 2002: m€ 7.7
[2] determined before tax for the period
[3] Excludes goodwill and consolidation difference relating to subsidiaries acquired during the period
[4] Reviewed to align the amortization period for Autogrill Group Inc.'s goodwill with its estimated useful economic life, as updated in the presentation of the Group's 2002 full year financial statements
[5] These balances are affected by the following:

2002 Full Year	(m€)	2003 Half-Year	2002 Half-Year [4]
-	Impact of change in Autogrill Group structure	(2.0)	-
150.2	Impact of FOREX movement on non-current borrowings	62.3	109.4

The Group pursues a FOREX rate risk exposure management policy. FOREX differences recognized on financial payables are accordingly substantially in line with employed capital translation differences
[6] Excluding values related to Anton Airfood Inc. pre-acquisition period

Analysis of Consolidated Cash Flow Statement Results

Net cash flow from operating activities increased m€ 11.5.

Net cash flow applied to investing activities decreased m€ 38.4 to m€ 182.9, consisting of m€ 118.7 in disbursements to acquire subsidiaries (Anton Airfood Inc.).

During 2003 half-year, investment increased 8.1% to m€ 73.6 (+3.4%). Investment, as a percentage of sales, rose from 4.7% to 5.2% as a result of major investments in North America primarily as a result of new contract awards or renewals.

(m€)	2003 Half-Year		2002 Half-Year	
Geographic region		**% total**		**% total**
North America (*)	33.0	44.9%	22.3	31.3%
Italy	25.0	34.0%	22.8	32.0%
Switzerland	5.5	7.4%	5.1	7.2%
France	4.5	6.1%	11.1	15.6%
Spain	2.7	3.7%	5.4	7.6%
The Netherlands	0.9	1.2%	0.8	1.1%
Belgium	1.3	1.8%	0.6	0.8%
Austria	0.1	0.1%	1.5	2.1%
Germany	0.0	0.0%	0.3	0.4%
Greece	0.0	0.0%	0.1	0.1%
Unallocated (**)	0.6	0.7%	1.2	1.7%
Total Investments	**73.6**	**100.0%**	**71.2**	**100.0%**

(*) Autogrill Group Inc. (formerly HMSHost Corp.)
(**) Corporate & Finance

Accordingly, investment resources were weighted more heavily towards development activities, which represented approximately 76% of total investment, and to the airport distribution channel, which increased from 26% to 39% of total investment.

(m€)	2003 Half-Year		2002 Half-Year	
Investment purpose		**% total**		**% total**
Development	55.7	75.7%	49.1	69.0%
Maintenance	12.5	17.0%	16.6	23.3%
Other	5.3	7.2%	5.5	7.7%
Total Investments	**73.6**	**100.0%**	**71.2**	**100.0%**

Motorway investment levels remained substantially unchanged (47% compared to 50.4%) due to restructuring and rebranding of existing locations on a continuing basis. Renovation work continued on both the Ohio and New Jersey Turnpikes in the United States (6 locations restructured in the early part of the period). Significant upgrading work was also completed in Italy on several existing outlets (Secchia West and Montefeltro East were fully restructured, new service station business models were built at Tevere East, Branza South and Somaglia, and lastly, other expenditures were incurred at Tirreno East).

(m€)	2003 Half-Year		2002 Half-Year	
Distribution channel		**% total**		**% total**
Airports	28.7	39.0%	18.5	26.0%
Motorways	34.6	47.0%	35.9	50.4%
Railway Stations	3.3	4.4%	2.7	3,8%
Non-concessions	1.8	2.4%	8.6	12.1%
Unallocated	5.3	7.2%	5.5	7.7%
Total Investments	**73.6**	**100.0%**	**71.2**	**100.0%**

Analysis of Group outlets by Geographic Region and Business Segment

Food and beverage concession outlets account for 90% of the Group's sales. Concessions are obtained from government agencies or from private companies managing motorways, airports, railway stations and shopping malls, and in some cases, directly from oil companies.

Operating Results by Geographic Region

Overview

Analysis by Geographic Region represents the Group's primary segment. Operating responsibilities are in line with this Analysis.

In order to simplify the financial presentation and comparables disclosed, Autogrill Group Inc.'s (formerly HMSHost Corporation) operations are shown in the following table under "North America", without being divided across other geographic regions. Autogrill Group, Inc.'s sales are primarily concentrated in North America (95% of sales), with the remaining operations based in Europe (4%) and in the Asia-Pacific region (1%). As discussed earlier, Autogrill Group Inc. consolidated figures contain the results of Anton Airfood Inc.'s operations.

Differences in performance and investment levels across geographic regions result from differences in business models and environments. Autogrill's operations in Italy, which account for over 60% of European sales, benefit from the dominance of multibrand outlets, enabling it to maximize operating efficiency and capital in this region.

European sales are markedly more seasonal than those in North America.

Analysis of Autogrill Group’s 2003 Half-Year Results by Geographic Region

	Europe				North America				Unallocated			Group			
	2003	2002	% change		2003	2002	% change		2003	2002	% ch.	2003	2002	% change	
(m€)	**HY**	**HY**	Gross	Net Forex	**HY**	**HY**	Gross	Net Forex	HY	HY	% change	**HY**	**HY**	Gross	Net Forex
Sales	723.8	710.5	1.9	2.0%	697.6	816.2	-14.5%	5.2%				1,,421.4	1,526.7	-6.9%	3.6%
EBITDA [1]	84.6	71.9	17.6%	17.6%	85.4	95.8	-10.9%	9.6%	(6.0)	(9.4)	36.2%	164.0	158.3	3.6%	16.8%
% sales	11.7%	10.1%			12.2%	11.7%						11.5%	10.4%		
Investments	40.0	47.7	-16.1%	-15.6%	33.0	22.3	48.0%	69.2%	0.6	1.2		73.6	71.2	3.4%	8.1%
Depreciation	33.7	33.0	2.0%	2.3%	36.7	43.6	-15.8%	3.7%	42.7	41.4	3.1%	113.1	118.0	-4.2%	3.1%

Autogrill Group Inc. (formerly HMSHost Corp.)

All Autogrill Group Inc. results are expressed in millions of US dollars, represented by the symbol m$, in order to eliminate the impact of FOREX movements.

2003 half-year sales results

Autogrill Group Inc. half-year sales increased 5.2% to m$ 770.8. First half 2003 sales include m$ 32.9 associated with Anton Airfood. The first half of 2003 was affected by the war with Iraq, poor weather conditions, the S.A.R.S. (Severe Acute Respiratory Syndrome) outbreak in Asia and later in Canada and weak economic conditions.

Distribution channels served by Autogrill Group Inc. generated the following performance:

airports: airport sales amounted to m$ 598.3, reflecting an 8.9% increase in total sales and a 4% increase on a like-for-like basis, despite a 3.6% drop in airport traffic (Source: A.T.A.), due to the aforementioned events;

motorways: motorway sales amounted to m$ 152.5, reflecting a 4.4% decline due to the temporary closing of six existing locations for restructuring and rebranding as well as above normal precipitation which affected holiday travel;

shopping malls: sales decreased from m$ 23.5 to m$ 20 due to the closing of two sales outlets in the fourth-quarter of 2002.

Autogrill Group Inc. EBITDA increased 9.6% relative to the same period last year to m$ 94.3. The growth in EBITDA was partly due to the m$ 6.1 contribution made by newly consolidated companies. EBITDA, expressed as a percentage of sales, increased to 12.2% from 11.7% over the same period.

At 30 June 2003, investments in tangible assets increased from m$ 22.4 (or 3.1% of sales) relative to the same period last year to m$ 37.8 (or 4.9% of sales). The significant increase for the period reflects investment associated with new contract awards or contract renewals. Nearly 90% of resources were devoted to development activities, particularly in terms of the airport distribution channel which absorbed approximately 75% of total investment. Continuing progress was made in the restructuring and rebranding of sales outlets on the Ohio and New Jersey Turnpikes, where 6 existing locations were significantly restructured.
Further information on development activities can be found on page 8.

Autogrill Europe

Autogrill generated sales growth in key countries (Italy, France and Spain). Growth was reduced by the preliminary effects arising from divestment of marginal business units and from continuing declines in the number of passengers traveling to and from Zurich Airport (Switzerland), following the failure of the Swiss national airline last fall.

EBITDA, as a percentage of sales, increased 1.6 percentage points, as a result of improved business profitability and efficiencies.

(m€)	2003 Half-Year									
	Italy	France	Switz.	Spain	Belgium	Neth.	Austria	Germany	Greece	Elim./unalloc.	Total
Sales	485.3	87.5	59.9	35.6	18.2	21.1	9.7	3.3	3.5	(0.3)	723.8
EBITDA	71.8	7.6	0.4	2.8	0.7	1.4	(0.1)	(0.4)	0.4		84.6
% sales	*14.8%*	*8.7%*	*0.7%*	*7.8%*	*3.7%*	*6.8%*	*-0.8%*	*-12.1%*	*11.4%*		*11.7%*
Investments	25.0	4.5	5.5	2.7	1.3	0.9	0.1	-	-		40.0
Depreciation	15.4	7.7	3.9	2.4	1.4	1.6	1.0	0.1	0.2		33.7

(m€)	2002 Half-Year									
	Italy	France	Switz.	Spain	Belgium	Neth.	Austria	Germany	Greece	Total
Sales	465.4	84.8	67.6	34.1	18.1	23.7	9.7	3.8	3.3	710.5
EBITDA	64.7	6.5	(0.9)	2.3	(0.4)	0.9	(1.0)	(0.6)	0.4	71.9
% sales	*13.9%*	*7.7%*	*-1.3%*	*6.7%*	*-2.2%*	*3.8%*	*-10.3%*	*-15.8%*	*12.1%*	*10.1%*
Investments	22.8	11.1	5.1	5.4	0.6	0.8	1.5	0.3	0.1	47.7
Depreciation	15.6	7.4	3.8	1.8	1.2	1.4	1.2	0.4	0.2	33.0

ITALY

During the first half of 2003, sales increased 4.3% over the same period last year to m$ 485.3, with concession activities harnessing a 5.9% growth. Distribution channels served by Autogrill captured the following performance:

motorways: sales increased 5.6% to m€ 387.8, compared to a 2.5% increase in motorway traffic reported for Italy (Source: Autostrade SpA). All-new offerings launched in the first half of 2003 enabled Autogrill to take full advantage of the favorable national holiday calendar;

airports: sales increased 12.1% to m€ 16.2, as a result of the new sales outlets opened at the Caselle Airport in Turin and the positive operating performance captured by existing outlets which reported, on a like-for-like basis, 5.8% growth as compared to a 1.9% increase in air traffic (Source: Assaeroporti);

railway stations: sales increased 13.1% to m€ 5.6, due to the positive performance captured at the Termini railway station in Rome, where the offering has been enhanced as a result of bringing to market in the second half of 2002 , new quick-service restaurants (Spizzico and Acafe);

shopping malls, city centers and trade fairs: on a comparative basis with 2002 half-year, sales declined 3.8% to m€ 75.7, reflecting unrelenting weak consumer spending trends and the closing of four city locations and one shopping mall location in the first half of 2003, all of which had substandard profitability.

EBTIDA amounted to m€ 71.8. As a percentage of sales, EBITDA increased from 13.9% to 14.8% due to leveraging of operating expenses and an 8.1% improvement in labor productivity. The improvement in labor productivity offset the 6% tariff increase from payroll agreement renewals.

Investment increased from m€ 22.8 to m€ 25, climbing from 4.9% to 5.2% of sales. More than 72% of investment resources were earmarked for development activities primarily relating to the motorway distribution channel, where major expansion and restructuring expenditures have been spent at existing sales outlets (Secchia West and Montefeltro East; Tevere East, Brianza South and Somaglia, where new service station business models have been introduced; and Tierreno East).

NORTH WESTERN EUROPE

The region consists of France, the Netherlands, Belgium and Luxembourg. Beginning in May of 2002, management launched a number of initiatives towards improving business profitability and efficiencies in weaker segments. These initiatives have resulted in preliminary positive results in the six-month period under review, despite particularly unfavorable economic conditions. Performance is examined and discussed below by country:

France

Sales increased 3.1% to m€ 87.5, reflecting sharply varying performances between the two key distribution channels:

motorways: particularly positive performance was achieved by motorway locations based in the northern part of France. Sales increased 6.7% to m€ 60.2. Motorway sales account for approximately 70% of total sales in France;

railway stations: as a result of restructuring and renovation at certain key French railway stations (e.g., Paris Gare du Nord) as well as national strikes, which negatively affected railway traffic especially in April, May and June, motorway sales decreased 3.7% to m€ 26.9.

Improved operating efficiency resulted in improved profitability. EBITDA increased 17% to m€ 7.6. Expressed as a percentage of sales, EBITDA increased from 7.7% to 8.7%.

Completion in 2002 of the railway network upgrading plan resulted in lower investment in 2003. Investment decreased from m€ 11.1 relative to the same period last year to m€ 4.5. Expressed as a percentage of sales, investment declined from 13.1% to 5.2%.

Belgium

Sales increased marginally by 0.6% to m€ 18.2. Outlets opened at the beginning the year in the Namur railway station accounted for m€ 0.4 of sales. Key distribution channels reflected differing performance:

motorways: sales declined 2.8% to m€ 15.1, due to the pervasive weakness of the Belgium economy which primarily affected motorway distribution activities;

shopping malls: sales increased 3.9% to m€ 2.6.

Efficiency improvements resulted in an EBITDA of m€ 0.7, compared to the loss of m€ 0.4 for the first half of 2002. Expressed as a percentage of sales, EBITDA jumped 6 percentage points, reaching 3.7%.

On a like-for-like basis, investment increased from m€ 0.6 to m€ 1.3, owing to expenditures related to two new locations at Mennenkensveere. Also won by the Group in January was the contract concession for restaurant services at Anversa railway station, which will represent one of the more significant railway junctions along the "Paris-Brussels-Amsterdam" high-speed line. Forecasted sales over the duration of the eight-year contract concession are expected to be approximately m€ 10.

The Netherlands

Sales decreased to m€ 21.1 from m€ 23.7 relative to the same period last year, reflecting the pervasively flat macroeconomic environment that worked against the Group's hotel activities, which account for more than 15% of the sales from Belgium. Hotel sales revenue declined by more than 20%.

The Group is currently reviewing a series of initiatives focused on reshaping its business portfolio and encouraging new customers to experience Autogrill's service, particularly in hotels.

Despite the decline in sales, business efficiency initiatives went far to enhance EBITDA which increased from m€ 0.9 relative to the same period last year to m€ 1.4. Expressed as a percentage of sales, EBITDA more than doubled from 3.8% to 6.8%.

Investments marginally increased from m€ 0.8 relative to the same period last year to m€ 0.9.

Switzerland

All Autogrill Swiss operating results are expressed in millions of Swiss Francs, represented by the symbol mSFR, in order to eliminate the impact of FOREX movements.

During the first-half ending 30 June 2003, sales decreased 9.9% to mSFR 89.4. A breakdown of sales by distribution channel is provided as follows:

motorways: motorway sales amounted to mSFR 36.7, which is substantially in line with the same period last year;

airports: airport sales decreased 28.6% to mSFR 22.2, due to continuing declines in air traffic to and from Zurich Airport (down 6% - Source: Unique). Traffic was also impacted by the failure of the main national airline and outlet closure at Basel Airport;

other: sales decreased from mSFR 31.2 relative to the same period last year to mSFR 30.5.

Initiatives launched at the end of the prior period went far to significantly improving EBITDA, which increased from mSFR -1.4 relative to the same period last year to mSFR +0.7 (from -1.3% to 0.7% when expressed as a percentage of sales) at 30 June 2003. Efficiency improvements were concentrated in the motorway distribution channel.

Investment increased from mSFR 7.6 relative to the same period last year to mSFR 8.5.

