2004 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 2003; pro-forma figures have been used to make the consolidation areas consistent, as detailed in the notes to the consolidated financial statements on pages 29-30. Comparative balance sheet figures refer to balances at 2003 year-end.

The stronger Euro versus the US dollar makes 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, comments regarding management performance refer to a framework of constant exchange rates, compared to the pro-forma results of the first half of 2003.

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 exist, the Italian version shall supersede the English version.

AUTOGRILL S.p.A.

Directors and Corporate Officers

Board of Directors

(appointed until the approval of the 2004 Annual Report & Accounts)

Chairman [1]	Gilberto **BENETTON**
Deputy Chairman	Livio **BUTTIGNOL**
Chief Executive Officer [2]	Gianmario **TONDATO DA RUOS**[2]
Directors	Alessandro **BENETTON**
	Giorgio **BRUNETTI** [3] [5]
	Antonio **BULGHERONI** [4] [5]
	Marco **DESIDERATO**[3] [5]
	Sergio **EREDE** [4]
	Alfredo **MALGUZZI**[3] [5]
	Gianni **MION**[4]
	Gaetano **MORAZZONI** [5]

Board of Statutory Auditors (appointed until the approval of the 2005 Annual Report & Accounts)

Chairman	Gianluca **PONZELLINI**	Chartered Accountant
Standing Auditor	Marco **REBOA**	Chartered Accountant
Standing Auditor	Ettore Maria **TOSI**	Chartered Accountant
Alternate Auditor	Giovanni Pietro **CUNIAL**	Chartered Accountant
Alternate Auditor	Graziano Gianmichele **VISENTIN**	Chartered Accountant

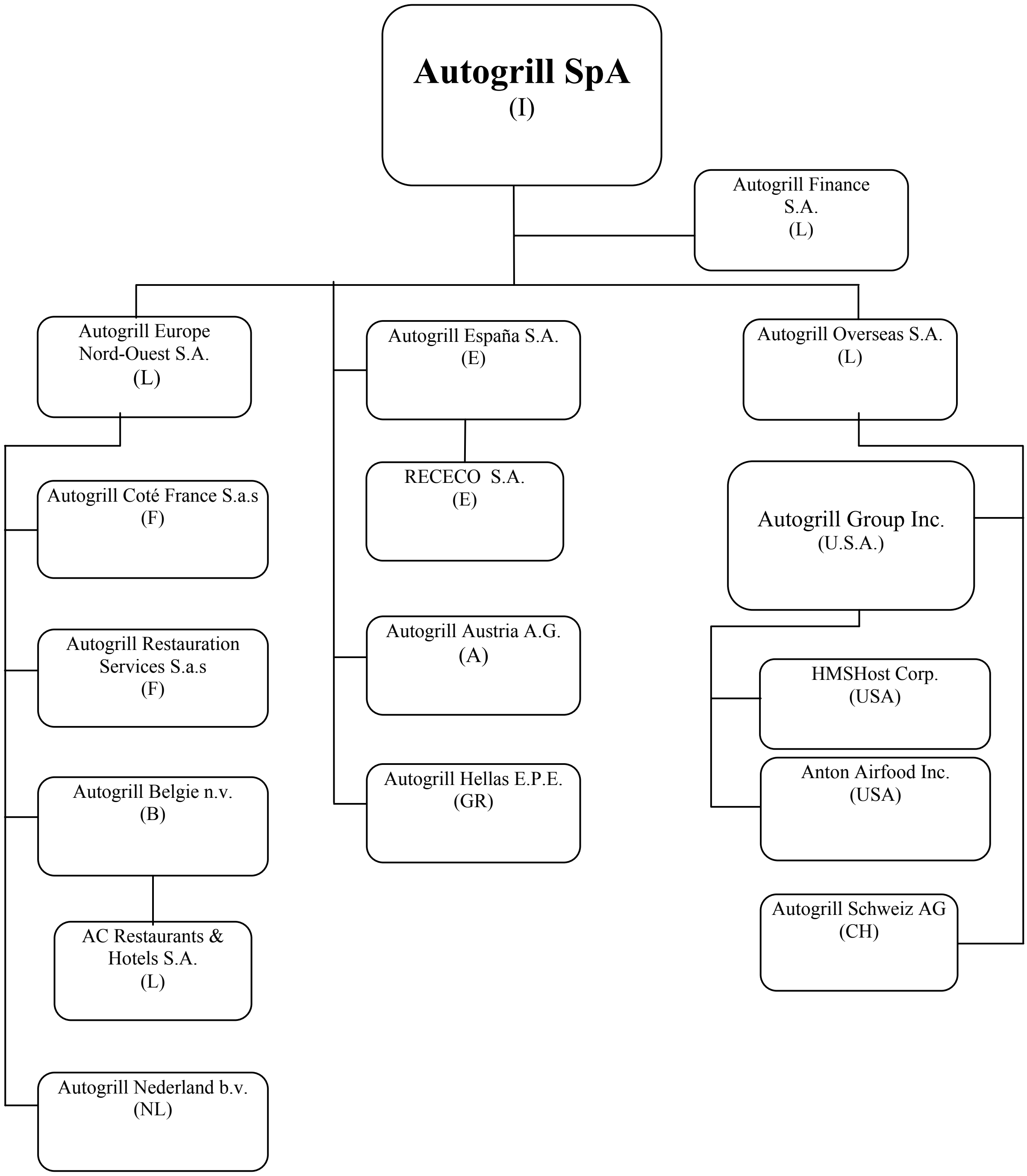
Independent Auditors

(appointed until the approval of the 2005 Annual Report & Accounts)

Deloitte & Touche S.p.A.

1. Legal and statutory powers, and in particular the legal representation of the Company, including Company signature
2. Powers of ordinary administration, exercisable by single signature, pursuant to resolutions adopted on 24 April 2003
3. Member of the Internal Audit Committee
4. Member of the Remuneration Committee
5. Independent Director

Simplified Group structure as at 30 June 2004



Operations Report

Autogrill Group profile

Autogrill ranks as a leading food and beverage service organization and retailer in Europe and in America, selling consumer products and travel-related items in outlets along motorways, at airports, in railway stations and in urban and suburban shopping malls.

With a network of over 4,000 outlets, in 2003 Autogrill counted 690 million customers and employed some 40,000 people.

Its vast and diversified product and brand portfolio is one of the Group's strengths. Its mission is to offer the best choice in food and beverage concessions, coupled with a high standard of service, which as a rule, is offered 24 hours a day, 365 days a year.
A breakdown of the system-wide network by distribution channel and geographic region is given below:

					Total	
n. sites	**Motorways**	**Airports**	**Railway stations**	**Other**	**2004 Half-Year**	**2003 Half-Year**
Europe	531	14	38	106	689	701
North America	108	77	0	7	192	197
Other Countries	0	4	0	0	4	4
Total	**639**	**95**	**38**	**113**	**885**	**902**

					Total	
Sales	**Motorways**	**Airports**	**Railway stations**	**Other**	**2004 Half-Year**	**2003 Half-Year**
Europe	572.5	62.1	42.8	85.6	763.0	753.1
North America	138.0	528.6	-	17.1	683.7	667.4
Other countries	-	6.6	-	-	6,6	5,3
Total	**710.5**	**597.3**	**42.8**	**102.7**	**1.453.3**	**1.425.8**

					Total	
Sales	**Motorways**	**Airports**	**Railway stations**	**Other**	**2004 Half-Year**	**2003 Half-Year**
Europe	39.4%	4.3%	2.9%	5.9%	52.5%	52.8%
North America	9.5%	36.3%	0.0%	1.2%	47.0%	46.8%
Other Countries	0.0%	0.5%	0.0%	0.0%	0.5%	0.4%
Total	**48.9%**	**41.1%**	**2.9%**	**7.1%**	**100.0%**	**100.0%**

Europe accounted for the majority of motorway concession sales, while North America accounted for the bulk of airport concession sales.

Sales in both distribution channels depend on customer traffic. In spite of the challenges faced in the past few years, the Group has demonstrated that its brand portfolio and commercial expertise have led to a steady increase in the number of contacts (penetration) and the average transaction.

Business seasonality

People's mobility, and in particular the flow of tourists, is highly seasonal. Therefore, sales in the first half of the year are typically 15-20% lower than those for the second half of the year.

Operating profit is even more affected by seasonality, due both to the pro-rata allocation of certain costs and to reduced efficiency in off-peak periods.
Lastly, from a financial point of view, the first half of the year is characterized by downward curved average 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.

A brief outline of the six-month period

(m€)	Half-year 2004	Half-year 2003 Pro-forma	Change total	Change constant exchange rates (1)	2003 full year
Net sales	1.453,3	1.425,8	1,9%	7,4%	3.142,7
EBITDA (2)	178,3	163,8	8,8%	14,8%	417,5
% of sales	12,3%	11,5%			13,3%
EBITA (3)	104,7	89,1	17,5%	24,1%	240,9
% of sales	7,2%	6,3%			7,7%
Profit before tax	28,4	14,7	93,7%	93,2%	97,8
% of sales	2,0%	1,0%			3,1%
Cash Flow before tax	143,7	141,6	1,5%	7,0%	374,2
% of sales	9,9%	9,9%			11,9%
Investments (4)	71,1	73,7	-3,5%	-1,0%	176,1
Working capital	(194,6)	(211,4)			(296,5)
Net capital employed	1.179,0	1.283,0			1.083,4
Net borrowings	867,8	1.033,7			800,2

(1) movements of the average Euro exchange ratio between the 1st half of 2003 and the 1st half of 2004:

US Dollar : -10.0%

Swiss Franc: -3.9%.

(2) Profit before amortization, depreciation and write-downs, exceptional items, financial income/costs and income tax.

(3) Profit before the amortization of goodwill and consolidation differences, exceptional items, financial income/costs and income tax.

(4) Excluding investments and equity investments.

Group management performance

The Group's market context has been a weak economy in Europe and a more dynamic one in North America.

The increase in business volumes compared to the same period last year more than compensated for the unfavorable conversion of sales generated in North America.

During the first half of the year the Group recorded a 1.9% increase in net sales, to 1,453.3 m€. The increase, counteracting the effects of the fall in the dollar, was equal to 7.4%.

In particular, in North America dollar sales rose by 14.4% to 881.7 m$.

In Europe, the overall growth was equal to 0.9%, buoyed by the +2.8% generated in Italy.

During the low season, which characterizes the first half of the year, the Group optimized its revenue opportunities by proceeding with commercial operations aimed at increasing contacts and the average expenditure of travelers. Furthermore, during this time the Group also improved its profitability in all business areas.

Half-year EBITDA rose by 14.8% at constant exchange rates and by 8.8% at actual values, with a 12.3% impact on sales.

Furthermore, growth in profitability was reduced by the rise in raw materials, the rise in the hourly wage rates and changes in the sales mix towards products with a lower gross margin. In any event, the development and wider diffusion of an operational model which provides premises managers with the responsibility and the methods for optimizing sales and resources, has once again led to increased productivity.

The growth in volumes and sales that accompanied operational activities also gave rise to an increased productivity of non-current assets. EBITA increased 24.1% (+17.5% at constant exchange rates).

Profit before tax almost doubled, to +28.4 m€.

A syndicated bank loan for a total of 800 m€, during the first half of the year, was obtained to repay approximately 90% of the convertible bond originally issued in 1999, and provided the resources for the expansion and renovation of outlets.

During the six-month period, significant results were also achieved in development.

In particular, during this period the Group was granted concession contracts in North American airports, which are expected to generate overall sales equal to 1.3bn US dollars, and in Italy the Group was awarded motorway concessions expected to result in sales equal to 1.9bn Euro throughout their duration.

The Group selectively and effectively took part in competitive bids to renew old concessions and win new ones in Italy, with the aim of improving the geographic distribution and profitability of its network, at the same time reducing the number of sales outlets.

The consolidation of the concession portfolio and related investments are temporarily the subject of investigations by the Italian Antitrust Authority and of claims by competitors, against which the Company has taken appropriate measures and which are expected to conclude by the end of the year.

Condensed consolidated income statement

2003 Full Year	(figures in m€)	2004 Half-Year		2003 Half-Year Pro-forma (1)		CHANGE		at constant exchange rates	
3,142.7	Sales	1,453.3		1,425.8		27.5	1.9%	99.5	7.4%
89.4	Other operating revenues	41.1		37.1		4.0	10.8%	5.1	14.3%
3,232.1	**Operating revenues**	**1,494.4**	**100.0%**	**1,462.9**	**100.0%**	**31.5**	**2.2%**	**104.6**	7.5%
(1,800.5)	Cost of goods sold	(841.2)	-56.3%	(819.5)	-56.0%	(21.7)	2.7%	(61.6)	7.9%
1,431.6	**Gross profit**	**653.2**	**43.7%**	**643.4**	**44.0%**	**9.8**	**1.5%**	**43.0**	7.1%
(955.7)	Personnel costs	(454.1)	-30.4%	(455.7)	-31.2%	1.6	-0.4%	(22.0)	5.1%
(13.6)	Write-downs of provision charges & curr. asset	(11.6)	-0.8%	(3.4)	-0.2%	(8.2)	n.s.	(8.4)	n.s.
(35.9)	Other operating expenses	(16.7)	-1.1%	(18.3)	-1.2%	1.6	-8.6%	0.7	-4.2%
426.4	**Gross operating profit**	**170.8**	**11.4%**	**166.0**	**11.3%**	**4.8**	**2.9%**	**13.3**	8.5%
(93.1)	Consolidation differences and goodwill amortization and write-downs[2]	(42.0)	-2.8%	(45.7)	-3.1%	3.7	-8.1%	1.0	-2.2%
(176.6)	Intangible assets and PPE amortization/depreciation/write-downs	(73.6)	-4.9%	(74.7)	-5.1%	1.1	-1.4%	(2.7)	3.8%
156.7	**Operating profit**	**55.2**	**3.7%**	**45.6**	**3.1%**	**9.6**	**21.1%**	**11.6**	27.1%
(64.6)	Net financial costs	(27.1)	-1.8%	(23.7)	-1.6%	(3.4)	14.3%	(4.7)	20.9%
(6.8)	Value adjustments and capital losses on the sale of investments	0.3	0.0%	(6.5)	-0.4%	6.8	n.s.	6.8	n.s.
85.3	**Profit from Ordinary Activities**	**28.4**	**1.9%**	**15.4**	**1.1%**	**13.0**	**84.4%**	**13.7**	95.4%
12.5	Net exceptional income/(costs) [2]	0.0	0.0%	(0.7)	0.0%	0.7	n.s.	0.7	n.s.
97.8	**Profit Before Tax (2)**	**28.4**	**1.9%**	**14.7**	**1.0%**	**13.7**	**93.2%**	**14.4**	n.s.
(40.8)	**Income Tax (2)**	**-**	**-**	-	-	-	-	-	-
57.0	**Profit Before Minority Interest (2)**	**28.4**	**1.9%**	**14.7**	**1.0%**	**13.7**	**93.2%**	14.4	n.s.
6.8	**Minority Interest**	3.7	0.2%	3.2	0.2%	0.5	17.1%	0.9	33.2%
50.2	**Net Profit (2)**	**24.7**	**1.7%**	**11.5**	**0.8%**	**13.2**	**n.s.**	**13.5**	n.s.
417.5	**EBITDA (3) (4)**	**178.3**	**12.3%**	**163.8**	**11.5%**	**14.5**	**8.8%**	**23.0**	14.8%

(1) For comparison purposes, pro-forma figures are shown for the 2003 half-year results, so as to make the consolidation area consistent with that of 2004 half-year, as further decribed in the notes to the financial statements

(2) Not calculated for half-year results

(3) Result before amortizatio, depreciation, exceptional items, financial income and costs and income tax

