Autogrill Group

Consolidated Half-Year Financial Report at 30 June 2018

(Translated from the original version issued in Italian)

Boards and officers

Board of Directors [1]

Chairman [2, 3]

Gilberto Benetton

CEO [2, 3, 4]

Gianmario Tondato Da Ruos [E]

Directors

Alessandro Benetton
Franca Bertagnin Benetton
Francesco Umile Chiappetta [6, 7, I]
Cristina De Benetti [6, I]
Massimo Di Fasanella D'Amore di Ruffano [5, 8, I, L]
Ernesto Albanese [7, I]
Marco Patuano [5]
Maria Pierdicchi [8, I]
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Paolo Roverato [6, 8]
Catherine Gerardin Vautrin [5, I]

Secretary
Paola Bottero

Board of Statutory Auditors [9]

Marco Rigotti [10]	Chairman
Antonella Carù [10]	Standing auditor
Massimo Catullo [10]	Standing auditor
Roberto Miccù[10]	Alternate auditor
Patrizia Paleologo Oriundi [10]	Alternate auditor

Independent auditors [11]
Deloitte & Touche S.p.A.

[1] Appointed during the annual general meeting of 25 May 2017; in office until approval of the 2019 financial statements
[2] Appointed during the Board of Directors meeting held on 25 May 2017
[3] Powers assigned by law and the company's by-laws, particularly legal representation with individual signing authority
[4] Powers of ordinary administration, with individual signing authority, per Board resolution of 25 May 2017
[5] Member of the Strategies and Investments Committee
[6] Member of the Internal Control, Risks and Corporate Governance Committee
[7] Member of the Related Party Transactions Committee
[8] Member of the Human Resources Committee
[9] Elected by the annual general meeting of 24 May 2018; in office until approval of the 2020 financial statements
[10] Chartered accountant/auditor
[11] Assignment granted by the annual general meeting of 28 May 2015, to expire on approval of the financial statements at 31 December 2023
[E] Executive director
[I] Independent director as defined by the Corporate Governance Code for Listed Companies (version approved in July 2014 by the Corporate Governance Committee and endorsed by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria) and pursuant to Articles 147 *ter* (4) and 148 (3) of Legislative Decree 58/1998
[L] Lead Independent Director

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Definitions and symbols

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

Revenue: in the directors' interim report on operations this refers to operating revenue, excluding fuel sales. Costs as a percentage of revenue are calculated on this basis. Fuel sales are classified net of the corresponding cost under "Other operating income."

Like-for-like growth: this measures sales performance by adjusting organic revenue growth for the impact of store openings and closures and changes in the calendar. Organic revenue growth is calculated by adjusting sales for the two periods for the effect of acquisitions, disposals and exchange rates (by translating prior-year sales at the current, half-year exchange rate) and then comparing the two figures.

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

Underlying: an alternative performance measure calculated by excluding certain revenue or cost items in order to improve the interpretation of the Group's normalized profitability for the semester. Specifically, it excludes the cost of the phantom stock option plans and the performance share units, the early retirement costs linked to the 2018 “intergenerational pact” which is described in greater detail in the Notes there to, the capital gains generated by the disposal of business operations, the corporate reorganization costs incurred in the second half of 2017, the non-recurring benefit stemming from the 2017 U.S. tax reform, as well as the ancillary costs linked to the purchase of equity holdings. Please refer to the section on “Alternative Performance Measures” for more information about the measures used in this report.

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

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

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

1 Directors' interim report on operations

1.1 The Autogrill Group

Autogrill is the world's largest provider of food & beverage services for travelers and is the recognized leader of the North American and Italian markets.

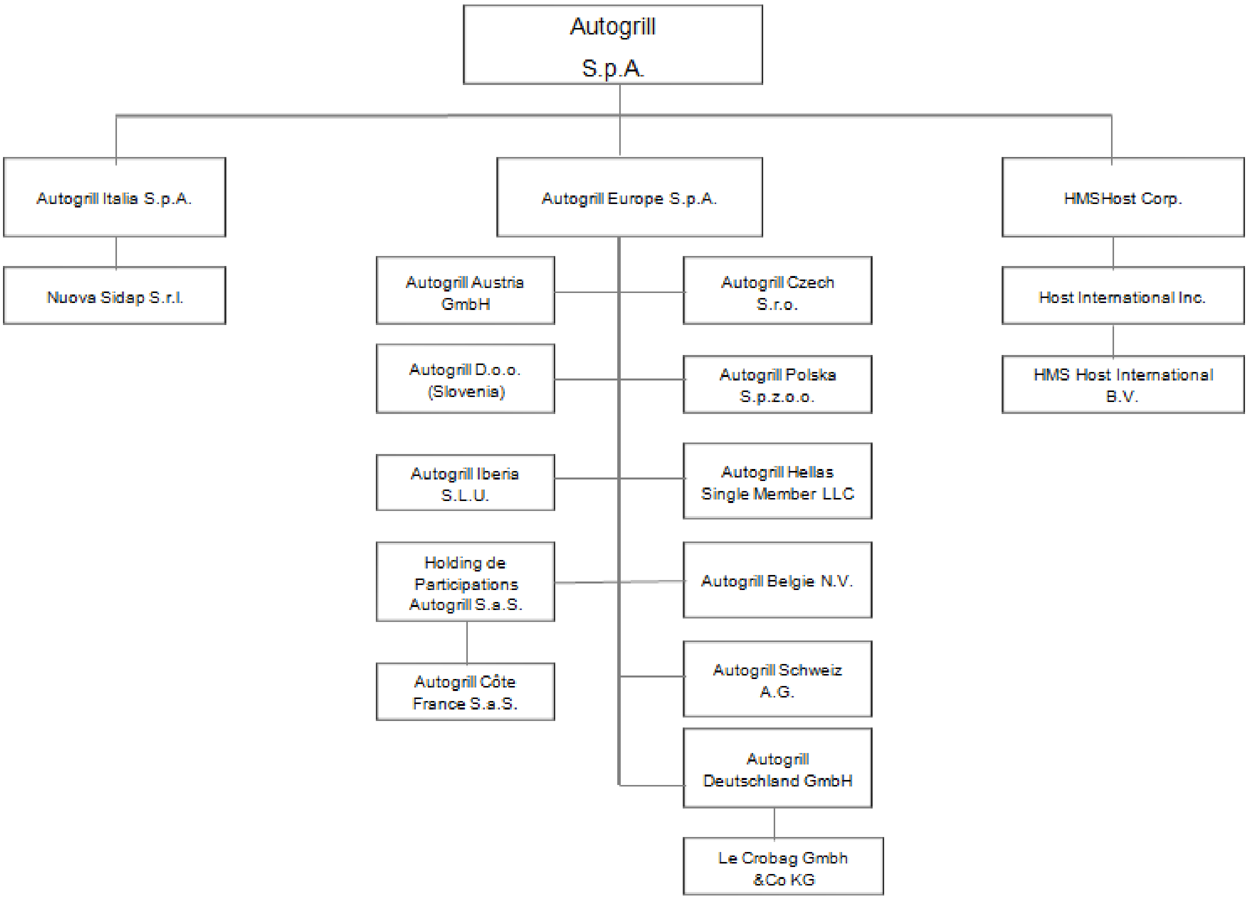
Present in 31 countries with a workforce of more than 58,000, it manages about 4,000 establishments in approximately 1,000 locations. It operates mainly through concessions and subconcessions: at airports, along motorways and in railway stations, as well as on high streets and at shopping centers, trade fairs and cultural attractions.