Spain

Sales rose 4.3% to m€ 35.6. More particularly, key distribution channels reported the following sales performance:

motorways: up 4.7% to m€ 31;

railway stations: up 3.1% to m€ 3.8.

EBITDA grew 21.4% to m€ 2.8, increasing from 6.7% to 7.8% when expressed as a percentage of sales. Increases in EBITDA occurred despite increased railway distribution channel costs which were resulted from the deferred unveiling of the new Madrid-Lerida high-speed track section from February to October. Certain new outlets had been opened at the Atocha station in Madrid at the end of February.

Investments amounted to m€ 2.7, halved on a comparative basis with the m€ 5.4 figure reported for the same period last year (declining from 16% to 7.7% when expressed as a percentage of sales), due to the gradual completion of the expansion and rebranding of existing motorway channel locations and not least, to the minor significance, compared to the same period last year, of investments towards development in the railway distribution channel.

Austria and Germany

In Austria, sales remained steady at m€ 9.7. Increased labor productivity resulted in an improving EBITDA, which increased from m€ -1 relative to the same period last year to m€ -0.1 through 30 June 2003. As a percentage of sales, EBITDA increased from -10.3% to -0.8%.

Investment amounted to m€ 0.1, reflecting a sharp reduction on the m€ 1.5 figure relative to the same period last year, during which investments towards the Matrei location restructuring were recorded.

In Germany, sales declined from m€ 3.8 relative to the same period last year to m€ 3.3 as of 30 June 2003. EBITDA grew, albeit marginally, to m€ -0.4,

As discussed previously, Autogrill Deutschland GmbH reached an agreement with assignors relating to the planned divestment on 30 September 2003 of five motorway locations operated and managed by Autogrill in Germany.

Greece

In Greece, sales grew by 5.5% increasing from m€ 3.3 relative to the same period last year to m€ 3.5 at 30 June 2003. Motorway and airport distribution channels both booked positive sales performances, producing a 5.7% and 5.3% increase, respectively. EBITDA grew 1.9% to m€ 0.4.

Analysis of Sales by Distribution Channel

The business channel represents a secondary disclosure segment.

As mentioned earlier under the caption "Analysis of Autogrill Group's 2003 Half-Year Results by Geographic Region", Autogrill Group Inc.'s (formerly HMSHost Corporation) operations are shown in the following table under "North America" without being segregated among other geographic regions, as results are primarily concentrated in North America (95% of sales), with the remaining operations based in Europe (4%) and in the Asia-Pacific region (1%). Autogrill Group Inc. consolidated figures contain the results of Anton Airfood Inc.'s operations.

	Europe				North America				Autogrill Group			
	First-Half		% change		First-Half		% change		First-Half		% change	
(m€)			Gross	Constant			Gross	Constant			Gross	Constant
	2003	**2002**		**curencies**	**2003**	**2002**		**curencies**	**2003**	**2002**		**curencies**
Motorways	554.8	533.4	4.0%	4.1%	138.0	177.7	-22.3%	-4.4%	692.8	711.1	-2.6%	2.3%
Airports	32.5	37.0	-12.2%	-11.4%	541.5	612.3	-11.6	8.9%	574.0	649.3	-11.6%	7.5%
Railway stations												
	40.9	42.9	-4.7%	-4.4%	-	-			40.9	42.9	-4.7%	-4.4%
Other	956	97.2	-1.6%	-1.4%	18.1	26.2	-30.9%	-15.0%	113.7	123.4	-7.9%	-3.8%
Total	**723.8**	**710.5**	**1.9%**	**2.0%**	**697.6**	**816.2**	**-14.5%**	**5.2%**	**1,421.4**	**1,526.7**	**-6.9%**	**3.6%**

Motorways
Group motorway sales increased 2.3% to m€ 692.8 as a result of varying regional performance. In Europe, motorway sales grew 4.1% on a comparative basis relative to the same period last year. Particularly positive performance was captured in key European countries such as Italy (up 5.6%), France (up 6.7%) and Spain (up 4.7%). Performance for the rest of Europe was affected by an unfavorable macroeconomic climate. In terms of U.S. highways, however, sales declined 4.4% due to the temporary closing of six existing locations for restructuring and rebranding during the first three months of the financial period. U.S. highways were also impacted by higher than normal precipitation levels in the eastern region of the U.S.

Airports
Group airport sales increased 7.5% to m€ 574.0 primarily as a result of positive performance from the U.S. airport distribution channel, where like-for-like sales increased 4% as compared to a 3.6% decline in air traffic (Source: A.T.A.). Taking into account the consolidation of Anton Airfood, aggregate growth in North America reached 8.9%. In terms of airport operations in Europe, airport sales declined 11.4% to m€ 32.5, substantially due to continuing difficulties experienced by the Swiss airport distribution channel (air traffic down 6% - Source: Unique) following the failure of the Swiss national airline and the closure of one outlet at Basel Airport. Other European airport locations, however, generated positive performance. Italian airport sales grew 12.1% as a result of new sales outlets being opened at the Caselle Airport in Turin. Good performance was also captured by existing Italian airport outlets which reported, on a like-for-like basis, 5.8% growth as compared to a 1.9% increase in air traffic (Source: Assaeroporti). Athens airport sales increased 5.3%.

Railway stations
Group railway station sales decreased 4.4% to m€ 40.9. Over 65% of railway station sales are generated in France, where sales decreased 3.7% in the first half of 2003. The decline was the result of restructuring and renovation at certain key French railway stations exacerbated by national strikes in the second quarter.

Sales from the Italian Railway distribution channel increased 13.1% due to strong performance posted by the sales outlets at the Termini railway station in Rome and by the Spanish channel (up 3.1%). With respect to Spain, the unveiling of a new high-speed Madrid-Lerida track section in October should represent a further development milestone for existing railway distribution channel operations.

New Belgium operations reported sales of m€ 0.4.

Shopping malls, city centers and trade fairs

Sales from non-concession channels declined 3.8% to m€ 113.7. This decline is a reflection of unrelenting weak consumer spending trends and the closing of some ten shopping mall and city center locations in the United States, Italy and Switzerland which were implemented from the fourth-quarter 2002 through the first-quarter 2003 in an effort to streamline the non-concession business portfolio.

Other Information

Research and Development

Reflecting the nature of the Group's activity, investments are made in the area of innovation, product evolution and the development of quality food, beverage and retail outlet products as well as service delivery systems. The Group per se does not carry out scientific research.

Related party transactions

Related party transactions are summarized below in accordance with Article 2359 of the Italian Civil Code and International Accounting Standard IAS 24.

Related party transactions are completed under normal market conditions in the course of the Group's ordinary business.

Transactions between Autogrill Group and its holding company (Edizione Holding SpA)

Edizione Holding SpA has a 57.09% controlling ownership interest in the Group's Parent Company, Autogrill SpA, with the remaining shares held by Italian and international institutional investors, individual shareholders and Group employees.

During the first half of 2003, relationships with Edizione Holding SpA almost exclusively involved participation in a Group insurance plan in order to limit costs relating to specific risks.

Income Statement and Balance Sheet amounts arising from transactions between Autogrill Group and Edizione Holding SpA for the half-year ending 30 June 2003 are as follows:

(k€)	Edizione Holding SpA
Income Statement	
Services expenses	22
Lease and rental expenses	13
Balance Sheet	
Trade accounts receivable	
Trade accounts payable	55

Transactions between Autogrill Group and related companies

(k€)	Benetton Group SpA	Verde Sport	S.I.G.I. Srl
Income Statement			
Sales		30	
Other operating revenues	7	2	
Finance costs	4		
Services expenses		26	
Lease and rental expenses	9		76
Balance Sheet			
Trade accounts payable			25
Trade accounts receivable		18	

Significant relationships with companies sharing common ownership include:

- Benetton Group SpA is currently promoting its "Benetton card" through the Autogrill SpA sales network. As reported above, finance costs and other operating revenues are related to the Benetton card promotion.

- Autogrill and Verde Sport SpA have an agreement regarding the provision of restaurant services at the Treviso sports center.

- SIGI Srl leases property space occupied by one business unit of Autogrill SpA.

There are no significant relationships between related companies.

Relationships with Autostrade per l'Italia SpA and its Subsidiaries and with Grandi Stazioni SpA, in which Edizione Holding SpA holds a 49.2% and 12.6% ownership interest respectively, are disclosed where relevant.

Pursuant to the 1988 agreement, modified in 1996, the Autostrade Group, which manages 48% of the Italian motorway network, granted direct concessions to Autogrill SpA for restaurant and non-oil retail services at 93 service areas, 9 of which are held by franchisees.

Autogrill SpA and Autogrill Café Ltd. operate restaurants on a sub-concession basis from Grandi Stazioni SpA at the Termini railway station in Rome.

Income Statement and Balance Sheet amounts arising from transactions between related companies for the half-year ending 30 June 2003 are as follows:

(k€)	Autostrade SpA	Grandi Stazioni
Income Statement		
Sales	3	
Other operating revenues	326	
Services expenses	565	
Lease and rental expenses	10,137	518
Balance Sheet		
Trade accounts payable	1,282	58
Trade accounts receivable	893	23

Corporate Governance

On 25 February 2003, the Board of Directors noted the revised Autogrill Group Corporate Governance Report, which reflects the Group's stricter compliance with the Italian Stock Exchange's (Borsa Italiana SpA) corporate requirements for companies listed on the Exchange. The Report was filed with the Italian Stock Exchange on 5 March 2003.

On 6 November 2002, the Board of Directors approved the Autogrill Group's Code of Best Practice that sets out the principles and standards of best practices underlying Autogrill's activities and the responsibilities that it assumes as a whole, whether within the Group or otherwise.

At the Board meeting on 24 March 2003, the Group's corporate governance was strengthened, assigning the importance of two-way communication with Institutions and its Stakeholders to a Deputy Chairman, an office held by the preceding Chief Executive Officer.

On 24 April 2003, the Stakeholders' Meeting amended the Articles of Association, increasing the maximum number of Directors from nine to eleven, establishing eleven as the number of Directors for the remainder of the three-year period 2002, 2003 and 2004 currently in progress. Three new Directors - Carmine Meoli, Gianni Mion and Gianmario Tondato da Ruos - were appointed, joining the other eight Directors in office.

Treasury shares

On 30 June 2003, neither the Parent Company nor its subsidiaries held any shares in itself or in the holding company that controls it, nor did it acquire or dispose of such shares during the first half of 2003.

Significant Post-Balance Sheet Events

On 17 July 2003, the Italian Competition Authority (ICA) closed the hearing opened against Autogrill concerning the Group's proposed acquisition of Ristop. ICA originally considered the proposed acquisition to be monopolistic. However, after evaluating the merits of the case, no sanctions were imposed by ICA.

Autogrill reaffirmed its commitment to operate in strict accordance with antitrust regulations and has expressed its willingness to compete under free-market conditions. In light of the foregoing, Autogrill has put in place specific strategies to effectively compete in upcoming pre-tender screenings for the renewal of certain Italian motorway concessions, which are set to expire during 2003. These expiring contracts account for approximately 3.5% of Autogrill sales.

On 17 July 2003, the Parent Company divested the property located at 1 Via Orefici in Milan, for an agreed price of m€ 15.1 versus a stated residual book value of m€ 3.5.

Additionally, as a result of winning the tender relating to Seattle Airport, Autogrill Group Inc. (formerly HMSHost Corporation) secured one of the more significant locations in the United States eighteen months ahead of the originally scheduled expiration date of December 2004.

2003 Full Year Forecast

Historically, sales in the second half of the year are 15% to 20% higher than those in the first half of the year due to the seasonal nature of tourist travel.

At the end of the 30^{th} week of 2003, Group sales growth surpassed the level achieved during the first half ending 30 June 2003. Year-to-date, Group sales reflected a 4% increase in constant currencies on a comparative basis with respect to the same period last year, with significant improvements in key countries and/or business line channels.

Taking into account business performance achieved in July, the Group is expected to generate, on an annualized basis, cash flow and net profit above 2002. Earnings will also benefit from the effect of the capital gain arising on divestment of the Milan property location referenced above.

Autogrill Group Consolidated Financial Statement and Notes for the Half-Year ending 30 June 2003

Autogrill Group
Consolidated Balance Sheet

(k€) ASSETS		30 June 2003	31 December 2002	Change	30 June 2002 ([1])
A)	**Due from Shareholders for capital not paid in**				
B)	**NON-CURRENT ASSETS**				
I -	**Intangible Assets**				
1)	Incorporation and start-up costs	170	412	(242)	223
4)	Concessions, licenses and brands	38,583	39,993	(1,410)	41,138
5)	Business goodwill	485,051	547,312	(62,261)	603,052
5-bis)	Consolidation difference	321,064	247,016	74,048	271,328
6)	Assets under development and advances	1,826	3,915	(2,089)	4,907
7)	Other:				
a)	leasehold improvements	227,038	225,838	1,200	269,479
b)	other	21,823	22,972	(1,149)	24,365
Total Intangible Assets		**1,095,555**	**1,087,458**	**8,097**	**1,214,492**
II -	**Property, Plant and Equipment**				
1)	Land and buildings	104,109	107,296	(3,187)	113,663
2)	Operating facilities	64,663	65,269	(606)	70,388
3)	Commercial and operating equipment	124,074	118,814	5,260	106,849
3-bis)	Freely transferable assets	105,560	105,345	215	95,876
4)	Other	8,346	9,325	(979)	9,688
5)	Assets under construction	91,951	88,668	3,283	63,938
Total Property, Plant and Equipment		**498,703**	**494,717**	**3,986**	**460,402**
III -	**Investments**				
1)	Equity investments:				
b)	in associate companies	4,406	19,485	(15,079)	26,365
c)	in other companies	119	450	(331)	1,088
2)	Financial receivables:				
b)	from associate companies	640	38,225	(37,585)	40,225
d)	from others				
*	of which: current	1,591	1,449	142	2,583
*	of which: non-current	21,486	67,101	(45,615)	71,068
Other		296	307	(11)	584
Total Investments		**28,538**	**127,017**	**(98,479)**	**141,913**
TOTAL NON-CURRENT ASSETS		**1,622,796**	**1,709,192**	**(86,396)**	**1,816,807**
C)	**CURRENT ASSETS**				
I -	Inventory: Merchandise for resale, supplies and other	84,882	87,943	(3,061)	83,670
II -	Receivables				
1)	Trade accounts receivable	56,645	60,991	(4,346)	70,988
3)	Associate companies	1,509	486	1,023	957
5)	Others				
a)	Advance taxation				
*	of which: current	32,403	32,080	323	37,543
*	of which: non-current	124,994	130,162	(5,168)	104,057
b)	Other	70,225	64,347	5,878	60,601
Total Receivables		**285,776**	**288,066**	**(2,290)**	**274,146**
III -	**Marketable securities**	**-**	**2,098**	**(2,098)**	**1,882**
IV -	**Bank and Cash**				
1)	Bank balance	131,736	122,423	9,313	91,947
2)	Cash balance	37,827	47,583	(9,756)	34,782
Total Bank and Cash		**169,563**	**170,006**	**(443)**	**126,729**
TOTAL CURRENT ASSETS		**540,221**	**548,113**	**(7,892)**	**486,427**
D)	**Bond Discounts, Prepaids & Accruals**				
a)	Bond discounts	91,881	95,587	(3,706)	99,316
b)	Prepaid expenses and accrued income	32,025	31,088	937	35,623
Total Bond Discounts, Prepaids & Accruals		**123,906**	**126,675**	**(2,769)**	**134,939**
TOTAL ASSETS		**2,286,923**	**2,383.980**	**(97,057)**	**2,438,173**

([1]) reviewed to harmonize the amortization period for HMSHost goodwill with the estimated useful economic life thereof, updated on preparation of the 2002 full year financial statements