(4) Ratio calculated on sales revenues

Condensed consolidated balance sheet

(figures in m€)	30.06.2004	31.12.2003	Change		30.06.2003 Pro-forma (1)
			total	at constant exchange rates	
A) Non-Current Assets					
Intangible assets	959.7	990.8	(31.1)	(55.2)	1,088.7
Property, plant and equipment	511.4	489.5	21.9	14.9	501.6
Investments	22.4	20.3	2.1	1.7	22.4
	1,493.5	**1,500.6**	**(7.1)**	**(38.6)**	**1,612.7**
B) Net Working Capital					
Inventory	84.0	87.9	(3.9)	(5.3)	85.1
Trade accounts receivable	57.2	55.6	1.6	1.0	56.8
Current assets	234.7	210.4	24.3	19.6	249.6
Trade accounts payable	(338.5)	(407.1)	68.6	74.5	(349.5)
Provisions for risks and liabilities	(67.2)	(59.1)	(8.1)	(7.4)	(79.5)
Other current liabilities	(164.8)	(184.2)	19.4	22.9	(173.9)
	(194.6)	**(296.5)**	**101.9**	**105.3**	**(211.4)**
C) Capital Employed (A+B)	**1,298.9**	**1,204.1**	**94.8**	**66.7**	**1,401.3**
D) Non-current operating liabilities including termination benefits provisions	**(119.9)**	**(120.7)**	**0.8**	**1.4**	**(118.3)**
E) Net Capital Employed (C+D)	**1,179.0**	**1,083.4**	**95.6**	**68.1**	**1,283.0**
Financed by:					
F) Group Equity and Minority Interest					
Group Equity (2)	288.4	261.4	27.0	24.6	227.4
Minority Interest (2)	22.8	21.8	1.0	0.6	21.9
	311.2	**283.2**	**28.0**	**25.2**	**249.3**
G) Convertible bonds	**39.1**	**383.0**	**(343.9)**	**(343.9)**	**379.2**
H) Non-Current Net Borrowings	**692.9**	**321.1**	**371.8**	**357.5**	**465.0**
Current Net Borrowings					
Current Borrowings	379.7	253.5	126.2	112.8	378.4
Cash, marketable securities and financial receivables	(243.9)	(157.4)	(86.5)	(83.5)	(188.9)
	135.8	**96.1**	**39.7**	**29.3**	**189.5**
Net borrowings (G+H+I)	**867.8**	**800.2**	**67.6**	**42.9**	**1,033.7**
L) Total, as in E)	**1,179.0**	**1,083.4**	**95.6**	**68.1**	**1,283.0**

(1) For comparison purposes, pro-forma figures are shown for the 2003 half-year results, so as to make the consolidation area consistent with that of 2004 half-year, as further decribed in the notes to the financial statements
(2) Calculations determined using pre-tax results

Consolidated Cash-Flow Statement

2003 Full Year	(in m€)	2004 Half-year	2003 Half-year Pro-forma [(1)]
(283.2)	**Opening net cash balance** [(2)]	**(96.6)**	**(295.6)**
57.0	Financial period net profit/(loss)	28.4	14.7
269.7	Non-current assets amortization, depreciation and write-down charges	115.6	120.4
6.8	Adjustments to capital (gains)/losses on the sale of investments	(0.3)	6.5
(13.0)	Non-current assets capital gains /(losses)	(0.4)	(0.1)
(27.2)	Provisions for risks and liabilities charges	7.4	(7.8)
(27.5)	Ner change in working capital (3)	(113.3)	(120.9)
5.9	Net change in non-current borrowings and termination benefits provision	(1.4)	1.8
271.7	**Net cash flow from operating activities**	36.0	14.6
(176.1)	-Investments in intangible assets and property, plant and equipment (4)	(71.1)	(73.7)
22.4	- Proceeds from non-current assets disposals	3.0	6.0
(123.2)	- acquisition of consolidated subsidaries	(4.4)	(118.7)
0.4	- net change in investment	(1.4)	3.4
(276.5)	**Net cash flow applied to investing activities**	(73.9)	(183.0)
323.8	Bond issued (repaid)	(344.2)	323.8
134.5	Non-current borrowings	361.1	134.5
(267.7)	Repayment/transfer of the current portion of non-current borrowings	(5.0)	(184.5)
7.5	Interest accrued on zero-coupon convertible bonds	0.3	3.7
1.5	Other	(3.1)	
199.6	**Net cash flow from (applied to) financing activities**	9.1	277.5
194.8	**Increase/(decrease) in cash and cash equivalents**	(28.8)	109.1
(7.7)	FOREX movement on current borrowings	(10.4)	(3.0)
(96.1)	**Cash and cash equivilents - Closing net balance**	**(135.8)**	**(189.5)**
(704.1)	**Non-current borrowings**[(5)]	**(732.0)**	**(844.2)**
(800.2)	**Net Financial Position**	**(867.8)**	**(1,033.7)**

[(1)] With regard to information originally published, pro-forma figures are shown for the 2003 half-year results, so as to make the consolidation area consistent with its current format

[(2)] the figure relating to the year 2003 includes the net cash balances of the newly consolidated companies, equal to a 9.9 m€. The pro-forma opening position of the 2003 half-year report also includes the debt corresponding to the price of the newly consolidated company

[(3)] also includes the conversion difference of income components

[(4)] excludes goodwill and consolidation differences relating to subsidiary companies acquired during the period

[(5)] these balances are also affected by the following:

financial year 2003	(in m€)	**Half-year 2004**	**Half-year 2003**
(2.3)	Impact of change in consolidation area	(1.4)	-
123.0	Impact of FOREX movement on non-current borrowings	(14.3)	28.5

Please refer to the following paragraph, in which sales are analyzed.

The operating revenues rose by 7.9% (+2.7%), with a 0.3% growth in the impact on operating revenues.

The cost of labor increased by 5.1% (-0.4%), with a 0.8% fall in the impact on operating revenues. The number of workers (against equivalent full time employees - FTE) is broken down as follows, by geographical area:

	2004	2003 Pro-forma
Europe	15,420	15,041
Autogrill Group, Inc.	19,535	19,948
Total	**34,955**	**34,989**

Write-downs of current assets, provisions for liabilities and risk charges and other provisions increased overall by 8.4 m€, to 11.6 m€.

During the half year, 5.8 m€ was allocated as a precautionary measure, equal to the estimate of the maximum charge the Group can bear for contracts that may require the Parent Company to purchase approximately 30 m$, not known beforehand and the exceptionability of which with regard to the Company is being verified.

Furthermore, the item includes the precautionary estimate of possible charges resulting from any unfavorable outcome of disputes regarding concession contracts.

The gross operating margin rose by 8.5% (+2.9%), as a result of profitability improvements recorded in both the Group's business areas, described in detail on pages 14 and following.

The amortization, depreciation and write-down of non-current assets remained basically unchanged, at constant exchange rates, compared to the period of comparison, and settled at 115.6 m€. 42 m€ of this relates to goodwill and consolidation differences.

The write-downs and capital gains/(losses) on the sale of investments were positive by 0.3 m€, while last year a loss of 6.5 m€ had been recorded, relating to the equity investment in Pastarito S.p.A.

Net financial costs were equal to 27.1 m€, up 4.7 m€ (3.4 m€). This reflects the higher charges inherent in the new indebtedness structure, as well as the policy, pursued during the half year, to cover entirely the company's exposure to the risk of increased interest rates on the US dollar.

Therefore, profit before taxes and minority interest improved by 14.4 m€ (13.7 m€), to 28.4 m€.

From an asset point of view, when compared to 31 December 2003, the net capital employed rose by 68.1 m€ (+95.6 m€) due to the seasonal fall, in absolute terms, of the working capital, which is structurally negative. In particular, the concentration of annual payments in the half-year, relating especially to rents and taxes, resulted in a fall in trade payables and other current liabilities, as well as an increase in other credits.

Net non-current assets fell by 38.6 m€ (-7.1 m€), due to the combined effect of investments in the quarter (71.1 m€) and amortization and write-downs (115.6 m€, of which 42 m€ relate to goodwill and consolidation differences).

Stockholders' equity – calculated on the basis of profit before tax – increased in relation to the profit before tax for the period and to the change in the conversion reserve.

During the half year, the Group's borrowings were further consolidated by executing a syndicated loan for 800 m€, split into installments of up to five years.

In particular, in line with agreements, the installments with the purpose to refinance current loans were entirely used, in the overall amount of 350 m€.

Furthermore, the 300 m€ installment destined for this purpose supplied the necessary cover, together with part of the Group's excess liquidity, for the advance redemption of approximately 90% of the convertible bond loan issued on 15 June 1999, for which 344.2 m€ was paid.

The gap between the Stock Exchange price of Autogrill S.p.A. shares and the possible conversion price, equal to 15.79 € as at 15 June 2004, led most shareholders to exercise the advanced redemption option allowed 5 and 10 years after issue.

By drawing on the new facility, The Parent Company increased its role as "internal bank".

Sales by business segment

The Group operates food and beverage outlets, retail outlets and a number of ancillary services, including hotels.

(m€)	1st Half-year		Change %	
	2004	**2003 Pro-forma**	**Total**	**at constant exchange rates**
Sales to the public				
Food and beverage	1,090.7	1,079.6	1.0%	7.0%
Retail	335.4	317.3	5.7%	9.6%
Hotels and other services	9.7	10.6	-8.9%	-8.3%
Total direct sales to the public	**1,435.8**	**1,407.5**	**2.0%**	**7.5%**
Sales to third and affiliated parties	17.5	18.3	-4.4%	-3.9%
Overall total	**1,453.3**	**1,425.8**	**1.9%**	**7.4%**

The performance of the food and beverage business was positive, with a growth at constant exchange rates equal to 7%, to 1,090.7 m€. This result is due to improved penetration and average consumption in a potential market (measured by "traffic") which, in the main business contexts (US airports and Italian motorways) recorded a growth of 6.2% (source: A.T.A.) and 2.4% (source: Autostrade S.p.A.) respectively.

As regards comparable premises, growth in the food and beverage segment was equal to 8.8 %.

Note that the above figures do not include sales of oil products at service stations managed by the Group, equal to 62.8 m€. Only the related up-charge is recorded in the income statement as "Other operating revenues".

Sales and profitability by geographical area

The following table presents the breakdown of the main figures by geographic area.

(m€)	2004	2003 PF	total	net of exchange	2004	2003 PF	total	net of exchange	2004	2003 PF	Chg.%	2004	2003 PF	total	net of exchange
Sales	734.9	728.2	0.9%	1.3%	718.4	697.6	3.0%	14.4%				1,453.3	1,425.8	1.9%	7.4%
EBITDA	91.3	82.7	10.4%	10.4%	92.3	85.3	8.2%	20.2%	(6.9)	(4.2)	-66.2%	176.7	163.8	7.8%	13.8%
% of sales	12.4%	11.4%			12.8%	12.2%						12.2%	11.5%		
Investments	20.8	40.0	-48.0%	-48.2%	49.9	33.1	51.1%	60.8%	0.4	0.6		71.1	73.7	-3.5%	-1.0%
Amortization and depreciation	32.9	34.0	-3.3%	-2.9%	35.6	36.9	-3.6%	7.1%	47.1	49.6	-5.0%	115.6	120.5	-4.1%	-0.9%

95% of the operations of Autogrill Group Inc. (previously HMSHost Corporation) are based in North America, while operations in Europe and the Pacific region contribute to the consolidation of Autogrill Group Inc. by approximately 4% and 1% respectively.

ANALYSIS BY GEOGRAPHICAL AREA

Break-down by geographical area is one of the most effective tools for analyzing performance in the group's operations, given also the fact that operating responsibilities are based on this approach.

Autogrill Group, Inc.

In order to eliminate the impact of changes in the Euro exchange rate, the data shown below are expressed in millions of dollars, represented by the symbol m$

During the first six months of operations, also on account of the continuing economic growth of the country, the Group's North American business increased by +14.4%, with **sales** reaching 881.7 m$.

Distribution channels served by the company generated the following performance:

Airports: +15.5% to 691.4 m$, in particular with a growth of +15.6% in comparable premises. This performance was mainly due to the opening of new sales outlets, both in locations where AGI was already present and in new airports, to an increased number of boardings (+6.2%[1]), and to the strategy of brand targeting. In particular, the latter operation generated a 10% increase in revenues per passenger. Furthermore, the social/political factors that had had a negative impact on the first half of last year, such as the SARS epidemic and tensions due to the war in Iraq, were partially reduced.

Motorways: +11.1% to 169.3 m$, due to the re-opening of a number of service areas along the New Jersey Turnpike, entirely renovated in 2003, and to a general increase in traffic. Lastly, the same strategy of targeting established brands pursued in the airport business segment also contributed to the positive performance in this segment.
Shopping malls: +4.9% to 21.0 m$.

In the first half of the year, the Autogrill Group Inc. **Ebitda** amounted to 113.3 m$, reflecting an increase of +20.2% and benefiting from a sales expansion. Furthermore, a project aimed at optimizing product processes partially offset the negative impact of inflationary pressures on the cost of products. At the same time, a number of strategies aimed at optimizing personnel productivity and service expenses were pursued. Ebitda, expressed as a percentage of sales, increased from 12.2% to 12.8%.

[1] source A.T.A

Development projects

In the half-year period, the existing program of investments for the renewal or broadening of locations and brands continued, thereby securing a higher level of operations and maintaining the weighted average life of the portfolio.

In the same period, the company was awarded a three-year contract for food and beverage operations at Detroit airport, in Michigan, one of the first ten American stops in terms of passenger traffic and a location where the company's presence was already strong in 2002. Sales for the duration of the contract are expected to amount to approximately 40 m$. Furthermore, in June the concession at the Las Vegas airport was extended to 2018. This is one of the top ten American airports and one of the top twenty in the world, in terms of passengers. The operation, one of the few in America to cover such a long period (the average duration of airport concession contracts does not exceed 5/6 years), is expected to generated cumulated sales, between 2004 and 2018, equal to 1.3bn US dollars.

Europe

The first half of the year was characterized by a substantial growth in sales in the main European countries (Italy, France and Spain), limited by the inital effects of certain divestments of marginal units and by the continuing fall in the flow of passengers at Zurich airport (Switzerland), following the financial crisis of the Swiss national airline last autumn.

Targeted commercial operations undertaken and initiatives aimed at improving process efficiency increased the ***EBITDA margin*** for the region by one percentage point.

(m€)	2004 Half-Year										
	Italy	**France**	**Switzerland**	**Spain**	**Belgium**	**The Nederlands**	**Austria**	**Germany**	**Greece**	Elim./unalloc.	**Total**
Sales	498.8	94.0	53.9	37.5	18.5	19.5	9.3		3.6	(0.2)	**734.9**
EBITDA	73.7	6.6	3.7	3.8	0.4	2.6	0.2		0.5	(0.2)	**91.3**
% of sales	*14.8%*	*7.0%*	*6.8%*	*10.2%*	*2.4%*	*13.5%*	*2.4%*		*14.4%*		12.4%
Investments	10.4	4.0	1.0	4.3	0.5	0.2	0.2		0.2		**20.8**
Amortization and depreciation	15.6	7.8	3.5	2.5	1.2	1.4	0.7		0.2		**32.9**

(m€)	2003 Half-Year Pro-forma										
	Italy	**France**	**Switzerland**	**Spain**	**Belgium**	**The Nederlands**	**Austria**	**Germany**	**Greece**	Elim./unalloc.	**Total**
Sales	485.3	91.9	59.9	35.6	18.2	21.1	9.7	3.3	3.5	(0.3)	**728.2**
EBITDA	70.0	7.6	0.4	2.8	0.7	1.4	(0.1)	(0.4)	0.4	(0.1)	**82.7**
% of sales	*14.4%*	*8.3%*	*0.7%*	*7.8%*	*3.7%*	*6.8%*	*-0.8%*	*-12.1%*	*11.4%*		11.4%
Investments	25.0	4.5	5.5	2.7	1.3	0.9	0.1	-	-		**40.0**
Amortization and depreciation	15.4	8.1	3.9	2.3	1.4	1.6	1.0	0.1	0.2		**34.0**

ITALY

In the first half of 2004, **sales** increased by 2.8%, to 498.8 m€. This result was significantly influenced by the Group's concession operations, which recorded a 4.5% growth. Below is a breakdown of revenue performance by business segment:

- *motorways*: +4.1% to 404.5 m€, as a result of a 2.4% increase in traffic (figures relate to the network managed by the Group Autostrade per l'Italia; source: Autostrade per l'Italia S.p.A.). This performance is significantly positive, considering the change in the consolidation scope (17 motorway premises were divested) and the weather conditions which, in June, were less favorable than last year;

- *airports*: + 10.2% to 17.9 m€, due to the opening of new sales outlets in the Milan Linate airport and the positive performance of pre-existing operations (in particular, Rome Fiumicino and Turin Caselle, which recorded an increase in penetration and average till receipts). Growth on a comparable basis was equal to 8.2% %, next to a 5% increase in traffic in the airports in which Autogrill operates (7% if we exclude Bologna airport, which in 2004 closed for two months due to renovation work) (source: Assaeroporti);
- *railway stations*: +12.0% to 6.3 m€. This increase was achieved by virtue of the positive results recorded by the operations at Rome Termini station, despite increased supply by competitors;
- *shopping malls, city centers and trade fairs*: -6.6% to 70.1 m€, conditioned by continuing weak consumption and the closing of 7 city-center premises and 2 shopping-mall locations during the second half of 2003.

