



AUTOGRILL GROUP

CORPORATE GOVERNANCE REPORT

2007

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SECTION 1

1. Code of Ethics

Autogrill Group's Code of Ethics (hereafter the "Code of Ethics") was approved by the Board meeting on 6th November 2002 and subsequently modified in its meeting on 12th November 2003.

The Code of Ethics defines the founding principles and values that all members of the corporate organization are required to adhere to.

The Code of Ethics, which has been gradually adopted, with suitable adjustments, by all parts of the Group, sets out the objectives and values with respect to the main stakeholders with whom the Group's companies operate.

The principles contained in the Code of Ethics cover general duties of trust and integrity in the performance of employment contracts. Observance of the rules of conduct set out by the Code of Ethics ensures proper fulfilment of obligations arising from employment relationships as disciplined by the relevant contracts and laws.

To make it effective and binding, the Code of Ethics appears on the Company's website (www.autogrill.com) and on Company notice boards; a copy is also given to all new employees and collaborators of the Company as soon as they start working, and is handed out to all those who deal with Autogrill Group.

2. Sustainability report

In 2006, the Company published its 2005 sustainability report, which was audited by KPMG S.p.A. One of the document's aims is to make dialogue with stakeholders systematic also on the themes of corporate social responsibility and sustainable development, as well as to promote a culture of sustainability at every possible level within the organization.

The 2005 sustainability report appears on the Company's website (www.autogrill.com) and can also be obtained in hardcopy version from:

Autogrill S.p.A - Direzione Comunicazione e Affari Istituzionali - Centro Direzionale Milanofiori
Strada 5 Palazzo Z -20089 Rozzano – Milano – Telefono: 024826.1.

3. Compliance program pursuant to decree law 231/2001

In accordance with the provisions of decree law 231/01, Autogrill adopted the Compliance Program to ensure correctness and transparency in its operations. The Program was approved by the board of directors on 9th July 2003 and subsequently modified in line with amendments to the law.

The Company defined the activities of its various organizational structures, identified the business functions most exposed to the risks set out in decree law 231, 8th June 2001, and subsequent amendments, and created an archive of "sensitive" activities. For each sensitive activity identified, a risk assessment sheet was drawn up containing:

- i. identification of the various types of offence and circumstances that may lead to them;

- ii. identification of the existing prevention system;
- iii. an assessment of the adequacy of the prevention system.

In light of the above, the Compliance Program provides appropriate policies and measures to guarantee conduct of business in conformity with the law and to identify and eliminate situations of risk, as well as providing for penalties in the case of infringement.

The System is reviewed periodically and may be modified if there is a risk of infringement of its provisions or when there are changes in the Company's organization or business or in the relevant laws and regulations.

On 23rd February 2005, the Board updated the Program to provide for new offences contemplated in guidelines issued by Confindustria.

By resolution of the Board on 27 June 2006, the Company further modified the Compliance program pursuant to decree law 231/01 to come into line with new EU legislation on market abuse (2004) and introduced a policy on business with public administrations.

In the same meeting, the Board replaced the chairman of the statutory board of auditors with the head of the Group's corporate affairs department on the supervisory committee.

The supervisory committee, which has its own budget, is currently formed by one member of the internal control and corporate governance committee (Alfredo Malguzzi), the head of internal auditing (Silvio De Girolamo) and the head of Group corporate affairs (Diego Salvador).

In 2006, the supervisory committee met five times and reviewed:

- actual implementation of the Compliance Program and its various updates;
- the employee training programme focusing in particular on the Code of Ethics and the Program (esp. in connection with new market abuse and manipulation legislation requiring monitoring of sensitive activities involving high risk of committing offences in dealings with public administrations);
- the activities of the internal auditing function, which it uses to track implementation of the Program and check business processes.

SECTION 2

1. Compliance with the new Listed Companies Code of Self-Discipline

Autogrill S.p.A. (hereafter also the “Company”) has adopted the New Corporate Governance Code in the edition published by Borsa Italiana S.p.A. in March 2006 (hereafter the “Code of Self-Discipline”).

Meeting in November and December 2006 and January 2007, the Board took certain measures to implement the principles and recommendation in the New Corporate Governance Code and to complete this process in 2007 and subsequent years.

The measures already taken to comply with the Code of Self-Discipline and those programmed for the future are indicated hereunder.

The Company publishes an annual report on its corporate governance system and its compliance with the New Corporate Governance Code (hereafter also the “Report”). The Report illustrates the degree to which the Company abides by the principles and criteria of the Code and international *best practices*.

The Report is made available to the shareholders, annually, along with the other documentation required for shareholders’ meetings called to approve the financial statements, and is sent to the stockmarket operator, which makes it public; it is also posted on the Company’s website (www.autogrill.com).

In the Company’s 1st half and annual reports there is a section describing the corporate governance system and the recommendations adopted in implementing changes to it.

The corporate governance system, the adoption of recommendations of the New Corporate Governance Code and the implementation programme are indicated hereunder.

2. Role of the board of directors

Meeting on 19 December 2006 and 18 January 2007, the Board made certain modifications to its role, having received a favourable opinion from the internal control and corporate governance committee.

The activity of the board of directors and of the Company, also in their relations with Group companies, is based on the principles of correct corporate and business governance, the principles envisaged by the New Corporate Governance Code and the standards and values established in the Code of Ethics.