Autogrill Group
Consolidated Balance Sheet

(k€)		30 June 2003	31 December 2002	Change	30 June 2002 ([2])
EQUITY AND LIABILITIES					
A)	**Equity**				
I)	Capital stock	132,288	132,288	-	132,288
II)	Additional paid-in capital	-	-	-	-
III)	Revaluation reserves	-	-	-	-
IV)	Legal reserve	1,712	1,712	-	1,712
V)	Reserve for treasury stock	-	-	-	-
VI)	Statutory reserves	-	-	-	0
VII)	Other reserves	81,919	77,678	4,241	81,607
VIII)	Retained earnings	-	-	-	-
IX)	Net income for the financial period (1)	20,045	7,463	12,582	12,655
Equity before minority interest		**235,964**	**219,141**	**16,823**	**228,262**
Minority interest		**20,161**	**17,689**	**2,472**	**17,428**
Total Equity		**256,125**	**236,830**	**19,295**	**245,690**
B)	**Provision for Liabilities and Charges**				
1)	Provision for pension and similar benefits	9,698	10,552	(854)	11,496
2)	Deferred income tax liability	56,396	61,888	(5,492)	58,904
3)	Other provisions	30,515	33,172	(2,657)	31,929
Total		**96,609**	**105,612**	**(9,003)**	**102,329**
C)	**Provision for Employee Termination Benefits**	**92,631**	**91,336**	**1,295**	**88,633**
D)	**Liabilities**				
1)	Bonds	323,794	-	323,794	-
2)	Convertible bonds				
•	current borrowings	471,055	-	471,055	-
•	non-current borrowings	-	471,055	(471,055)	471,055
3)	Borrowings from banks:				
•	current borrowings	333,739	464,710	(130,971)	95,417
•	non-current borrowings	134,939	332,768	(197,829)	825,982
4)	Other borrowings:				
•	current borrowings	3,285	4,151	(866)	5,415
•	non-current borrowings	6,064	6,500	(436)	6,428
5)	Advances	316	353	(37)	495
6)	Trade accounts payable	348,221	444,343	(96,122)	390,702
9)	Payables – associate companies	-	4,597	(4,597)	5,026
10)	Payables – parent company	55	125	(70)	38
11)	Tax liabilities	34,133	32,608	1,525	23,920
12)	Social security liabilities	29,402	26,289	3,113	17,900
13)	Other:				
•	current other payables	114,029	130,707	(16,678)	131,405
•	non-current other payables	8,000	8,702	(702)	1,980
Total Liabilities		**1,807,032**	**1,926,908**	**(119,876)**	**1,975,763**
B)	**Accrued expenses and deferred income**	**34,526**	**23,294**	**11,232**	**25,758**
TOTAL EQUITY AND LIABILITIES		**2,286,923**	**2,383,980**	**(97,057)**	**2,438,173**

OFF-BALANCE SHEET COMMITMENTS AND GUARANTEES		**30 June 2003**	**31 December 2002**	**Change**	**30 June 2002 ([1])**
Guarantees					
	Unsecured	32,527	32,204	323	27,874
	Secured – Balance Sheet liabilities	2,354	49,354	(47,000)	2,354
Commitments					
	Purchases and sales	882,622	869,529	13,093	972,182
	Other	26,516	40,775	(14,259)	24,266
TOTAL OFF-BALANCE SHEET COMMITMENTS AND GUARANTEES		**944,019**	**991,862**	**(47,843)**	**1,026,676**

([1]) no allocation for half-years
([2]) reviewed to harmonize the amortization period for HMSHost goodwill with the estimated useful economic life thereof, updated on preparation of the 2002 Full Year Report

Autogrill Group
Consolidated Income Statement

(k€)		2003 Half-Year	2002 Half-Year ([2])	Change	2002 Full Year
A)	**OPERATING REVENUES**				
1)	Sales	1,444,019	1,543,602	(99,583)	3,356,307
5)	Other operating revenues	35,863	35,869	(6)	88,879
Total Operating Revenues		**1,479,882**	**1,579,471**	**(99,589)**	**3,445,186**
B)	**OPERATING COSTS**				
6)	Cost of merchandise for resale and supplies	505,144	536,264	(31,120)	1,177,127
7)	Cost of services	143,229	158,347	(15,118)	339,994
8)	Lease, rental and royalty charges	191,084	212,855	(21,771)	454,144
9)	Personal costs:				
a)	Wages and salaries	355,952	391,307	(35,355)	821,022
b)	Social security charges	66,957	69,229	(2,272)	140,567
c)	Employee termination benefits	7,893	8,088	(195)	15,740
d)	Pension and similar obligations	391	956	(565)	868
e)	Other	22,455	24,546	(2,091)	52,729
10)	Depreciation, amortization and write-downs:				
a)	Amortization of intangible assets	73,344	65,997	7,347	173,702
b)	Depreciation of property, plant and equipment	39,758	51,967	(12,209)	86,487
c)	Writedown of intangible assets and PPE	-	-	-	14,121
d)	Writedown of current receivables	2,102	2,636	(534)	6,656
11)	Change in inventory levels	(675)	2,006	(2,681)	(3,738)
12)	Provisions for liabilities and risks charges	389	1,735	(1,346)	5,701
13)	Other provisions charges	868	1,932	(1,064)	3,302
14)	Other operating costs	18,182	17,812	370	41,437
Total Operating Costs		**1,427,073**	**1,545,677**	**(118,604)**	**3,329,859**
OPERATING PROFIT		**52,809**	**33,794**	**19,015**	**115,327**
C)	**FINANCE INCOME AND COSTS**				
15)	Equity investments in associates	39	39	(0)	140
16)	Other finance income:				
a)	Financial receivables	2	1	1	2
b)	Securities included in fixed assets	-	35	(35)	59
c)	Marketable securities	570	734	(164)	2,121
d)	Other finance income	36,527	18,703	17,824	44,842
17)	Finance costs:				
a)	Financial institutions	(5,798)	(13,610)	7,812	(25,684)
c)	Third party	(12,233)	(3,750)	(8,483)	(7,546)
d)	Other	(40,511)	(20,297)	(20,214)	(55,397)
Total Net Finance Costs		**(21,404)**	**(18,145)**	**(3,259)**	**(41.463)**
D)	**FINANCIAL ASSETS WRITEDOWNS**				
18)	Revaluation of marketable securities:				
a)	Investments	246	-	246	783
19)	Writedowns:				
a)	Investments	(6,700)	-	(6,700)	(8,087)
b)	Other marketable securities	-	(336)	336	
Total Financial assets writedowns		**(6,454)**	**(336)**	**(6,118)**	**(7,304)**
E)	**EXCEPTIONAL ITEMS**				
20)	Income-	-	0	(0)	21,487
21)	Expenses	(703)	(711)	8	(20,220)
Total Exceptional Items		**(703)**	**(711)**	**8**	**1,267**
PROFIT BEFORE TAX		**24,248**	**14,602**	**9,646**	**67,827**
Income tax ([1])		-	-	-	(55,051)
PROFIT BEFORE MINORITY INTEREST		**24,248**	**14,602**	**9,646**	**12,776**
Minority Interest		4,203	1,947	2,256	5,313
NET PROFIT FOR THE FINANCIAL PERIOD		**20,045**	**12,655**	**7,390**	**7,463**

([1]) no allocation for half-years
([2]) reviewed to harmonize the amortization period for HMSHost goodwill with the estimated useful economic life thereof, updated on preparation of the 2002 Full Year Report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Italian Legislative Decree 127/1991, Section II, which applies EEC Directive VII, and incorporates requirements prescribed by the CONSOB Regulations regarding half-year reports.

The Notes serve to provide an overview, analysis and, in some cases, breakdown of figures presented in the consolidated financial statements. They also contain the information required by Article 38 and other provisions of the Legislative Decree 127/1991.

Valuation methods and principles used in the preparation of consolidated financial statements for the half-year ending 30 June 2003 are consistent with those used to prepare the consolidated financial statements for the periods ending 31 December 2002 and 30 June 2002, other than no allocation of income tax for half years. In order to ensure that the consolidated financial statements for the half-year ending 30 June 2002 are consistent with those for the half-year ending 30 June 2003, the consolidated financial statements for the six months ending 30 June 2002 have been reviewed, in terms of period-on-period comparables, in order to align the amortization period for HMSHost goodwill to its estimated useful economic life, as updated on preparation of the 2002 Full Year Report. As a consequence thereof, the amortization of business goodwill is m€ 14.4 lower, while profit before tax is correspondingly higher.

Furthermore, the consolidated financial statements for the financial periods ending 30 June 2002 and 31 December 2002 have been subject to reclassification in order that they be consistent with the consolidated financial statements for the half-year ending 30 June 2003, with these reclassifications having no impact on the Group's net equity or net result for the periods concerned.

The following items were subject to reclassification, the details of which are discussed in the applicable Notes:

- *Social security liabilities* and *Other accounts payable*. The latter item reported, in the comparable financial periods, included the amount of Social security liabilities relating to a foreign affiliated company.

All values in the Notes are expressed in thousands of Euros (represented by the symbol k€).

GROUP ACCOUNTING AND REPORTING POLICIES

Overview of Group Activity

Autogrill SpA, directly and through subsidiary companies, operates food, beverage and retail outlets throughout the world to serve people on the move, including Quick Service Restaurants at locations experiencing high customer traffic flow.

Consolidation scope

Pursuant to Article 26 of Legislative Decree 127/1991, the consolidated financial statements incorporate the financial statements for the half-year ending 30 June 2003 of Autogrill SpA, the Group's Parent Company, as well as all the financial statements of companies which the Parent Company controls by virtue of its direct and indirect holding of the majority of their voting rights, or by virtue of its exercise of dominant influence in these companies. The latter is the case for the Group's investments in Soborest S.A., Sorebo S.A., Soberest S.A. and Volcarest S.A., which are treated as subsidiaries and consolidated, to reflect the Group's 50% stake in these companies' equity and the Group's management of their operations.

HMSHost Corp. (now Autogrill Group Inc.) and its subsidiaries' financial year close on the Friday nearest to 31 December, and consist of thirteen 4-week accounting periods (except, possibly, the last). Thus, their financial statements (included in the group consolidation) cover the periods 4 January 2003 to 20 June 2003 and 28 December 2001 to 14 June 2002.

Autogrill Nederland BV and the respective subsidiaries thereof divide the financial year into thirteen 4-week accounting periods (week closes on Wednesday), as adjusted to maintain the year-end closing date at 31 December . Thus, their financial statements cover the periods 1 January 2003 to 18 June 2003 and 1 January 2002 to 19 June 2002.

A listing of consolidated companies is presented in the Appendix section of this Report on page 64.

The presentation of the financial statements of subsidiaries has been modified as necessary so that its presentation is consistent with the principles of the Parent Company.

On a comparative basis with 31 December 2002 and First-Half 2002, companies included in the consolidation scope for the first time are: Anton Airfood Inc (AAI) and its subsidiaries, which, taken as a whole, account for 2.3% of Group sales.

Control of AAI was acquired on 10 June 2003. As from 1 February 2003, the Group raised its ownership stake from 25% to 49% following conversion of the bond underwritten in 2001.

AAI and the respective subsidiaries had their full half-year results incorporated in the consolidated financial statements; pre acquisition results has been backed off and presented in the PL as minority nterest.

No pro-forma financial statements are presented given the not material impact arising from the changes in consolidation scope. Where relevant, the impact of the changes in consolidation scope is disclosed in the individual Notes.

Set out below is the impact on consolidation scope of Anton Airfood Inc. acquisition:

(m€)	**Anton Airfood Inc.([1])**
Net current assets	33.1
Net working capital	(3.5)
Net capital employed	29.6
Group equity	33.1
Minority interest	1.8
	34.9
Non-current borrowings	2.0
Net current borrowings	(7.3)
Total borrowings	(5.3)
Total equity, minority interest and borrowings	29.6
Amount allocated to specific assets	128.1
Amount allocated to consolidation difference ([2])	95.0
Average duration of concessions	10

(1) Consolidated financial accounts as at 10 June 2003

The consolidation difference is attributable for m€ 45.1 to new contracts expected to be awarded and, for the remainder, to expected earnings from ongoing concessions. These are being amortized over a period of 5 years and 6 years, respectively, corresponding to the average remaining duration of the concessions at the date of acquisition.

Consolidation policies

The following significant policies were followed in the preparation of the 2003 half-year consolidated financial statements:

a) Subsidiaries included for the first time in the consolidation have their financial statements incorporated into the consolidated financial statements using the full consolidation method, resulting in the elimination of the carrying values of these investments held by the Parent Company and other subsidiaries.

Any positive differences arising from the consolidation of the subsidiaries' net assets – when not allocated to specific assets – are treated as 'Consolidation difference', an intangible asset, and are amortized on a straight-line basis over their useful economic lives, generally corresponding to the average remaining duration of their concessions.

Any negative differences arising are allocated to the equity account "Consolidation reserve', unless future losses are anticipated, whereby they are allocated to a provision.

b) During consolidation, all intra-Group receivables and liabilities, revenues and expenses and significant value transactions including dividends are eliminated.

In addition, inter-Group gains and losses are eliminated.

c) Accounting entries exclusively related to the application of tax laws are also eliminated.

d) Foreign currency denominated subsidiary financial statements are translated into Euro using the period closing exchange rate for Balance Sheet items and the average exchange rate for Income Statement items. Exchange rate differences arising from the translation of opening equity balances and net income/loss using the closing exchange rate are treated as a translation adjustment, and recorded in other reserves, in the equity section of the Balance Sheet.

The following exchange rates were used to translate foreign currency denominated financial statements into Euros in the preparation of the 2003 half-year financial statements:

	2003 Half-Year		**2002 Half-Year**		**2002 Full Year**	
	Closing	**Average**	**Closing**	**Average**	**Closing**	**Average**
$USA	1.1427	1.1049	0.9975	0.8976	1.0478	0.9455
Canadian Dollar	1.5506	1.6047	1.5505	1.4127	1.6550	1.4838
Swiss Franc	1.5544	1.4919	1.4721	1.4690	1.4670	1.4524

e) Financial statements for all companies included in the consolidation are restated to conform to uniform valuation and presentation principles and methods.

VALUATION AND RECOGNITION CRITERIA

Significant valuation principles and methods are applied consistent with those used in the preparation of the 2002 full year and 2002 half-year consolidated financial statements. They are as follows:

Intangible Assets
Intangible assets are carried at their acquisition or development cost, including related accessory costs, and are amortized over their estimated useful life. Leasehold improvement costs are amortized over the lesser of the remaining term of the lease and the estimated useful life of the related assets. Other intangible assets are generally amortized over five years, which corresponds to their estimated useful life. Please refer to the applicable Note for the Group's amortization policy regarding goodwill, and concessions, licenses and brands. Assets affected by a permanent impairment in value are subject to supplementary writedowns in excess of ordinary amortization. These writedowns may be reversed in later years if the conditions for writedowns no longer apply.

Property, Plant and Equipment (PPE)
PPE are carried at their acquisition or production cost, adjusted in some cases as a result of the application of specific monetary revaluation allowed by law, and are depreciated over their estimated useful life according to their class. For freely transferable assets, such rates are replaced with those deriving from the lease residual life if shorter. Assets affected by a permanent impairment in value are subject to supplementary writedowns in excess of ordinary depreciation. These writedowns may be reversed in later years if the conditions for the writedowns no longer apply.

Finance Leases
Assets held under finance leases are capitalized as PPE on the face of the Balance Sheet at their underlying contractual value, posting also a liability equal to the residual debt on the principal.
The finance lease asset is amortized on the same basis as other items in its class and interest charged is expensed in the Income Statement.

Investments
Equity investments in associate companies are recorded using the equity method. Equity investments in other companies are recorded using the cost method on a LIFO (Last In – First Out) basis, revised annually. Assets affected by a permanent impairment in value are subject to writedowns, which may be reversed in later years if the conditions for writedowns no longer apply.

Inventory
Inventory is carried at the lower of cost (purchase or production and including related accessory costs) and net realizable value. Cost is calculated using the FIFO (First In – First Out) method.
US companies calculate their inventory cost using the retail method, which, given the high turnover inventory, approximates the FIFO method.
Provision is made for potential losses on obsolete or slow-moving items in inventory.