Ebitda grew by 5.4% to 73.7 m€. Expressed as a percentage of sales, it increased from 14.4% to 14.8%, mainly through more efficient operational and labor expenses.

Investments in the half year were equal to 10.4 m€, drastically lower than the 25 m€ recorded in the first half of 2003. Furthermore, the impact on sales resulted in a fall from 5.2% to 2.1%. This fall is mainly due to the completion of significant projects launched in 2003, and the renewal of a significant number of motorway concessions. Over half the resources invested in the first six months were targeted at development operations, particularly as regards the motorway business segment, with major renovation and extension works in various sales outlets (West Esino and East Flaminia, East Lario and East San Nicola, where a new Acafè concept has been developed). The remaining investments regard certain locations opened after being awarded the concession (West Lucignano, West Ledra, South Aurelia and East Santerno).

France

Sales rose by 2.3% overall to 94.0 m€, also affected by new operations at Marseille airport and on SGGR motorway premises, consolidated from 1st June, respectively amounting to 0.6 m€ and 1.8 m€.

The two main business areas resulted in the following performance:
- *motorways*: +1.7% to 65.7 m€, with a significant and unexpected fall in traffic in June, as compared to last year;
- *railway stations*: -2.3% to 26.3 m€, affected by the closing of sales outlets in the station of Eole and the works in the station of St. Lazare, as well as a fall in passengers and a rise in operators in the stations.

The unexpected fall in business volumes in June in the motorway segment, and the inefficiencies linked with the launch of the Marseille airport operations resulted in a 1 m€ fall in **Ebitda**, to 6.6 m€. Expressed as a percentage of sales, Ebitda fell from 8.3% in 2003 to 7.0%.

Investments in the half year highlighted a fall of 0.5 m€ compared to the same period the previous year, settling at 4 m€ and impacting sales with a fall from 4.9% to 4.2%. 1.4 m€ was invested to open new sales outlets in Marseille airport.

Belgium - Luxemburg

Overall **sales** increased by 1.7% to 18.5 m€, with the following performance in the various business segments:
- *motorways*: +0.7% to 15.2 m€, despite traffic being impeded by numerous building sites along the country's main motorways;
- *shopping malls*: basically stable at 2.6 m€, despite the closure of sales outlets in the Dudelange (L) shopping mall;
- *railway stations:* +56.2% to 0.7 m€, mainly as a result of new refreshment areas in Antwerp station.

EBITDA fell from 0.7 m€ to 0.4 m€.

Investments in the half year, 0.5 m€ compared to 1.3 m€ in the same period of the previous year, mainly consisted in maintenance activities.

The Netherlands

Sales settled at 19.5 m€, down from the 21.1 m€ recorded in the first half of the previous year. The results reflect a weak macroeconomic context, penalizing hotel services in particular, which account for more than 15% of sales generated in the country. Indeed, hotels sales revenue fell by 8.6%.

The Group is currently analyzing a set of initiatives aimed at promoting the readjustment of its portfolio and stimulating new influxes to its sites, in particular its hotels.

Despite the fall in sales, new efficiency initiatives resulted in a strong improvement of the **Ebitda**, which increased from 1.4 m€ in the first half of 2003 to the current 2.6 m€, impacting a sales growth from 6.8% to 13.5%. This net improvement can be attributed to a precise cost control strategy, in particular as regards labor.

Investments were equal to 0.2 m€, compared to 0.9 m€ in the same period of the previous year.

Switzerland

In order to avoid the distorting effects of the movements in Euro exchange rates, the data below is expressed in millions of Swiss francs, represented by the symbol mCHF.

During the first half of 2004, **sales** suffered a 6.2% downturn to 83.8 mCHF. A breakdown of sales per business segment highlights the following performance:

- *motorways*: +1.4% to 37.3 mCHF;
- *airports*: -12.2% to 19.5 mCHF, following the Group's exit from Basel airport and the reduction, last year, of its awarded quota in Zurich airport. On the other hand, performance in Geneva airport was positive;
- *railway stations*: +2.5% to 8.1 mCHF, due to the renovation of the Bern units;
- *shopping malls, city centers, retail parks and other operations*: -16% to 18.9 mCHF, due to the closure of the sales outlets in the Emmen shopping mall.

As a result of the fall in sales, the readjustment of operations launched last year produced a significant improvement in the **Ebitda**, which went from 0.7 mCHF in the first half of 2003 to 5.7 mCHF in the first half of 2004 (impact on sales resulted in an increase from 0.7% to 6.8%). Efficiency recovery concentrated mainly on the cost of labor and general expenses.

Investments were equal to 1.5 mCHF.

SPAIN

Sales increased by 5.4%, achieving 37.5 m€. In particular, the following results were obtained in the main business segments:

- *motorways*: +5.3% to 32.6 m€. This result was achieved as a result of the positive sales data from a number of previously renovated premises (Hospitalet and Villacastin);
- *railway stations*: +11.5% to 4.3 m€, as a result of a significant increase in the number of toll receipts, a positive increase in sales linked with the newly functioning AVE Lerida-Madrid line and the renovation of the cafeteria in the "La Barrila" premises in Atocha station, Madrid.
- *shopping malls and other operations*: -30% to 0.4 m€, following the closure of the Center de Trasportes – Madrid – in the first half of 2003, and the introduction of a number of competitors in a shopping mall near Castellon.

Ebitda grew by 37.3% to 3.8 m€. Expressed as a percentage of sales, it increased from 7.8% to 10.2% due to a change in the sales mix, which favored products with a higher margin and productivity (+2.8%).

Investments were equal to 4.3 m€, significantly increased compared to the 2.7 m€ of the first half of the previous year (the impact on sales resulted in an increase from 7.7% to 11.4%). Investments were mainly targeted at development operations in the motorway segment upon renewal of the concessions for the relative routes, with extensions and modernizations in particular as regards the premises along the A1 (Burgos - Malzaga) and the A7 (Barcelona - Alicante).

AUSTRIA

In Austria, **sales** suffered a 4.2% downturn, from 9.7 m€ to 9.3 m€.

Strict control of all the main cost categories (in particular the cost of labor, which fell by approximately 7% year on year) resulted in an improvement in the **Ebitda**, which settled at +0.2 m€ compared to –0.1 m€ in the comparison period . Expressed as a percentage of sales, it grew from –0.8% to +2.4%.

Investments were equal to 0.2 m€, compared to 0.1 m€ in the first half of 2003.

GREECE

In Greece, **sales** recorded a growth of 3%, from 3.5 m€ in the first half of 2003 to the current 3.6 m€. Against a 3.2% fall in the motorway segment, the airport segment increased by 11.8. **Ebitda** grew significantly, to 0.5 m€ (+30%).

Investments, mainly regarding the maintenance of Athens airport, were equal to 0.2 m€.

ANALYSIS BY DISTRIBUTION CHANNEL

Analyzing business distribution channels, each with its own distinct operational context, is the second key for evaluating income results.

	Europe				Autogrill Group, Inc.				Group			
			Change				Change				Change	
(m€)	2004	2003 PF	total	at constant exchange rates	2004	2003 PF	total	at constant exchange rates	2004	2003 PF	total	at constant exchange rates
Motorways	572.5	559.6	2.3%	2.5%	138.0	138.0	0.0%	11.1%	710.5	697.6	1.9%	4.1%
Airports	34.0	32.7	4.0%	5.9%	563.3	541.5	4.0%	15.5%	597.3	574.2	4.0%	15.0%
Railway stations	42.8	42.1	1.6%	2.1%					42.8	42.1	1.6%	2.1%
Other	85.6	93.8	-8.7%	-8.2%	17.1	18.1	-5.6%	4.9%	102.7	111.9	-8.2%	-6.2%
Total	734.9	728.2	0.9%	1.3%	718.4	697.6	3.0%	14.4%	1,453.3	1,425.8	1.9%	7.4%

Motorways: sales grew by 4.1% to 710.5 m€, as a result of the positive performance in both macro-regions. In Europe, sales improved by 2.5% compared to the corresponding period of the previous year, with particularly positive results in Italy (+4.1%) and Spain (+5.3%). In France, Switzerland and Belgium, growth was limited (+1.7%, +1.4% and +0.7% respectively). In the remaining countries, sales performance was conditioned by an unfavorable macroeconomic context. As regards American motorways, sales recorded an 11.1% growth, due to an increase in traffic and the re-opening of a number of locations along the New Jersey Turnpike, renovated in 2003.

Airports: sales increased by 15.0% to 597.3 m€, particularly as a result of the positive performance recorded by the American airports, where sales, on a comparable basis, grew by 15.6% compared to a 6.2% increase in traffic (source: A.T.A.). This result was achieved as a result of a strategy aimed at targeting established brands and opening new locations.
In Europe, sales settled at 34 m€, recording a 5.9% increase compared to the previous year. Said result is mainly connected with the growth in sales in Italian locations (+10.2%) and the awarding of the Marseille airport concession. Worthy of note is the growth recorded by the sales outlets in Athens airport (+11.8%). The performance of Swiss airports remained negative (-12%), following the Group's exit from Basel and the transfer of part of its Zurich quota.

Railway stations: sales for the railway segment grew by 2.1% to 42.8 m€. Over 60% of sales in this segment derive from operations in France, which recorded a 2.3% fall in the first half of 2004 due both to a fall in traffic and to increased competition.
Railway segment sales grew by 12.0% in Italy, due to the positive performance recorded by the sales outlets in Rome Termini station, and by 11.5% in Spain. Indeed, in Spain the new Madrid-Lerida route has provided a strong business development incentive. Lastly, the new Belgian operations recorded a 56.2% growth, to 0.7 m€.

Shopping malls, city centers and trade fairs: sales in the non-concession segments settled at 102.7 m€, recording a 6.2% fall. This phenomenon reflects both continuing weak consumption figures and the decision to readjust the non-concession portfolio, by closing some ten locations in shopping malls and city centers in Italy, Spain and Switzerland.

INVESTMENT ACTIVITIES

71.1 m€ was allocated for investments. The percentage impact of technical investments on sales amounted to 4.9% (5.2% and 5.6%, respectively, in the first 2003 quarter and for the entire year).

A breakdown by geographical area, segment and purpose is provided below:

(m€)

Geographical area	2004 Half-Year		2003 Half-Year Pro-forma	
Autogrill Group, Inc.	49.9	70.3%	33.1	44.8%
Italy	10.4	14.6%	25.0	34.0%
Switzerland	1.0	1.4%	5.5	7.4%
France	4.0	5.6%	4.5	6.1%
Spain	4.3	6.0%	2.7	3.7%
Other countries	1.1	1.6%	2.3	3.2%
Cannot be allocated*	0.4	0.5%	0.6	0.8%
Total	**71.1**	**100%**	**73.7**	**100%**

* Corporate

(m€)

Segment	2004 Half-Year		2003 Half-Year Pro-forma	
Airports	44.8	63.0%	29.9	40.6%
Motorways	21.1	29.7%	32.5	44.2%
Railway stations	1.4	2.0%	3.6	4.8%
Non-concessions	1.2	1.7%	1.8	2.4%
Cannot be allocated	2.6	3.6%	5.9	8.0%
Total	**71.1**	**100%**	**73.7**	**100%**

(m€)

Purpose	2004 Half-Year		2003 Half-Year Pro-forma	
Development	59.8	84.2%	56.8	77.0%
Maintenance	8.7	12.2%	13.2	17.9%
Other	2.6	3.6%	3.7	5.1%
Total	**71.1**	**100%**	**73.7**	**100%**

Other information

Research and Development

The nature of the Group's activities lies in innovation, product development and the improvement of the quality of the operating system services. However, technological research as such is not included.

Related party transactions

Breakdowns of the transactions carried out with related parties are provided, as specified in article 2359 of the Italian civil code and the *International Accounting Standard* n. 24.

Transactions with related parties are instrumental to the Group's business operations, and are carried out at market conditions.

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

Transactions carried out during the year and balances as at 30 June 2004 can be summarized as follows:

Edizione Holding S.p.A.	
(figures in thousands of Euro)	**30/06/2004**
Income statement	
Cost of services	45
Lease, rental and royalty charges	-
Other management charges	-
Balance sheet	
Trade accounts receivable	-
Trade accounts payable	69

Relationships during the period with Edizione Holding S.p.A. were aimed at participating in an insurance program covering the entire Group.

Debts are entirely current in nature.

Transactions between Autogrill Group and associate companies

Relations during the period with companies belonging to the Edizione Holding S.p.A. Group can be summarized as follows:

	Benetton Group S.p.A.	**Verde Sport**	**S.I.G.I. Srl**
(figures in k€)			
Income Statement:			
Sales		28	
Other operating revenues	2	1	
Financial costs			
Purchases	16		
Cost of services	5	30	
Lease, rental and royalty charges	26		78
Balance Sheet:			
Trade accounts payable	31	30	
Financial costs			
Trade accounts receivable	9	13	

The nature of said relations remained basically unchanged.

In particular:

- “Other operating revenues” and “Cost for services” for the Benetton Group S.p.A. refer to the contribution by Autogrill S.p.A. to the “Benetton Card” promotion. “Purchases” refer to sales-personnel uniforms. Payables and receivables are of a current nature.
- Verde Sport S.p.A. resumed its Spizzico franchising contract at La Ghirada – Città dello Sport.

  A contract for Autogrill S.p.A. promotional activities is currently being finalized. The amounts recorded under “Services” and “Payables” refer to the allocation of the pro-rata estimated fee.
- Relations with S.I.G.I. s.r.l. refer to a leasing contract for a sales outlet in Catania, Italy, managed by franchising.

No transaction was carried out with other, dependent parties.

Reported here, in terms of their importance, are the Group's relations with Autostrade per l'Italia S.p.A. and its subsidiaries (overall referred to as "Autostrade") and with Grandi Stazioni S.p.A., in which as at 30 June 2004 Edizione Holding held an indirect equity investment of 37.3% and 12.6% respectively.

The nature of said relations remained unchanged.

Below is a breakdown of the transactions carried out throughout the entire previous year and the balances as at 30 June 2004.

Corporate Governance

	Autostrade	Grandi Stazioni S.p.A.
(figures in k€)	**30/06/2004**	**30/06/2004**
Income Statement:		
Sales	16	
Other operating revenues	306	
Purchases	-	
Cost of services	1,236	
Lease, rental and royalty charges	13,731	561
Balance Sheet:		
Trade accounts payable	4,529	363
Trade accounts receivable	2,540	

Please find below an outline of the main events, during the reference period, regarding the corporate governance system established by Autogrill in compliance with the principles of the Code of Conduct issued by the Borsa Italiana S.p.A. .

Management and coordination

Following analyses carried out by the company's lawyers, during the meeting of the Board of Directors dated 27 April 2004 it was determined that Autogrill S.p.A. is not to be the subject of management and coordination activities by the controlling company Edizione Holding S.p.A, in accordance with article 2497-bis of the Italian Civil Code. Indeed, the actual and systematic carrying out of activities on behalf of Autogrill S.p.A. - such as preparing industrial, financial and Group budget plans, issuing directives relating to financial and credit policies, centralizing the treasury and issuing authorizations for economic initiatives exceeding predetermined limits - is not attributable to Edizione Holding S.p.A.