The Group manages a portfolio of about 300 brands, both international and local, and offers a highly varied selection including proprietary brands and concepts (such as Ciao, Bistrot, Puro Gusto, Motta, Bubbles, Beaudevin, Burger Federation and Le Crobag) and others owned by third parties. The latter include international household names (such as Starbucks Coffee, Burger King and Pret A Manger) as well as emerging national brands (Leon, Shake Shack, Chick-fil-A and Panda Express).

1.2. Change in the scope of consolidation

Through its German subsidiary Autogrill Deutschland GmbH, on 28 February 2018 the Group purchased the entire share capital of Le Crobag GmbH & Co. KG and F.F.N. GmbH (not operative company) which manage Le Crobag food and beverage activities in railway and subway stations in Germany, Austria and Poland. In 2017, Le Crobag grossed € 80m, including € 57m from the stores it operates directly.

Simplified Group structure[1]



[1] Where not otherwise specified, all companies are wholly owned. See the annexes to the half-year financial report for a complete list of

1.3 Group performance

Sales rose 5.2% in the first half at constant exchange rates (-1.1% at current exchange rates due to the significant weakening of the US dollar), with like-for-like growth of 3.9%, driven by like-for-like performance at airports (+5.3%) which comprise the Group's primary business channel.

Profit-wise, there was a slight decline in underlying EBITDA at constant exchange rates (-1.3%) mainly linked to cost pressure in North America in relation, particularly, to the labor cost.

In the first half the Group's renewals and new awards amounted to €1.644 m, with an average duration of 7.6 years. Below are the details by geographical area:

New awards and renewals

(€m)	New	Renewed
North America	234	439
International	450	-
Europe	338	183
Total	**1,022**	**622**

Group condensed income statement[2]

(€m)	First half 2018	% of revenue	First half 2017	% of revenue	Change 2017	Change at constant exchange rates
Revenue	2.105,8	100,0%	2.129,1	100,0%	-1,1%	5,2%
Other operating income	56,5	2,7%	52,0	2,4%	8,6%	9,8%
Total revenue and other operating income	**2.162,3**	**102,7%**	**2.181,1**	**102,4%**	**-0,9%**	**5,3%**
Raw materials, supplies and goods	(656,4)	31,2%	(658,7)	30,9%	-0,4%	4,8%
Personnel expense	(729,2)	34,6%	(734,2)	34,5%	-0,7%	5,7%
Leases, rentals, concessions and royalties	(391,4)	18,6%	(387,2)	18,2%	1,1%	7,6%
Other operating expense	(258,4)	12,3%	(256,6)	12,1%	0,7%	6,8%
EBITDA	**126,9**	**6,0%**	**144,3**	**6,8%**	**-12,1%**	**-3,4%**
Depreciation, amortisation and impairment losses	(102,6)	4,9%	(99,4)	4,7%	3,2%	10,2%
EBIT	**24,2**	**1,2%**	**44,9**	**2,1%**	**-46,0%**	**-36,6%**
Net financial expense	(12,7)	0,6%	(13,0)	0,6%	-2,1%	6,5%
Income (expenses) from investments	0,2	0,0%	0,4	0,0%	-47,2%	-39,4%
Pre-tax Profit	**11,7**	**0,6%**	**32,3**	**1,5%**	**-63,7%**	**-56,0%**
Income tax	(9,0)	0,4%	(19,1)	0,9%	-52,7%	-47,3%
Net result attributable to:	**2,7**	**0,1%**	**13,2**	**0,6%**	**-79,7%**	**-71,7%**
- owners of the parent	(3,4)	0,2%	6,0	0,3%	n.s.	n.s.
- non-controlling interests	6,1	0,3%	7,2	0,3%	-15,7%	-6,0%
Earnings per share (€/cents.)						
- basic	-1,3		2,4			
- diluted	-1,3		2,4			

[2] "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated income statement primarily because they do not include revenue from the sale of fuel and the related cost, the net value of which is classified as "Other operating income" in accordance with Group protocol for the analysis of figures. This revenue came to €197.7m in the first half 2018 (€195.3m in the first half 2017) and the cost to €188.3m in the first half 2018 (€186.5m in the first half 2017).

Alternative performance measures

The comparison of the results for the half is influenced significantly by:

- the costs for the stock-based management incentive plans; the estimated costs for the "Phantom Stock Option Plan" were, in fact, impacted materially by the change in Autogrill's stock price, particularly important in 2017. The costs relating to the new "Performance Share Units Plan" were also taken into account in the first half 2018. The costs for these plans amounted to €2.7m in the first half 2018 (€10.4m in the first half 2017);
- the early retirement costs of €9.0m (not present in the first half 2017) linked to the "intergenerational pact" introduced in Italy[3] which should not be incurred again as the pact is part of a non-recurring strategy which has an adverse impact on the performance indicators found in the consolidated income statement prepared in accordance with IAS 1;
- the costs incurred in 2018 for the Le Crobag acquisition of €0.9m. In the event of a successful acquisition, the expenses related to the acquisition are considered ancillary costs part of the acquisition costs without penalizing the consolidated economic results.

An income statement that does not show the impact of these components separately provides a distorted view of the Group's profitability from one year to the next, and thus limits the value of the condensed consolidated income statement (shown above) and the consolidated income statement prepared in accordance with IAS 1.

On the basis of semester result and considering the significant impact of the above factors on the Group's performance, the following alternative performance measures are thought to be useful: EBITDA underlying, EBITDA margin underlying, EBIT underlying, net profit underlying (attributable to shareholders of the parent) and earnings per share underlying. These are calculated as shown below:

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
EBITDA	**126.9**	**144.3**	**-12.1%**	**-3.4%**
EBITDA margin	**6.0%**	**6.8%**		
Stock-based management incentive plan's costs	2.7	10.4		
Intergenerational pact	9.0	0.0		
Le Crobag acquisition costs	0.9	0.0		
EBITDA underlying	**139.5**	**154.7**	**-9.8%**	**-1.3%**
EBITDA margin underlying	**6.6%**	**7.3%**		

[3] Please refer to note XXIII Provisions for risks and charges of the explanatory Notes to the consolidated Half-Year Financial Report.

(€m)	First half 2018	First half 2017	Change	
			2017	at constant exchange rates
Operating profit (EBIT)	**24.2**	**44.9**	**-46.0%**	**-36.6%**
Stock-based management incentive plan's costs	2.7	10.4		
Intergenerational pact	9.0	0.0		
Le Crobag acquisition costs	0.9	0.0		
Operating profit (EBIT) underlying	**36.9**	**55.3**	**-33.3%**	**-23.5%**

(€m)	First half 2018	First half 2017	Change	
			2017	at constant exchange rates
Net profit (attributable to shareholders of the parent)	**(3.4)**	**6.0**	**n.s.**	**n.s.**
Stock-based management incentive plan's costs	2.7	10.4		
Intergenerational pact	9.0	0.0		
Le Crobag acquisition costs	0.9	0.0		
Fiscal effect	(2.2)	(1.0)		
Net profit underlying (attributable to shareholders of the parent) (*)	**7.0**	**15.4**	**-54.2%**	**-41.9%**
Earnings per share - basic (€/cents.)	-1.3	2.4		
Earnings per share underlying - basic (€/cents.)	2.8	6.1		

(*) Following the U.S. tax reform enacted at the end of 2017, tax for the first half 2018 was determined based on the new tax rate and on a way of calculating taxable income resulting in a tax burden that is lower than the comparative period. In the note XXXIII of the Notes to the interim consolidated financial statements is reported the reconciliation between the tax charge recognised in the consolidated financial statements and the theoretical tax charge.

Revenue

The Group earned consolidated revenue of € 2,105.8m in the first six months of 2018, an increase of 5.2% at constant exchange rates (-1.1% at current exchange rates) on the revenue of € 2,129.1m posted in the first half 2017.