Receivables and Liabilities
Receivables are carried at their net realizable value whereas payables are recorded at their nominal value. Non-Euro short-term receivables and liabilities are expressed in Euro at the exchange rate ruling at the end of the period. Gains and losses arising from the translation of non-Euro denominated receivables and liabilities are posted to the Income Statement as a FOREX gain or loss, in accordance with Italian Accounting Principle (IAP) N° 26.

Marketable securities
Marketable securities are recorded at the lower of cost or market value. Cost is calculated using the LIFO method, revised annually, and applying the annual average cost to acquisitions made during the year. Market value is calculated based on the average daily price for the last month. Marketable securities carried at a lower market value may have their values restored to cost in later years if the conditions for the writedown to market value no longer apply.
Government bonds and finance paper that the Group intends to hold to maturity as well as securities deposited as collateral are classified as non-current investments and are carried at their acquisition cost, as adjusted for the portion of the trading spread allocable to the period according to the maximum term of the loan. Securities that may be redeemed early by random draw are adjusted for possible capital losses that may arise.

Accruals and Deferrals
These include revenues and costs relating to two or more financial periods, recorded on an accrual basis. In particular, those concession contracts requiring ever-increasing installments over time, are standardized over the term of the contract through charging of specific accrued liabilities.
Provision for Employee Termination Benefits
This represents the amounts owed to employees, in accordance with current applicable laws and agreements, at financial period end.

Other Provisions for Liabilities and Charges
These provisions cover the potential liabilities that the Group may incur, based on reasonable estimates. They include in particular specific provisions for restoration costs, assuming normal maintenance works that are expected to be incurred at the end of contracts currently in force. This is done in order to comply with the obligation to return the freely transferable assets and those assets managed under lease, in accordance with the provisions of law and contractual agreements.

Revenue and Cost Recognition
Revenues arising from the sale of merchandize and costs arising from the purchase of such merchandize are recognized on transfer of ownership. Revenues and expenses arising from services are recognized when rendered. Interest receivable and payable and other revenues and costs are recorded on an accrual basis, along with any related accruals and deferrals.

Income Tax and Deferred Tax
Income tax is recognized for each subsidiary based on Italian Accounting Principle N° 25 applied to a reasonable estimate of taxable income. This principle incorporates the concept of prudence, whereby deferred tax assets and liabilities resulting from timing differences caused by differences in accounting and tax values are recognized as well as tax losses carried forward and deferred tax relating to consolidation adjustments. Deferred tax incorporates the applicable tax regulations upon the anticipated realization of the tax, when this information is known.
No provision for income tax or deferred tax has been made for the period.

Derivative Financial Instruments
Derivative financial instruments, which manage risks arising from movements in exchange rates (FOREX) and interest rates (IRS), are classified as Off-Balance Sheet commitments at the time of their signing and are valued at their nominal amount. In particular, FOREX contracts are carried at their corresponding Euro value, based on the forward exchange rate, while IRS contracts are carried at their corresponding Euro value, at the closing rate. Income and costs relating to these contracts are recorded on the Income Statement on an accrual basis over the term of the contract, with accruals and deferrals recorded on the Balance Sheet.

Off-Balance Sheet Commitments and Guarantees
As well as the notional value of the derivative financial instruments previously discussed, the main accounting policies are:

- unsecured guarantees are disclosed with regard to the amounts committed;

- collateral security, if consisting of a pledge on bonds or public debt securities or unlisted stocks, is carried at book value; if consisting of a pledge on listed stocks, it is carried at market value; if consisting of buildings, they are carried at the amount of the mortgage;

- other commitments, if relating to assets of others being used or being held, are carried at the value attributed to them by their owner, while, if relating to commitments to acquire fixed assets, they are carried at their purchase price.

Other information
- *Departures pursuant to Article 2423, Paragraph 4, of the Italian Civil Code: none*

- *Impact of FOREX rate movements*

The Group pursues a policy of managing FOREX rate risks by financing its major net assets denominated in currencies other than the Euro – primarily US Dollars and Swiss Francs – with loans denominated in the same currency or by entering into foreign exchange transactions, which produce the same result.

These FOREX rate management policies do not neutralize the effects of exchange rate movements on individual balance sheet and income statement items. Where significant, they are disclosed in the applicable Notes.

- *Presentation of Half-Year Report*

The 2003 Half-Year Report has been prepared in accordance with CONSOB Regulations, without incorporating income tax. No 2002 full year figures have been restated and, as such, mirror those disclosed in the approved 2002 Full Year Report.

As disclosed in page 31, some 2002 half-year figures have been restated in order to provide comparative information.

BALANCE SHEET NOTES

INTANGIBLE ASSETS

Intangible assets at 30 June 2003 amounted to k€ 1,095,555. Please refer to page 44 regarding movements since 31 December 2002. Newly consolidated subsidiaries accounted for k€ 106,880 of Group intangible assets. This amount relates for k€ 93,669 to the consolidation difference regarding Anton Airfood Inc. FOREX movements resulted in k€ 53,340 in decreases.

(k€)	30 June 2003	31 Dec. 2002	Change
Incorporation and start-up costs	170	412	(242)
Concessions, licenses and brands	38,583	39,993	(1,410)
Business goodwill	485,051	547,312	(62,261)
Consolidation difference	321,064	247,016	74,048
Assets under development	1,826	3,915	(2,089)
Other:			
Leasehold improvements	227,038	225,838	1,200
Other	21,823	22,972	(1,149)
Total	**1,095,555**	**1,087,458**	**8,097**

Business goodwill refers to the book value of the excess consideration paid over carrying values to acquire restaurant operations. It includes commercial goodwill amounting to k€ 75,210 net (k€ 158,644 gross). It relates to the difference arising from the merger in 1997 of Autogrill SpA and Finanziaria Autogrill SpA into the Parent Company, based on 31 December 1996 Balance Sheet values, representing goodwill from Italian motorway concessions. This latter goodwill is amortized over 12 years, corresponding to the average remaining duration of the concession at the time of the merger.

In addition, the above item includes goodwill acquired with HMSHost Corp. at the time of the merger with Autogrill Acquisition Co. (m$ 468 of the original amount of m$ 690, the equivalent of k€ 409,841). This has been amortized over a period of 10 years up to financial year 2001. Taking into account expected concession renewals and awards, the estimated useful life of the goodwill under review has been updated to 15 years on preparation of the 2002 Full Year Report. As discussed earlier, the 2002 Half-Year Report has been accordingly reinstated for comparative purposes.

Consolidation difference comprises the difference between the acquisition price of the investments and the Group's share of the book equity value with the difference allocated to acquisition goodwill.

However, for reasons of prudence, the consolidation difference relating to the acquisition of companies acquired by Autogrill Nederland BV is amortized over a period of 30 years, although the average remaining duration of concessions is greater than 70 years, while the portion of consolidation difference, relating to Anton Airfood Inc., which is attributed to new concession award prospects is amortized over 5 years.

At 30 June 2003, the consolidation difference consisted of the following items:

	Amort. period (in years)	Gross (€'000s)	Accumulated amortization	Net (€'000s)
Autogrill Schweiz AG	20	139,041	29,301	109,740
Anton Airfood Inc.	6 e 5	95,031	1,362	93,669
Autogrill Coté France S.A.	13	80,414	33,996	46,418
Autogrill Nederland b.v.	30	28,916	5,302	23.614
Autogrill Restauration Services S.A.	7	36,709	23,598	13,111
Autogrill Belgie n.v.	15	23,863	8,650	15,213
Autogrill Espana S.A.	10	19,528	16,497	3,031
Receco S.A.	15	16,044	1,604	14,440
Autogrill Deutschland GmbH	9	3,125	3,125	-
Autogrill Gare de Tours S.A.	10	924	276	648
Aviogrill S.r.l.	20	774	97	677
Volcarest S.A.	10	668	165	503
Nuova Sidap S.r.l.	5	574	574	-
Nuova Estral S.r.l.	5	509	509	-
Total		**446,120**	**125,056**	**321,064**

The change in net book value between 30 June 2003 and 31 December 2002 arises from half-year amortization, the consolidation of Anton Airfood Inc. acquired during the year (m$ 109, or k€ 95,031) and an unrealized FOREX gain of k€ 7,758 resulting from the consolidation of Autogrill Schweiz, whose accounts are denominated in Swiss Francs.
The arbitration process, begun in 2001 with a view to obtaining a significant revision of the acquisition price relating to Autogrill Schweiz AG, is still ongoing.

Accordingly, purchase price installment payments continue to be held in suspense, with the mSFR 20 amount due set aside in a deposit as a guarantee of the Group's intention to meet the reciprocal contractual obligations pending the final outcome of the arbitration process. Also held in suspense is acquisition price contract consideration, the original valuation of which, mSFR 6.5, is included in the carrying value of the Group's German operations.

Current trending followed by the Group's Swiss operations, in line with that reassessed at year-end 2002 based on the business plans of new management, provides assurance as to the recoverability of the residual consolidation difference.

The same can be said for the consolidation difference relating to the Group's Dutch and Belgian operations.

Leasehold improvements refer to costs incurred when making renovations and additions to existing buildings and businesses under lease arrangements, and particularly concern such costs incurred at outlets managed by the Group in airports, motorways and shopping malls located in the US as well as at many outlets in Europe. Other intangible asset increases relate to investments and renovation work, and are discussed in more detail (analysis by geographic region and investment purpose) in the Operations Report.

Intangible assets under development and advances refer to restoration work in process at 30 June on buildings under lease.

Intangible assets are amortized over the following periods:

Incorporation and start-up costs	5 years
Concessions, licenses and brands	5 years in general: maximum 30 years for outlet surface rights corresponding to the duration of the right; term or licenses regarding the costs of authorizations to resell State monopoly items; 3 years for application software licenses.
Goodwill	12 years regarding the 1997 merger of companies into the Parent Company: 10 years up to financial year 2001 and 15 years starting from financial year 2002 regarding the merger into the Group of HMSHost Corp. in 1999; maximum 10 years for commercial goodwill relating to single outlets.
Consolidation difference	Generally, the remaining term of the outlets at the date of acquisition; 5 years for the portion attributable to AAI new concession award prospects.
Other:	
Leasehold improvements	Lesser of useful economic life and remaining term of contract.
Customized application software	3 years.
Other	5 years.

PROPERTY, PLANT AND EQUIPMENT (PPE)

(k€)	30 June 2003			31 December 2002		
	Gross	**Acc. dep.**	**Net**	**Gross**	**Acc. dep.**	**Net**
Land and buildings	167,695	63,586	104,109	170,356	63,060	107,296
Operating facilities	168,533	103,870	64,663	165,312	100,043	65,269
Commercial and operating equipment	517,367	393,293	124,074	508,604	389,790	118,814
Freely transferable assets	287,348	181,788	105,560	280,479	175,134	105,345
Other	42,223	33,877	8,346	42,270	32,945	9,325
Assets under construction	91,951	-	91,951	88,668	-	88,668
Total	**1,275,117**	**776,414**	**498,703**	**1,255,689**	**760,972**	**494,717**

PPE net carrying values included k€ 15,419 as a result of changes in the consolidation scope and were decreased by k€ 13,470 as a result of FOREX movements.

At 30 June 2003, k€ 3.500 of land and buildings relate to the residual value of the building located at Via Orefici in Milan sold, on 17 July 2003, by the Parent Company. In connection thereto, there are reciprocal purchase/sale commitments at 30 June 2003 undertaken by the Parent Company and the committed acquirer, at an agreed price of k€ 15.100.

k€ 70,658 and k€ 21,293 of PPE assets under construction relate to new outlets in the process of being opened up in the US, primarily at motorways, and in Europe, respectively.
PPE key projects in process are linked to the restructuring and location re-branding activities pursued whether in North America or Italy. More particularly, continuing to be pursued in the US was the project

relating to New Jersey and Ohio Turnpike (6 locations subject to restructuring early on in the period) whilst several sales outlets in Italy have been significantly upgraded.

The value of PPE assets held by the Parent Company under finance lease and accordingly capitalized on the Balance Sheet is as follows:

(k€)	30 June 2003			31 December 2002		
	Gross	**Acc. dep.**	**Net**	**Gross**	**Acc. dep.**	**Net**
Land and buildings	3,709	1,155	2,554	3,709	1,100	2,609
Operating facilities and equipment	1,635	727	908	1,635	692	943
Total	**5,344**	**1,882**	**3,462**	**5,344**	**1,792**	**3,552**

At 30 June 2003, the amount of the Italian PPE asset revaluation, pursuant to Law 72 of 13 March 1983 and Law 413 of 30 December 1991, amounted to k€ 1,626 net, and was allocated as follows:

(k€)	Revaluation-Law 72/83			Revaluation-Law 413/91		
	Gross	**Acc. dep.**	**Net**	**Gross**	**Acc. dep.**	**Net**
Land and buildings	75	-	75	66	-	66
Land and buildings – operations	958	(682)	276	3,614	(2,515)	1,099
Operating facilities and equipment	398	(398)	-	-	-	-
Commercial and operating equipment	1,157	(1,157)	-	-	-	-
Freely transferable assets	3,158	(3,158)	-	11,557	(11,447)	110
Other	23	(23)	-	-	-	-
Total	**5,770**	**(5,418)**	**351**	**15,237**	**(13,962)**	**1,275**

There are k€ 2,354 in mortgages on the land and buildings as security on borrowings.

Movements in PPE are detailed on page 44 and discussed in the Operations Report.

PPE assets are depreciated using the following rates:

	Depreciation rate
Buildings	3%
Operating facilities and equipment	10% to 30%
Commercial and operating equipment	15% to 33.3%
Furniture and fixtures ([1])	10% to 20%
Motor vehicles ([1])	25%

(1) Classified as other assets

INVESTMENTS

Equity investments in associate companies

Company Name	Head Office	Local currency	Share capital (LC'000s)	Equity (€'000s)	Net Profit/ (Loss) (€'000s)	% owned	Book value (€'000s)
S.R.S.R.A. Isardrom S.A. (*)	Saint Rambert d'Albon (France)	€	515	4,741	587	41.02	1,607
Union Services Sarl (*)	Luxembourg (Luxembourg)	€	0.051	69	27	50.00	25
Dewina Host Sdn Bhd.	Kuala Lumpur (Malaysia)	MYR	250	(1,130)	105	49.00	(553)
HMSC – AIAL Ltd.	Auckland (New Zealand)	NZD	107.1	1,758	112	50.00	879
Pastarito S.p.A. (*)	Turin (Italy)	€	5,000	3,914	(1,952)	21.614	522
Others (**)							1,926
Total							**4,406**

(*) Figures relate to the full year ending 31 December 2002 in that those at 30 June 2003 are unavailable.
(**) This caption relates to joint venture investments by Anton Airfood Inc., the newly consolidated company.

Since 31 December 2002, the movements that occurred were not only the effect of changes in the net equity of the companies listed above, pushed through by the acquisition on 5 June 2003 of a 95% stake in the share capital of Anton Airfood Inc. – in which 25% was held up to 1 February 2003 and, successively, 49% following conversion of the bond underwritten in 2001 – consolidated as a consequence on a line-by-line basis, but also related to the writedown of the equity holding in Pastarito SpA amounting to k€ 6,700. The significantly dissimilar route followed versus plan persuaded Autogrill to review the planned allocation of resources, thereby refraining from putting in place the capital injection required to finance the actual loss for 2002. At 30 June 2003, the Group's shareholding moved downward to 11.70%. The book value of the equity holding now mirrors the respective share of book net equity.

In order to ensure consistent disclosure over time, it should be recalled that the agreement relating to the acquisition of the stake in Pastarito SpA provides that:

1) The option in favor of Autogrill SpA can be exercised to acquire further shares by 31 December 2004 to take its shareholding to 70%, at a price correlated to the normalized profit of the company, in the period 1 July 2003 to 30 June 2004.