The Board has a general role covering the strategy and control of the Company’s business; it is in this regard that it takes the decisions necessary to implement the company’s business purpose.

In addition to those functions that cannot by law or the Company’s by-laws be delegated, the Board has exclusive responsibility for the following activities:

1. examination of the strategic, business and financial plans of the Company and the Group;
2. examination of Company and Group budgets and investment plans;
3. prior examination and approval of operations of significant strategic, economic or financial importance and especially situations in which one or more directors have an interest on their own or a 3rd party’s account and operations with correlated

parties.

In particular:

- capital expenditure, acquisitions, disposals, disposal of corporate equity investments, companies, company divisions, setting up of joint ventures and participation in tenders for f&b and retail services worth over 3 million euro;
 - loan transactions with lending institutes over the mid to long term;
 - issue of guarantees and bonds for amounts over 3 million euro;
4. prior examination of the operations in 3) above regarding Group companies;
 5. definition of corporate governance rules for the Company and guidelines for its subsidiaries;
 6. assessment of the adequacy of the organization, administration and general accounting of the Company and its main subsidiaries as defined by the chief executive officer;
 7. establishment of guidelines for and periodical verification of the adequacy and effectiveness of the internal control system, making sure that the main business risks affecting the Company and its subsidiaries are correctly identified and adequately measured, managed and monitored, and also establishing criteria for judging the compatibility of such risks with sound business practice;
 8. creation of a "Supervisory Committee" pursuant to decree law 231, 8 June 2001;
 9. assignment and revocation of functions and powers for directors and the executive committee, when established, and the setting of limits, operating procedure and the frequency, at least quarterly, of their reporting to the Board and Statutory Auditors regarding their actions in exercise of such functions and powers;
 10. fixing of the emoluments of the chief executive officer, vice-chairman (if appointed) and other directors with particular duties, after examining the proposals of the remuneration committee and hearing the board of statutory auditors; and if necessary, division of the overall sum into amounts due to individual members of the board of directors and its committees, in accordance with resolutions voted on this matter;
 11. assessment, as proposed by the chief executive officer and the remuneration committee, of the criteria for paying managers and the long-term and/or annual incentive plans for the management of the Company and Group;
 12. assessment of the general performance of the management, with special regard for information from the chief executive officer and (eventual) executive committee and periodical tracking of actual against forecast results;
 13. review, assessment and approval of financial reporting as required by current law.

In meetings on 8th November, 19th December 2006 and 18th January 2007, the Board reviewed and assessed the Company's and Group's organization, administration and accounting and internal control system on the basis of documentation submitted by the chief executive officer, and concluded that they were adequate in relation to the requirements and size of the Company and the Group. It also decided allocate a budget for the remuneration and internal control and corporate governance committees for 2007, as proposed by their respective chairmen.

2.1 Composition of the board of directors

The board of directors is composed of one or more executive directors (ie. the chief executive officer and the Chairman, if operating powers are invested in them, and directors performing management functions) and non-executive directors.

The current Board, in office till approval of the financial statements for 2007, was appointed by the shareholders' meeting on 27th April 2005 by list voting in accordance with art. 10 of the Company's by-laws.

Two lists were put forward: one by the majority shareholder Edizione Holding S.p.A., which nominated eight directors, and the other by a grouping of minority shareholders, which proposed three directors; the shareholders' meeting appointed all the directors thus nominated.

It consists of 11 members, of whom one is executive - Gianmario Tondato da Ruos, chief executive officer - and ten are non-executive directors: Gilberto Benetton (chairman), Alessandro Benetton, Giorgio Brunetti, Antonio Bulgheroni, Marco Desiderato, Sergio De Simoi, Sergio Erede, Gianni Mion, Gaetano Morazzoni and Alfredo Malguzzi.

Candidates' CVs and indications of eligibility for independent status¹ are made available to shareholders at the Company's registered office 15 days before the shareholders' meeting called for nominations

The Annexes to this Report contain tables showing the number of offices held by each director and statutory auditor in other companies listed in regulated markets (including foreign ones), finance companies, banks, insurance companies or large companies generally, and tables detailing, again for each director/statutory auditor, what such offices are and with what companies.

The Board decided that in 2007 it would review the maximum number of offices held in other companies that may be considered compatible with effective performance as a director of this Company.

The Board also decided to carry out an assessment of itself and its committees in accordance with the recommendations of the Code of Self-Discipline (actuation criterion 1.C.1g) and with the aid of external consultants. To this end, it charged two directors with the task of co-ordinating the self-assessment programme. The results will be reviewed in 2007.

2.2 Independent directors

Every year, the Board assesses all its members with respect to the relevant independence requisites, also on the basis of information supplied by the directors themselves, and then informs the market of its findings.

In 2006, given its term of office expires upon approval of the 2007 financial statements, the Board decided to continue to assess the independence of its members on the basis of the requisites in art. 3 of the July 2004 version of the Borsa Italiana S.p.A. Listed Companies Corporate Governance Code (hereafter the "Preda Code"), and in 2007 to consider the criteria recommended in art. 3 of the New Corporate Governance Code and subsequently implement its decisions on the matter.

¹ This phrase was introduced on 5th August 2004 by the board of directors pursuant to art. 7 of the Corporate Governance Code for Listed Companies issued by Borsa Italiana S.p.A in July 2004.