(€m)	First half 2018	First half 2017	FX	Organic growth				Acquisitions	Disposals
				Like for like		Openings	Closings		
North America (*)	1,034.2	1,117.5	-113.2	28.3	3.1%	98.3	-96.8		
International	267.8	228.2	-8.9	20.8	9.8%	35.0	-7.3		
Europe	803.9	783.3	-5.6	23.8	3.2%	28.0	-31.3	14.6	-9.0
of which									
Italy	481.9	477.1		7.1	1.5%	14.7	-17.0		
Other European Countries	322.0	306.3	-5.6	16.7	6.0%	13.3	-14.3	14.6	-9.0
Total Group	**2,105.8**	**2,129.1**	**-127.7**	**72.8**	**3.9%**	**161.4**	**-135.4**	**14.6**	**-9.0**
(*) North America - m$	*1,251.8*	*1,210.3*	*5.4*	*34.1*	*3.1%*	*119.0*	*-117.1*		

Most of the revenue increase was driven by good like-for-like growth. Like-for-like growth reached a solid +3.9% with all regions contributing, especially in the airport channel.

New openings contributed to the revenue growth, mainly in Northern Europe and Asia.

The revenue generated by Le Crobag, a food & beverage operator with activities in German railway stations purchased by the Group at the end of February 2018 in order to expand its presence in a very strategic region and channel, more than offsets the impact of the disposals made of a few non-strategic operations in Europe (Marseille airport and activities in Poland).

Revenue by channel

(€m)	First half 2018	First half 2017	Change		
			2017	at constant exchange rates	Like for Like
Airports	1,221.7	1,253.0	-2.5%	6.5%	5.3%
Motorways	711.1	729.5	-2.5%	0.1%	1.1%
Other Channels	173.0	146.5	18.1%	19.8%	7.0%
Total Revenue	**2,105.8**	**2,129.1**	**-1.1%**	**5.2%**	**3.9%**

In the **airport channel,** sales were up by 6.5% at constant exchange rates (down 2.5% at current exchange rates), thanks to all of the regions served. This channel shows like-for-like growth of 5.3%, driven by the good growth in sales posted in North America, Europe and Asia (particularly in India and Vietnam).

In the **motorway channel,** revenue was basically unchanged with respect to the first half 2017 (-2.5% at current exchange rates), with like-for-like growth of 1.1%.

Revenue in **other channels** was up by 19.8% (+18.1% at current exchange rates) due to the robust like-for-like growth of 7.0%, the opening of a few locations in Europe and Asia, as well as the Le Crobag acquisition.

EBITDA

EBITDA amounted to €126.9m, down 3.4% at constant exchange rates (-12.1% at current exchange rates) compared to the €144.3m reported in the first half 2017, and went from 6.8% of revenue to 6.0% in the first half 2018. The decrease reflects the early retirement costs linked to “intergenerational pact” incurred in Italy in March 2018, inflationary pressures on costs (above all the labor cost) in North America, as well as the impact of the start-up of a few operations in Europe and China which caused a temporary drop in the absorption of fixed rental costs.

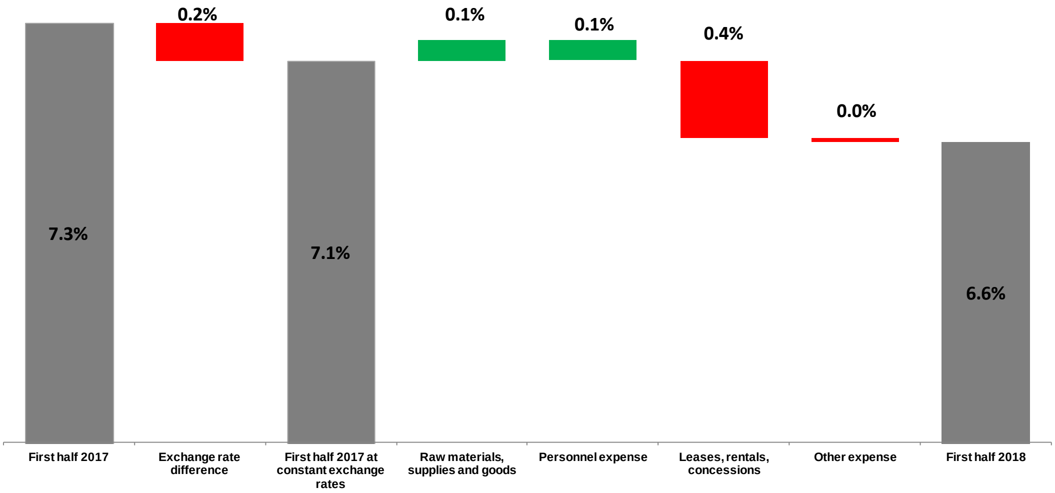
EBITDA underlying fell 1.3% (-9.8% at current exchange rates) from € 154.7m in the first half 2017 to € 139.5m, and from 7.3% to 6.6% of sales.

EBITDA in the first half 2018 includes €2.7m in costs for the Stock Option Plans (€ 10.4m in the first half 2017), as well as the costs relating to early retirement in Italy (€9m) and the Le Crobag acquisition (€0.9m).
Such costs are broken down by operating sector below:

(€m)	First half 2018	First half 2017
North America:		
- Stock-based management incentive plans' cost	0.5	2.3
International		
- Stock-based management incentive plans' cost	0.5	1.1
Europe:		
- Stock-based management incentive plans' cost	0.5	1.9
- Intergenerational pact	9.0	-
- Le Crobag acquisition costs	0.9	-
Corporate:		
- Stock-based management incentive plans' cost	1.2	5.1

The Corporate costs fell from the €16.4m recorded in the first half 2017 to €12m, thanks mainly to the decrease in the costs for the above mentioned Stock Option Plans.

Change in the Ebitda margin underlying



Depreciation, amortization and impairment losses

These came to €102.6m in the first half 2018, an increase of 10.2% at constant exchange rates (3.2% at current exchange rates) compared to €99.4m in the first half 2017 due to the increase in capital expenditure during the second half of 2017 and the first half of 2018. In the first half 2017 the item included impairment losses of €0.5m.

Net financial expense

Net financial expense in the first half 2018 came to € 12.7m compared to € 13.0m in the first half 2017, an increase of 6.5% at constant exchange rates (-2.1% at current exchange rates). The drop in interest payable, attributable to the lower average cost of debt which went from 3.9% to 3.1% in the first half 2018, was offset by higher exchange losses.

Income tax

Tax amounted to €9.0m, compared to €19.1m in the first half 2017. The decrease is attributable to both lower taxable income and the reduced tax rate in the United States as a result of the 2017 tax reform.

Group net result

The net loss attributable to the owners of the parent amounted to €3.4m in the first half 2018 compared to a profit of € 6.0m in the first half 2017.

The net profit underlying came to €7m compared to €15.4m in the first half 2017, as shown in the section "Alternative performance measures."

Non-controlling interests came to € 6.1m (€7.2m in the first half 2017).

Reclassified consolidated statement of financial position [4]

Disclosure about the changes in the statement of financial position can be found in the Notes to which reference should be made. The increase in "intangible assets", in particular, is linked to the Le Crobag acquisition which, after initial consolidation, resulted in the recognition of €30.6m in trademarks and €16.3m in goodwill (for more details, see section 2.2.2 of the Notes).