Appointment of a new Director

Following the resignation tendered by Mr. Carmine Meoli on 13 February 2004, Mr. Alfredo Malguzzi was appointed Director in his place at the Shareholder's Meeting held on 27 April 2004.

Treasury shares

At 30 June 2004, the parent company and the other consolidated companies did not hold shares in themselves or their subsidiaries. Furthermore, they did not purchase or transfer said shares during the first half of 2004.

Significant events following 30 June 2004

The main events following the closing of the six-month period relate to the renewal of concession contracts and the legal status of the concessions obtained on the network managed by the Autostrade per l'Italia Group.

As regards awarded concession contracts, the Group has recorded significant success in the American airport of Minneapolis, where the American subsidiary has renewed its food and beverage and retail contract for 8 years. Expected sales for the period are equal to approximately US$680m. From the beginning of 2004, the contracts acquired in North America are estimated to contribute to the Group's sales figure to an amount exceeding US$2bn over the entire concession term.

As regards the Italian market, the Company has pursued its defense in various legal actions taken by competitors with reference to the renewal of motorway concessions.

As well as being the subject of careful analyses by the Competition Authorities, the results of which are pending, concessions have given rise to a high number of administrative recourses, against which the company has opposed its defense and the outcome of which is expected by the end of October.

The company's consultants have highlighted that Autogrill's operations have been carried out in absolute compliance with all regulations, and with a policy of moderate reduction in its market share. They confide, therefore, that the fairness of said operations will be legally recognized.

Exposure to negative possibilities cannot be measured exactly. However, the greatest competitive pressures relate to the concession to Autogrill, as a temporary joint enterprise, of service stations with cumulative sales of 30 m€, to which a disputed pre-emptive right also relates.

Given the circumstances, the litigation under way and the assessment being carried out by the Anti-trust Authorities is attracting more attention and comment than is consonant with the intrinsic value of the relevant assets, whose impact on the consolidated contract portfolio is less than 1%.

Business Outlook

The various trends of the main economies within which the Group operates, though qualified by the particular segment involved, have not been affected by evident unfavorable changes.

The Group is utterly committed to capitalizing on the commercial opportunities of peak mobility times during the summer season, and this year also to optimizing its activities and the type of products and services offered.

In Europe, travel was affected by a cooler summer and higher petrol prices. In general, however, sales in Europe remained in line with predetermined objectives, while in North America the Group has continued to benefit from increasing travel trends.

Market dynamics have led certain contracts to be anticipated and others to be reformulated, in order to increase commercial opportunities.

Apart from the impact of converting into Euro the figures relating to activities carried out in North America, with a dollar recording lower average values than last year, management is mainly geared to ensuring a continuation of growth in industrial margins and the financial position.

Autogrill Group Consolidated Financial Statements and Notes for the Half-Year ending 30 June 2004

Consolidated Balance Sheet

(in thousands of Euro)

ASSETS	30.06.2004	31.12.2003	Change	30.06.2003 Pro-forma
A) Due from Shareholders for capital not paid in				
B) Non-current assets				
I - Intangible assets				
1) Incorporation and start-up costs	82	162	(80)	170
4) Concessions, licences and brands	30,332	30,172	160	38,823
5) Goodwill	412,312	422,484	(10,172)	478,008
5 bis) Consolidation differences	282,782	293,330	(10,548)	321,064
6) Assets under development and advances	2,131	4,015	(1,884)	1,826
7) Other:				
a) leasehold improvements	211,967	218,821	(6,854)	227,038
b) other	20,144	21,842	(1,698)	21,823
Total intangible assets	**959,750**	**990,826**	**(31,076)**	**1,088,752**
II - Property, Plant and Equipment				
1) Land and buildings	97,516	97,850	(334)	106,847
2) Operating facilities	56,883	60,325	(3,442)	64,663
3) Commercial and operating equipment	112,302	116,430	(4,128)	124,117
3 bis) Freely transferable assets	112,878	112,228	650	105,560
4) Other assets	7,760	8,518	(758)	8,419
5) Assets under development and advances	124,080	94,193	29,887	91,960
Total Property, Plant and Equipment	**511,419**	**489,544**	**21,875**	**501,566**
III - Investments				
1) Equity investments in:				
b) associate companies	3,004	2,337	667	2,734
c) other companies	101	99	2	119
2) Financial receivables:				
b) from associate companies	595	567	28	640
d) from others				
* of which: current	1,865	1,263	602	1,591
* of which: non-current	16,517	15,769	748	21,581
Other	295	295	-	296
Total investments	**22,377**	**20,330**	**2,047**	**26,961**
Total non-current assets	**1,493,546**	**1,500,700**	**(7,154)**	**1,617,279**
C) Current assets				
I - Inventory: merchandise for resale, supplies and others	**83,966**	**87,912**	**(3,946)**	**85,104**
II - Receivables				
1) trade accounts receivable	57,177	55,574	1,603	56,832
3) from associate companies	1,384	2,606	(1,222)	1,509
4 bis) Tax receivables	18,846	6,919	11,927	18,349
4 ter) Advance taxes	146,938	143,367	3,571	157,397
5) from others	52,124	49,568	2,556	52,158
Total receivables	**276,469**	**258,034**	**18,435**	**286,245**
III - Marketable securities: other securities	-	-	-	-
IV - Bank and cash				
1) bank and postal balance	193,827	104,215	89,612	134,461
3) cash balance	36,649	38,329	(1,680)	37,964
Total bank and cash	**230,476**	**142,544**	**87,932**	**172,425**
Total current assets	**590,911**	**488,490**	**102,421**	**543,774**
D) Bond discounts, Prepaids & Accruals				
a) Bond discounts	8,530	88,077	(79,547)	91,881
b) other prepaid expenses and accrued income	28,821	22,846	5,975	32,025
Total Bond discounts, Prepaids & Accruals	**37,351**	**110,923**	**(73,572)**	**123,906**
TOTAL ASSETS	**2,121,808**	**2,100,113**	**21,695**	**2,284,959**

STOCKHOLDERS' EQUITY AND LIABILITIES	30.06.2004	31.12.2003	Change	30.06.2003 Pro-forma
A) Stockholders' Equity				
I) Capital Stock	132,288	132,288	-	132,288
II) Additional paid-in capital	-	-	-	-
III) Revaluation reserves	-	-	-	-
IV) Legal reserve	2,387	1,712	675	1,712
V) Reserve for treasury stock	-	-	-	-
VI) Statutory reserves	-	-	-	-
VII) Other reserves	129,069	77,257	51,812	81,919
VIII) Retained earnings	-	-	-	-
IX) Net income/(loss) for the period (1)	24,673	50,174	(25,501)	11,485
Stockholders' equity before minority interest	**288,417**	**261,431**	**26,986**	**227,404**
Minority interest	**22,753**	**21,786**	**967**	**21,860**
Total stockholders' equity	**311,170**	**283,217**	**27,953**	**249,264**
B) Provision for liabilities and charges				
1) Provision for pension and similar benefits	9,755	9,507	248	9,698
2) Deferred income tax liability	25,065	26,140	(1,075)	56,396
3) Other provisions	49,899	41,031	8,868	30,523
Total provision for liabilities and charges	**84,719**	**76,678**	**8,041**	**96,617**
C) Provision for employee Termination Benefits	**94,325**	**94,117**	**208**	**92,631**
D) Liabilities				
1) Bonds				
* of which: non-current	304,403	292,955	11,448	323,794
2) Convertible bonds				
* of which: current	-	471,055	(471,055)	471,055
* of which: non-current	47,680	-	47,680	-
3) Borrowings from banks:				
* of which: current	351,251	214,678	136,573	336,178
* of which: non-current	383,686	22,852	360,834	135,244
4) Other borrowings				
* of which: current	3,345	3,338	7	3,224
* of which: non-current	4,790	5,330	(540)	6,064
5) Advances	102	136	(34)	316
6) Trade accounts payable	338,292	406,545	(68,253)	349,256
10) Payables - parent company	69	426	(357)	55
11) Tax liabilities	25,557	42,428	(16,871)	34,166
12) Social security liabilities	30,151	28,125	2,026	29,907
13) Other:				
* of which: current	113,117	128,158	(15,041)	114,672
* of which: non-current	7,050	7,414	(364)	8,000
Total liabilities	**1,609,493**	**1,623,440**	**(13,947)**	**1,811,931**
E) Accrued expenses and deferred income	**22,101**	**22,661**	**(560)**	**34,526**
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**2,121,808**	**2,100,113**	**21,695**	**2,284,969**

OFF-BALANCE SHEET COMMITMENTS AND GUARANTEES	30.06.2004	31.12.2003	Change	30.06.2003
Unsecured guarantees	74,035	41,088	32,947	32,527
Secured guarantees – Balance Sheet liabilities	2,788	2,354	434	2,354
Commitments for purchases and sales	938,442	1,033,884	(95,442)	882,622
Other commitments	29,895	26,014	3,881	26,516
TOTAL OFF-BALANCE SHEET COMMITMENTS AND GUARANTEES	**1,045,160**	**1,103,340**	**(58,180)**	**944,019**

(1) pre-tax profits for half-year reports

Consolidated Income Statement

(k€)	2004 Half-Year	2003 Half-Year Pro-forma	Change	2003 Full year
A) Operating revenues				
1) Sales	1,495,097	1,448,419	46,678	3,180,742
5) Other operating revenues	37,873	35,863	2,010	87,899
Total operating revenues	**1,532,970**	**1,484,282**	**48,688**	**3,268,641**
B) Operating costs				
6) Cost of merchandise for resale and supplies	531,912	507,244	24,668	1,113,299
7) Cost of services	142,347	143,229	(882)	311,006
8) Lease, rental and royalty charges	202,437	191,084	11,353	419,978
9) Personnel costs:				
a) wages and salaries	355,200	358,052	(2,852)	758,685
b) social security charges	66,732	66,957	(225)	131,337
c) employee termination benefits	8,045	7,893	152	15,996
d) pensions and similar obligations	333	391	(58)	592
e) other	23,774	22,455	1,319	49,097
10) Depreciation, amortization and write-downs:				
a) amortization of intangible assets	76,605	80,387	(3,782)	169,868
b) depreciation of property, plant and equipment	38,957	40,058	(1,101)	82,914
c) write-down of intangible assets and PPE	-	-	-	16,890
d) write-down of current receivables	1,129	2,102	(973)	4,435
11) Change in inventory levels	4,794	(675)	5,469	(7,086)
12) Provisions for liabilities and risk charges	8,711	389	8,322	5,387
13) Other provisions charges	1,719	868	851	3,820
14) Other operating costs	15,114	18,282	(3,168)	35,729
Total operating costs	**1,477,809**	**1,438,716**	**39,093**	**3,111,947**
Operating profit (A-B)	**55,161**	**45,566**	**9,595**	**156,694**
C) Financial income and costs				
15) Equity investments in associate companies	-	39	(39)	711
b) securities included in fixed assets	-	-	-	13
d) Other other financial income	3,771	7,051	(3,280)	14,477
17) Financial costs				
a) financial institutions	(4,506)	(8,141)	3,635	(10,520)
b) associate companies	-	-	-	(7,221)
c) third parties	(12,287)	(12,233)	(54)	(26,301)
d) others	(14,056)	(10,463)	(3,593)	(42,978)
Total financial income and costs	**(27,078)**	**(23,747)**	**(3,331)**	**(71,819)**
D) Write-downs of financial assets				
18) Revaluation of marketable securities				
a) investments	299	246	53	498
19) Write-downs:				
a) investments	-	(6,700)	6,700	(97)
Total write-downs of financial assets	**299**	**(6,454)**	**6,753**	**401**
E) Exceptional items				
20) Income	41	-	41	15,437
21) Expenses	(25)	(703)	678	(2,945)
Total exceptional items	**16**	**(703)**	**719**	**12,492**
Profit before tax	**28,398**	**14,662**	**13,736**	**97,768**
Income tax (1)	-	-	-	(40,822)
Profit for the period	**28,398**	**14,662**	**13,736**	**56,946**
Minority interest	3,725	3,177	548	6,772
Net profit for the financial period	**24,673**	**11,485**	**13,188**	**50,174**

(1) pre-tax profits for half-year reports

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 III, which applies the EEC Seventh Directive, and incorporates requirements prescribed by CONSOB Regulations (Italian Stock Exchange supervisory authority) 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 information required by article 38 and other provisions of Legislative Decree 127/1991.

Valuation methods and principles used to prepare the consolidated financial statements for the half-year ending 30 June 2004 are consistent with those used to prepare the consolidated financial statements for the periods ending 31 December 2003 and 30 June 2003, although no allocation was made for income tax for half-years.

Furthermore, in order to ensure consistency with the financial statements as at 30 June 2004, a number of reclassifications were made to the previously published financial statements as at 30 June 2003 and 31 December 2003, without affecting the stockholders' equity and profit specified herein.

Said reclassifications relate to the following items:

- "Other financial receivables" were split into tax receivables and advance taxes on line 4-ter, in accordance with Legislative Decree 6/2003. They have been reclassified from line 5 "Others"
- Financial income and costs:
    - "Other financial income" and "Income from securities included in current asset". The latter item incorrectly reported income from temporary cash investments.
    - "Other financial income" and "Other costs". These items reported separately the effects of currency transactions and rates to be offset.

The above is outlined in the Notes to the relevant items.

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

Group operations

Autogrill S.p.A. operates in 14 countries, either directly or through its subsidiaries, in the food, beverages and services market for people on the move, and in the *Quick Service Restaurant* market in locations characterized by a high influx of consumers.

Content and format of the financial statements

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 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. Volcarest S.A. and, as from 2003, S.R.S.R.A. SA, 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.

For HMSHost Corporation and its subsidiaries, the financial year closes on the Friday nearest to 31 December, and consists of thirteen 4-week accounting periods, in turn grouped into 12-week quarters, except for the last which is 16 weeks long. Thus, their financial statements, included in the group consolidation, cover the period from 2 January 2004 to 18 June 2004, while the comparison period goes from 4 January 2003 to 20 June 2003.

Autogrill Nederland BV and its subsidiaries 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, included in the group consolidation, cover the period from 1 January 2004 to 16 June 2004, while the comparison period goes from 1 January 2003 to 18 June 2003.

A list of the consolidated companies is given in the Attachment on page 60.

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

Compared to 30 June 2002, the companies included in the consolidation scope has changed due to the Group acquiring control of S.R.S.R.A. S.A. (France) on 12 December 2003, in which it already had a 41% equity investment.

Furthermore, in order to ensure that the half-year financial positions as at 30 June 2003 and 2004 are comparable, the previously published half-year figures had to be modified so as to simulate the effects of gaining control over Anton as from the beginning of the 6-month period. Therefore, a standardized financial position for the first half of 2003 was prepared, for comparison purposes and commenting the changes in terms of income between this period and the first half of 2004.

To this end, the 2003 half-year figures have been amended to:

- integrate the amortization of consolidation differences;
- include costs relating to the payment of the equity investment purchase price;
- make minority interest for the period homogeneous.