Meeting on 19th December 2006, the Board found that Giorgio Brunetti, Antonio Bulgheroni, Marco Desiderato, Gaetano Morazzoni and Alfredo Malguzzi were independent directors on the basis of the independence requisites indicated in art. 3 of the Preda Code.

In the same meeting, the Board designated Giorgio Brunetti the lead independent director. He will perform the functions contemplated in actuation criterion 2.C.3. of the new Code of Self-Discipline, as well as other functions typical of international best practice and in any case with a view to further refinements to be decided by Board.

2.3 Powers

The board of directors is a single, united body that balances the executive power invested in the chief executive officer, Gianmario Tondato da Ruos², with executive and non-executive directors having the experience and competencies required for effective dialogue and decision making in the corporate interest.

At every Board meeting and in any case at least quarterly, the chief executive officer or other directors vested with particular powers report on the exercise of such powers to the Board itself and the Board of Statutory Auditors.

2.4 Chairman

The Chairman, who is vested with certain powers under the provisions of law and the Company's by-laws but without executive functions, is responsible for the working of the Board, provision of information for the directors and co-ordination of the activities of the Board itself, and proposes initiatives that will deepen directors' knowledge of the Company and its operations.

With the agreement of the other directors, the Chairman's may invite managers of the Company or subsidiaries or consultants to Board meetings to illustrate Company or Group operations or technical matters.

2.5 Board meetings

Thanks in part to the regularity of its meetings (13 in 2006 and ten already planned for 2007), the Board is able to act in a timely and effective fashion and its composition is such as to ensure that, in its decisions, the Company's interests are paramount. Company and Group managers were always invited to meetings when items on the agenda involved their specific fields of competency and responsibility.

In accordance with the provisions of article 2.6.2, paragraph 1c, of Borsa Italiana SpA Regulations, on 15th January 2006 the Company informed the stock market management company of the annual calendar of corporate events for 2006.

² The chief executive officer has general executive powers; some must be used within the following limits: a) capital expenditure: up to €m; b) sale and exchange contracts for machinery, plant, equipment, materials and transport up to €3.1m per contract; c) consultancy contracts and intellectual and professional services in general up to €1m per fixed-term contract; d) acquisition and/or sale of company or company division: up to €1m all charges and liabilities included; e) leasing and sub-leasing contracts for building and similar units of property, renting and sub-renting of companies provided the initial leasing, renting, sub-leasing or sub-renting period doesn't exceed 9 years or any longer period fixed by the board of directors; said 9 year limit doesn't apply to leasing/sub-leasing or renting/sub-renting contracts involving shopping centres; f) acquisition, disposal and subscription of shares and company or consortium quotas up to €100,000 per operation; g) contracting of credit facilities, loans and credit mandates, also for subsidiaries: up to €3.1m; h) application, also on behalf of subsidiaries, for bank and/or insurance guarantees, letters guarantee and endorsement in general, issue of letters of indemnity and/or guarantee, endorsements, letters of comfort: up to €3.1m per operation; i) appointment of arbitrators: up to €1m per case but without limits if the Company is involved only passively in arbitration proceedings.

Operations over these limits are put to the board of directors.

At its meeting on 27th April 2004 the Board ascertained that the Company is not subject to management and co-ordination by its controlling company, Edizione Holding S.p.A., for the intents and purposes of art. 2497 bis of the Italian Civil Code.

Subsequently, following the contribution by Edizione Holding S.p.A. of its entire interest (57.09 %) in Autogrill S.p.A. to Schematrentaquattro S.r.l. (a wholly owned subsidiary of Edizione Holding S.p.A.), the Board decided in its meeting on 18 January 2006 that the Company continues to be independent of management or co-ordination by its controlling company, Schematrentaquattro S.r.l., for the intents and purposes of art. 2497 bis of the Italian Civil Code.

3. Price sensitive information

Meeting on 15 March 2006, the Board adopted a Group procedure for disclosure of price sensitive information pursuant to law 62/2005 on market abuse (the so-called “2004 EU law”).

The procedure disciplines the internal management and disclosure to the market of price-sensitive information, meaning information relating to Autogrill or its subsidiaries, its equity or any other financial instruments it issues, which is not yet in the public domain but which could, if made public, appreciably affect the price of its stock.

Price-sensitive information is disclosed to the market as soon as it is considered sufficiently certain so that all investors enjoy the same level of information.

The Company has also created a register of the names of natural or corporate persons who by virtue of their own work or their functions for Autogrill or its subsidiaries, have or may have regular or occasional access to price-sensitive information.

On being entered in the register, such persons are required to sign a confidentiality undertaking declaring that they are aware of the obligations and penal and administrative sanctions involved regarding the offences of “abuse of price-sensitive information” and “market abuse”.

The person responsible for keeping this register is the head of Group corporate affairs.

Further, the Company constantly applies the principles in Borsa Italiana S.p.A.’s “Guidelines for disclosure to the market” which assimilate existing provisions of law and regulations.

4. Formation and working of board of directors committees

4.1 Internal control

Since 24th April 2002, the Company has had an internal control committee, consisting of independent non-executive directors with powers to consult and make proposals and with the task of analyzing problems and assisting in decision making relevant to control of the Company’s activities.