(€m)	30/06/2018	31/12/2017	Change 2017	Change at constant exchange rates
Intangible assets	936.2	871.6	64.6	50.2
Property, plant and equipment	924.3	880.9	43.4	31.3
Financial assets	29.9	24.4	5.6	5.4
A) Non-current assets	**1,890.4**	**1,776.9**	**113.5**	**87.0**
Inventories	124.8	116.2	8.6	7.9
Trade receivables	53.8	49.0	4.9	5.3
Other receivables	137.5	145.7	(8.1)	(7.2)
Trade payables	(356.5)	(351.2)	(5.4)	(2.7)
Other payables	(345.3)	(365.6)	20.3	25.1
B) Working capital	**(385.7)**	**(405.9)**	**20.2**	**28.3**
Invested capital (A+B)	**1,504.7**	**1,371.0**	**133.8**	**115.3**
C) Other non-current non-financial assets and liabilities	(116.9)	(131.7)	14.8	17.0
D) Net invested capital (A+B+C)	**1,387.8**	**1,239.3**	**148.6**	**132.3**
Equity attributable to owners of the parent	604.7	649.9	(45.2)	(47.8)
Equity attributable to non-controlling interests	47.6	45.4	2.3	1.5
E) Equity	**652.3**	**695.3**	**(42.9)**	**(46.3)**
Non-current financial liabilities	840.1	531.9	308.2	297.4
Non-current financial assets	(15.8)	(12.5)	(3.4)	(3.1)
F) Non-current financial indebtedness	**824.2**	**519.4**	**304.8**	**294.3**
Current financial liabilities	117.4	225.4	(108.1)	(109.7)
Cash and cash equivalents and current financial assets	(206.1)	(200.8)	(5.3)	(6.0)
G) Current net financial indebtedness	**(88.7)**	**24.6**	**(113.4)**	**(115.7)**
Net financial position (F+G)	**735.5**	**544.0**	**191.5**	**178.6**
H) Total (E+F+G), as in D)	**1,387.8**	**1,239.3**	**148.6**	**132.3**

[4] The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and Notes, with the exception of "Financial assets," which do not include "Financial receivables from third parties" (€15.8m), classified as non-current financial receivables in the net financial position and included in other financial assets (non-current) in the consolidated statement of financial position.

Net Cash flow

(€m)	First half 2018	First half 2017	Change
EBITDA	126.9	144.3	(17.4)
Change in net working capital	(33.2)	(42.9)	9.7
Other non cash items	(4.1)	(1.0)	(3.1)
Cash flows from operating activities	**89.6**	**100.4**	**(10.8)**
Tax paid	(13.0)	(11.1)	(1.9)
Net interest paid	(10.8)	(15.9)	5.1
Net cash flows from operating activities	**65.8**	**73.3**	**(7.6)**
Net investment	(130.3)	(128.3)	(2.1)
Net cash flows after investment	**(64.6)**	**(54.9)**	**(9.6)**
Le Crobag acquisition	(59.0)	-	(59.0)
Free operating cash flows pre dividend	**(123.6)**	**(54.9)**	**(68.7)**
Dividend payment	(53.1)	(42.9)	(10.2)
Free operating cash flows	**(176.6)**	**(97.8)**	**(78.8)**

In the first half of 2018 net cash flow after capital expenditure was down with respect to the first half of the prior year, due to the drop in EBITDA which was partially offset by greater cash generation from net working capital.

The result for the first half 2018 also reflects the €59m cashout for the Le Crobag acquisition, net of the cash and cash equivalents acquired.

In June 2018 the Group also paid a dividend to shareholders of €48.3m (€40.7m in the first half 2017). In the the first half of 2018 dividends were also paid to the non-controlling shareholders of consolidated companies[5] in the amount of € 4.8m (€2.2m in the first half 2017).

[5] Shown net of capital increases.

Net financial position

Net debt at 30 June 2018 amounted to € 735.5m compared to €544.0m at 31 December 2017 of which 59% in U.S. dollars (83% at 31 December 2017) and the rest in euros. Fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 29% of the total (compared with 38% at 31 December 2017).

The fair value of interest rate hedging derivatives at 30 June 2018 was negative €3.2m (almost nil at year-end 2017).

Debt consists primarily of long-term bonds and committed long-term credit lines from banks. Loans had an average remaining life of about three years and seven months at 30 June 2018 versus around three years and three months at 31 December 2017.

In January 2018, the Parent Company obtained two new credit facilities:

- an amortizing term loan of €100m and a revolving credit line of €200m, packaged into a single facility maturing in January 2023. The amortizing term loan calls for two annual payments of €25m starting in January 2021, with reimbursement of the remaining €50m on maturity. The revolving line calls for a reduction in the commitment in two instalments of €62.5m beginning in January 2021 with the cancellation of the remaining €75m on maturity;

- a revolving facility (“Revolving Facilities Agreement”) of € 100m maturing in January 2023.

The two facilities were used to prepay, in February 2018, the partially drawn down revolving credit line of nominal €400m that was due to mature in March 2020.

On 26 June 2018 the subsidiary HMSHost Corp. obtained a new credit facility maturing in June 2023 comprised of a $200m term loan and a $200m revolving credit line. The term loan calls for annual repayments of $50m beginning in June 2020 with reimbursement of the residual $50m on maturity. The facility was used to prepay, compared to the original maturity date of March 2020, a revolving credit line of nominal $300m, of which $200m had been used.

1.4 Business segments

Revenue by geographical area

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
North America	1,034.2	1,117.5	-7.5%	3.0%
International	267.8	228.2	17.3%	22.1%
Italy	481.8	477.1	1.0%	1.0%
Other European countries	322.0	306.3	5.2%	7.1%
Total Europe	803.9	783.3	2.6%	3.4%
Total Revenue	**2,105.8**	**2,129.1**	**-1.1%**	**5.2%**

EBITDA by geographical area

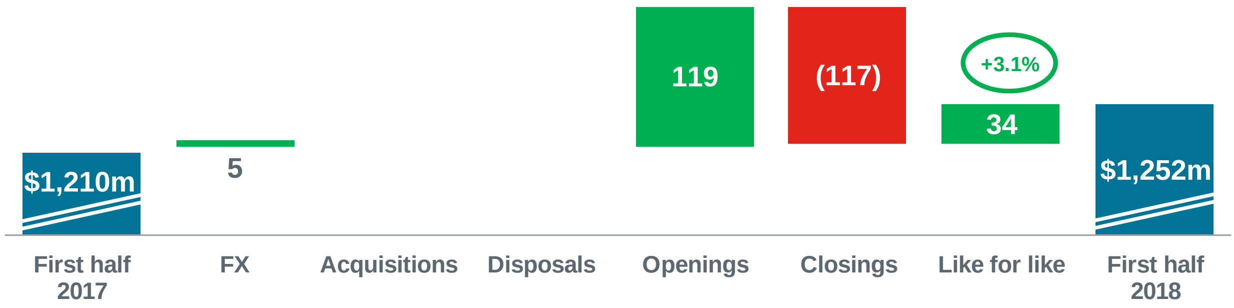
(€m)	First half 2018	*% of revenue*	First half 2017	*% of revenue*	Change 2017	Change at constant exchange rates
North America	97.2	9.4%	113.8	10.2%	-14.6%	-4.8%
International	23.3	8.7%	21.4	9.4%	9.1%	13.4%
Europe	18.4	2.3%	25.6	3.3%	-28.2%	-27.0%
Corporate costs	(12.0)	-	(16.4)	-	27.1%	27.1%
Total EBITDA	**126.9**	**6.0%**	**144.3**	**6.8%**	**-12.1%**	**-3.4%**

Capital expenditure by geographical area

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
North America	59.9	51.9	15.3%	28.7%
International	20.0	17.5	14.4%	19.4%
Total Europe	45.5	40.5	12.3%	12.3%
Corporate	0.3	0.1	n.s	n.s
Total capital expenditure	**125.7**	**110.1**	**14.2%**	**21.1%**

North America[6]

Revenue in North America came to $ 1,251.8m in the first half 2018, an increase of 3.0% at constant exchange rates (+3.4% at current exchange rates[7]) compared with $1,210.3m in the first half 2017.