And therefore:

2) If Autogrill SpA exercises the acquisition option as in point 1 above, there is an option in favor of the vendors to sell by 30 June 2006 the residual shareholding at a price correlated to the normalized profit for the year 2005;
3) If Autogrill SpA does not exercise the option as in point 1 above, there is an option in favor of the vendors to acquire before 31 March 2005 the share held by Autogrill SpA, with the price equal to the amount originally received by the vendors, increased by a compound annual rate of 9%.

Equity investments in other companies

Company Name	Head Office	Local currency	Share capital (LC'000s) (*)	Equity (€'000s) (*)	Net Profit/ (Loss) (€'000s) (*)	% owned	Book value (€'000s)
Unique Airport/FIG	Zurich Switzerland	SFR	245,615	579,190	5,577	0.11	102
Others							17
Total							**119**

(*) Figures relate to the full year ending 31 December 2002 in that those at 30 June 2003 are unavailable.

The equity holding is stated at fair value; the downturn is derived from a further fall in Unique stock market valuations.

Financial receivables from associate companies

Financial receivables from associate companies contracted following conversion of the interest-bearing loan provided to Anton Airfood Inc. steered towards increasing 24% the Group's shareholding in this company, as better specified in the Note relating to "Equity investments in associated companies.

Financial receivables from others

At 30 June 2003, financial receivables from others amounted to k€ 23,077 and comprised the following assets:

(k€)	30 June 2003		31 December 2002	
	Current	Non-Current	Current	Non-Current
Interest-bearing deposits with oil companies	-	5,052	-	4,860
Deposits	283	7,576	280	8,035
Italian tax advance payments	-	3,235	-	3,701
Other	1,308	5,623	1,169	50,505
Total	**1,591**	**21,486**	**1,449**	**67,101**
Total Current and Non-Current	**23,077**		**68,550**	

Italian State tax advance payments are revalued using the same rate used for the Parent company's termination benefits provision (1.694584% for First-Half 2003). Recovery began in 2000 albeit, given that reliable and detailed scheduling is impracticable, no amount has been classified as current.

Having taken into account the expected evolution of the business transactions attaching thereto, Interest-bearing deposits with oil companies are wholly collectable after over five years, whilst Deposits and Other are collectable after five years in the amount of k€ 56 and k€ 231, respectively.

Other non-current financial receivables moved downward owing to extinction of the k€ 47,000 deposit, originally pledged to the Parent Company as a guarantee for funding received by HMSHost from Intesa BCI Canada regarding the acquisition of the equity holding in SMSI Travel Inc.

Other investments

Other investments at 30 June 2003 amounted to k€ 296 and mainly comprised bonds held to maturity. This amount was down k€ 11 from 31 December 2002 as a result of redemptions.

Non-Current Movements (30 June 2003)

(k€)	31 december 2002			Change in Gross Book Value						Change in Accumulated Amortisation						30 june 2003		
Intangible Assets	Gross	Accumulated Amortisation	Net	Change in Scope	FOREX Differences	Additions	Disposals	Other Movements	Total	Change in Scope	FOREX Differences	Charges	Reversals	Other Movements	Total	Gross	Accumulated Amortisation	Net
Incorporation and start-up costs	3.420	(3.008)	412	-	(36)	61	(3)	(5)	17	-	36	(299)	4	-	(259)	3.437	(3.267)	170
Concessions, licenses and brands	73.236	(33.243)	39.993	304	550	225	(331)	(42)	706	-	(223)	(2.539)	646	-	(2.116)	73.942	(35.359)	38.583
Business goodwill	839.928	(292.616)	547.312	-	(53.902)	-	(116)	25	(53.993)	-	17.192	(25.533)	72	-	(8.269)	785.935	(300.884)	485.051
Consolidation difference	360.850	(113.834)	247.016	95.031	(9.761)	-	-	-	85.270	-	1.983	(13.205)	-	-	(11.222)	446.120	(125.056)	321.064
Assets under development	3.915	-	3.915	-	-	2.357	(91)	(4.355)	(2.089)	-	-	-	-	-	-	1.826	-	1.826
Other	742.296	(493.486)	248.810	32.356	(36.380)	7.967	(3.615)	20.900	21.228	(19.275)	27.201	(31.768)	2.666	-	(21.176)	763.524	(514.663)	248.861
Total	**2.023.645**	**(936.187)**	**1.087.458**	**127.691**	**(99.529)**	**10.610**	**(4.156)**	**16.523**	**51.139**	**(19.275)**	**46.189**	**(73.344)**	**3.388**	**-**	**(43.042)**	**2.074.784**	**(979.229)**	**1.095.555**

(k€)	31 december 2002			Change in Gross Book Value						Change in Accumulated Amortisation						30 june 2003		
Property, Plant and Equipment	Gross	Accumulated Depreciation	Net	Change in Scope	FOREX Differences	Aquisitions	Disposals	Other Movements	Total	Change in Scope	FOREX Differences	Charges	Reversals	Other Movements	Total	Gross	Accumulated Depreciation	Net
Land and buildings	170.356	(63.060)	107.296	-	(3.491)	724	-	106	(2.661)	-	1.411	(2.314)	377	-	(526)	167.695	(63.586)	104.109
Operating facilities	165.312	(100.043)	65.269	-	(4.437)	7.761	(685)	582	3.221	-	2.721	(6.769)	221	-	(3.827)	168.533	(103.870)	64.663
Commercial and operating equipment	508.604	(389.790)	118.814	12.864	(19.603)	5.339	(203)	10.366	8.763	-	16.185	(22.291)	2.603	-	(3.503)	517.367	(393.293)	124.074
Freely transferable assets	280.479	(175.134)	105.345	-	-	5.537	(344)	1.676	6.869	-	-	(6.933)	279	-	(6.654)	287.348	(181.788)	105.560
Other	42.270	(32.945)	9.325	2.413	(963)	716	(3.247)	1.034	(47)	(1)	652	(1.451)	(132)	-	(932)	42.223	(33.877)	8.346
Assets under construction	88.668	-	88.668	36	(5.945)	42.908	(3.432)	(30.284)	3.283	-	-	-	-	-	-	91.951	-	91.951
Total	**1.255.689**	**(760.972)**	**494.717**	**15.313**	**(34.439)**	**62.985**	**(7.911)**	**(16.520)**	**19.428**	**(1)**	**20.969**	**(39.758)**	**3.348**	**-**	**(15.442)**	**1.275.117**	**(776.414)**	**498.703**

(k€)	31 december 2002			Change in Gross Book Value						Change in Accumulated Amortisation						30 june 2003		
Investments	Gross	Provision for Amortisation	Net	Change in Scope	FOREX Differences	Aquisitions & Revaluations	Disposals	Other Movements	Total	Change in Scope	FOREX Dfferences	Writedowns	Reversals	Other Movements	Total	Gross	Provision for Writedowns	Net
Equity investment in associate companies	26.789	(7.304)	19.485	-	(1.007)	1.880	(9.498)	-	(8.625)	-	-	246	(6.700)	-	(6.454)	18.164	(13.758)	4.406
Equity investment in other companies	2.160	(1.710)	450	-	(28)	-	(303)	-	(331)	-		-		-	-	1.829	(1.710)	119
Other investments	307	-	307	-	(8)	(3)	-	-	(11)	-	-	-	-	-	-	296	0	296
Financial receivables from others	68.550	-	68.550	4.373	(1.006)	3.675	(52.515)	-	(45.473)	-		-	-	-	-	23.077	0	23.077
Financial receivables from associate companies	38.225	-	38.225	-	(3.152)	-	(34.433)	-	(37.585)	-	-	-	-	-	-	640	0	640
Total	**136.031**	**(9.014)**	**127.017**	**4.373**	**(5.201)**	**5.552**	**(96.749)**	**-**	**(92.025)**	**-**	**-**	**246**	**(6.700)**	**-**	**(6.454)**	**44.006**	**(15.468)**	**28.538**

INVENTORY

Inventory at 30 June 2003 amounted to k€ 84,882, down k€ 3,061 on 31 December 2002, due to k€ 4,847 in translation differences. Newly consolidated companies resulted in an increase in inventory of k€ 1,111. The residual change reflects the evolution of business activity.

(k€)	30 June 2003	31 Dec. 2002	Change
Food, beverages and retail concessions	80,604	84,922	(4,318)
Other	4,278	3,021	1,257
Total	**84,882**	**87,943**	**(3,061)**

Inventory is reported net of a provision for slow-moving inventory of k€ 3,191 (k€ 2,680 at 31 December 2002) based on management's assessment.

RECEIVABLES

Trade accounts receivable

Trade accounts receivable amounted to k€ 56,645, down k€ 4,346 on 31 December 2002 of which k€ 1,420 due to translation differences. Newly consolidated companies accounted for k€ 1,530 of the Group's trade accounts receivable.

Trade accounts receivable arose primarily from supply contracts and franchise contracts.

They include receivables in dispute amounting to k€ 4,356 (k€ 4,587 at 31 December 2002) and are net of provisions for doubtful accounts amounting to k€ 10,159 (k€ 9,996 at 31 December 2002), for which a charge of k€ 2,102 was made during the first half of 2003.

Other receivables

(k€)	30 June 2003	31 Dec. 2002	Change
Deferred tax assets	157,397	162,242	(4,845)
Other receivables:			
Tax installments	18,349	14,022	4,327
Suppliers	26,194	23,689	2,505
Public authorities	1,720	872	848
Personnel	1,956	2,921	(965)
FOREX hedging contract unrealized gains	3,353	4,742	(1,389)
Other	18,653	18,101	552
Total Other receivables	**70,225**	**64,347**	**5,878**
Total	**227,622**	**226,589**	**1,033**

k€ 114,738 in deferred tax assets relate to HMSHost Group – now Autogrill Group Inc. – as a result of the use of different depreciation rates for tax purposes regarding improvements to third party assets and deferred tax deduction of rent accruals (k€ 121,785 at 31 December 2002). K€ 10,018 decrease from 31 December 2002. Newly consolidated companies accounted for k€ 3,080 of the Group's DTA.

The contraction in deferred tax assets is derived from the combination of FOREX movements (k€ 10,018) and greater timing differences assessed on settlement of Parent Company income taxes for 2002. The Group anticipates taxable income will be generated in future years to utilize the deferred tax assets.

The reversal of timing differences and the utilization of net losses, which generated tax assets, are deferred over time. The Group anticipates realizing k€ 32,403 in deferred tax asset within the current year and m€ 60 over the next five years. Moreover, in the meantime, further deferred tax assets may arise, particularly from US companies.

FOREX hedge contract unrealized gains are associated with the translation of outstanding FOREX hedge contract notional values at the exchange rate ruling on 30 June 2003, on a comparative basis with their purchase value.

Suppliers' receivables refer mainly to their trade rebates. Other receivables relate mainly to receivables associated with commercial investments made for the benefit of assignors or sub-franchisees. They also include receivables relating to commissions to be collected in respect of commission income activities managed.

MARKETABLE SECURITIES

Marketable securities have been set to zero following the sale of bonds held in portfolio at 31 December 2002.

BANK AND CASH

Bank and cash amounted to k€ 169,563, down k€ 443 from 31 December 2002.

Bank and post-office account balances increased k€ 9,313 from 31 December 2002 to k€ 131,736, of which k€ 7,179 relating to newly consolidated companies. Cash, comprising cash in outlet premises and cash in transit, declined k€ 9,756 from December 2002 to k€ 37,827.

BOND DISCOUNTS, PREPAIDS AND ACCRUALS

Bond discounts, prepaids and accruals amounted to k€ 123,906, down k€ 2,769 from 31 December 2002.

(k€)	30 June 2003	31 Dec. 2002	Change
Accrued Income:			
Interest on FOREX and interest rate hedge contracts	3,194	6,397	(3,203)
Other	3,808	5,014	(1,206)
Total Accrued Income	7,002	11,411	(4,409)
Bond Discounts	91,881	95,587	(3,706)
Prepaid Expenses:			
Concession and lease prepayments	9,089	10,842	(1,753)
Other	15,934	8,835	7,099
Total Prepaid Expenses	25,023	19,677	5,346
Total	**123,906**	**126,675**	**(2,769)**

Newly consolidated subsidiaries accounted for k€ 1,061 in prepaid expenses, of which k€ 834 relating to concession and lease prepayments.

Bond discounts are offset against the zero coupon convertible bond issued by Autogrill Finance SA and carried at its nominal value as a Balance Sheet liability. They are amortized by increasing amounts, as the implicit interest is gradually capitalized over the fifteen-year term of the bond, with the amortization charge treated as a finance cost.

Concession and lease prepayments arise from advanced installment payments, which are used to adjust subsequent monthly or annual payments. The decrease relative to 31 December 2002 is due to the fact that, at year-end, lease and concession contracts provide for advance payments for the coming year.

Other prepaid expenses primarily relate to the prepayment of local and indirect taxes and to the early prepayment of maintenance rentals and, not least, to the prepayment of revenue arising from a restructured interest rate hedge contract, put in place to spread the hedge over the contract term. Taken as a whole, the increase in Other prepaid expenses primarily stems from indirect taxes levied on the US subsidiary's assets.

Bond discounts, prepaids and accruals are all current in nature, other than k€ 720 mainly in non-current concession and lease prepayments.

EQUITY

Movements in Equity balances during the 2003 half-year were as follows:

Share capital

At 30 June 2003, the share capital of Autogrill SpA, which is fully paid-up, amounted to k€ 132,288 and is represented by 254,400,000 ordinary shares with a par value of € 0.52 each.

The Shareholders' Meeting of 30 April 1999 approved the increase in share capital by a maximum 33,500,000 new ordinary shares in order to service the k€ 471,055,000 nominal value convertible bond, issued by the subsidiary company Autogrill Finance SA on 15 June 1999, generating € 349,993,865 in cash inflow, net of implicit interests and gross of issue costs.

The maximum number of shares that can be issued pursuant to the conversion of the bond is 24,475,000 shares. The holders of the bonds may exercise their conversion right at any time during the term of the bond.

Shares comprising the share capital have been traded on the automated market of the Italian Stock Exchange since 1 August 1997.

Legal reserve

The legal reserve amounted to k€ 1,712, as at 31 December 2002.

Other reserves

Other reserves amounted to k€ 81,919, including a translation adjustment debit balance of k€ 10,224.

The statement of changes in consolidated net equity is presented on the following page. Set out below is reconciliation of Autogrill S.p.A. net profit/(loss) and equity at June 30, 2003 with consolidated net profit/(loss) and consolidated equity for the financial period then ended.

	Net Profit/(Loss)	Net Equity
Autogrill S.p.A. (Parent Company) at 30 June 2003	16.722	146.144
Elimination of parent company tax based items	(1.438)	21.059
Adjustment for parent company valuation policies	24	76
Impact on intragroup non-current asset disposal	-	(1.722)
Impact of implementation of standard Group valuation policies and elimination of impact of transfer of investment between Group companies	4.737	70.407
Autogrill Group (Consolidated) at 30 June 2003	20.045	235.964

(K€)	Share capital	Revaluation reserve	Legal reserve	Other reserves	Net Profit/(Loss)	Total
Balance at 31 December 2001	**132.288**	**13.618**	**1.712**	**81.339**	**(12.852)**	**216.105**
2001 full year net profit allocation	-	(13.618)		766	12.852	-
Tanslation adjustment and other movements	-	-	-	(4.427)	-	(4.427)
2001 full year net profit	-	-	-		7.463	7.463
Balance at 31 December 2002	**132.288**	**-**	**1.712**	**77.678**	**7.463**	**219.141**
2002 full year net profit allocation				7.463	(7.463)	-
Tanslation adjustment and other movements				(3.222)		(3.222)
2002 full year net profit					20.045	20.045
Balance at 30 June 2003	**132.288**	**-**	**1.712**	**81.919**	**20.045**	**235.964**

PROVISIONS FOR LIABILITIES AND CHARGES

Provision for other liabilities and charges
The composition at 31 December 2002 and the movements during the period relating to the provisions for liabilities and charges are detailed in the table below. Other movements refer to FOREX differences arising from the translation of opening balances.