On April 27th, 2005, the Board appointed directors Giorgio Brunetti (chair), Marco Desiderato and Alfredo Malguzzi as members of the internal control committee.

On 19th December 2006, the Board also assigned the internal control committee the task of proposing and advising on the adoption of corporate governance rules for the Company and Group. In the same meeting the Committee was renamed the “internal control and corporate governance committee”.

On 18 January 2007, the Board reviewed and assessed the internal control system on the basis of documents submitted by the chief executive officer and concluded that it was adequate for the needs and size of the Company and Group.

In the same meeting, the Board updated the Committee's Rules, which discipline appointments to and composition and operation of the Committee and assimilate the recommendations of the New Corporate Governance Code. These Rules are posted on the Company's website (www.autogrill.com).

The Committee's tasks include assisting the Board with advice and proposals on the following matters:

- a) definition of guidelines for the internal control system, so that the main risks facing the Company and its subsidiaries are correctly identified and adequately monitored, measured and managed, and also the establishment of criteria for judging the compatibility of such risks with sound business practice;
- b) selection of an executive director to oversee the workings of the internal control system;
- c) description (in the Corporate Governance Report) of the basic elements of the internal control system and judgement of its overall adequacy and functional effectiveness;
- d) adoption of corporate governance rules in the Company and Group.

The internal control and corporate governance committee is also required to:

- a) express its opinion, when requested by the Board, on the appointment or revocation of one or more persons to work in internal control and define their remuneration in line with Company policy;
- b) express opinions, when requested by the executive director appointed for the purpose, on aspects relating to the identification of the main business risks and the design, implementation and operation of the internal control system;
- c) evaluate the adequacy and uniformity of the accounting standards employed in preparing the consolidated financial statements; it does this together with the manager in charge of producing the Company's accounting documents and the Company's external accountants and having also consulted the statutory auditors;
- d) monitor the efficiency of the auditing system;
- e) evaluate the work plan drawn up by the internal auditing manager, from whom it receives reports, at last quarterly, on work done;
- f) examine the findings of internal auditing reports, notices from the board of statutory auditors or its individual members and reports and management letters from the external auditors;
- g) evaluate bids from accounting firms (which are selected and engaged by the Board and shareholders), oversee their work, examine audit plans and the results presented in their reports and management letters and in general assess their work, also with regard to the independence of their judgements;
- h) examine requests to use the external accountants who audit the financial statements to provide admissible extra-audit services and approve the relative procedures for their preliminary authorization;

- i) perform any other internal control tasks assigned to it by the Board, especially with respect to relations with the external auditors;
- j) report to the Board on work done and the adequacy of the internal control system at least half-yearly, when the 1st half and year end financial statements are approved.

In 2006, the internal control committee met seven times, the main matters under review being:

- the method used to define the 2006 audit plan prepared on the basis of risk analysis of all the Group's activities;
- reports issued by internal auditing in 2006;
- the adequacy of accounting standards, in agreement with the Group head of administration, finance and tax, the statutory auditors and the external auditors;
- selection and engagement of external auditors for the period 2006-2011 on the basis of technical, organizational and economic factors;
- "Implementation of Market Abuse and Market Manipulation regulations", a project ensuring proper compliance with the new law;
- co-sourcing of assistance for the internal auditing department from a firm different from one retained to audit the financial statements;
- activities involved in ensuring the Company's compliance with the Code of Self-Discipline.

4.2 Appointment of directors

The Board has not so far deemed it necessary, not even in relation to 6.P.2 of the Code of Self-Discipline, to set up an appointments committee because the shareholders have never had any difficulty in producing lists of candidates, nor the Board in replacing directors pursuant to art. 2386 Italian Civil Code and art. 10 of the by-laws.

4.3. Remuneration of directors

Since 15 May 2001, the Company has had a remuneration committee for the purpose of linking the remuneration system to the creation of value.

The remuneration committee has the task of preparing proposals for the Board regarding the remuneration of the chief executive officer and directors assigned to particular roles and both long-term and annual monetary incentive plans linked to the achievement of results and specific objectives, and of monitoring application of the Board's decisions. Further, to check that the remuneration systems are in line with the market, the Committee reviews, at the request of the chief executive officer, the remuneration criteria and the long-term and annual monetary incentive plans for the Company's and Group's management, which are subject to resolutions of the Board itself.

The remuneration committee, as recommended by the Code of Self-Discipline, is composed of non-executive directors, the majority of whom independent; the current members, some of whom appointed on 27th April 2005 and others, pursuant to the New Corporate Governance Code, on 18th January 2007, are Alfredo Malguzzi (chair), Gianni Mion and Antonio Bulgheroni.

In 2006, the remuneration committee met three times to examine and make proposals to the Board, which duly approved (i) the chief executive officer's emoluments (as detailed in the notes to the financial statements for 2006); (ii) the retention plan for the chief executive officer and top managers in the Company and Group (iii) modifications to the 2004-2006 three-year cash incentive plan and the introduction of the 2007-2009 three-year cash incentive plan tied to achievement of economic/financial results and role objectives by individual managers.