The performance in North America was sustained by good like-for-like sales (3.1%), particularly in the airport channel (+3.8%).

Sales at airports increased by 3.7% (+4.1% at current exchange rates). Motorway channel revenue was basically unchanged against the prior year (+0.1% at constant exchange rates and +1.0% at current exchange rates). Sales for other channels were lower as a result of the planned closure of shopping centers.

Revenue by geography

($m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
US	1,119.7	1,089.6	2.8%	2.8%
Canada	132.0	120.7	9.4%	4.8%
Total Revenue	**1,251.8**	**1,210.3**	**3.4%**	**3.0%**

Revenue by channel

($m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
Airports	1,052.4	1,011.3	4.1%	3.7%
Motorways	190.5	188.7	1.0%	0.1%
Other Channels	8.8	10.3	-14.8%	-14.8%
Total Revenue	**1,251.8**	**1,210.3**	**3.4%**	**3.0%**

[6] This division includes operations in the United States and Canada.

[7] The difference using current exchange rates reflects the appreciation of the US dollar against the Canadian dollar ($5.4m).

($m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
EBITDA	**117.6**	**123.2**	**-4.6%**	**-4.8%**
% on revenue	*9.4%*	*10.2%*		
EBITDA underlying	**118.3**	**125.7**	**-5.9%**	**-6.2%**
% on revenue	*9.4%*	*10.4%*		

EBITDA in North America came to $117.6m in the first half 2018, a decrease of 4.8% at constant exchange rates (-4.6% at current exchange rates) compared to $123.2m in the first half 2017 due, above all, to inflationary pressures on labor cost and, to a lesser degree, the prices of products of a few brands. The EBITDA for the first half 2018 includes restructuring costs and the costs associated with a collective labor dispute of $4.4m. As a percentage of revenue EBITDA went from 10.2% to 9.4%.

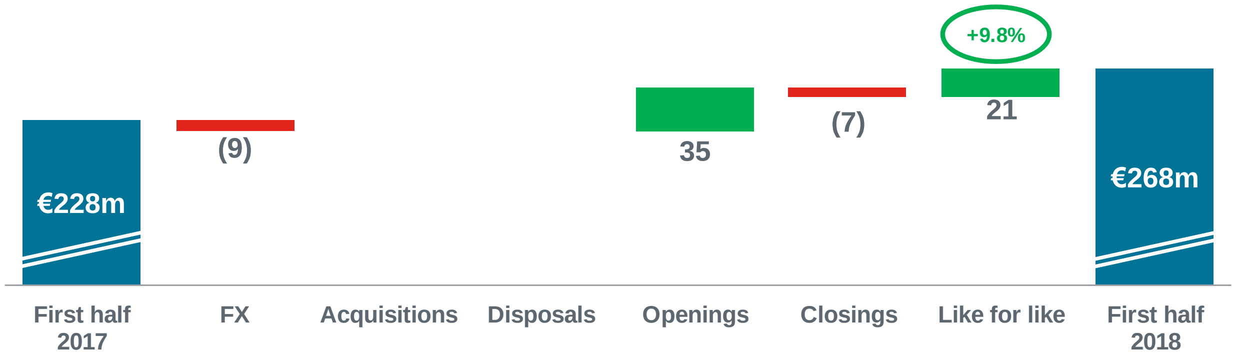
EBITDA underlying fell 5.9% (-6.2% at constant exchange rates) from the $125.7m recorded in the first half 2017 to $118.3m in the first half 2018 and dropped as a percentage of revenue from 10.4% to 9.4%.

($m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
CAPEX	**72.5**	**56.2**	**28.8%**	**28.7%**
% on revenue	*5.8%*	*4.6%*		

Capital expenditure mostly concerned the airports in Orlando and Tampa and rest stops along motorways in New Jersey and Illinois.

International[8]

Revenue totaled € €267.8m in the first half 2018, an increase of 22.1% (+17.3% at current exchange rates) compared with €228.2m in the first half 2017.



The excellent performance in this area reflects like-for-like growth of 9.8% and the contribution of the new openings made in the Netherlands, Norway, Vietnam and India.

Revenue for the **Airport channel** rose 21.5% (+16.2% at current exchange rates) thanks to excellent performances in the Netherlands (Schiphol airport) and the contribution of the new openings in
Norway (Oslo), Vietnam and India (New Delhi).

In the **Other** channel, growth was driven mainly by the positive performance of railway stations in the Netherlands and the UK, as well as the new openings made in the period.

[8] This area covers international locations in Northern Europe (Schiphol Airport in Amsterdam; railway stations and designer outlets in the Netherlands, the United Kingdom, Ireland, Sweden, Denmark, Finland and Norway) and other countries (United Arab Emirates, Turkey, Russia, India, Indonesia, Malaysia, Vietnam, Australia, New Zealand and China).

Revenue by geography

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
Northern Europe	188.2	162.5	15.8%	16.8%
Rest of the world	79.6	65.7	21.2%	36.9%
Total Revenue	**267.8**	**228.2**	**17.3%**	**22.1%**

Revenue by channel

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
Airports	235.7	202.8	16.2%	21.5%
Other Channels	32.0	25.4	26.1%	26.9%
Total Revenue	**267.8**	**228.2**	**17.3%**	**22.1%**

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
EBITDA	**23.3**	**21.4**	**9.1%**	**13.4%**
% on revenue	*8.7%*	*9.4%*		
EBITDA underlying	**23.8**	**22.5**	**5.6%**	**10.3%**
% on revenue	*8.9%*	*9.9%*		

EBITDA for this region came to €23.3m, an increase of 13.4% (9.1% at current exchange rates) against the €21.4m posted in the first half 2017 sales growth. The start-up costs incurred in various countries new to the Group and a few delayed openings in Northern Europe caused EBITDA to drop as a percentage of revenue from 9.4% to 8.7%.

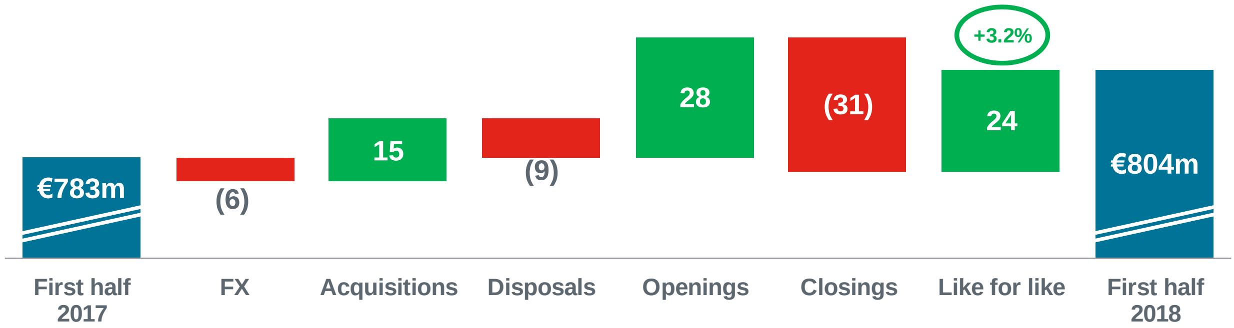
EBITDA underlying amounted to €23.8m in the first half 2018 compared with €22.5m in the first half of the previous year, showing an increase of 10.3% (5.6% at current exchange rates) and amounting to 8.9% of revenue (9.9% in the first half 2017).