(k€)	31 Dec. 2002	Other movements	Charges	Reversals	30 June 2003
Provisions for pension and similar obligations	**10,552**	**(519)**	**391**	**(726)**	**9,698**
Deferred income tax liability	**61,888**	**(5,434)**	**763**	**(821)**	**56,396**
Other provisions:					
Provision for restoration costs	17,120	209	389	(1,096)	16,622
Provision for litigation	8,498	(171)	828	(2,277)	6,878
Miscellaneous provisions	7,554	(515)	40	(64)	7,015
Total – Other Provisions	**33,172**	**(477)**	**1,257**	**(3,437)**	**30,515**
Total	**105,612**	**(6,430)**	**2,411**	**(4,984)**	**96,609**

Provision for pension and similar obligations
The k€ 854 decrease stems mainly from the effect of translation.

Deferred income tax liability
This comprises k€ 44,993 relating to consolidation adjustments, k€ 6,511 relating to building revaluations in the Netherlands before the Group's acquisitions there and k€ 1,855 for ongoing tax audits of US subsidiaries.

The deferred income tax liability was reduced during the half-year by the payment of tax amnesty charge for the Parent Company and the more significant Italian subsidiary companies.

The effective liability, reported under Tax Liabilities, was k€ 503 lower than the estimation made on preparation of the 2002 Full Year Report. The payment term has been extended to 16 October 2003.

Provisions for litigation
The Group establishes a provision to accrue for potential damages arising from litigation, based on assessments made by the Group's lawyers.

The movement during the half-year stems from the effect of Euro/US dollar translation and from the positive route followed by certain commercial risks.

In terms of significant lawsuits in process, the McDonald's Italy branch is appealing the judgment against it, whereby it rejected the request to order Autogrill SpA to pay m€ 1.3 for damages. The Group has not provided for this appeal amount, as the likelihood of the Group losing has been judged remote by its legal counsel.

Moreover, in order to ensure consistent disclosures over time, mention is made to the favorable ruling pronounced by the Court of Brussels in relation to the compensation claim contested by a Belgian subsidiary, brought against it by the company that sold it its restaurant concession in shopping centers located in Belgium and Luxembourg. The Court rejected the objection lodged by the plaintiff and, to the extent appealable, the likelihood of this being successful for the plaintiff has been judged remote by the Group's affiliate legal counsel, thereby supporting the non-accrual of a specific provision to cover the m€ 10 appeal amount.

Provision for restoration costs
This provision concerns restoration costs expected to be incurred to return a leased site or a freely transferable asset to its original state.

Provision for employee termination benefits
During the first half of 2003 the items have changed as follows. “Other movements” refer to translation differences of the opening balances.

(k€)	30 June 2003	31 Dec. 2002
Opening balance	91,336	86,851
Charges	7,893	15,740
Reversals	(5,835)	(9,674)
Other movements	(763)	(1,581)
Total	**92,631**	**91,336**

LIABILITIES

Liabilities decreased to k€ 1,807,032 from k€ 1,926,908 at 31 December 2002, and comprised the following items:

Bonds
The balance on this line refers to bonds issued by HMSHost on 23 January 2003 for an amount totaling m$ 370. The bond issue – secured by Autogrill SpA – consisting of three installments of m$ 44/ m$ 60/ m$ 266, respectively, with maturity at 7 years/8 years/10 years, carries a fixed interest rate (5.38%, 5.66% and 6.00%, respectively), with 185/190/195 spread over the corresponding US Government bonds.

Convertible bonds
Convertible bonds amounted to k€ 471,055 in nominal value at 30 June 2003, consisting of 15-year maturity zero coupon convertible bonds issued by Autogrill finance SA on 15 June 1999. As the bonds are zero coupons, the net proceeds of the issue reflect the real yield of the bond, set at 2% per annum, semi-annually compounded.

Conversion can be requested at any time by the subscribers, except in some periods of technical suspension.

The convertible bonds can be refunded in advance, at the request of the issuer from the 5th anniversary, and by the bondholder on the 5th and 10th anniversary. In such event, the maturity value repaid at the time of exercise of the option will ensure an annual yield of 2% as originally agreed.

More particularly, the fifth anniversary of the issue falls on 15 June 2004, and at this date the redemption value of the bond would be m€ 386.4, with a share conversion price of € 15,789.

The probabilities attached to the various options are correlated to the stock market performance of the share price relative to the bond conversion share price.

At 30 June 2003, there was a premium of 63% to the share price, which was 30% at the time of issue.

At 30 June 2003, bond discount amounted to k€ 91,881.

Borrowings from banks
Borrowings from banks decreased k€ 328,800 from 31 December 2002 to k€ 468,678.

	30 June 2003			31 December 2002		
(k€)	Current	Non-Current	Total	Current	Non-Current	Total
Current borrowings including bank overdrafts	38,052	-	38,052	36,829	-	36,829
Secured borrowings	131	1,890	2,021	441	5,616	6,057
Unsecured non-current borrowings	295,556	133,049	428,605	427,440	327,152	754,592
Total	**333,739**	**134,939**	**468,678**	**464,710**	**332,768**	**797,478**

The decrease in borrowings from banks is derived from the differing composition of borrowings compared with year-end 2002. Lines of credit for m€ 390 were repaid and, as discussed earlier, a bond of m$ 370 in nominal value was issued in the first half of 2003.

Euro/US dollar exchange rate fluctuations pushed through a decline of k€ 44,210.

Newly consolidated companies accounted for k€ 1,858 of the Group's borrowings from banks.

Secured borrowings relate to the Group's Belgian and Swiss operations, with installments falling due in more than five years time amounting to k€ 1,581.

At 30 June 2003, the Group had used 80% of its available lines of credit from banks. At the end of 2003, approximately m€ 50 will fall due, while another m€ 492 will fall due in 2004 and a further m€ 25 will fall due in 2007.

The average term of existing lines of credit is 12 months.

All bank borrowings have floating interest rates, and thus are affected by changes in financial market conditions.

In application of the Group's financial policy focusing on minimizing risks arising from interest rate fluctuations, the Group has entered into financial instruments with leading financial institutions. The effect of these existing contracts, relative to the part of debt covered, including also the subsidiaries, is that the average six-month interest rate is set at approximately 4.00% and will remain at that level for the next three years if market conditions remain the unchanged. Further information on the notional value of contracts in force and Group's management of financial risk at 30 June 2003 can be obtained consulting page 54.

Other borrowings
Other borrowings decreased to k€ 9,349 from k€ 10,651 at 31 December 2002, and comprise finance lease liabilities and interest-free loans to the Parent Company to purchase ITC equipment.
k€ 6,064 of these borrowings are non-current, of which k€ 3,467 are due in more than five years.

Trade accounts payable
Trade accounts payable amounted to k€ 348,221, of which k€ 7,497 relates to newly consolidated companies. This represents a decline of k€ 96,122 on 31 December 2002, of which k€ 14,275 relate to Euro/US dollar exchange rate movements. Trade accounts payable also decreased as a result of renegotiations put in place by the Parent Company with suppliers, affected by the enactment of laws relating to default interest.

Payables – associate companies
The resetting to zero of payables to associate companies stems from the consolidation of Anton Airfood Inc.

Tax liabilities
At 30 June 2003, tax liabilities amount to k€ 34,133, and comprised the following:

(k€)	30 June 2003	31 Dec. 2002	Change
Income taxes and indirect taxes	22,227	20,368	1,859
Withholdings	7,993	8,980	(987)
Other	3,913	3,260	653
Total	**34,133**	**32,608**	**1,525**

Income tax and indirect taxes exclude income tax relating to the 2003 half-year, as no income tax was calculated for this period, as allowed for by the Consob Regulations.

During 2003 half-year, tax liabilities increased following liquidation of the tax amnesty charge incurred by the Parent Company and the major Italian subsidiary companies, which were accrued in the 2002 full year financial statements and will be paid by or before 16 October 2003.

Indirect tax mainly relates to Parent Company VAT liabilities and US subsidiaries' indirect taxes.

Newly consolidated subsidiaries accounted for k€ 1,528 of the Group's tax liabilities.

Social security liabilities

Social security liabilities are all current in nature.

(k€)	30 June 2003	31 Dec. 2002	Change
INPS and other Italian organizations	14,956	14,565	391
Foreign	14,446	11,724	2,722
Total	**29,402**	**26,289**	**3,113**

As mentioned earlier under Note 1 – Basis of Preparation, the balance on amounts payable to social security foreign organizations at December 31, 2002 differs from the originally published balance insofar as now comprising the amount of k€ 9,113 relating to the French subsidiary classified in the prior period within Other liabilities.

Other liabilities

(k€)	30 June 2003	31 Dec. 2002	Change
Employee payables	79,548	98,369	(18,821)
Other:			
Customer credit notes to be issued	1,153	1,916	(763)
FOREX and interest rate hedge unrealized losses	2,758	7,303	(4,545)
Miscellaneous	38,570	31,821	6,749
Total Other	**42,481**	**41,040**	**1,441**
Total	**122,029**	**139,409**	**(17,380)**

The last item "miscellaneous" includes k€ 17,456 relating to a component of the acquisition price of Autogrill Schweiz AG to be settled on a deferred basis. They also include k€ 5,442 relating to the employees' stock plan of Host Marriott Corporation, the company that originally controlled HMSHost and which had signed a specific agreement with it, which was terminated at the time of its acquisition by Autogrill. This liability will gradually disappear in time, as the rights of Host Marriott Corporation employees become due.

FOREX hedge contract unrealized losses are associated with the translation of outstanding FOREX hedge contract notional values at the exchange rate applying on 30 June 2003, on a comparative basis with their purchase value.

K€ 8,000 of miscellaneous liabilities are non-current, but not falling due beyond five years.

ACCRUED EXPENSES AND DEFERRED INCOME

(k€)	30 June 2003	31 Dec. 2002	Change
Accrued Expenses			
Insurance premiums	497	533	(36)
Interest on borrowings	8,212	1,576	6,636
Interest on FOREX and interest rate hedge contracts	3,674	7,419	(3,745)
Lease payments	3,935	3,922	13
Other	5,474	5,867	(393)
Total Accrued Expenses	**21,792**	**19,317**	**2,475**
Deferred Income	12,734	3,977	8,757
Total Deferred Income	**12,734**	**3,977**	**8,757**
Total	**34,526**	**23,294**	**11,232**

Lease payments accruals relate to the standardization of minimum guaranteed payments relating to some US outlets, which contractually increase over time.

Interest on borrowings increased insofar as including the provision for interest on the bond issued by the US subsidiary. Further information thereon can be obtained consulting page 52.

Non-current accrued expenses and deferred income amounted to k€ 8,907, of which k€ 7,877 were beyond five years, all of which relate to the above interest on borrowings.

k€ 6,809 of deferred income refers to premiums collected in respect of options sold falling due in fourth-quarter 2003, realized in the first half of 2003 as part of the strategy put in place to manage interest rate fluctuations.

OFF-BALANCE SHEET COMMITMENTS AND GUARANTEES

(k€)	30 June 2003	31 Dec. 2002	Change
Guarantees for the benefit of third parties	32,527	32,204	323
Secured guarantees on own obligations other than liabilities	-	-	-
Secured guarantees on Balance Sheet Liabilities	2,354	49,354	(47,000)
Purchase and sale commitments	882,622	869,529	13,093
Other	26,516	40,775	(14,259)
Total	**944,019**	**991,862**	**(47,843)**

The purchase and sale commitments comprise:

- k€ 418,713 (k€ 381,972 at 31 December 2002), relating to the notional value of FOREX hedge contracts;
- k€ 448,809 (k€ 487,557 at 31 December 2002), relating to the notional value of interest rate hedge contracts;
- k€ 15.100 relating to the sale commitment for the building located at Via Orefici in Milan, as a result of the transaction examined and discussed under “Plant, Property and Equipment (PPE)”.

The Group’s financial policy places great importance on the management and control of financial risks that may significantly affect the Group’s profitability. The Group has adopted a series of measures regarding the management of risks associated with FOREX and interest rate movements.

Within the context of this policy, the Group uses derivative financial instruments to manage FOREX and interest rates risks associated with cash flows and monetary assets and liabilities. These financial instruments generally comprise forward currency agreements, interest rate swaps, forward rate agreements and rate options of any combination thereof.

The notional value of transactions outstanding at 30 June 2003 is not a measurement of the risk exposure itself, which is limited only to interest flows received from time to time. Derivative contracts have been entered into only with reputable and financially secure financial institutions, in order to minimize the risk of their non-fulfillment.

The Group's FOREX risk management policy focuses on fully hedging borrowings not denominated in Euro. The financial instruments used are foreign currency swaps.

The Group's interest rate risk management policy focuses on managing and controlling the effects of interest rate movements, in order to achieve the expected level of exposure and minimize the cost of borrowing. At 30 June 2003, the contracts in force had an average outstanding term of 4.3 years, enabling the maintenance of the average cost of borrowing about at 4%, given market conditions. The market valuation, made on the basis of 30 June 2003 prices of instruments with similar features and terms, would result in a loss of m€ 27.8.

Other off-Balance Sheet commitments and guarantees refer to the leased assets in use or in the possession of the Group.

INCOME STATEMENT NOTES

OPERATING REVENUES

Sales

Analysis of Sales by Business Segment

(k€)	2003 Half-year	2002 Half-Year	Change	2002 Full Year
Food and beverage	1,111,437	1,171,813	(60,376)	2,529,643
Retail	305,890	343,941	(38,051)	766,041
Hotel	8,686	11,657	(2,971)	24,466
Third party and franchisees	18,006	16,191	1,815	36,157
Total	**1,444,019**	**1,543,602**	**(99,583)**	**3,356,307**

Retail includes k€ 22,570, representing sales revenue from fuel sold primarily at Italian and Swiss motorway service stations. In the condensed income statement examined and discussed in the Operations Report, this sales revenue has been reclassified as other operating revenues, net of related purchase costs.

Comparison with first-half 2002 is affected by US$/€ exchange rate fluctuations, which pushed through a k€ 153,835 contraction, and by changes in consolidation scope; working towards total sales was Anton Airfood Inc., a newly consolidated company, in the amount of k€ 29,745.

An analysis of the Group's sales by geographic regions is provided in the Operations Report.

Other operating revenues

Other operating revenues were increased by k€ 729 as a result of a change in consolidation scope.

(k€)	2003 Half-year	2002 Half-Year	Change	2002 Full Year
Promotional contributions by suppliers	12,200	10,089	2,111	25,369
Premium income	9,110	13,398	(4,288)	17,232
Business lease	5,234	4,676	558	10,887
Royalty income	2,507	2,404	103	5,205
Recovery of costs from third parties	872	1,380	(508)	3,831
Miscellaneous	5,940	3,922	2,018	26,355
Total	**35,863**	**35,869**	**(6)**	**88,879**

Miscellaneous other operating revenues mainly relate to positive cash differences, penalty income and the reversal of prior year provisions.

OPERATING COSTS

Cost of merchandise for resale and supplies

Cost of merchandize for resale and supplies amounted to k€ 505,144, of which k€ 8,340 related to a change in consolidation scope.

(k€)	2003 Half-Year	2002 Half-Year	Change	2002 Full Year
Food, beverage and retail	472,106	500,824	(28,718)	1,099,088
Other	33,038	35,440	(2,402)	78,039
Total	**505,144**	**536,264**	**(31,120)**	**1,177,127**

As for sales, comparison with 2002 half-year is affected by Euro/US Dollar exchange rate fluctuations, which pushed through a k€ 43,646 contraction.