5. Internal Control System

Responsibility for the internal control system lies with the board of directors. The Board establishes guidelines for internal control and for corporate risk management. The chief executive officer, by virtue of a resolution of the Board on 18th January 2007 and in compliance with actuation criterion 8.C.5 of the New Corporate Governance Code, has the task of overseeing the workings of the internal control system. The Board periodically checks the operation of the internal control system, with the help of the internal control and corporate governance committee and the internal auditing function.

The internal control system is a set of rules, procedures and organizational structures designed to identify, measure, manage and monitor the main business risks to ensure sound conduct of business in line with pre-established objectives.

The system works through:

- “front line controls” entrusted to the individual operating units or companies in the Group and carried out on their own processes; responsibility for these controls is delegated to operational management and is an integral part of every company process.
- the internal auditing function, headed by the “internal control manager” (hierarchically independent of operating managers and reporting direct to the chief executive officer, the internal control committee and the board of statutory auditors), which supervises the functioning of front-line controls on the basis of risk analysis of all activities and processes in all Group companies by means of:
 - specific audits; and
 - follow up of corrective action defined in the audit phase for the purpose of improving the internal control system.

Staff working in the Company's internal control system monitor a range of factors providing a continually updated picture of the market and the economic phenomena affecting it so that potential risks can be dealt with and opportunities exploited.

This activity covers all the geographical regions where the Group operates, including emerging markets.

Audit results are promptly communicated to the chief executive officer and the rest of the top management and at least quarterly to the internal control and corporate governance committee and the board of statutory auditors, which monitors the adequacy of internal control system as required by art. 149, decree law 58, 24th February 1998 (Consolidated Financial Act, - TUF).

In 2007, the Board will examine and assess, at the chief executive officer's proposal, the adoption of the sub-criterion in C) of actuation criterion 8.C.5 of the New Corporate

Governance Code regarding the appointment and remuneration of the internal control manager.

6. Directors' interests and operations with related parties

The Board approved the procedure for operations with Related Parties in a meeting on 24th January 2006. The procedure disciplines both operations with related parties in the course of normal business that are not particularly critical (Normal Operations) and those outside day-to-day business (Significant or Significant and Major Operations).

At every meeting, the Board is provided with adequate information about operations with related parties, even when arising in the exercise of delegated powers. Operations undertaken by the Company with related parties [as defined by international accounting standard (IAS) 24, which was assimilated into Italian law by CONSOB resolution 14990/2005] and infra-Group operations are at arms length, i.e. under terms and conditions that would have been applied between two independent parties respecting the principles of correctness in substance and procedure.

Normal Operations, including infra-Group business, are communicated to Autogrill's Board on an information basis.

Significant or Significant and Major Operations are submitted to Autogrill's Board for approval.

If the Board votes on an operation, any director who has an interest in it, even if only potential or indirect, must promptly inform the meeting of the existence and circumstances of such interest and leave the room for the vote provided this doesn't affect the quorum, in which case the director would merely remain silent and abstain from voting.

To ensure that conditions stipulated with related parties do not differ from conditions that would have been negotiated with non-related parties, the Board may call in independent experts, where the nature, value or other characteristics of the operation require it, to give a technical, legal or financial opinion and may even engage separate experts for each related party in particularly significant cases.

Significant and Major Operations, ie. those that could have a major impact on the Company's equity or on the completeness and correctness of information (including accounting) relating to Autogrill, are made public in an information document or press release drawn up for the purpose and subject to approval by the Board.

Operations with Related Parties are outlined in a specific section of the directors' annual report.

To date, neither Autogrill SpA nor its subsidiaries have carried out any operations with Related parties involving amounts or methods or periods of time requiring disclosure to the market pursuant to art. 71-bis, CONSOB resolution 11971, 14th May 1999, and subsequent changes.

Further, it should be noted that contractual relationships involved in the assignment of f&b and retail services located along motorways operated by Autostrade Group are based on competitive and transparent procedures managed by an independent advisor in accordance with the provisions adopted by the Antitrust Authorities.

7. Internal dealing procedure

In its meeting on 15th March 2006, the Board also adopted an internal dealing procedure in compliance with EU legislation (2004) to replace the internal dealing code approved on 6th November 2002 and subsequent amendments.

The key features of the new procedure include the narrowing down of the categories of subject to be considered “relevant” (now only Autogrill directors and statutory auditors and their close relatives and Autogrill’s parent company) and who must disclose transactions involving shares or any other financial instruments issued by the Company. Further, the ceiling value of transactions to disclose to the market was lowered to €5,000. And lastly, relevant persons may now make such disclosures directly or through the Company.

Relevant persons may not carry out transactions involving the Company’s financial instruments during the periods prior to the approval of financial reports.

The person charged with receiving, handling and disclosing the information required under the Procedure is the Group corporate affairs manager.

8. Statutory auditors

In accordance with decree law 58 (TUF – Consolidated Finance Acts), 24th February 1998, the Company has written into its by-laws provisions allowing a member of the board of statutory auditors to be elected from a voting list.

Lists of candidates, accompanied by full details of their personal and professional backgrounds, are lodged at the Company’s registered office at least 15 days before the shareholders’ meeting.

Lists of candidates, together with their CVs, are promptly posted on the Company’s website (www.autogrill.com).

The current statutory auditors were appointed by the shareholders on 27th April 2006 by list voting pursuant to art. 19 of the by-laws and will hold office till approval of the financial statements at 31.12.2008. They are: Luigi Biscozzi (chair), Gianluca Ponzellini and Ettore Maria Tosi (standing auditors) and Giorgio Silva and Graziano Gianmichele Visentin (reserve auditors).