Set out below are the financial positions as previously published and in their pro-forma format:

	2003 Half-Year	S.R.S.R.A.	Anton Airfood Inc	2003 Half-Year Pro-forma
Sales to customers	1,421.4	4.4	-	1,425.8
Other operating revenues	37.1	-	-	37.1
Operating revenues	**1,458.5**	**4.4**	**-**	**1,462.9**
Operating costs	(817.4)	(2.1)	-	(819.5)
Added Value	**641.1**	**2.3**	**-**	**643.4**
Cost of labour	(453.6)	(2.1)	-	(455.7)
Write-down of current assets, provisions for liabilities and risk charges and other provisions	(3.4)	-	-	(3.4)
Other costs	(18.2)	(0.1)	-	(18.3)
Gross operating profit	**165.9**	**0.1**	**-**	**166.0**
Amortization and write-down of goodwill and consolidation differences	(38.7)	-	(7.0)	(45.7)
Other amortization, depreciation and write-downs of non-current assets	(74.4)	(0.3)	-	(74.7)
Operating profit	**52.8**	**(0.2)**	**(7.0)**	**45.6**
Net financial costs	(21.4)	0.0	(2.3)	(23.7)
Write-downs of financial assets and capital loss from the transfer of financial assets	(6.5)	-	-	(6.5)
Profit before tax and exceptional items	**24.9**	**(0.2)**	**(9.3)**	**15.4**
Net exceptional items	(0.7)	-	-	(0.7)
Profit before tax	**24.2**	**(0.2)**	**(9.3)**	**14.7**
Minority interest	4.2	-	(1.0)	3.2
Net profit for the financial period	**20.0**	**(0.2)**	**(8.3)**	**11.5**

	2003 Half-Year	S.R.S.R.A.	Anton Airfood Inc.	Consolidation entries	2003 Half-Year Pro-forma
Non-current assets	1,618.3	3.6	(7.0)	(2.2)	1,612.7
Operating capital	(209.9)	(1.5)	-	-	(211.4)
Severance provisions and other non-current non-financial liabilities	(118.3)	-	-	-	(118.3)
Net invested capital	**1,290.1**	**2.1**	**(7.0)**	**(2.2)**	**1,283.0**
Stockholders' equity before minority interest	236.0	1.9	(8.3)	(2.2)	227.4
Minority interest	20.2	2.7	(1.0)	-	21.9
Non-current borrowings	843.9	0.3	-	-	844.2
Current net financial position	190.0	(2.8)	2.3	-	189.5
Net financial position	**1,033.9**	**(2.5)**	**2.3**	**-**	**1,033.7**
Total	**1,290.1**	**2.1**	**(7.0)**	**(2.2)**	**1,283.0**

Compared to 31 December 2003, as from June 2004 the consolidation includes SGRR SA (Societè de Gestion de Restauration Routière), which generated sales equal to 0.04% of the consolidation.

Considering its limited significance and the difficulty in obtaining consistent data, it has not been included in the pro-forma results for comparison purposes. The effect, however, was recorded in the notes to the financial statements, whenever this was significant. Below is the acquisition balance sheet:

	S.G.R.R. SA
Non-current assets	5.5
Operating capital	(1.8)
Net capital employed	3.7
Stockholders' equity before minority interest	1.8
Minority interest	-
	1.8
Non-current borrowings	1.4
Current net financial position	0.5
Net financial position	1.9
Total	3.7
Book value of equity investment	4.4
Consolidation difference	2.6

The consolidation difference is amortized and written down over 9 years, corresponding to the average duration of the concessions at the time of acquisition.

Consolidation policies

The most significant consolidation policies adopted while preparing the half-year financial statements are as follows:

a) The financial statements of consolidated companies have been consolidated with the full consolidation method, eliminating the book value of equity investments held by the parent company and the other consolidated companies. During the year in which a company is included in the consolidation for the first time, if the elimination of the book value of the equity investment results in a positive difference, this is attributed, where applicable, to the assets of the same company. Any surplus is recorded on the asset side under “Consolidation difference”.

   If the difference is negative, this is recorded on the liabilities side under “Consolidation provision for future risks and liabilities” if it originated from expected future losses; otherwise it is recorded in the stockholders’ equity under “Consolidation reserve”.

   The consolidation differences are amortized on a straight-line basis over their useful economic lives, as detailed in the section “Comments to the main asset items” under “Property, plant and equipment”.

b) All intra-Group accounts payable and receivable, costs and sales and significant value transactions including dividends distributed within the Group are eliminated.

   In addition, inter-Group profit not yet realized and capital gains and losses are eliminated.

c) Accounting items exclusively related to the application of tax laws are also eliminated. As regards the application by the parent company of regulations prescribed by Legislative Decree 6/2003 in relation to the elimination of tax interference in drafting the financial statements, please see the note to the item "Stockholders' equity".

d) Foreign currency denominated financial statements of subsidiaries in countries outside the EMU 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 recorded under "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 2004 half-year financial statements:

	2004 half-year		**2003 half-year**		**2003 full year**	
	end-of-period	**average**	**end-of-period**	**average**	**end-of-period**	**average**
US dollar	1.2155	1.2273	1.1427	1.1049	1.2630	1.1312
Canadian dollar	1.6343	1.6428	1.5506	1.6047	1.6234	1.5817
Swiss franc	1.5242	1.5532	1.5544	1.4919	1.5579	1.5212

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 2003 full year and 2003 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 write-downs in excess of ordinary amortization. These write-downs may be reversed in later years if the conditions for write-downs 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 write-downs in excess of ordinary depreciation. These write-downs may be reversed in later years if the conditions for the write-downs no longer apply.

Financial Leases

Assets held under financial 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 financial 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 write-downs, which may be reversed in later years if the conditions for write-downs 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.

The companies that refer to Autogrill Group Inc. 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 write-down to market value no longer apply.

Government bonds and financial 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 that can be allocated 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 sales 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 by charging 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.

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

Income tax: this is recognized for each subsidiary based on Italian Accounting Principle N° 25 applied to a reasonable estimate of taxable income, in compliance with in-force provisions. This principle incorporates the concept of prudence, whereby tax assets and liabilities - connected with recordable losses and temporary differences between the GAAP and tax values of the financial statement items - are recorded. Furthermore, provisions are made for deferred taxes following consolidation write-downs. Said provisions are made taking account of 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.

Options purchased or transferred are carried in the off-balance sheet commitments and guarantees at their notional contract value.

Premiums collected or paid on exercised options are recognized for the duration of the contract.

When negative, the fair value of the transferred options is carried under “Other liabilities”, with “Financial liabilities” as a counter item. When positive, it is carried in the notes to the off-balance sheet commitments and guarantees. Non-hedged derivative financial instruments are treated in a similar manner.

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 third party assets being used or being held, are carried at the value attributed to them by their owner, while, if relating to commitments to acquire non-current assets, they are carried at their purchase price.

Other information

Departures pursuant to article 2423 of the Italian Civil Code, paragraph 4: 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, Swiss Francs and Canadian Dollars – 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.

Balance Sheet Notes

Non-current assets

Intangible assets

Intangible assets amounted to 959,750 k€. Please refer to page 42 for movements since 31 December 2003. The newly consolidated subsidiary accounted for 3,115 k€ of Group intangible assets, of which 2,624 k€ relates to consolidation differences. Translation differences resulted in an increase equal to 24,041 k€.

The item can be broken down as follows:

	30.06.2004	31.12.2003	Variazione
Costi di impianto e ampliamento	82	162	(80)
Concessioni, licenze, marchi e similari	30.332	30.172	160
Avviamenti	412.312	422.484	(10.172)
Differenze di consolidamento	282.782	293.330	(10.548)
Immobilizzazioni in corso e acconti	2.131	4.015	(1.884)
Altre			
migliorie su beni di terzi	211.967	218.821	(6.854)
altre	20.144	21.842	(1.698)
Totale	**959.750**	**990.826**	**(31.076)**

The item "Goodwill" refers to the residual value of the amounts paid over to acquire restaurant operations. It mainly includes:

- commercial goodwill to the amount of 59,209 k€ of the original 158,644 k€. It relates to the difference arising from the merger in 1997 of Autogrill S.p.A. and Finanziaria Autogrill S.p.A. into the parent company, based on 31 December 1996 balance sheet values, mainly 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;
- goodwill acquired with HMSHost Corporation at the time of the merger with Autogrill Acquisition Co. (426 m$ of the original amount of 690 m$, the equivalent of 351,102 k€). This was 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.

"Consolidation differences" comprise the difference between the acquisition price of the equity investments and the Group's share of the book equity value at the time of purchase, with the difference allocated to acquisition goodwill. Generally, the amortization period corresponds to the average weighted remaining life of the concessions awarded to the company at the time of purchase.

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.

The consolidation difference is made up as follows:

	Ammort. Period (in years)	Gross value	Accumulated amortization	Net value
Autogrill Schweiz AG	20	141,954	41,755	100,199
Anton Airfood Inc.	6 e 5	92,325	18,692	73,633
Autogrill Cotè France S.A.	13	80,414	40,167	40,247
Autogrill Nederland b.v.	30	28,916	6,273	22,643
Autogrill Restauration Services S.A.	7	36,709	28,842	7,867
Autogrill Belgie n.v.	15	23,863	10,399	13,464
Autogrill Espana S.A.	10	19,528	18,082	1,446
Receco S.A.	15	22,256	3,384	18,872
Autogrill Deutschland GmbH	9	3,125	3,125	-
Societè de Gestion de Restauration Routière	9	2,624	-	2,624
Other minor companies		3,706	1,919	1,787
Total		**455,420**	**172,638**	**282,782**

In addition to the amortization for the period, the change in net book value compared to 31 December 2003 arises from the consolidation of SGRR acquired during the half-year (2,624 k€), and from the impact of translation (overall +5,071 k€) of the consolidation differences relating to Autogrill Schweiz, whose accounts are denominated in Swiss Francs, and Anton Airfood Inc, in dollars.

"Assets under development and advances" mainly refer to charges relating to the restoration of leased buildings, not yet completed at the end of the half-year period.

"Leasehold improvements", included under "Other", refer to charges incurred when making restorations 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.

Increases relate to investments and restoration work, and are discussed in more detail (analysis by geographic area and investment purpose) in the Operations Report.

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 Corporation in 1999; maximum 10 years for commercial goodwill relating to single outlets.
Consolidation differences	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.

The consolidated income statements and the progressive integration in the Group of the activities of Anton Airfood Inc. suggest the need for a review of the estimated useful life of the relating consolidation difference.

Said review will be carried out at the same time as verifying whether the same value of other Group assets may be recovered, on the basis of multi-year plans – updated, as usual, in the last quarter of the year. The effects will be reflected in the annual financial statements.

Property, plant and equipment (PPE)

The item comprises the following:

	30.06.2004			31.12.2003		
	Historical cost	**Acc. Depr.**	**Net value**	**Historical cost**	**Acc. Depr.**	**Net value**
Civil and industrial land and buildings	167,177	69,661	97,516	164,897	67,047	97,850
Operating facilities and equipment	176,748	119,865	56,883	173,532	113,207	60,325
Commercial and operating equipment	504,946	392,644	112,302	489,746	373,316	116,430
Freely transferable assets	319,212	206,334	112,878	307,627	195,399	112,228
Other assets	45,095	37,335	7,760	44,292	35,774	8,518
Assets under development and advances	124,080	-	124,080	94,193	-	94,193
Total	**1,337,258**	**825,839**	**511,419**	**1,274,287**	**784,743**	**489,544**

Consolidation changes contributed to a final balance of 4,998 k€, while foreign exchange movements resulted in an increase of 5,801 k€.

The remaining net increase is linked with the launch of significant investments in North America.

In particular, assets under development refer to building sites in the US for 107,015 k€ (78,976 k€ at the end of 2003), mainly in the motorway and airport segments, compared to 17,064 k€ for building sites in Europe (15,215 k€ at the end of 2003). See the report for a description of the main projects underway.

Mortgages have been registered on land and buildings for 2,354 k€, as collateral for borrowings on the principal for 1,504 k€.

"Land and buildings" and "operating facilities and equipment", recorded using the financial method, include the contract value of non-current assets held under financial lease by the parent company and are capitalized on the balance sheet as follows:

	30.06.2004			31.12.2003		
	Historical cost	**Acc. Depr.**	**Net value**	**Historical cost**	**Acc. Depr.**	**Net value**
Industrial land and buildings	3,709	1,265	2,444	3,709	1,210	2,499
Operating facilities and equipment	1,635	801	834	1,635	766	869
Total	**5,344**	**2,066**	**3,278**	**5,344**	**1,976**	**3,368**

At 30 June 2004, the amount of the Italian asset revaluations, pursuant to Law n. 72 dated 13 March 1983 and Law n. 413 dated 30 December 1991, amounted to 1,455 k€ net, and was allocated as follows:

	L. 72/83			L. 413/91		
	Revaluation	Acc. Depr.	Net value	Revaluation	Acc. Depr.	Net value
Civil land and buildings	70	-	70	60	-	60
Industrial land and buildings	947	(709)	238	3,592	(2,615)	977
operating facilities and equipment	393	(393)	-	-	-	-
Commercial and operating equipment	1,132	(1,132)	-	-	-	-
Freely transferable assets	3,123	(3,123)	-	11,460	(11,350)	110
Other	23	(23)	-	-	-	-
Total	**5,688**	**(5,380)**	**308**	**15,112**	**(13,965)**	**1,147**

For a comment on the increases and decreases experienced during the period, see the Operations Report and, for changes in the item, see the table on page 42.

The main depreciation rates used by the Group companies on non-current assets are as follows:

	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 associates

The item relates to the following equity investments:

Company name	Head office	Local currency	Share capital (LC'000s)	Equity (k€)	Profit/ (loss) (k€)	Owned (%)	Book value (k€)
Union Services Sarl (1)	Luxembourg (L)	€	51	146	57	50,00	67
HMSC – AIAL Ltd	Auckland, (New Zeland)	NZD	111.9	2.505	446	50,00	1,253
Other (2)	USA						1,684
Total							**3,004**

(1) Equity and profit figures as at 30 June 2004 are unavailable. Figures relate to the full year ending 31 December 2003.

(2) The item relates to joint ventures investments by Anton Airfood Inc.

Compared to 31 December 2003, the movements that occurred were the effect of changes in the net equity of the companies listed above and of minor investments in "Other equity investments" by the US associate company.

Equity investments in other companies

The item relates to the following equity investments:

Company name	Head office	Local currency	Share capital (LC'000s)	Net equity (k€)	Profit/ (loss) (k€)	Owned (%)	Book value (k€)
Unique Airport /FIG (1)	Zurich (CH)	CHF	245,615	758,419	3,776	0.11	83
Other	Italy						18
Total							**101**

(1) Equity and profit figures as at 30 June 2004 are unavailable. Figures relate to the full year ending 31 December 2003.

Financial receivables from associates

These amounted to 595 k€, and are virtually unchanged from the end of 2003. They refer entirely to financial receivables of Autogrill Group Inc. from its associates.

Financial receivables from others

These amounted to 18,382 k€ and are broken down as follows:

	30.06.2004		31.12.2003	
	Current	Non-current	Current	Non-current
Interest-bearing deposits with oil companies	-	5,371	-	5,249
Collateral deposits	299	3,765	289	3,482
Italian tax advance payments	-	1,881	-	2,574
Other	1,566	5,500	974	4,464
Sub Totals	**1,865**	**16,517**	**1,263**	**15,769**
Total financial receivables from others	**18,382**		**17,032**	

Given the expected development of the transactions to which they refer, the amounts relating to "Interest-bearing deposits with oil companies" will be entirely collected after the upcoming fifth year.

Italian State tax advance payments are revalued using the same rate used for the Parent company's severance provision (1.673% for the half-year period). Recovery began in 2000, although, given that reliable and detailed scheduling is impracticable, no amount was classified as expiring within 12 months.

The item "Other" mainly refer to receivables of the US subsidiary from joint venture partners.

"Collateral deposits" and "other" will be collected beyond the fifth year, to the amount of 1,070 k€ and 1,221 k€ respectively.

Other securities

These amounted to 295 k€, and are unchanged compared to 31 December 2003. The item refers to securities to be held to maturity. The book value is not significantly different from the current value of the same as at 30 June 2004.