Cost of Services and Lease, Rental and Royalty Charges

(k€)	2003 Half-Year	2002 Half-Year	Change	2002 Full Year
Cost of Services				
Energy	29,223	31,168	(1,945)	67,025
Maintenance costs	21,344	24,001	(2,657)	52,154
Sanitation and post-control services	13,960	13,228	732	28,379
Consultancy and professional services	11,627	11,653	(26)	26,565
Advertising and market research	7,179	10,148	(2,969)	20,543
Travel expenses	8,935	9,356	(421)	20,062
Storage and transport costs	6,562	6,663	(101)	15,182
Insurance	8,711	9,665	(954)	19,133
Credit card commissions	5,147	5,773	(626)	12,816
Postage and telephone	5,362	5,478	(116)	11,749
Temporary staff	1,470	3,656	(2,186)	8,507
Security guard transport	2,201	1,962	239	4,703
Security	1,942	1,742	200	4,428
Recruiting costs	1,077	1,414	(337)	2,918
Bank services	1,481	1,811	(330)	3,761
Personnel training	1,014	1,228	(214)	2,797
Other	15,994	19,401	(3,407)	39,272
Total - Cost of Services	**143,229**	**158,347**	**(15,118)**	**339,994**
Lease charges	165,800	180,000	(14,200)	385,974
Movable property rental	5,797	9,823	(4,026)	18,802
Brand and trademark royalties	19,487	23,032	(3,545)	49,368
Total – Lease, rental and royalty charges	**191,084**	**212,855**	**(21,771)**	**454,144**
Total	**334,313**	**371,202**	**(36,889)**	**794,138**

The change in consolidation scope worked towards a k€ 3,166 increase in the cost of services, mainly accounted for by maintenance costs (k€ 600), consultancy (k€ 515) and utilities (k€ 391) and a k€ 3,766 increase in leases and rentals, of which k€ 3,305 relating to concessions.

The impact of exchange rate fluctuations came to k€ 13,929 in terms of the cost of services and k€ 26,447 in terms of lease, rental and royalty charges.

The reduction in the cost of temporary staff was driven through by the Parent Company and the Belgium affiliate deploying full-time employee resources.

Personnel costs

Personnel costs came to an amount totaling k€ 453,648. The change in consolidation scope accounted for k€ 9,017 of the Group's personnel costs.

(k€)	2003 Half-year	2002 Half-Year	Change	2002 Full Year
Wages and salaries	355,952	391,307	(35,355)	821,022
Social security charges	66,957	69,229	(2,272)	140,567
Employee severance indemnities and similar	7,893	8,088	(195)	15,740
Other	22,846	25,502	(2,656)	53,597
Total	**453,648**	**494,126**	**(40,478)**	**1,030,926**

Personnel costs growth was limited by increased productivity.

Average headcount, expressed in terms of full-time equivalents, rose to 36,743 in the first half of 2003 (35,781 in the first half of 2002).

Depreciation, amortization and writedowns

Depreciation, amortization and writedowns decreased by k€ 5,396 to k€ 115,204, of which k€ 4,450 attributable to the change in consolidation scope.

(k€)	2003 Half-Year	2002 Half-Year	Change	2002 Full Year
Depreciation, amortization and writedowns:				
Amortization of intangible assets	73.344	65,997	7,347	173,702
Depreciation of property, plant and equipment (PPE)	32,770	44,843	(12,073)	70,254
Depreciation of freely transferable PPE	6,988	7,124	(136)	16,233
Writedown of intangible and tangible assets and PPE	0	0	0	14,121
Writedown of current receivables	2,102	2,636	(534)	6,656
Total	**115,204**	**120,600**	**(5,396)**	**280,966**

Intangible asset amortization charges include business goodwill and consolidation difference amortization charges of k€ 38,738 (k€ 40,753 for the first half of 2002). Remaining intangible asset amortization charges mainly relate to leasehold improvements.

2002 half-year business goodwill amortization charges reported in 2002 have been reviewed to harmonize the amortization period for HMSHost goodwill with the estimated useful economic life thereof, as updated on preparation of the 2002 Full Year Report, thereby reducing amortization by m€ 14,4.

Freely transferable PPE depreciation is measured using economic and technical criteria. Accordingly, these assets are depreciated over the lesser of their useful economic life or remaining term of the concession contract.

Provisions for risks and other provisions

The provisions set aside during the period are detailed as follows:

(k€)	2003 Half-Year	2002 Half-Year	Change	2002 Full Year
Provisions for litigation and other risks	389	1,735	(1,346)	5,701
Other provisions:				
Provision for restoration costs	868	1,076	(208)	3,018
Miscellaneous provisions	-	856	(856)	284
Total – Other Provisions	**868**	**1,932**	**(1,064)**	**3,302**
Total	**1,257**	**3,667**	**(2,410)**	**9,003**

Other operating costs

Other operating costs amounted to k€ 18,182, of which newly consolidated subsidiaries accounted for k€ 643.

(k€)	2003 Half-Year	2002 Half-Year	Change	2002 Full Year
Taxes and duties (other than income taxes)	8,715	9,441	(726)	19,613
Cash differences	1,365	2,939	(1,574)	6,376
Losses on disposals of fixed assets	998		998	321
Miscellaneous	7,104	5,432	1,672	15,127
Total	**18,182**	**17,812**	**370**	**41,437**

FINANCE INCOME AND COSTS

Net finance costs for the half year amounted to k€ 21,404. The increase of k€ 3,259 is mainly due to current financing and loans being replaced by the convertible bond.

The components are as follows:

Finance income

Finance income amounted to k€ 37,099, up k€ 17,626 from 2002 half-year results.

(k€)	2003 Half-Year	2002 Half-Year	Change	2002 Full Year
Interest income and other income from:				
Non-current financial receivables	2	1	1	2
Securities classified as fixed assets	-	35	(35)	59
Marketable securities	570	734	(164)	2,121
	572	**770**	**(198)**	**2,182**
Other from:				
Bank accounts	680	1,593	(913)	2,386
FOREX gains	28,706	8,707	19,999	25,105
Interest rate hedge contracts	1,420	3,703	(2,283)	7,697
FOREX hedge contracts	5,302	3,487	1,814	7,139
Other	419	1,213	(794)	2,515
	36,527	**18,703**	**17,824**	**44,842**
Total	**37,099**	**19,473**	**17,626**	**47,024**

Finance costs

Finance costs amounted to k€ 58,542.

(k€)	2003 Half-Year	2002 Half-Year	Change	2002 Full Year
Interest expense and other expense from:				
Bonds	11,986	3,678	8,308	7,387
Non-current borrowings	5,611	13,263	(7,652)	25,044
Securities classified as fixed assets	187	347	(160)	640
Marketable securities	247	72	175	159
	18,031	**17,360**	**671**	**33,230**
Other:				
FOREX losses	20,524	6,266	14,258	19,138
Interest rate hedge contract losses	10,869	8,718	2,151	31,815
FOREX hedge contract losses	3,467	4,916	(1,449)	3,454
Other	5,651	397	5,254	990
	40,511	**20,297**	**20,214**	**55,397**
Total	**58,542**	**37,657**	**20,885**	**88,627**

FOREX hedge contracts put in place gave rise to foreign exchange losses, which were taken to "Foreign exchange losses", and to foreign exchange gains recognized under "Foreign exchange gains" within "Finance income".

ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS

Adjustments to the value of financial assets, net, came to k€ 6,454, of which k€ 6,700 refer to the writedown of the equity interest held in Pastarito SpA. Further information thereon can be found in the Note relating to "Investments in associate companies".

EXCEPTIONAL ITEMS

Net exceptional expenses amounted to k€ 703 (k€ 711 for the first half of 2002), associated with the reshaping and restructuring of the European affiliate operations. These relate primarily to voluntary redundancy severance payments.

INCOME TAX

Half-year results include no allocation for income tax charge.

Schedule of Autogrill Group Subsidiaries and Other Investments Holding at 30 June 2003

AUTOGRILL Group

Schedule of Subsidiaries and Other Investments at June 30, 2003

Investments accounted for using the full consolidation method:

Company Name	Head Office	Cur.	Share Capital	% Owned	Controlling Company
Group Parent Company					
• Autogrill SpA	Novara	€	132.288.000	57,093	Edizione Holding SpA
Subsidiaries:					
• Autogrill Café Srl	Novara	€	100.000	100,000	Autogrill SpA
• Aviogrill Srl	Bologna	€	10.000	51,000	Autogrill SpA
• Nuova Estral Srl	Novara	€	10.000	100,000	Autogrill SpA
• Nuova Sidap Srl	Novara	€	10.000	100,000	Autogrill SpA
• Autogrill Austria AG	Gottlesbrunn	€	7.500.000	100,000	Autogrill SpA
• Autorest Hungaria Kft, in liquidazione	Budapest	HUF	1.000.000	100,000	Autogrill Austria AG
• Autogrill Deutschland GmbH	Munchen	€	205.000	100,000	Autogrill SpA
• Autogrill Espana SA	Madrid	€	1.800.000	100,000	Autogrill SpA
• Autogrill Finance SA	Luxembourg	€	250.000	99,996	Autogrill SpA
• Autogrill Hellas EPE	Avlona Attikis	€	1.696.350	100,000	Autogrill SpA

• Autogrill Overseas SA	Luxembourg	€	60.650.000	99,999	Autogrill SpA
• Autogrill Participaciones SL	Madrid	€	6.503.006	100,000	Autogrill SpA
• Restauracion de Centros Comerciales SA	Barcelona	€	108.182,18	70,000	Autogrill Participaciones SL
• Autogrill Europe Nord-Ouest SA	Luxembourg	€	41.300.000	99,999	Autogrill SpA
• Autogrill Belgie SA	Antwerpen	€	22.250.000	99,999 0,001	Autogrill Europe Nord-Ouest SA Ac Restaurants & Hotels SA
• Ac Arlux SA	Arlon	€	1.258.233	99,998 0,002	Autogrill Belgie SA Ac Restaurants & Hotels SA
• Ac Restaurants & Hotels Beheer SA	Antwerpen	€	4.420.000	99,999 0,001	Autogrill Belgie SA Ac Restaurants & Hotels SA
• Ac Restaurants & Hotels SA	Luxembourg	€	123.946	99,995 0,005	Autogrill Belgie SA Ac Restaurants & Hotels Beheer SA
• Ac Restaurants & Hotels Beteiligungs GmbH, in liquidazione	Niederzissen	€	76.706	95,000 5,000	Ac Restaurants & Hotels SA Ac Holding NV
• Ac Restaurants & Hotels Betriebs GmbH, in liquidazione	Niederzissen	€	25.575	100,000	Ac Restaurants & Hotels Beteiligungs GmbH
• Autogrill Nederland BV	Breukelen	€	41.371.500	100,000	Autogrill Europe Nord-Ouest SA
• Maison Ledeboer BV	Zaandam	€	69.882	100,000	Autogrill Nederland BV
• Ac Holding NV	Breukelen	€	136.134	100,000	Maison Ledeboer BV
• The American Lunchroom Co BV	Zaandam	€	18.151	100,000	Ac Holding NV
• Ac Apeldoorn BV	Apeldoorn	€	45.378	100,000	The American Lunchroom Co BV
• Ac Bodegraven BV	Bodegraven	€	18.151	100,000	The American Lunchroom Co BV
• Ac Heerlen BV	Heerlen	€	23.142	100,000	The American Lunchroom Co BV

• Ac Hendrik Ido Ambacht BV	Hendrik Ido Ambacht	€	15.882	100,000	The American Lunchroom Co BV
• Ac Holten BV	Holten	€	34.033	100,000	The American Lunchroom Co BV
• Ac Leiderdorp BV	Leiderdorp	€	18.151	100,000	The American Lunchroom Co BV
• Ac Meerkerk BV	Meerkerk	€	18.151	100,000	The American Lunchroom Co BV
• Ac Nederweert BV	Weert	€	34.033	100,000	The American Lunchroom Co BV
• Ac Nieuwegein BV	Nieuwegein	€	18.151	100,000	The American Lunchroom Co BV
• Ac Oosterhout BV	Oosterhout	€	18.151	100,000	The American Lunchroom Co BV
• Ac Restaurants & Hotels BV	Oosterhout	€	90.756	100,000	The American Lunchroom Co BV
• Ac Sevenum BV	Sevenum	€	18.151	100,000	The American Lunchroom Co BV
• Ac Vastgoed BV	Zaandam	€	18.151	100,000	The American Lunchroom Co BV
• Ac Vastgoed I BV	Zaandam	€	18.151	100,000	The American Lunchroom Co BV
• Ac Veenendaal BV	Veenendaal	€	18.151	100,000	The American Lunchroom Co BV
• Ac Zevenaar BV	Zevenaar	€	56.722	100,000	The American Lunchroom Co BV
• Holding de Participations Autogrill Sas	Marseille	€	119.740.888	99,999 0,001	Autogrill Europe Nord-Ouest SA Autogrill SpA
• Autogrill Coté France Sas	Marseille	€	31.579.526,40	99,999	Holding de Participations Autogrill Sas
• Société Berrichonne de Restauration SA (Soberest)	Marseille	€	18.000	50,006	Autogrill Coté France Sas
• Société Bordelaise de Restauration Sas (Soborest)	St. Savin	€	49.250	49,270	Autogrill Coté France Sas
• Société de la Porte de Champagne SA (SPC)	Perrogney Les Fontaines	€	9.600	51,678	Autogrill Coté France Sas
• Société de Restauration Autoroutière Dromoise SA (SRAD)	Marseille	€	71.000	50,000 50,000	Autogrill Coté France Sas SRSRA SA

• Société de Restauration de Bourgogne SA (Sorebo)	Marseille	€	9.000	50,000	Autogrill Coté France Sas
• Société de Restauration de Troyes-Champagne SA (SRTC)	Marseille	€	90.000	70,000	Autogrill Coté France Sas
• Volcarest SA	Champs	€	65.634	50,000	Autogrill Coté France Sas
• Autogrill Restauration Services SA	Marseille	€	30.041.460	99,999	Holding de Participations Autogrill Sas
• Autogrill Gares Province Sarl	Marseille	€	274.480	100,000	Autogrill Restauration Services SA
• Autogrill Gares Metropoles Sarl	Marseille	€	17.396.850	100,000	Autogrill Restauration Services SA
• Autogrill Gares Lille Sarl	Marseille	€	40.000	99,960 0,040	Autogrill Restauration Services SA Autogrill Gares Metropoles Sarl
• Autogrill Schweiz AG	Olten	CHF	10.000.000	100,000	Autogrill Overseas SA
• ARH Management AG, in liquidazione	Zug	CHF	700.000	100,000	Autogrill Schweiz AG
• Autogrill Pieterlen AG	Pieterlen	CHF	2.000.000	100,000	Autogrill Schweiz AG
• Autogrill Pratteln AG	Pratteln	CHF	3.000.000	95,000	Autogrill Schweiz AG
• Autogrill Sas, Basel Airport	St. Louis	CHF	60.800	100,000	Autogrill Schweiz AG
• Restoroute de Bavois SA	Bavois	CHF	2.000.000	70,000	Autogrill Schweiz AG
• Restoroute de la Gruyère SA	Avry devant Pont	CHF	1.500.000	54,300	Autogrill Schweiz AG
• Vorstatt Egerkingen AG	Egerkingen	CHF	2.000.000	100,000	Autogrill Schweiz AG
• Autogrill Group Inc	Bethesda	USD	225.000.000	100,000	Autogrill Overseas SA
• HMS Host Tollroads Inc	Bethesda	USD	125.000.000	100,000	Autogrill Group Inc
• Host International Inc	Bethesda	USD	125.000.000	100,000	Autogrill Group Inc