The chairman of the board of statutory auditors was chosen from amongst the auditors elected by minority shareholders, as required by art. 148, decree law 58/1998.

In accordance with art. 3, Ministry of Justice/Treasury decree 162, 30th March 2000, the Board has verified that the members of the current board of statutory auditors meet the requirements set out in art. 1 and 2 of said decree. In particular, the current statutory auditors are all in the Register of chartered accountants and have been practising for at least three years.

Meeting on 17th January 2007, the statutory auditors formally acknowledged the process of updating and implementing the rules of corporate governance in line with the new Code of Self-Discipline.

Given also that the 3-year term of office required by law doesn’t allow for early renewal, the statutory auditors ascertained, in the same meeting, that all its members held the independence requisites indicated in art. 3 of the previous “Preda Code”.

9. External accountants

Meeting on 29th July 2005, the board of directors adopted a Group procedure for engaging external accountants for Autogrill and its subsidiaries. The procedure ensures that the accounting firm retained by the Group parent company is also engaged to audit Autogrill S.p.A.'s subsidiaries. Engagement of accounting firms other than the one indicated by the Group parent company must be fully justified and agreed to in advance with Autogrill's internal control and corporate governance committee.

The procedure is also designed to guarantee the independence of the accounting firm with respect to its client. To this end, the accounting firm in question may not be engaged to provide any services that are incompatible with their auditing work under current law.

This procedure was applied for the first time at the shareholders' meeting on 27th April 2006, when Milan-based KPMG S.p.A. was engaged to audit the Company's accounts for the six-year period 2006-2011.

10. Shareholders and shareholders' meetings

The Company publishes adequate information, within the terms required by law, so that shareholders can take part in shareholders' meetings.

In 2006, there was one shareholders' meeting, on 27th April, which voted on, among other things, the appointment of statutory auditors, the engagement of external accountants for the six-year period 2006-2011 and authorization to acquire and eventually dispose of Autogrill S.p.A. shares on the terms and conditions set forth in the relevant directors' report.

The rules disciplining the conduct of shareholders' meetings can be consulted on the Company's website (www.autogrill.com).

In 2006, www.autogrill.com was completely overhauled and extended, with new sections on corporate governance, so that all shareholders and stakeholders may always have on-line access to accounting and corporate documentation, financial press releases, procedures, codes and other information about the Company.

11. Investor relations

The Company's interest in establishing and maintaining a continual dialogue with shareholders in general and with institutional investors and analysts in particular, resulted in the establishment in 1997 of the investor relations department, which, duly equipped with the necessary means and professional skills, carries out its functions in keeping with the decisions made by the Company's senior management partly by legally required publication of financial reporting and also by timely communication of other important events and by organizing regular phone contacts and meetings with analysts and investors.

In 2006, Investor Relations activities included:

- **over 200** meetings with investors (one to one);
- **11** road shows;
- **1** analysts' meeting (presentation of the 2005 financial statements);
- **three** conference calls for the quarterly and 1st half reports.

The key events in terms of communication between shareholders and the board of directors are the publication of quarterly reports and the annual general meeting.

The following board and shareholders' meetings are scheduled for 2007:

12.03.2007	Board meeting to examine and approve the consolidated financial statements of Autogrill Group and the draft statements of Autogrill S.p.A. at 31 st December 2006.
24.04.2007/ 02.05.2007	Shareholders' meeting to approve the financial statements for 2006 (1 st and 2 nd calls).
10.05.2007	Board meeting to examine and approve the report for the quarter to 31 st March 2007.
11.09.2007	Board meeting to examine and approve the 1 st half report as of 30 th June 2007.
09.11.2007	Board meeting to examine and approve the report for the quarter to 30 th September 2007.

12. Annexes

The following tables are attached to this report as annexes:

- Board of directors and committees
- Other offices held by directors
- Board of statutory auditors
- Other offices held by statutory auditors
- Other provisions of the Code of Self-Discipline

Rozzano, 18th January 2007

TABLE 1: THE BOARD OF DIRECTORS AND ITS COMMITTEES

Board of directors							Internal control committee		Remuneration committee	
Office	Members	Executive	Non-executive	Independent	% attendance	Number of other offices*		%		%
Chairman	Gilberto Benetton		X		100%	10				
CEO	Gianmario Tondato Da Ruos	X			100%	3				
Director	Alessandro Benetton		X		69.2%	7				
Director	Giorgio Brunetti*		X	X	100%	4	X	100%		
Director	Antonio Bulgheroni		X	X	46.2%	6			X	100%
Director	Marco Desiderato*		X	X	100%	7	X	100%		
Director	Sergio De Simoi		X		92.3%	7				
Director	Sergio Erede		X		84.6%	10			X	100%
Director	Gianni Mion		X		92.3%	11			X	100%
Director	Alfredo Malguzzi*		X	X	100%	10	X	100%		
Director	Gaetano Morazzoni		X	X	92.3%	5				

Reasons why there is no committee for appointing directors:			
The Board has not so far deemed it necessary, also in view of 6.P.2, the new Corporate Governance Code, to set up a committee for the appointment of directors because the shareholders have never had any difficulty in putting forward candidates nor the Board in replacing directors pursuant to art. 2386, Italian Civil Code and art. 10, Company by-laws.			
Number of meetings in 2006	Board: 13	Internal control committee: 7	Remuneration committee: 3

NOTES

- * An asterisk means the director was appointed from a minority shareholders list.
- ** This column shows the number of offices (director/statutory auditor) held in other companies listed on regulated markets, including foreign ones, in finance companies, banks, insurance companies or large companies.