(€m)	First half 2018	First half 2017	Change	
			2017	at constant exchange rates
CAPEX	**20.0**	**17.5**	**14.4%**	**19.4%**
% on revenue	*7.5%*	*7.7%*		

Capital expenditure in **International** concerned mainly airports in the Netherlands, Norway and China.

Europe

Revenue in Europe totaled €803.9m in the first half 2018, an increase of 3.4% at constant exchange rates (2.6% at current exchange rates) compared to €783.3m in the same period of the prior year due to the good performance of airport channels.



Like-for-like sales increased by 3.2%. The airport channel (with like-for-like growth of more than 7%) and railway stations (with like-for-like growth of more than 8%) posted particularly strong performances.

In **Italy**, like-for-like sales at motorway locations grew by 0.8%. Net openings and closures, slightly negative, reflect the last phase of the work done to streamline the motorway presence.

In the **Other European countries** the motorway channel posted a 3.7% increase in like-for-like sales. In the airport channel, sales went up thanks to a good like-for-like performance, particularly of the Swiss airports. Sales for the "Other" channel rose by 20.8% at constant exchange rates thanks to the contribution of Le Crobag, a company active in German railway stations acquired at the end of February 2018.

Revenue by geography

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
Italy	481.8	477.1	1.0%	1.0%
Other European countries	322.0	306.3	5.2%	7.1%
Total Revenue	**803.9**	**783.3**	**2.6%**	**3.4%**

Revenue by channel

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
Motorways	553.7	555.3	-0.3%	0.2%
Airports	116.5	116.4	0.0%	1.9%
Other Channels	133.7	111.6	19.8%	20.8%
Total Revenue	**803.9**	**783.3**	**2.6%**	**3.4%**

(€m)	First half 2018	First half 2017	Change 2017	Change at constant exchange rates
EBITDA	**18.4**	**25.6**	**-28.2%**	**-27.0%**
% of revenue	*2.3%*	*3.3%*		
EBITDA underlying	**28.8**	**27.5**	**4.8%**	**6.5%**
% sui ricavi	*3.6%*	*3.5%*		

EBITDA in Europe came to €18.4m, down 27% (-28.2% at current exchange rates) against the €25.6m posted in the first half 2017 due to the early retirement costs recognized in Italy in March 2018 (€9.0m). Net of these costs EBITDA would have shown an increase of 8.6% at constant exchange rates. Le Crobag contributed €2.6m to EBITDA.

EBITDA underlying came to €28.8m in the first half 2018 compared to €27.5 m in the same period of 2017, increasing 4.8% (6.5% at constant exchange rates) and rising from 3.5% of revenue in the first half 2017 to 3.6%.

(€m)	First half 2018	First half 2017	Change	
			2017	at constant exchange rates
CAPEX	**45.5**	**40.5**	**12.3%**	**12.3%**
% of revenue	*5.7%*	*5.2%*		

Capital expenditure concerned motorway rest stops in Italy and France and the airports in Zurich and Athens.

1.5 Related party transactions

Transactions with the Group's related parties do not qualify as atypical or unusual. They are conducted in the interests of the Company and the Group on an arm's length basis.

See the section "Other information" in the Notes to the condensed interim consolidated financial statements for further information on related party transactions, including the disclosures required by CONSOB Resolution 17221 of 12 March 2010 (amended with Resolution 17389 of 23 June 2010). The "Procedure for related party transactions" is available online at www.autogrill.com (Governance section/Related parties).

1.6 Subsequent events

Since 30 June 2018, no events have occurred that would have entailed an adjustment to the figures reported in the condensed interim consolidated financial statements or required additional disclosures in the related notes.

1.7 Outlook

In light of the results for the first half 2018 the Group expects to achieve the following results for full year 2018 ($/€ exchange rate of 1.20):

- Revenue of around €4,700m, with a growth driven by solid like for like performance
- EBITDA underlying of between €410m and €420m; this alternative performance measure does not include costs relating to "intergenerational pact" and other efficiency projects in Italy (up to €22m) and to stock option plans (€8m);
- EPS underlying of between €0.38 and €0.42, assuming average cost of debt of 3.5% and Group tax rate of 25%.

The results expected for 2018 also confirm the three-year guidance presented to the market in March 2018.

1.8 Atypical or unusual transactions

In the first half of 2018 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

1.9 Main risks and uncertainties for the remaining six months of the year

The Autogrill Group is exposed to external risks and uncertainties arising from general economic conditions or those specific to the industry in which it works, from the financial markets and from frequent changes in legislation, as well as to risks generated by strategic decisions and operating procedures. The forecasts set by the Group are based on the most up-to-date information

available. However, economic conditions around the world are subject to a certain level of uncertainty and forecasts, therefore, can change.
Barring, however, any significant unforeseen disruptions, the principal uncertainties for the second half of the year concern the global market conditions, the geopolitical environment, traffic trends and the ability to attract customers also through the use of new technologies, travelers' propensity to consume, changes in regulations governing the labor market, specifically in relation to minimum wages, and the price of a few raw materials which, directly or indirectly, have an impact on the sector, as well as the entry in new markets/countries.

See the 2017 Annual Report for a description of the main risks to which the Group is exposed.

1.10 Information pursuant to Arts. 70 and 71 of CONSOB Regulation no. 11971/1999

On 24 January 2013 the Board of Directors of Autogrill S.p.A. voted to take the option provided for by CONSOB Resolution 18079 of 20 January 2012 that removes the obligation to make available to the public the disclosure documents required by Arts. 70 and 71 of the Listing Rules (CONSOB Regulation 11971/1999) in the case of significant mergers, demergers, increases in share capital through contributions in kind, acquisitions and disposals. Given the extensive scale of the corporate reorganization carried out by the Parent Company in 2017, on 28 December 2017 Autogrill voluntarily published the Disclosure Document in the format provided for by Art. 71 of the CONSOB Regulation (format 3 of Annex 3B).

1.11 Corporate Reorganization

As of 1st January 2018 became effective the contribution in kind performed by Autogrill S.p.A. to three new or recently incorporated entities. It completed the corporate reorganization started during 2017 and aimed at separating the Italian operating activities form the holding ones. Comparing net total assets as of 1st January 2018 with the ones as of 30 June 2017, taken as a reference for the contributions, the total net assets contributed to the three entities, for a consideration of € 501m, determined a net adjustment of about €8,5m in favor of Autogrill S.p.A..