Non-Current Movements (30 June 2004)

(k€)	31 December 2003			Change in Gross Book Value						Change in Accumulated Amortization					30 June 2004		
Intangible assets	Gross	Accumulated Amortization	Net	Change in Scope	FOREX Differences	Increases	Decreases	Other Movements	Total	Change in Scope	FOREX Differences	Charges	Reversals	Total	Gross	Accumulated Amortization	Net
Incorporation and start-up costs	2,761	(2,599)	162	-	-	35	(244)	(1)	(210)	-	-	(64)	194	130	2,551	(2,469)	82
Concessions, licenses and brands	71,186	(41,014)	30,172	483	(102)	1,331	(250)	1,072	2,534	(18)	39	(2,524)	129	(2,374)	73,720	(43,388)	30,332
Goodwill	728,749	(306,265)	422,484	-	21,240	-	(38)	(70)	21,132	-	(7,635)	(23,718)	49	(31,304)	749,881	(337,569)	412,312
Consolidation difference	446,000	(152,670)	293,330	2,624	6,540	-	-	-	9,164	-	(1,469)	(18,243)	-	(19,712)	455,164	(172,382)	282,782
Assets under development	4,015	-	4,015	-	-	1,285	-	(3,169)	(1,884)	-	-	-	-	-	2,131	-	2,131
Other	723,963	(483,300)	240,663	70	21,420	7,657	(15,755)	10,813	24,205	(43)	(15,992)	(32,056)	15,334	(32,757)	748,168	(516,057)	232,111
Total	**1,976,674**	**(985,848)**	**990,826**	**3,177**	**49,098**	**10,308**	**(16,287)**	**8,645**	**54,941**	**(61)**	**(25,057)**	**(76,605)**	**15,706**	**(86,017)**	**2,031,615**	**(1,071,865)**	**959,750**

(k€)	31 December 2003			Change in Gross Book Value						Change in Accumulated Depreciation					30 June 2004		
Property, Plant and Equipment	Gross	Accumulated Depreciation	Net	Change in Scope	FOREX Differences	Increases	Decreases	Other Movements	Total	Change in Scope	FOREX Differences	Charges	Reversals	Total	Gross	Accumulated Depreciation	Net
Land and buildings	164,897	(67,047)	97,850	7	1,094	925	(1)	255	2,280	(34)	(479)	(2,102)	1	(2,614)	167,177	(69,661)	97,516
Operating facilities	173,532	(113,207)	60,325	4	1,772	2,299	(1,971)	1,112	3,216	(4)	(1,279)	(6,159)	784	(6,658)	176,748	(119,865)	56,883
Commercial and operating equipment	489,746	(373,316)	116,430	71	8,418	6,289	(8,646)	9,068	15,200	(63)	(6,517)	(21,451)	8,703	(19,328)	504,946	(392,644)	112,302
Freely transferable assets	307,627	(195,399)	112,228	9,970	-	1,220	(1,843)	2,238	11,585	(4,980)	-	(7,710)	1,755	(10,935)	319,212	(206,334)	112,878
Other	44,292	(35,774)	8,518	117	300	386	(410)	410	803	(109)	(220)	(1,535)	303	(1,561)	45,095	(37,335)	7,760
Assets under constuction	94,193	-	94,193	19	2,712	49,713	(829)	(21,728)	29,887	-	-	-	-	-	124,080	-	124,080
Total	**1,274,287**	**(784,743)**	**489,544**	**10,188**	**14,296**	**60,832**	**(13,700)**	**(8,645)**	**62,971**	**(5,190)**	**(8,495)**	**(38,957)**	**11,546**	**(41,096)**	**1,337,258**	**(825,839)**	**511,419**

(k€)	31 December 2003			Change in Gross Book Value						Adjustments					30 June 2004		
Investments	Gross	Adjustments	Net	Change in Scope	FOREX Differences	Increases	Decreases	Other Movements	Total	Change in Scope	FOREX Differences	Writedowns	Reversals	Total	Gross	Adjustments	Net
Equity investments in associate companies	9,143	(6,806)	2,337	-	22	346	-	-	368	-	-	299	-	299	9,511	(6,507)	3,004
Equity investments in other companies	1,798	(1,699)	99	-	67	-	-	-	67	-	(65)	-	-	(65)	1,865	(1,764)	101
Other investments	295	-	295	-	-	-	-	-	-	-	-	-	-	-	295	-	295
Financial receivables from others	17,032	-	17,032	6	308	3,683	(2,647)	-	1,350	-	-	-	-	-	18,382	-	18,382
Financial receivables from associate companies	567	-	567	-	28	-	-	-	28	-	-	-	-	-	595	-	595
Total	**28,835**	**(8,505)**	**20,330**	**6**	**425**	**4,029**	**(2,647)**	**-**	**1,813**	**-**	**(65)**	**299**	**-**	**234**	**30,648**	**(8,271)**	**22,377**

Outstanding capital

Inventory

This amounted to 83,966 k€, recording a net fall equal to 3,946 k€, even though conditioned by the effect of the translation of +735 k€ and changes in the consolidation scope for a total of +113 k€.

The fall in real terms is related to the seasonal nature of sales.

The item is broken down as follows:

	30.06.2004	31.12.2003	Change
Food, beverages and retail concessi	81,317	83,898	(2,581)
Other	2,649	4,014	(1,365)
Total	**83,966**	**87,912**	**(3,946)**

Total inventory is reported net of a provision of 2,958 k€ (2,870 k€ at 31 December 2003) for obsolete or slow-moving inventory, based on management assessments.

Receivables

Trade account receivables:

These amounted to 57,177 k€, up 1,603 k€ compared to 2003 year-end as a result of translation differences (+ 605 k€) and changes in consolidation scope (+ 405 k€).

Trade account receivables arose primarily from supply and franchise contracts.

These include receivables in dispute amounting to k€ 5,103 (k€ 4,682 at 31 December 2003) and are net of provisions for write-downs amounting to k€ 9,925 (k€ 8,857 at 31 December 2003). 1,129 k€ was allocated to the credit write-down provision for the half-year, while utilization, primarily regarding the parent company's and the US associate company's doubtful accounts written off, amounted to 485 k€.

Receivables from associates

Receivables from associates amounted to 1,384 m€ and primarily refer to Autogrill Group Inc receivables from its associates.

Tax receivables

Tax receivables amounted to 18,846 k€, up 11,927 k€ compared to 2003 year-end, mainly due to ordinary advance-payments of direct taxes for the current year.

Advance taxes

Advance taxes amounted to 146,938 k€, up 3,571 k€ compared to 2003.

104,468 k€ in advance taxes (99,791 k€ at 31 December 2003) refer to the HMSHost Group (now Autogrill Group Inc.), mainly as a result of the use of a different tax amortization period regarding leasehold improvements and taxed provisions for concession rents. This change was conditioned by translation differences equal to +3,900 k€.

Assessments regarding whether current tax assets may be recovered, on the basis of the expected future tax liabilities of the parent company and each investee, have confirmed the forecast of considerable future taxable income. The reversal of timing differences and the utilization of net losses, which generated anticipated taxes, are deferred over time. In particular, the Group expects to realize 28 m€ in deferred tax asset within the current year and 70 m€ over the next five years. Moreover, in the meantime, further net deferred tax assets may arise, particularly from US companies.

Receivables from others

These have increased by 2,556 k€ to 52,124 k€, also as a result of translation differences (+ 274 k€) and changes in the consolidation scope (+ 134 k€).

The item is made up of the following:

	30.06.2004	31.12.2003	Change
Suppliers	20,841	22,662	(1,821)
Inland Revenue and Public Administration	1,653	523	1,130
Personnel	1,848	3,083	(1,235)
Spreads on FOREX hedging transactions	3,384	6,468	(3,084)
Other debtors	24,398	16,832	7,566
Total	**52,124**	**49,568**	**2,556**

Receivables from suppliers mainly refer to their trade rebates.

"Spreads on FOREX hedging transactions" are associated with the conversion of outstanding FOREX hedge contract notional values at the exchange rate ruling on 30 June 2004, on a comparative basis with their purchase value.

"Other debtors" mainly relates to receivables connected with commercial investments carried out on behalf of leasers or sub-leasers. Furthermore, it also includes receivables from insurance companies as well as receivables relating to sums collected by credit card and commissions to be collected for managing activities characterized by premium income.

The increase in this item mainly relates to the increase in the above commercial investments by the US associate company (4,858 k€), in particular as regards the motorway segment.

Bank and Cash

Bank and cash amounted overall to 230,476 k€, up 87,932 k€ compared to 31 December 2003, also due to translation differences for a total of 2,542 k€.

In particular, bank and post-office account balances increased by 89,612 k€, of which 2,315 k€ are a result of translation differences, to 193,827 k€. The item is mainly made up of time deposits with interest rates very close to the LIBOR / EURIBOR. The increase is mainly attributable to the agreed full discharge money of two medium-term installments of the syndicated loan, for an overall 350 m€, even in excess of actual needs. Cash balances, which include cash at outlet premises and sums being credited, fell by 1,680 k€ to 36,649 k€.

Bonds discounts, prepaids and accruals

These amounted to 37,351 k€, down 73,572 k€ compared to 31 December 2003, also conditioned by a translation impact equal to +641 k€.

This significant fall relates to the option, exercised by the holders, to make an advance repayment on 15 June 2004 of approximately 90% of the loan.

	30.06.2004	31.12.2003	Change
Accruals:			
interest on FOREX and interest rate hedge contracts	593	3,895	(3,302)
other accruals	1,838	804	1,034
Total accruals	2,431	4,699	(2,268)
Bond discounts	8,530	88,077	(79,547)
Other prepaids:			
concession and lease prepayments	8,600	9,955	(1,355)
other	17,790	8,192	9,598
Total other prepaids	26,390	18,147	8,243
Total bond discounts, prepaids and accruals	**37,351**	**110,923**	**(73,572)**

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 financial cost.

“Other accruals” includes:

- accrued lease and concession income arising from the advance payment of rents, mostly subject to a subsequent adjustment on a monthly or yearly basis.
- “other”, which primarily refers to:
  - direct taxes and maintenance fees paid in advance (4,480 k€)
  - initial costs, for an overall total of 7,479 k€, relating to the bond issued in January 2003 by the US subsidiary and to the syndicated loan subscribed by the parent company in the half-year (see page 49).

The increase in the item “Other” is almost entirely attributable to the last named.

The above accruals and prepaids will expire within the next twelve months, except for an amount equal to 7,749 k€, of which 2,553 k€ beyond the fifth month, mainly referring to lease and concession rents for subsequent years and to the above initial financing costs.

Notes to the main liability items

Stockholders' equity

Share capital

The share capital of Autogrill S.p.A., fully subscribed and paid up, amounted to 132,288 k€ and was made up of 254,400,000 ordinary shares with a unit value of 0.52 €.

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

As regards the conditions under which said transaction was carried out and the repayment of approximately 90% of the loan on 15 June 2004, the maximum number of shares that can be issued pursuant to the conversion of the bond is approximately 2,478,000. Please remember that the loan may be redeemed in advance, at any time by the issuer and at the 10^{th} anniversary by the holders 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 2,387 k€, up 675 k€ compared to 31 December 2003, following the allocation of a share of profit for the year 2003, resolved upon at the Shareholders' Meeting held on 27 April 2004.

Other reserves

These amounted to 129,069 k€, including a conversion reserve liability of 12,650 k€.
No revaluation reserve was entered.

Movements in the consolidated stockholders' equity can be summarized as follows:

	Share capital	Legal reserve	Other reserves and undivided	Profit for the period	Total
Balance as at 31.12.2002	**132,288**	**1,712**	**77,678**	**7,463**	**219,141**
Allocation of 2002 profits	-	-	7,463	(7,463)	-
Conversion differences and other movements	-	-	(7,884)	-	(7,884)
Profit for the year	-	-	-	50,174	50,174
Balance as at 31.12.2003	**132,288**	**1,712**	**77,257**	**50,174**	**261,431**
Allocation of 2003 profits	-	675	49,499	(50,174)	-
Conversion differences and other movements	-	-	2,313	-	2,313
Profit for the year	-	-	-	24,673	24,673
Balances as at 30.06.2004	**132,288**	**2,387**	**129,069**	**24,673**	**288,417**

Set out below is the reconciliation statement of stockholders' equity and profit of Autogrill S.p.A., and the corresponding consolidated figures as at 30 June 2004.

	Net Profit/(Loss)	Net Equity
Autogrill S.p.A. (Parent Company)	33,210	178,857
Elimination of parent company tax based items	(974)	20,172
Adjustment for parent company valuation policies	24	106
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	(7,587)	91,004
Autogrill Group (Consolidated)	24,673	288,417

With reference to the elimination of parent company tax-based items, in accordance with Legislative Decree 6/2003, entirely relating to the write-down of intangible assets, while awaiting the definite approval of the accounting standards outlined in Document 1 of the Italian accounting standard setter, the parent company did amended the mid-year financial statements as at 30 June 2004 enclosed with the present consolidated half-year report.

Furthermore, should the Document of the Italian accounting standard setter – which interprets the regulations prescribed by Legislative Decree 6/2003 – be definitively approved in its current format, the parent company's half-year profit and the stockholders' equity as at 30 June 2004 would prove higher by 20,172 k€, as recorded in the reconciliation statement between stockholders' equity, parent company profit and the corresponding consolidated figures.

Provisions for liabilities and charges

The composition at 31 June 2004 and the movements during the period of the provisions for liabilities and charges are detailed in the table below.

	Balances at 31.12.2003	**Other movements**	**Charges**	**Reversals**	**Balances at 30.06.2004**
Provisions for pension and similar obligations	**9,507**	**219**	**333**	**(304)**	**9,755**
Deferred income tax liability	**26,140**	**149**	**415**	**(1,639)**	**25,065**
Other provisions:					
for restoration costs	17,578	-	1,624	(1,637)	17,565
for litigation and other	15,101	-	11,403	(1,460)	25,044
miscellaneous provisions	8,352	119	95	(1,276)	7,290
Total other provisions	**41,031**	**119**	**13,122**	**(4,373)**	**49,899**
Total	**76,678**	**487**	**13,870**	**(6,316)**	**84,719**

Other movements refer to FOREX differences arising from the translation of opening balances.

Provision for pension and similar obligations

The 248 k€ increase is principally due to the translation effect.

Deferred income tax liabilities

This item mainly includes deferred taxes for 16,472 k€ relating to consolidation adjustments and 4,993 k€ relating to building revaluations in the Netherlands before the Group's acquisitions there. Furthermore, it includes 2,502 k€ for ongoing disputes regarding the indirect taxes of US subsidiaries and the parent company.

Utilizations for the half-year mainly refer to the settlement of charges for the automatic ("definitive") amnesty of direct and assimilated taxes of the Group's Italian companies, relating to the year 2002, in compliance with Law 350/2003, the relative provision of same having been allocated at the end of 2003.

Provision for restoration costs

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

Provisions for litigation and other

The Group has established 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 includes the estimate of the maximum charge connected with any assessment regarding the parent company's exceptionability regarding currency derivative contracts, as outlined in greater detail in the Operations Report.

Furthermore, the above item includes allocations to the "Insurance provision" of the US associate company, whose counter-item in the income statement, equal to 2,692 k€, is included under "Service costs", among insurance costs.

During the first half-year, the concession procedures awarding services within the group areas of Autostrade per l'Italia S.p.A. were concluded. The concession results were in line with predetermined portfolio targets. 70 out of 77 concessions were awarded.

However, as previously announced in the report to the financial statements as at 31.12.2003, legal actions taken by competitors for various reasons are still pending – and increasing. The first pronouncement by the competent court authorities relating to most of the pending claims is expected in October.

To this end, the item includes a prudent estimate of the possible charges deriving from a negative outcome.

The company has taken legal action for unfair competition against the company Compass Italia, which duly instituted a counter claim. The first hearing is due to take place on 2 November 2004.

Moreover, in order to ensure consistent disclosures over time, mention is made of 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 Group has not provided for this appeal amount, as the likelihood of the Group losing has been judged remote by its legal counsel.

Miscellaneous provisions

Utilization primarily relates to the finalization of the exit by Autogrill Schweiz AG from Basel airport.

Provision for employee termination benefits

During the first half of the year, the item has changed as follows. "Other movements" refer to the translation differences of the opening balances.

	30.06.2004	31.12.2003
Opening balance	94,117	91,336
Charges	8,045	15,996
Reversals	(8,148)	(11,553)
Translation differences	311	(1,662)
Closing balance	**94,325**	**94,117**

Liabilities

These amounted to 1,609,493 k€ overall (1,623,440 k€ at 31 December 2003), and can be broken down as follows.

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 6.01%, respectively), with 185/190/195 spread over the corresponding US Government bonds.

Private Placement regulations require that regular checks be carried out to ensure that financial indices – relating to the degree of coverage of the debt and interest and to the ratio between net borrowings and owned assets – are kept within predetermined limits.

At 30 June 2004, said requirements had been fully met.