LIST OF DIRECTORS' OTHER OFFICES

Director	Office	Company
Gilberto Benetton	Chairman Vice-chairman Vice-chairman Director Director Director Director Director Director Chairman	Edizione Holding SpA Olimpia S.p.A. Telecom Italia S.p.A. Autostrade S.p.A. Benetton Group S.p.A. Lloyd Adriatico S.p.A. Mediobanca S.p.A. Pirelli e C. S.p.A. Schemaventotto S.p.A. Sintonia S.p.A.
Gianmario Tondato	Director Lead independent Director Director	Aldeasa S.A. Lottomatica S.p.A. Guala Closures SpA
Alessandro Benetton	Director and vice-chairman Vice-chairman and executive committee member Director and chairman Supervisory board member Chairman Chairman Director	NordEst Merchant S.p.A. Benetton Group S.p.A. 21 Partners SGR S.p.A. 21 Centrale Partners S.A. 21, Investimenti Partners S.p.A. 21, Investimenti S.p.A. Edizione Holding S.p.A.
Giorgio Brunetti	Director Director Director Director	Carraro S.p.A. Messaggerie Libri S.p.A. Messaggerie Italiane S.p.A. Benetton Group S.p.A.
Antonio Bulgheroni	Chairman and CEO Chairman Chairman Chairman Director and executive committee member Director	Lindt & Sprungli S.p.A. Caffarel S.p.A. Ferro Tubi Lamiere Rossi S.p.A. Banca Popolare Commercio e Industria S.p.A. Chocoladefabriken Lindt & Sprungli AG Banche Popolari Unite S.c.r.l.
Marco Desiderato	Chairman Director Director Director Director Director Director	Millennium Sim S.p.A. Lames S.p.A. Istituto Ligure Mobiliare S.p.A. Capitalimpresa S.p.A. Ligurcapital S.p.A. Fidimpresa Liguria S.c.r.l. Lertora & Partners Insurance Brokers S.r.l.
Sergio De Simoi	Director Director Director Director Director Director Statutory auditor	Autostrade S.p.A. 21, Investimenti S.p.A. 21, Investimenti Partners S.p.A. Schemaventotto S.p.A. Sintonia S.A. Sintonia S.p.A. Olimpia S.p.A.
Sergio Erede Sergio Erede	Director Director Director Director Director Director	Manifatture Lane Gaetano Marzotto & Figli S.p.A. Interpump Group S.p.A. Manuli Rubber Industries S.p.A. Carraro S.p.A. Company Italo Britannica L. Manetti – H. Roberts S.p.A. Luxottica Group S.p.A.

	Director Director Director Vice-chairman	Valentino Fashion Group S.p.A. Group Editoriale L'Espresso Spa BNL Progetto SpA Banca Nazionale del Lavoro SpA
Gianni Mion	Director Director Director CEO Director Director Director Director Director Director CEO	21, Investimenti S.p.A. Autostrade S.p.A. Benetton Group S.p.A. Edizione Holding S.p.A. Olimpia S.p.A. Schemaventotto S.p.A. Telecom Italia S.p.A. Luxottica Group S.p.A. Cartiere Burgo S.p.A. Aeroporti di Roma S.p.A. Sintonia S.p.A.
Alfredo Malguzzi	Director Director Director Sole director Chairman of statutory auditors Chairman of statutory auditors Statutory auditor Statutory auditor Statutory auditor	Locman S.p.A. Borgo Scopeto e Caparzo S.r.l. Company Agricola FinecoBank S.p.A. Nebula S.r.l. Cargoitalia S.p.A. Consilium SGR S.p.A. Egidio Galbani S.p.A. Group Lactalis Italia S.p.A. biG S.r.l.
Gaetano Morazzoni	Chairman Director Vice-chairman Director Chairman	Spea Ingegneria Europea S.p.A. Autostrada Autocamionale della Cisa S.p.A. Fondazione Fiera Milano S.p.A. Aeroporti di Firenze S.p.A. Autoparco Brescia Est S.r.l.

TABLE 2: BOARD OF STATUTORY AUDITORS

Office	Members	Percentage attendance of Board meetings	Number of other positions**
Chairman	Luigi Biscozzi	100%	--
Standing Auditor	Gianluca Ponzellini	100%	2
Standing Auditor	Ettore Maria Tosi	100%	--
Substitute Auditor	Giorgio Silva	=	
Substitute Auditor	Graziano Gianmichele Visentin	=	
Number of meetings held in 2006: 8			
Indicate the quorum required for the presentation of lists by minority shareholders for the election of one or more standing auditors (in accordance with art. 148 TUF – Consolidated Finance Acts): 3%			

NOTES

* An asterisk means the auditor was appointed from a minority shareholders list.

** This column shows the number of offices (director/statutory auditor) held in other companies listed on regulated Italian markets.