2. Condensed interim consolidated financial statements

2.1 Consolidated financial statements

2.1.1 Statement of financial position

Note	(€k)	30.06.2018	*Of which related parties*	31.12.2017	*Of which related parties*
ASSETS					
	Current assets	**522,236**		**511,642**	
I	Cash and cash equivalents	170,850		169,590	
II	Other financial assets	35,227		31,213	
III	Tax assets	5,830		15,373	
IV	Other receivables	131,690	*16,460*	130,292	*16,231*
V	Trade receivables	53,826	*2,442*	48,972	*2,073*
VI	Inventories	124,813		116,202	
	Non current assets	**1,971,733**		**1,837,260**	
VII	Property, plant and equipment	924,322		880,916	
VIII	Goodwill	825,671		795,928	
IX	Other intangible assets	110,501		75,679	
X	Investments	3,196		3,506	
XI	Other financial assets	42,575	*6,977*	33,344	*6,285*
XII	Deferred tax assets	55,184		37,815	
XIII	Other receivables	10,284		10,072	
	TOTAL ASSETS	**2,493,969**		**2,348,902**	
LIABILITIES AND EQUITY					
	LIABILITIES	**1,841,628**		**1,653,637**	
	Current liabilities	**819,209**		**942,194**	
XIV	Trade payables	356,527	*12,263*	351,168	*27,964*
XV	Tax liabilities	1,966		3,566	
XVI	Other payables	317,256	*764*	343,773	*3,146*
XIX	Bank loans and borrowings	109,878		218,244	
XVII	Other financial liabilities	7,492		7,202	
XXI	Bonds	-		-	
XXIII	Provision for risks and charges	26,090		18,241	
	Non-current liabilities	**1,022,419**		**711,443**	
XV	Tax liabilities	5,057		4,916	
XVIII	Other payables	34,735		33,230	
XIX	Loans, net of current portion	535,931		235,442	
XX	Other financial liabilities	8,298		6,000	
XXI	Bonds	295,828		290,413	
XII	Deferred tax liabilities	31,466		28,517	
XXII	Defined benefit plans	77,483		80,110	
XXIII	Provision for risks and charges	33,621		32,815	
XXIV	**EQUITY**	**652,341**		**695,265**	
	- attributable to owners of the parent	604,720		649,894	
	- attributable to non-controlling interests	47,621		45,371	
	TOTAL LIABILITIES AND EQUITY	**2,493,969**		**2,348,902**	

2.1.2 Income statement

Note	(€k)	First half 2018	*Of which related parties*	First half 2017	*Of which related parties*
XXV	Revenue	2,303,458	*16*	2,324,359	*25*
XXVI	Other operating income	47,083	*736*	43,212	*908*
	Total revenue and other operating income	**2,350,541**		**2,367,571**	
XXVII	Raw materials, supplies and goods	844,630	*85*	845,181	*55*
XXVIII	Personnel expense	729,160	*2,576*	734,195	*2,575*
XXIX	Leases, rentals, concessions and royalties	391,439	*37,529*	387,249	*36,447*
XXX	Other operating expense	258,442	*1,509*	256,632	*1,387*
XXXI	Depreciation and amortization	102,645		98,863	
XXXI	Impairment losses on property, plant and equipment and intangible assets	-		558	
	Operating profit	**24,225**		**44,893**	
XXXII	Financial income	1,000	*45*	976	*47*
XXXII	Financial expense	(13,715)	-	(13,961)	-
	Income (expense) from investments	201		381	
	Pre-tax profit	**11,711**		**32,289**	
XXXIII	Income tax	(9,032)		(19,099)	
XXXIV	**Profit for the period**	**2,679**		**13,190**	
	Profit for the year attributable to:				
	- owners of the parent	(3,407)		5,973	
	- non-controlling interests	6,086		7,217	
XXXIV	**Earnings per share (in € cents)**				
	- basic	(1.3)		2.4	
	- diluted	(1.3)		2.4	

2.1.3 Statement of comprehensive income

Note	(€k)	First half 2018	First half 2017
	Profit for the period	**2,679**	**13,190**
	Items that will never be reclassified to profit or loss		
XXIV	Remeasurements of the defined benefit (liabilities)/asset	189	717
XXIV	Tax effect on items that will never be reclassified to profit or loss	(45)	(336)
		144	**381**
	Items that may be subsequently reclassified to profit or loss		
XXIV	Equity-accounted investee - share of other comprehensive income	28	(177)
XXIV	Foreign currency translation differences for foreign operations	7,878	(29,982)
XXIV	Gain/(loss) on net investment hedge	354	(157)
XXIV	Tax effect on items that may be subsequently reclassified to profit or loss	(89)	39
		8,171	**(30,277)**
	Total other comprehensive income for the period	**10,994**	**(16,706)**
	- attributable to owners of the parent	2,885	(20,578)
	- attributable to non-controlling interests	8,109	3,872

2.1.4 Statement of changes in equity

(note XXIV)

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit/(loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2017	**68,688**	**13,738**	**22,885**	**449,127**	**(720)**	**96,176**	**649,894**	**45,371**
Total other comprehensive income for the period								
Profit for the period	-	-	-	-	-	(3,407)	**(3,407)**	**6,086**
Foreign currency translation differences for foreign operations	-	-	5,855	-	-	-	**5,855**	**2,023**
Gain/(loss) on net investment hedge, net of the tax effect	-	-	265	-	-	-	**265**	**-**
Equity-accounted investee - share of other comprehensive income	-	-	28	-	-	-	**28**	**-**
Remeasurements of the defined benefit (liabilities)/asset, net of the tax effect	-	-	-	144	-	-	**144**	**-**
Total other comprehensive income for the period	**-**	**-**	**6,148**	**144**	**-**	**(3,407)**	**2,885**	**8,109**
Transaction with owners of the parent, recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Contributions by and distributions to owners of the parent	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Excercise of stock options	-	-	-	242	-	-	242	**-**
Allocation of 2017 profit to reserves	-	-	-	47,876	-	(47,876)	**-**	**-**
Capital increase	-	-	-	-	-	-	**-**	**7,941**
Dividend distribution	-	-	-	-	-	(48,300)	**(48,300)**	**(13,800)**
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**48,117**	**-**	**(96,176)**	**(48,059)**	**(5,859)**
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	**-**	**-**
Total transactions with owners of the parent	**-**	**-**	**-**	**48,117**	**-**	**(96,176)**	**(48,059)**	**(5,859)**
30.06.2018	**68,688**	**13,738**	**29,033**	**497,388**	**(720)**	**(3,407)**	**604,720**	**47,621**

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit/(loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2016	**68,688**	**13,738**	**72,323**	**392,078**	**(1,447)**	**98,228**	**643,608**	**43,997**
Total other comprehensive income for the period								
Profit for the period	-	-	-	-	-	5,973	**5,973**	**7,217**
Foreign currency translation differences for foreign operations	-	-	(26,637)	-	-	-	**(26,637)**	**(3,345)**
Gain/(loss) on net investment hedge, net of the tax effect	-	-	(118)	-	-	-	**(118)**	**-**
Equity-accounted investee - share of other comprehensive income	-	-	(177)	-	-	-	**(177)**	**-**
Remeasurements of the defined benefit (liabilities)/asset, net of the tax effect	-	-	-	381	-	-	**381**	**-**
Total other comprehensive income for the period	**-**	**-**	**(26,932)**	**381**	**-**	**5,973**	**(20,578)**	**3,872**
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Exercise of stock options				34	727	-	**761**	**-**
Allocation of 2016 profit to reserves	-	-	-	61,773	-	(61,773)	**-**	**-**
Capital increase	-	-	-	-	-	-	**-**	**11,094**
Dividend distribution	-	-	-	(4,220)	-	(36,455)	**(40,675)**	**(12,656)**
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**57,587**	**727**	**(98,228)**	**(39,914)**	**(1,562)**
Changes in ownership interests in subsidiaries								
Sale of non-controlling interests	-	-	-	(3,080)	-	-	(3,080)	813
Total transactions with owners of the parent	**-**	**-**	**-**	**54,507**	**727**	**(98,228)**	**(42,994)**	**(749)**
30.06.2017	**68,688**	**13,738**	**45,391**	**446,966**	**(720)**	**5,973**	**580,036**	**47,120**