Convertible bonds

Theses amounted to 47,680 k€ and represent the remaining nominal value of the loan issued by Autogrill Finance S.A. on 15 June 1999 for a total of 471,055 k€, following the previously mentioned repayment of approximately 90% of the loan on 15 June 2004.
The loan is zero-coupon and, at the time of placement, generated income net of the implicit yield set at 2% per annum and compounded semi-annually.

The convertible bonds can be refunded in advance, at any time by the issuer and on the 10th anniversary by the bondholder. In such an event, the maturity value repaid at the time of exercising the option will ensure an annual yield of 2% as originally agreed or, if initiated by the issuer, the conversion value, where greater. Conversion can be requested at any time by the subscribers, except in given periods of technical suspension.

The probabilities of excersizing the various options are also correlated to the stock market performance of the bond compared to the conversion price.

At 30 June 2004, the latter showed a premium of approximately 36% on share price, against 30% at the time of issue.

Interest due for the period following the final balance sheet is subject to discount, and at 30 June 2004 amounted to 8,530 k€.

Borrowings from banks

These amounted to 734,937 k€, up 497,407 k€ compared to 31 December 2003, primarily due to the refinancing of convertible bonds and the seasonal nature of the business. Furthermore, the newly consolidated company contributed to the total balance for a total of 2,043 k€, while translation differences amounted to 700 k€.

	Balance at 30.06.2004			Balance at 31.12.2003		
	Current	Non-Current	Total	Current	Non-Current	Total
Bank account and short-term borrowings	351,120	-	351,120	35,649	-	35,649
Unsecured non-current borrowings	-	382,313	382,313	178,898	21,028	199,926
Secured borrowings	131	1,373	1,504	131	1,824	1,955
Total	**351,251**	**383,686**	**734,937**	**214,678**	**22,852**	**237,530**

On 19 March 2004, a syndicated loan for 800 m€ was taken out and structured into installments, with the aim of:

- substituting current borrowings;
- financing any further requirements in the medium-term;
- covering the requirements connected with the possible advance repayment of the bond issued in 1999 by Autogrill Finance SA, convertible into Autogrill S.p.A. shares.

The duration of the installments varies from 12 months to 5 years, for a weighted average of 3 years.

Current borrowings increased mainly as a result of using a 300 m€ instalment of the syndicated loan to refinance the convertible bond. The duration of said instalment is 12 months and the rate is equal to the Euribor + 0. 50%. Therefore, at current market rates, refinancing the convertible loan costs less than one extra percentage point.

The increase in non-current bank borrowings relates to using installments of the syndicated loan, for 350 m€ overall, to refinance the short-term exposure.

At 30 June 2004, approximately 82% of the bank credit lines granted to the Group was used. In particular, 300 m€ will expire in 2005, 350 m€ between 2006 and 2009 and 25 m€ in 2007.

Borrowings from banks have floating interest rates.

Secured borrowings relate to the Group's Belgian operations, with installments falling due in more than five years time for a total of 850 k€.

The policy for managing interest and exchange rate risks is described under "Off-balance sheet commitments and guarantees".

Other borrowings

These amounted to 8,135 k€ (8,668 k€ at 31 December 2003).

They comprise financial lease liabilities and interest-free loans to the Parent Company to purchase IT equipment.

4,790 k€ of these borrowings will expire in more than 12 months, 2,321 k€ of which are due in more than five years.

Trade account payables

Trade accounts payable amounted to 338,292 k€, of which 1,455 k€ relate to newly consolidated companies. Compared to 31 December 2003, this represents a decline of 68,253 k€ with regard to the usual seasonal nature of business volumes and payment flows. The change in the translation rate resulted in an increase equal to 5,867 k€.

Tax liabilities

These amounted to 25,557 k€ and comprise the following:

	30.06.2004	31.12.2003	Change
Income taxes and indirect taxes	14,053	31,185	(17,132)
Withholdings	8,383	9,430	(1,047)
Other	3,121	1,813	1,308
Total	**25,557**	**42,428**	**(16,871)**

Income tax and indirect taxes exclude income tax relating to the 2004 half-year. Indeed, as explained in the basis of preparation, the half-year report as at 30 June 2004 was prepared, in compliance with the Consob Regulations regarding half-yearly accounts, without taking into account the effect of income tax for the period.

"Indirect taxes" mainly relate to Parent Company VAT liabilities and US subsidiaries' indirect taxes.

"Other" refer in particular to tax liabilities on buildings, although mostly not owned, used in fulfilling business operations.

Changes in the consolidation scope account for 132 k€ of the total.

Social security liabilities

These are entirely current in nature, and comprise the following:

	30.06.2004	31.12.2003	Change
INPS and other Italian institutes	15,490	14,336	1,154
Foreign social security institutes	14,661	13,789	872
Total	**30,151**	**28,125**	**2,026**

The newly consolidated company accounts for 205 k€ of the total.

Other liabilities

These consist in the following:

	30.06.2004	31.12.2003	Change
Employee payables	89,421	92,656	(3,235)
Other:			
Customer credit notes to be issued	1,000	1,684	(684)
Spreads on FOREX hedge contracts	940	502	438
Financial payables on derivative contracts	9,612	20,863	(11,251)
Miscellaneous	19,194	19,867	(673)
Total other	30,746	42,916	(12,170)
Total	**120,167**	**135,572**	**(15,405)**

Changes in the item are conditioned by the effect of translation differences to the amount of +2,628 k€, of which 1,640 k€ relate to personnel payables, and the effect of changes in the consolidation scope to the amount of +457 k€, of which +266 k€ relate to personnel payables.

"Spreads on FOREX hedge contracts" include the effect of converting the notional values of FOREX hedge transactions as at 30 June 2004 at the exchange rate in force at that date, compared to their purchase value.

"Financial payables on derivative contracts" are commented in the "Off-balance sheet commitments and guarantees". The fall in the half-year period is principally due to the termination of a contract already recorded in the 2003 financial statements at its settlement value.

"Miscellaneous", basically unchanged compared to the end of 2003, include liabilities for 3,437 k€ and mainly relate to the personnel stock plan of Host Marriott Corporation, the company that originally controlled HMSHost and which had signed a specific agreement with the latter, 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.

7,050 k€ of other payables are non-current, falling due beyond five years time.

Accrued expenses and deferred income

These are made up of the following:

	30.06.2004	31.12.2003	Change
Accrued expenses			
insurance premiums	592	214	378
interest on borrowings	8,322	7,793	529
interest on FOREX and interest rate hedge contracts	4,179	3,793	386
lease payments	1,179	1,853	(674)
other	1,151	2,822	(1,671)
Total accrued expenses	**15,423**	**16,475**	**(1,052)**
Deferred income	6,678	6,186	492
Total deferred income	**6,678**	**6,186**	**492**
Total	**22,101**	**22,661**	**(560)**

Lease payment accruals relate to the standardization of minimum guaranteed payments relating to a number of US outlets, which contractually increase over time. "Interest on borrowings" mainly relates to interest accrued on the bond issued by Autogrill Group Inc., which detaches the coupons on a half-yearly basis on 23 January and July each year.

4,319 k€ worth of accrued expenses and deferred income will expire beyond next year.

Off-balance sheet commitments and guarantees

This is made up of the following:

	30.06.2004	31.12.2003	Change
Guarantees for the benefit of third parties	74,035	41,088	32,947
Secured guarantees issued on balance-sheet liabilities	2,788	2,354	434
Purchase and sale commitments	938,442	1,033,884	(95,442)
Other	29,895	26,014	3,881
Total	**1,045,160**	**1,103,340**	**(58,180)**

"Guarantees for the benefit of third parties" mainly relate to the risk of regression on bank guarantees issued in the interest of the Company on behalf of commercial counterparts, in line with standard market practices.

"Secured guarantees on own bonds other than liabilities".

" Secured guarantees issued on balance-sheet liabilities" relate to mortgages registered on the lands and buildings of a Belgian associate company as loan collateral.

The "purchase and sale commitments" comprise:

- 559,997 k€ (384,430 k€ at 31 December 2003), relating to the notional value of FOREX hedge contracts;
- 370,218 k€ (641,536 k€ at 31 December 2003), relating to the notional value of interest rate hedge contracts;
- 8,227 k€, relating to the price agreed for the purchase of the remaining 5% of Anton Airfood Inc., to be settled by the end of 2005.

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 adopts a single system for managing financial risks. Individual companies cover their own exposure to FOREX risks, in line with Group policy. Interest-rate risks, on the other hand, are managed by the parent company and Autogrill Overseas S.A according to the single companies' credit rating.

Exposure to both risks reached significant levels due to the acquisition of HMSHost in September 1999. The transaction value was close to 1 bn$, financed with variable interest rate loans.

The Group, therefore, defined a strategy aimed at covering almost entirely the risks of FOREX and stabilizing financial costs.

In order to achieve this objective, the Group implemented a strategy to reduce the exposure to floating interest rates to the range of 40% and 60% of total indebtedness.

The financial instruments used generally comprised interest rate swaps, forward rate agreements and rate options, or any combination thereof.

Interest rate swaps were generally stipulated so as to transform the variable interest rate on loans into a fixed interest rate.

With the aim of consolidating the financial sources, on 23 January 2003 variable interest rate loans to the amount of 370 m$ were replaced with private placements which, in order to optimize placement conditions, pay fixed coupons.

Thus, the exposure was almost entirely covered.

The significant difference between long and short-term rates led the Group to adopt variable-rate strategies for part of their private placement, in particular for the 10-year maturity term, with the aim of limiting current financial costs.

To this end, options were sold to enter into interest rate swaps transforming fixed coupons into variable ones.

At the start of 2004, a review of the financial risk-management policies was launched, also with the aim of conforming to IAS/IFRS standards, soon to be introduced.

In this context, the Group company that had stipulated variable-rate contracts terminated them during the half-year, with a payment of 12.5 m$ (10 m€) allocated in the 2003 financial statements.

The Group's remaining derivative contracts, for an overall notional amount of 535 m$, have an average interest rate of 5,3% spread over an average term of 4.8 years.

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 only been entered into 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 non-Euro denominated borrowings. The financial instruments used are foreign currency swaps.

The market valuation, made on the basis of 30 June 2004 prices of instruments with similar features and terms, resulted in a loss of 19.2 m€ (-26.4 m€ at 31 December 2003).

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

Income statement notes

Operating revenues

Sales

Realized sales amounted to 1,495,097 k€, split as follows by business segment:

	2004 Half-year	2003 Half-year Pro forma	Change	2003 Full year
Food and beverages	1,110,650	1,111,437	(787)	2,376,390
Retail	357,799	310,290	47,509	743,720
Hotel	9,386	8,686	700	21,322
Third parties and franchisees	17,262	18,006	(744)	39,310
Total	**1,495,097**	**1,448,419**	**46,678**	**3,180,742**

Comparison with 2003 is affected by exchange rate fluctuations, which resulted in a contraction of 71,942 k€. The newly consolidated company contributed to the total for an amount equal to 557 k€.

An analysis of sales performance and breakdown by geographical area is provided in the Operations Report.

Retail includes 41,752 k€, 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 sales and income, net of related purchase costs.

Other operating revenues

These are made up as follows:

	2004 Half-year	2003 Half-year Pro-forma	Change	2003 Full year
Promotional contributions by suppliers	13,520	12,200	1,320	26,688
Newspaper distribution	3,467	3,596	(129)	8,095
Business lease	4,999	5,234	(235)	10,603
Royalty income	2,319	2,507	(188)	5,244
Recovery of costs from third parties	1,082	872	210	3,021
Capital gains from transfers of PPE	488	-	488	13,833
Miscellaneous	11,998	11,454	544	20,415
Total	**37,873**	**35,863**	**2,010**	**87,899**

The item "Miscellaneous" primarily refer to commissions for managing activities characterized by premium income, and to readjustments of previous year provisions.

Operating costs

Cost of merchandize for resale and supplies

Cost of merchandize for resale and supplies amounted to 531,912 k€, of which 243 k€ related to a change in consolidation scope. The item is broken down as follows:

	2004 Half-year	2003 Half-year Pro forma	Change	2003 Full year
Food, beverages and retail	500,959	474,206	26,753	1,041,802
Other	30,953	33,038	(2,085)	71,497
Total	**531,912**	**507,244**	**24,668**	**1,113,299**

As for sales, comparison with 2003 half-year is affected by exchange rate fluctuations, which resulted in a 20,728 k€ fall.

Cost of services and lease, rental and royalty charges

These consist in the following:

	2004 Half-year	2003 Half-year Pro forma	Change	2003 Full year
Cost of services				
Energy and water	29,557	29,223	334	61,994
Maintenance costs	22,460	21,344	1,116	47,437
Sanitation and disinfestation services	14,422	13,960	462	30,406
Consultancy and professional services	9,751	11,627	(1,876)	25,000
Advertising and market research	6,575	7,179	(604)	16,321
Travel expenses	8,811	8,935	(124)	19,313
Storage and transport costs	6,609	6,562	47	14,538
Insurance	8,369	8,711	(342)	19,702
Credit card commissions	5,604	5,147	457	11,980
Postage and telephone	5,214	5,362	(148)	11,737
Temporary personnel	932	1,470	(538)	3,113
Security guard transport	1,791	2,201	(410)	4,340
Security	1,762	1,942	(180)	4,446
Recruiting costs	1,097	1,077	20	2,263
Bank services	1,696	1,481	215	3,254
Personnel training	1,217	1,014	203	2,341
Other	16,480	15,994	486	32,821
Total cost of services	**142,347**	**143,229**	**(882)**	**311,006**
Lease and concession charges	177,306	165,800	11,506	364,385
Movable property rental	5,029	5,797	(768)	11,116
Brand and trademark royalties	20,102	19,487	615	44,477
Total lease, rental and royalty charges	**202,437**	**191,084**	**11,353**	**419,978**
Total	**344,784**	**334,313**	**10,471**	**730,984**

The impact of exchange rate fluctuations was equal to -6,914 k€ in terms of the cost of services and -12,646 k€ in terms of lease, rental and royalty charges.

Personnel costs

Overall personnel costs amounted to 454,084 k€, down 1,664 k€ and conditioned by translation effects by – 23,650 k€. The newly consolidated company contributed to the total for an amount equal to 228 k€.

	2004 Half-year	2003 Half-year Pro forma	Change	2003 Full year
Wages and salaries	357,300	358,052	(752)	758,685
Social security charges	66,732	66,957	(225)	131,337
Employee severance indemnities and similar	8,045	7,893	152	15,996
Other	22,007	22,846	(839)	49,689
Total	**454,084**	**455,748**	**(1,664)**	**955,707**

Growth in personnel costs was limited, compared to sales, as a result of increased productivity.

Average headcount, expressed in terms of full-time equivalents, rose to 33,605 in the first half of 2004 (34,989 in the first half of 2003).

Depreciation, amortization and write-downs

Depreciation, amortization and write-downs amounted to 116,691 k€, recording a net decrease equal to 5,856 k€, of which 19,528 k€ is attributable to the change in the consolidation scope.
The item comprises the following:

	2004 Half-year	2003 Half-year Pro forma	Change	2003 Full year
Depreciation, amortization and write-downs:				
Amortization of intangible assets	#RIF!	80,387	#RIF!	169,868
Depreciation of property, plant and equipment (PPE)	31,247	32,770	(1,523)	66,850
Depreciation of freely transferable PPE	7,710	7,288	422	16,064
Write-down of intangible and tangible assets and PPE	-	-	-	16,890
Write down of current receivables	1,129	2,102	(973)	4,435
Total	**#RIF!**	**122,547**	**#RIF!**	**274,107**

Intangible asset amortization charges include business goodwill and consolidation difference amortization charges of 41,961 k€ (44,907 k€ in 2003, an apparent fall due to the translation of other currency items).

Remaining intangible asset amortization charges mainly relate to leasehold improvements.

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

Provisions for risks and other provisions

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

	2004 Half-year	2003 Half-year Pro-forma	Change	2003 Full year
Provisions for litigation and other risks	8,711	389	8,322	5,387
Other provisions:				
For restoration costs	1,624	868	756	3,619
Miscellaneous provisions	95	-	95	201
Total other provisions	**1,719**	**868**	**851**	**3,820**
Total	**10,430**	**1,257**	**9,173**	**9,207**

Other operating costs

Other operating costs amounted to 15,114 k€ and consist of the following. Newly consolidated companies contributed to the total for an amount equal to 1,212 k€.