•	Sunshine Parkway Restaurants Inc	Bethesda	USD	125.000.000	50,000 50,000	Autorill Group Inc Gladieux Corp
•	C & J Leasing Inc, in liquidazione	Bethesda	USD	1	100,000	Host International Inc
•	Cincinnati Terminal Services Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
•	Cleveland Airport Services Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
•	HMS-Airport Terminal Services Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
•	HMS-Airport Terminal Services (Christchurch branch) Inc	Bethesda	USD	125.000.000	100,000	HMS-Airport Terminal Services Inc
•	HMS B&L Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
•	HMS Holdings Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
•	HMS Host Family Restaurants Inc	Bethesda	USD	125.000.000	100,000	HMS Holdings Inc
•	HMS Host Family Restaurants LLC	Bethesda	USD	125.000.000	100,000	HMS Host Family Inc
•	Gladieux Corporation	Bethesda	USD	125.000.000	100,000	HMS Holdings Inc
•	Host (Malaysia) Sdn Bhd	Kuala Lumpur	MYR	100.000	100,000	Host International Inc
•	Host Gifts Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
•	Host International of Canada Ltd	Vancouver	CAD	4.600.000	100,000	Host International Inc
•	Host International of Canada (RD-GTAA) Ltd	Toronto	CAD	1	100,000	Host International of Canada Ltd
•	SMSI Travel Centres Inc	Toronto	CAD	1	100,000	Host International of Canada Ltd
•	Host International of Kansas Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
•	Host International of Maryland Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
▪	HMS Host USA Inc	Bethesda	USD	125.000.000	100,000	Host International Inc

• Host International (Poland) Sp zo o, in liquid.	Warsaw	PLN	6.557.600	100,000	HMS Host USA Inc
• Host of Holland BV	Haarlemmermeer	€	90.756	100,000	Host International Inc
• Horeca Exploitatie Maatschappij Schiphol BV	Schiphol	€	45.378	100,000	Host of Holland BV
• Host Services (France) Sas	Paris	€	38.115	100,000	Host International Inc
• Host Services Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
• Host Services of New York Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
• Host Services Pty Ltd	North Cairns	AUD	12	100,000	Host International Inc
• Las Vegas Terminal Restaurants Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
• Marriott Airport Concessions Pty Ltd	Tullamarine	AUD	999.998	100,000	Host International Inc
• Michigan Host Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
• San Francisco Sunshade LLC, in liquidazione	Bethesda	USD	1	100,000	Host International Inc
• Shenzen Host Catering Company Ltd	Shenzen	USD	2.500.000	90,000	Host International Inc
• The Gift Collection Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
• Turnpike Restaurants Inc	Bethesda	USD	125.000.000	100,000	Host International Inc
▪ AAI Investments Inc	Bethesda	USD	100.000.000	100,000	Autogrill Group Inc
• Anton Airfood Inc (AAI)	Washington	USD	1.000	95,000	AAI Investments Inc
• AAI Terminal 7 Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• AAI Terminal One Inc	Washington	USD	200	100,000	Anton Airfood Inc
• Airport Architects Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• Anton Airfood JFK Inc	Washington	USD	1.000	100,000	Anton Airfood Inc

• Anton Airfood of Bakersfield Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• Anton Airfood of Cincinnati Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• Anton Airfood of Minnesota Inc	Washington	USD	10	100,000	Anton Airfood Inc
• Anton Airfood of New York Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• Anton Airfood of North Carolina Inc	Washington	USD	10	100,000	Anton Airfood Inc
• Anton Airfood of Ohio Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• Anton Airfood of Rhode Island Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• Anton Airfood of Texas Inc	Washington	USD	100.000	100,000	Anton Airfood Inc
• Anton Airfood of Virginia Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• Palm Springs AAI Inc	Washington	USD	1.000	100,000	Anton Airfood Inc
• Lee Airport Concession Inc	Washington	USD	1.600	25,000	Anton Airfood Inc

Investments accounted for using the equity method:

Company Name	Head Office	Cur.	Share Capital	% Owned	Controlling Company
• Pastarito SpA	Torino	€	2.706.791	21,614	Autogrill SpA
• Union Services Sarl	Luxembourg	€	51.000	20,000	Autogrill Europe Nord-Ouest SA
				20,000	Autogrill Overseas SA
				10,000	Autogrill Finance SA
• Société Régionale de Saint Rambert d'Albon SA (SRSRA)	St Rambert d'Albon	€	32.210	41,025	Autogrill Coté France Sas
• Dewina Host Sdn Bhd	Kuala Lumpur	MYR	250.000	49,000	Host International Inc
• HMSC-AIAL Ltd	Aukland	NZD	111.900	50,000	Host International Inc

Autogrill SpA – Parent Company Financial Statements for the Half-Year ending 30 June 2003

Autogrill S.p.A.
Parent Company Balance Sheet

(k€)

	30 June2003	31 December 2002	Change	30 June 2002
ASSETS				
A) Due from Shareholders for capital not paid in	-	-	-	-
B) NON-CURRENT ASSETS				
I) Intangible assets				
1 Incorporation and start-up costs	-	-	-	
4 Concessions, licenses and brands	2.671	2.613	58	2.406
5 Business goodwill	51.413	58.338	(6.925)	65.193
6 Assets under development	1.759	3.884	(2.125)	4.907
7 Other	37.924	39.004	(1.080)	36.672
Total Intangible Assets	**93.767**	**103.839**	**(10.072)**	**109.178**
II) Property, plant and equipment				
1 Land and buildings	16.863	17.023	(161)	16.603
2 Operating facilities	6.287	6.386	(99)	16.828
3 Commercial and operating equipment	35.242	34.634	608	30.375
3 bis Freely transferable assets	31.767	29.354	2.413	24.181
4 Other	2.812	3.311	(499)	3.195
5 Assets under costruction	18.994	9.993	9.001	11.074
Total Property, Plant and Equipment	**111.965**	**100.701**	**11.264**	**102.256**
III) Investments				
1 Equity investments:				
a) in subsidiary companies	124.845	111.412	13.433	68.447
b) in associate companies	522	7.222	(6.700)	14.360
b) in other companies	18	18	-	29
2 Financial receivables:				
* of which: current	-	-	-	-
* of which: non-current	9.278	56.434	(47.156)	62.375
3 Other	-	-	-	277
Total Investments	**134.663**	**175.085**	**(40.422)**	**145.487**
TOTAL NON-CURRENT ASSETS	**340.394**	**379.624**	**(39.231)**	**356.921**
C) CURRENT ASSETS				
I - Inventory				
1 Merchandise for esale, supplies and other	33.143	36.683	(3.540)	33.947
Total Inventory	**33.143**	**36.683**	**(3.540)**	**33.947**
II - Recevables				
1 Trade account receivables				
* current	42.421	38.116	4.305	44.311
* non-current	-	-	-	401
2 Subsidiary companies	235.406	86.800	148.606	42.351
3 Associate companies	53	60	(7)	-
5 Others				
a) advance taxation				
* of which: curent	11.147	9.000	2.147	
* of which: non-curent	14.496	14.496	-	14.534
b) other				
* current	36.492	35.047	1.445	20.385
Total Receivables	**340.015**	**183.520**	**155.050**	**121.982**
III. Marketable securities				
6 Other	-	-	-	78
Total Marketable Securities	**-**	**-**	**-**	**78**
IV - Bank and cash				
1 Bank balance	21.790	11.977	9.813	9.732
3 Cash balance	23.426	33.980	(10.554)	19.717
Total Bank and Cash	**45.216**	**45.957**	**(741)**	**29.449**
TOTAL CURRENT ASSETS	**418.374**	**266.160**	**152.214**	**185.455**
D) PREPAIDS AND ACCRUALS	**4.573**	**5.961**	**(1.388)**	**7.605**
TOTAL ASSETS	**763.341**	**651.745**	**111.595**	**549.981**

Autogrill S.pA.
Parent Company Balance Sheet

(k€)

EQUITY AND LIABILITIES	30 June 2003	31 December 2002	Change	30 June 2002
A) Equity				
I - Capital Stock	132.288	132.288	-	132.288
II - Additional paid-in capital	-	-	-	-
III - Revaluation reserves	-	-	-	-
IV - Legal reserve	1.712	1.712	-	1.712
V - Reserve for treasury stock	-	-	-	-
VI - Statutory reserves	-	-	-	-
VII - Other reserves	(4.578)	10.825	(15.403)	12.150
VIII - Retained earnings	-	-	-	-
IX - Net income/(loss) for the financial period (1)	16.722	(9.916)	26.638	(8.498)
Total Equity	**146.144**	**134.909**	**11.235**	**137.652**
B) Provision for liabilities and Charges				
2 Deferred income tax liability	-	5.160	(5.160)	930
3 Other provisions	22.213	24.265	(2.052)	22.446
Total	**22.213**	**29.424**	**(7.211)**	**23.376**
C) Provision for Employee Termination Benefits	**83.811**	**82.178**	**1.633**	**80.012**
D) Liabilities				
3 Borrowing from banks:				
* current borrowings	229.827	34.746	195.081	12.256
* non-current borrowings	56.000	103.646	(47.646)	51.646
4 Other borowings:				
* current borrowings	946	1.387	(441)	3.363
* non-current borrowings	1.283	1.466	(183)	1.833
5 Advances	-	50	(50)	10
6 Trade accounts payable	164.342	207.628	(43.286)	191.782
8 Payables - subsidiary companies	359	373	(14)	473
10 Payables - parent companies	43	43	-	38
11 Tax liabilities				
* current	12.666	8.898	3.768	7.787
* non-current	15.086	14.565	521	13.921
13 Other	23.972	24.586	(615)	20.843
Total liabilities	**504.523**	**397.388**	**107.135**	**303.951**
E) Accrued expences and deferred income	**6.650**	**7.846**	**(1.196)**	**4.990**
TOTAL LIABILITIES	**763.341**	**651.745**	**111.596**	**549.981**

OFF BALANCE SHEET COMMITMENTS AND GURANTEES				
Personal security provided	1.292.816	1.498.399	(205.583)	1.329.948
Collateral security provided				
For accounts payable entered in the financial statements	-	47.000	(47.000)	-
Purchases and sales commitments	410.785	393.597	17.188	380.146
Other guarantees and commitments	23.744	26.038	(2.294)	22.068
TOTAL OFF BALANCE SHEET COMMITMENTS AND GURANTEES	**1.727.345**	**1.965.034**	**(237.689)**	**1.732.162**

(1) income tax excluded from half-year results

Autogrill Group
Consolidated Income Statement

(k€)		2003 Half-Year	2002 Half-Year ([2])	Change	2002 Full Year
A)	**OPERATING REVENUES**				
1)	Sales	1,444,019	1,543,602	(99,583)	3,356,307
5)	Other operating revenues	35,863	35,869	(6)	88,879
Total Operating Revenues		**1,479,882**	**1,579,471**	**(99,589)**	**3,445,186**
B)	**OPERATING COSTS**				
6)	Cost of merchandise for resale and supplies	505,144	536,264	(31,120)	1,177,127
7)	Cost of services	143,229	158,347	(15,118)	339,994
8)	Lease, rental and royalty charges	191,084	212,855	(21,771)	454,144
9)	Personal costs:				
a)	Wages and salaries	355,952	391,307	(35,355)	821,022
b)	Social security charges	66,957	69,229	(2,272)	140,567
c)	Employee termination benefits	7,893	8,088	(195)	15,740
d)	Pension and similar obligations	391	956	(565)	868
e)	Other	22,455	24,546	(2,091)	52,729
10)	Depreciation, amortization and write-downs:				
a)	Amortization of intangible assets	73,344	65,997	7,347	173,702
b)	Depreciation of property, plant and equipment	39,758	51,967	(12,209)	86,487
c)	Writedown of intangible assets and PPE	-	-	-	14,121
d)	Writedown of current receivables	2,102	2,636	(534)	6,656
11)	Change in inventory levels	(675)	2,006	(2,681)	(3,738)
12)	Provisions for liabilities and risks charges	389	1,735	(1,346)	5,701
13)	Other provisions charges	868	1,932	(1,064)	3,302
14)	Other operating costs	18,182	17,812	370	41,437
Total Operating Costs		**1,427,073**	**1,545,677**	**(118,604)**	**3,329,859**
OPERATING PROFIT		**52,809**	**33,794**	**19,015**	**115,327**
C)	**FINANCE INCOME AND COSTS**				
15)	Equity investments in associates	39	39	(0)	140
16)	Other finance income:				
a)	Financial receivables	2	1	1	2
b)	Securities included in fixed assets	-	35	(35)	59
c)	Marketable securities	570	734	(164)	2,121
d)	Other finance income	36,527	18,703	17,824	44,842
17)	Finance costs:				
a)	Financial institutions	(5,798)	(13,610)	7,812	(25,684)
c)	Third party	(12,233)	(3,750)	(8,483)	(7,546)
d)	Other	(40,511)	(20,297)	(20,214)	(55,397)
Total Net Finance Costs		**(21,404)**	**(18,145)**	**(3,259)**	**(41.463)**
D)	**FINANCIAL ASSETS WRITEDOWNS**				
18)	Revaluation of marketable securities:				
a)	Investments	246	-	246	783
19)	Writedowns:				
a)	Investments	(6,700)	-	(6,700)	(8,087)
b)	Other marketable securities	-	(336)	336	
Total Financial assets writedowns		**(6,454)**	**(336)**	**(6,118)**	**(7,304)**
E)	**EXCEPTIONAL ITEMS**				
20)	Income-	-	0	(0)	21,487
21)	Expenses	(703)	(711)	8	(20,220)
Total Exceptional Items		**(703)**	**(711)**	**8**	**1,267**
PROFIT BEFORE TAX		**24,248**	**14,602**	**9,646**	**67,827**
Income tax ([1])		-	-	-	(55,051)
PROFIT BEFORE MINORITY INTEREST		**24,248**	**14,602**	**9,646**	**12,776**
Minority Interest		4,203	1,947	2,256	5,313
NET PROFIT FOR THE FINANCIAL PERIOD		**20,045**	**12,655**	**7,390**	**7,463**

([1]) no allocation for half-years
([2]) reviewed to harmonize the amortization period for HMSHost goodwill with the estimated useful economic life thereof, updated on preparation of the 2002 Full Year Report

Autogrill SpA

Registered Office: ***Via Luigi Giulietti, 9***
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Share Capital: ***€ 132,288,000 fully paid-up***
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Novara CCIAA Number: ***188902 REA***
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REPORT OF THE INDEPENDENT AUDITORS ON THE REVIEW OF THE SIX-MONTH REPORT AS OF JUNE 30, 2003

(Translation from the original issued in Italian)

To the Shareholders of
Autogrill S.p.A.:

1. We have performed a review of the six-month report as of June 30, 2003 composed of the consolidated accounting schedules (balance sheet and income statement) and the related explanatory notes of Autogrill S.p.A. We have also checked the part of the report related to the information on operations with the sole purpose of verifying the consistency thereof with the rest of the six-month report.

2. Our review was made in accordance with the criteria for reviews recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("CONSOB") under Bullettin No. 10867 of July 31, 1997. A review consists principally of obtaining the information regarding the items reported in the accounting schedules and the consistency of the valuation criteria through discussion with Company management and the performance of analytical procedures on the data contained in the accounting schedules. A review does not include those audit procedures such as compliance tests and substantive tests of assets and liabilities and is significantly less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, unlike the auditors' report accompanying the annual consolidated financial statements, we do not express an opinion on the six-month report.

3. With regard to the comparative information related to the prior year six-month report and to the annual consolidated financial statements, reference should be made to the reports of the independent auditors issued respectively on August 7, 2002 and on March 27, 2003.

4. Based on our review, we are not aware of any material modifications or additions that should be made to the consolidated accounting schedules and related explanatory notes identified in paragraph 1. of this report, for them to be in conformity with the standards and procedures set out by the CONSOB regulation related to six-month reports as adopted by Bullettin No. 11971 of May 14, 1999, and subsequent amendments and additions.

5. As described in the explanatory notes, the Company – in consistency with the previous six-month period report and pursuant to paragraph 7 of art. 81 of the abovementioned CONSOB rules - has decided to present the results of the six-month period ended June 30, 2003 before income taxes.

Milan, Italy,
August 12, 2003

DELOITTE & TOUCHE S.p.A.

s/Eugenio Colucci – Partners/Ernesto Lanzillo - Partner