LIST OF STATUTORY AUDITORS' OTHER OFFICES

Statutory auditor	Office	Company
Luigi Biscozzi	Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Standing auditor Standing auditor Standing auditor Standing auditor Standing auditor Standing auditor	Costa Crociere S.p.A. Fire S.p.A. New Mood S.p.A. Polimeri Europa S.p.A. Syndial S.p.A. Touring Editore S.r.l. Touring Servizi S.r.l. Touring Vacanze S.r.l. Touring Viaggi S.r.l..
Gianluca Ponzellini	Standing auditor Member of Supervisory Board Chairman of statutory auditors Standing auditor Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Standing auditor Chairman of statutory auditors Standing auditor Chairman of statutory auditors Chairman of statutory auditors Director Chairman of statutory auditors Standing auditor Standing auditor Standing auditor Standing auditor Chairman of statutory auditors Standing auditor Standing auditor Standing auditor Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Standing auditor Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Chairman of statutory auditors Standing auditor Chairman of statutory auditors Standing auditor Standing auditor Standing auditor Standing auditor Standing auditor Chairman Director	Banca Caboto S.p.A. Intesa San Paolo S.p.A. Banca Intesa Private banking S.p.A. Casa Editrice Universo S.p.A. De Longhi S.p.A. De Longhi Capital Services S.p.A. Dì per dì S.r.l. GS S.p.A. ECS International Italia S.p.A Euromobiliare Asset Management SGR Luisa Spagnoli S.p.A. Paravia Bruno Mondadori Edit. S.p.A. Schemaventotto S.p.A. Autogrill International S.r.l. Alfa SpA AMPS ENERGIE Srl Caretti & Associati S.p.A. Casa Damiani Didieffe Editoriale S.p.A. Del Duca Editori S.r.l. Edizioni del Duca S.p.A. Edizioni Bruno Mondadori S.p.A. Etnastore S.p.A. Finmar S.p.A MAR S.p.A. Nuova C.V. S.r.l. Nuova D.M. S.r.l. Nuova D.P. S.r.l. Nuova DSL S.r.l. Nuova S.D. S.r.l. Pegaso S.p.A Spaim S.p.A. Spama S.r.l Spapi S.r.l. SSC S.r.l. Sviluppo Alimentare S.r.l. Tre D Editoriale S.p.A. Unimedia S.r.l. Unistar S.r.l. Unitop S.r.l. Universo Pubblicità S.r.l. Universo S.p.A. World Servizi Editoriali S.p.A. Metodo Srl Senatus Srl
Ettore Maria Tosi	Standing auditor Standing auditor Standing auditor Standing auditor Standing auditor Standing auditor	Alenia Aermacchi S.p.A. Autogrill International S.r.l. Dasit S.p.A. Hay Group S.r.l. IBT S.p.A. Logic S.p.A. Edilmarket

Ettore Maria Tosi	Standing auditor Standing auditor Standing auditor Standing auditor Standing auditor	Santanna Srl Xilon Srl Draba Srl Fidecos SpA Zaira Srl Finanziaria Tre Gigli Spa
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TABLE 3: OTHER PROVISIONS OF THE CODE OF SELF-CONDUCT

	YES	NO	Summary of reasons for any departure from the recommendations of the Code
System of delegated powers and operations with related parties			
Has the Board assigned powers and defined their:			
a) limits	X		
b) procedures	X		
c) frequency of reporting?	X		
Has the Board reserved for itself the examination and approval of operations of a certain economic, corporate and financial importance (including operations with related parties)?	X		
Has the Board defined guidelines and criteria to identify "significant" operations?		X	
Are the guidelines and criteria set out above described in the report?	X		
Has the Board defined specific procedures for the examination and approval of operations with related parties?		X	To date, neither Autogrill SpA nor its subsidiaries have carried out operations with Related parties involving amounts or methods or periods of time requiring disclosure to the market pursuant to art. 71-bis, CONSOB resolution 11971, 14 th May 1999, and subsequent changes.
Are the procedures for the approval of operations with related parties described in the report?	X		
Procedures adopted at the most recent director and statutory auditor nominations			
Were candidacies for the post of director filed at least ten days before the nomination?	X		
Were the candidacies for the post of director accompanied by exhaustive information?	X		
Were the candidacies for the post of director accompanied by an indication of the suitability to stand as independents?	X		
Were candidacies for the post of auditor filed at least ten days before the nomination?	X		
Were the candidacies for the post of auditor accompanied by exhaustive information?	X		
Shareholders' meetings			
Has the company approved shareholders' meeting rules?	X		
Are the rules attached to the report (or is it indicated where they can be obtained/downloaded)?	X		
Internal control			
Has the company appointed internal control managers?	X		
Are the managers hierarchically independent of managers of operational areas?	X		
Organizational unit for internal control (in accordance with art. 9.3 of the Code)			INTERNAL AUDITING and CSR
Investor relations			
Has the company appointed an investor relations manager?	X		
Organizational unit and details (address/telephone/fax/e-mail) of the investor relations manager.			INVESTOR RELATIONS OFFICE – Elisabetta Cugnasca – Company Centro Direzionale Milanofiori – Strada 5, Palazzo Z tel: 02-48263246 fax: 02-48266246 – elisabetta.cugnasca@autogrill.net

Autogrill S.p.A.

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