	2004 Half-year	2003 Half-year Pro-forma	Change	2003 Full year
Taxes and duties (other than income taxes)	8,679	8,815	(136)	18,286
Cash differences	1,202	1,365	(163)	3,238
Losses on disposals of fixed assets	106	998	(892)	1,518
Miscellaneous	5,127	7,104	(1,977)	12,687
Total	**15,114**	**18,282**	**(3,168)**	**35,729**

"Miscellaneous" mainly relate to extraordinary items regarding adjustments to previous year provisions and the remuneration of directors and auditors.

Financial income and costs

Net financial costs for the period amounted to 27,078 k€, up 3,331 k€.

The level of financial costs is conditioned by: the greater amount of costs inherent in the new borrowing structure, the Group policy pursued during the half-year for covering the risk of exposure to increased interest rates on the US dollar, and the adjustment of the market value of derivative contracts for -1,250 k€, as outlined in the notes to the off-balance sheet commitments and guarantees.

The components are analyzed below.

Other financial income

These amounted to 3,771 k€, down 3,280 k€ compared to 2003.

They comprise the following:

	2004 Half-year	2003 Half-year Pro-forma	Change	2003 Full year
Other income:				
Bank accounts	512	680	(168)	1,320
FOREX gains	-	539	(539)	1,745
FOREX hedge contracts	1,668	1,835	(167)	6,170
Other	1,591	3,997	(2,406)	5,242
	3,771	7,051	(3,280)	14,477
Total	**3,771**	**7,051**	**(3,280)**	**14,477**

FOREX gains relate to customer transactions.

The partial variable-rate policy regarding the interest on the US dollar bond was not continued during the half-year. In the comparison period, this had generated approximately 3 m€ profit, included in the item "Other".

Interest and other financial costs

These amounted to 30,849 k€.

	2004 Half-year	2003 Half-year Pro forma	Change	2003 Full year
Interest on bonds	12,286	11,986	300	26,298
Interest on bank borrowings	4,506	8,141	(3,635)	10,520
Other	1	247	(246)	3
	16,793	20,374	(3,581)	36,821
Other charges:				
FOREX losses	876	-	876	-
interest rate hedge contract losses	10,904	9,449	1,455	21,078
market value of derivative contracts	1,250	-	1,250	20,863
capital losses from equity investments in associates	-	-	-	7,221
other	1,026	1,014	12	1,037
	14,056	10,463	3,593	50,199
Total	**30,849**	**30,837**	**12**	**87,020**

FOREX losses relate to customer transactions.

The item "Market value of derivative contracts" is commented in the notes to the Off-balance sheet commitments and guarantees.

"Capital losses from the transfer of equity investments in associates" for the year 2003 relate to the transfer of the quota originally equal to 21.61% of the share capital of Pastarito S.p.A., which led to a capital loss of 7,221 k€.

Adjustment to the value of investments

The net adjustment to the value of investments came to 299 k€, compared to a negative net balance equal to 6,454 k€ in the comparison period. The latter included the 6,700 k€ write-down of the equity investment in Pastarito S.p.a., later transferred in 2003.

Income tax for the period

Half-year results include no allocation for direct income tax charges.

Schedule of Autogrill Group subsidiaries and other equity investments at 30 June 2004

Investments accounted for using the full consolidation method

Company name	Head office	Currency	Share capital	% owned	Controlling Companies
Group Parent Company					
Autogrill SpA	Novara	€	132,288,000	57.093	Edizione Holding SpA
Subsidiary companies					
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
Autogrill Deutschland GmbH	Munchen	€	205,000	100.000	Autogrill SpA
Autogrill Espana SA	Madrid	€	1,800,000	100.000	Autogrill SpA
Autogrill Participaciones SL	Madrid	€	6,503,006	100.000	Autogrill Espana SA
Restauracion de Centros Comerciales SA (RECECO)	Madrid	€	108,182.18	85.000	Autogrill Participaciones SL
Autogrill Finance SA	Luxembourg	€	250,000	99.996	Autogrill SpA
Autogrill Hellas EPE	Avlona Attikis	€	1,696,350	100.000	Autogrill SpA
Kalamina D.o.o.	Lubjana	SIT	2,100,000.00	100.000	Autogrill SpA
Autogrill Overseas SA	Luxembourg	€	60,650,000	99.990	Autogrill SpA
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

Company name	Head office	Currency	Share capital	% owned	Controlling Companies
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	Autogrill Europe Nord-Ouest SA
				0.001	Autogrill SpA
Autogrill Aeroports S.a.S.	Marseille	€	1,368,000	99.999	Holding de Participations Autogrill Sas
Autogrill Coté France Sas	Marseille		31,579,526.40	99.999	Holding de Participations Autogrill Sas
Société Berrichonne de Restauration SA (Soberest)	Marseille	€	288,000	49.995	Autogrill Coté France Sas
Société Bordelaise de Restauration Sas (Soborest)	St. Savin	€	788,000	49.994	Autogrill Coté France Sas
Société de la Porte de Champagne SA (SPC)	Perrogney Les Fontaines	€	153,600	51.900	Autogrill Coté France Sas
Société de Restauration Autoroutière Dromoise SA (SRAD)	Marseille	€	1,136,000	49.996	Autogrill Coté France Sas
				49.998	SRSRA SA
Société de Restauration de Bourgogne SA (Sorebo)	Marseille	€	144,000	50.000	Autogrill Coté France Sas
Société de Restauration de Troyes-Champagne SA (SRTC)	Marseille	€	1,440,000	69.978	Autogrill Coté France Sas
Société Régionale de Saint Rambert d'Albon SA (SRSRA)	St Rambert d'Albon	€	515,360	50.000	Autogrill Coté France Sas
Volcarest SA	Champs	€	1,050,144	50.000	Autogrill Coté France Sas

Company name	Head office	Currency	Share capital	% owned	Controlling Companies
Societè de Gestion de Restauration Routieère SG2R S.A.	Nancy	€	879,440	99.994	Autogrill Coté France Sas
SCI Vert Pre Saint Thiebaut	Nancy	€	457.35	99.999	GS2R S.A.
SARL Toul Mirabelier Hotel TMH	Nancy	€	221,279.72	100.000	GS2R S.A.
SNC TJ2D	Chaudeney Sur Moselle	€	1,000	99.000	GS2R S.A.
Autogrill Restauration Services Sas	Marseille	€	30,041,460	99.999	Holding de Participations Autogrill Sas
Autogrill Gares Province Sarl	Marseille	€	274,480	100.000	Autogrill Restauration Services Sas
Autogrill Gares Metropoles Sarl	Marseille	€	17,396,850	100.000	Autogrill Restauration Services Sas
Autogrill Gares Lille Snc	Marseille	€	40,000	99.960 0.040	Autogrill Restauration Services Sas 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 Basel Airport Sas	St. Louis	CHF	40,000	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
HMSHost Corp	Bethesda	USD	=	100.000	Autogrill Group Inc
HMSHost Europe Corp	Wilmington	USD	=	100.000	Autogrill Group Inc
HMSHost International Inc	Wilmington	USD	=	100.000	Autogrill Group Inc
HMS Host Tollroads Inc	Bethesda	USD	125,000,000	100.000	HMSHost Corp
Host International Inc	Bethesda	USD	125,000,000	100.000	HMSHost Corp
Sunshine Parkway Restaurants Inc	Bethesda	USD	125,000,000	50.000 50.000	HMSHost Corp Gladieux Corp
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	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

Company name	Head office	Currency	Share capital	% owned	Controlling Companies
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) 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 liquidazione	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
Shenzen Host Catering Company Ltd	Shenzen	USD	2,500,000	100.000	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

Company name	Head office	Currency	Share capital	% owned	Controlling Companies
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
Anton Airfood of Boise, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
Anton Airfood of Tulsa, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
AAI Islip, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
Fresno AAI, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
Anton Airfood of Newark, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
Anton Airfood of Seattle, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc

Investments accounted for using the equity method

Company name	Head office	Currency	Share capital	% owned	Controlling Companies
Union Services Sarl	Luxembourg	€	51,000	20.000	Autogrill Europe Nord-Ouest SA
				20.000	Autogrill Overseas SA
				10.000	Autogrill Finance SA
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 S.p.A. – Company-Only Financial Statements for the Half-Year ending 30 June 2004

Parent Company Balance Sheet

(figures in k€)	30.06.2004	31.12.2003	Change	30.06.2003
ASSETS				
A) Due from shareholders for capital not paid-in	-	-	-	-
B) Non-current assets				
I) Intangible assets				
4 Concessions, licences and brands	3,103	2,361	741	2,671
5 Goodwill	37,491	44,385	(6,894)	51,413
6 Assets under development and advances	2,131	4,015	(1,884)	1,759
7 Other	33,256	35,816	(2,560)	37,924
Total intangible assets	**75,980**	**86,577**	**(10,596)**	**93,767**
II) Property, plant and equipment				
1 Land and buildings	14,134	14,211	(77)	16,863
2 Operating facilities	7,920	7,333	587	6,287
3 Commercial and operating equipment	32,997	34,885	(1,888)	35,242
3 bis Freely transferable assets	37,702	39,117	(1,415)	31,767
4 Other	3,862	3,119	743	2,812
5 Assets under development and advances	7,170	8,011	(841)	18,994
Total property, plant and equipment	**103,785**	**106,676**	**(2,891)**	**111,965**
III) Investments				
1 Equity investments:				
a) in subsidiary companies	93,067	84,540	8,527	124,845
b) in associate companies	-	-	-	522
b) in other companies	18	18	-	18
2 Other non-current financial receivables	8,237	8,846	(609)	9,278
Total investments	**101,322**	**93,403**	**7,919**	**134,663**
Total non-current assets	**281,087**	**286,656**	**(5,569)**	**340,394**
C) Current assets				
I - Inventory				
1 Merchandise fore resale, supplies and other	35,754	39,425	(3,671)	33,143
Total inventory	**35,754**	**39,425**	**(3,671)**	**33,143**
II - Receivables				
1 Trade account receivables	37,306	33,812	3,494	42,421
2 Subsidiary companies				
* current	244,091	179,731	64,360	235,406
* non-current	443,811	-	443,811	-
3 Associate companies	-	-	-	53
4 bis Tax receivables				
* non-current	12,868	1,195	11,673	13,407
4 ter Advance taxation				
* current	10,388	11,526	(1,138)	11,147
* non-current	18,807	18,807	-	14,496
5 Others				
b) other				
* current	25,217	22,715	2,502	23,085
Total receivabels	**792,488**	**267,786**	**524,702**	**340,015**
III. Marketable securities		-	-	-
IV - Bank and cash				
1 Bank and postal balance	91,442	15,723	75,718	21,790
3 Cash balance	24,381	26,361	(1,980)	23,426
Total bank and cash	**115,823**	**42,084**	**73,739**	**45,216**

STOCKHOLDERS' EQUITY AND LIABILITIES	30.06.2004	31.12.2003	Change	30.06.2003
A) Stockholders' Equity				
I - Capital stock	132,288	132,288	-	132,288
II - Additional paid-in capital	-	-	-	-
III - Revaluation reserves	-	-	-	-
IV - Legal reserve	2,387	1,712	675	1,712
V - Reserve for treasury stock	-	-	-	-
VI - Statutory reserves	-	-	-	-
VII - Other reserves	5,735	(5,471)	11,206	(4,578)
VIII - Retained earnings	5,237	-	5,237	-
IX - Net income/(loss) for the period (1)	33,210	13,495	19,715	16,722
Total Stockolders' Equity	**178,857**	**142,024**	**36,833**	**146,144**
B) Provision for liabilities and charges				
2 For taxes	325	1,860	(1,535)	-
3 Other	35,825	27,942	7,883	22,213
Total provision for liabilities and charges	**36,150**	**29,802**	**6,348**	**22,213**
C) Provision for employee termination benefits	**85,396**	**86,164**	**(768)**	**83,811**
D) Liabilities				
3 Borrowings from banks				
* current	346,920	30,819	316,101	229,827
* non-current	374,971	87,646	287,326	56,000
4 Other borrowings				
* current	910	1,054	(144)	946
* non-current	366	733	(367)	1,283
6 Trade accounts payable	159,607	200,651	(41,044)	164,342
8 Payables - subsidiary companies	464	587	(123)	359
9 Payables - associate companies	7	-	7	-
10 Payables - parent companies	-	426	(426)	43
11 Tax liabilities				
* current	7,406	11,529	(4,123)	12,666
12 Social security liabilities	15,129	14,273	856	15,086
13 Other	22,643	26,238	(3,594)	23,972
Total liabilities	**928,424**	**373,956**	**554,468**	**504,523**
E) Accrued expenses and deferred income	9,584	**8,848**	**736**	**6,650**
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	**1,238,411**	**640,794**	**597,616**	**763,341**

OFF-BALANCE SHEET COMMITMENTS AND GUARANTEES				
Personal security provided	413,686	839,934	(426,248)	1,292,816
Purchase and sale commitments	509,061	475,986	33,074	410,785
Other guarantees and commitments	25,979	26,014	(35)	23,744
Total off-balance sheet commitments and guarantees	**948,725**	**1,341,934**	**(393,209)**	**1,727,345**

(1) income tax excluded from half-year results

Parent Company Income Statement

(figures in k€)	2004 Half-Year	2003 Half-Year	Change	2003 Full Year
A) Operating revenues				
1 Sales	514.619	492.739	21.880	1.060.584
5 Other operating revenues				
* contributions for operating expenses	35	5	30	46
* capital gains from sale of fixed assets	-	-	-	13.803
* other	27.244	24.395	2.849	51.817
Total operating revenues	**541.898**	**517.139**	**24.759**	**1.126.249**
B) Operating costs				
6 Cost of merchandize for resale and supplies	236.666	223.990	12.676	492.388
7 Cost of services	42.483	40.688	1.795	91.001
8 Lease, rental and royalty charges	52.861	49.169	3.692	105.766
9 Personnel costs:				
a) wages and salaries	91.682	90.028	1.654	182.337
b) social security charges	28.846	27.551	1.295	57.230
c) employee termination benefits	7.520	7.332	188	14.709
e) other	285	452	(167)	1.016
10 Depreciation, amortization and write-down:				
a) amortization of intangible assets	14.027	14.684	(657)	32.823
b) depreciation of property, plant and equipment	9.652	9.581	71	21.867
c) write-down of intangible assets and PPE	-	-	-	4.299
d) write-down of current receivables	250	-	250	1.185
11 Change in inventory levels	3.484	3.541	(57)	(2.742)
12 Provisions for liabilities and risk charges	975	-	975	1.183
13 Other provisions charges	9.190	828	8.362	7.098
14 Other operating costs	6.960	6.357	603	12.066
Total operating costs	**504.880**	**474.201**	**30.679**	**1.022.226**
Operating profit (A-B)	**37.018**	**42.937**	**(5.920)**	**104.023**
C) Financial income and costs				
15 Equity investments				
15 Equity investments in subsidiary companies	187	852	(665)	5.610
d) other financial income:				
* from subsidiary companies	1.522	1.192	330	3.825
* from others	3.479	4.646	(1.167)	6.833
17 Interest and other financial costs				
* subsidiary companies	(4)	(2)	(2)	(4)
* capital losses on sale of equity investments	-	-	-	(7.221)
* others	(13.924)	(10.922)	(3.002)	(20.504)
Total financial income and costs	**(8.740)**	**(4.234)**	**(4.506)**	**(11.462)**
D) Financial assets write-downs				
18 Revaluations of equity investments	8.118	4.806	3.312	21
19 Write-downs of equity investments	(3.186)	(26.787)	23.601	(49.447)
Total financial assets write-downs	**4.932**	**(21.981)**	**26.913**	**(49.426)**
E) Exceptional items				(1.302)
Profit before taxes	**33.210**	**16.722**	**16.487**	**41.834**
22 Income tax (1)	-	-	-	(28.339)
PROFIT FOR THE PERIOD	**33.210**	**16.722**	**16.487**	**13.495**

(1) Income tax excluded from half-year results.

Autogrill S.p.A.

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