2.1.5 Statement of cash flows

(€k)	First half 2018	First half 2017
Opening net cash and cash equivalents	**141.693**	**128.698**
Pre-tax profit and net financial expense for the year	24.426	45.274
Amortisation, depreciation and impairment losses on non-current assets, net of reversals (Note XXXI)	102.645	99.421
Adjustment and gains on disposal of financial assets	(201)	(381)
Gain on disposal of non-current assets (Note VII)	(4.339)	(1.033)
Other non cash items	242	-
Change in working capital	(25.629)	(37.324)
Net change in non-current non-financial assets and liabilities	(7.567)	(5.606)
Cash flow from operating activities	**89.577**	**100.352**
Taxes paid	(13.022)	(11.133)
Interest paid	(10.804)	(15.883)
Net cash flow from operating activities	**65.751**	**73.336**
Acquisition of property, plant and equipment and intangible assets paid	(138.492)	(132.726)
Proceeds from sale of non-current assets	8.170	4.462
Acquisition of consolidated equity investments	(207)	(2.049)
Acquisition of Le Crobag	(59.026)	-
Net change in non-current financial assets	(3.108)	(4.327)
Net cash flow used in investing activities	**(192.663)**	**(134.640)**
Repayments of bond	-	(138.504)
Utilisations of non-current credit lines	65.597	142.334
Issue of new non-current loans	229.072	-
Repayments of non-current loans	(160.102)	(1.917)
Issue of new current loans, net of repayments	16.604	59.647
Dividends paid	(48.300)	(40.656)
Excercise of 2010 stock options	-	761
Other cash flows (*)	(3.137)	(3.229)
Net cash flow used in financing activities	**99.734**	**18.436**
Cash flow for the period	**(27.178)**	**(42.868)**
Effect of exchange on net cash and cash equivalents	1.764	(1.855)
Closing net cash and cash equivalents	**116.279**	**83.975**

Reconciliation of net cash and cash equivalents

(€k)		
Opening - net cash and cash equivalents - balance as of 1st January 2018 and as of 1st January 2017	**141.693**	**128.698**
Cash and cash equivalents	169.590	158.744
Current account overdrafts	(27.897)	(30.046)
Closing - net cash and cash equivalents - balance as of 30 June 2018 and as of 30 June 2017	**116.279**	**83.975**
Cash and cash equivalents	170.850	141.182
Current account overdrafts	(54.571)	(57.207)

* Includes dividend paid to minority shareholders in subsidiaries, net of capital increase for k4,752€ in the first half 2018 (k2,224€ in the first half 2017)

2.2 Notes to the condensed interim consolidated financial statements

Group operations

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

2.2.1 Accounting policies and basis of consolidation

General standards

The condensed interim consolidated financial statements at 30 June 2018 have been prepared in accordance with Art. 154-ter of Legislative Decree 58 of 24 February 1998 (Italy's Consolidated Finance Act), as amended, and with IAS 34 “Interim financial reporting”. They do not include all disclosures required by IFRS in the annual financial statements, and should therefore be read jointly with the consolidated financial statements for the year ended 31 December 2017.

In the condensed interim consolidated financial statements, the accounting standards and consolidation methods are the same, except as indicated below, as those used in the 2017 annual consolidated financial statements, which should be consulted for further description and those used in the condensed interim consolidated financial statements at 30 June 2017.

The preparation of the condensed interim consolidated financial statements and the relative notes require the Directors to make estimates and assumptions on the values of revenues, costs, assets and liabilities in the interim consolidated financial statement report and on the disclosures relating to the assets and contingent liabilities at 30 June 2018. If in the future these estimates and assumptions, which are based on the best valuations made by the Directors, should be different from the actual results recorded, they will be modified appropriately in the period in which the circumstances occur.

It should also be noted that some valuation processes, in particular the most complex, such as the determination of any loss in value of non-current assets, are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value.

The valuation of assets/liabilities connected to defined benefit plans is usually performed at the end of each year, unless specific indicators suggest the need to update estimates earlier; during the half ending 30 June 2018 the need to update the discount rate applied to defined benefit plan assets/liabilities materialized; the estimates were, therefore adjusted to reflect the applicable discount rates and adjustments to liabilities were recognized directly in equity (Note XXIV).

With reference to the recognition of liabilities for Phantom Stock Option, the use of the best available information on the expected trend of the share price to estimate with actuarial assumptions the related liability, value may not correspond to the trend of the value of the Autogrill

shares actually occurred in subsequent periods, this implying in the need to adjust the liability when such information becomes available.

Finally, the estimate of tax expenses, in accordance with IAS 34, is calculated using the accurate calculation option for the liabilities at 30 June 2018.

In the condensed interim consolidated financial statements, income statement and statement of cash flow for the first half 2018 are compared with those for the first half of the previous year. Net financial position and statement of financial position at 30 June 2018 are compared with the figures at 31 December 2017.

The condensed interim consolidated financial statements as of 30 June 2018 are prepared on a going-concern basis using the Euro as the presentation currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (€k).

Below are the accounting standards issued by the IASB and approved by the European Union to be mandatory in the financial statements for the years beginning 1st January 2018:

- IFRS 9: Financial instruments.
- IFRS 15: Revenue from contracts with customers.
- Amendments to IFRS 15: Revenue from contracts with customers.
- Annual Improvements to IFRS Standards 2014- 2016 Cycle (except the amendment to IFRS 12 Disclosure of Interests in Other Entities, with retroactive effect from 1st January 2017).
- Amendments to IFRS 2: Share-based payment.
- Interpretation IFRIC 22 – Foreign Currency Transactions and Advance Consideration.

The application of the standards and interpretations listed above did not affect the Group's consolidated financial statements to an extent requiring mention in these Notes, both on classification and measures.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in years beginning on or after 1st January 2018 that the Group did not choose to apply early in the 2017 financial statements:

- Amendments to IFRS 9: Financial Instruments – Prepayment features with negative compensation (effective from 1st January 2019)
- IFRS 16: Leasing (effective from 1st January 2019, since not early adopted at 1st January 2018).

The new IFRS 16 requires the recognition of assets and liabilities for all leasing arrangements in course, entailing the calculation of net present value at 1st January 2019 by discounting fixed minimum guaranteed rents based on alternative measurement options allowed by the accounting principle that can have different effect on assets and liabilities recorded during its first time adoption. Considering the significant volume of future commitments for operating leases, the Group is specifically investigating the likely impact of the new standard by reviewing the details of leasing contracts, the calculation of the discount rate to apply to the new liabilities arising from such contracts as well as the opportunity to apply the transitional provisions required by the standard regarding certain simplification to be excercised potentially by the Group.
The analysis process is still ongoing, not allowing at present to provide a reasonable estimate of potential impact.
At the same time the Group in 2018 has undertaken a project to implement information systems related to the new accounting process of such operative leasing arrangements.
The adoption of this new accounting principle will not have any impact on the calculation of financial ratios (covenants), as per specific loan agreements with banks.

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

	2018		2017		
	Rate on 30 June	**Average rate for the year**	**Rate on 30 June**	**Average rate for the year**	**Rate on 31 December**
US Dollar	1.1658	1.2104	1.1412	1.0830	1.1993
Canadian Dollar	1.5442	1.5457	1.4785	1.4453	1.5039
Swiss Franc	1.1569	1.1697	1.0930	1.0766	1.1702
British Sterling	0.8861	0.8798	0.8793	0.8606	0.8872

Basis of consolidation

There have been no significant changes in the scope of consolidation since 31 December 2017, except for the acquisition of the German company Le Crobag which took place in February 2018, as indicated in the following paragraph 2.2.2 "Acquisitions".

HMSHost Corporation and its subsidiaries, following common practice in English-speaking countries, close their fiscal year on the Friday closest to 31 December and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last which is a 16-week quarter. As a result, the accounts included in the condensed interim consolidated financial statements at 30 June 2018 cover the period 30 December 2017 to 15 June 2018, while the previous year's accounts covered the period 30 december 2016 to 16 June 2017. This practice has no significant impact on the statement of financial position at 30 June 2018 and on the profit/(loss) for the period.

2.2.2. Acquisitions

Through its German subsidiary Autogrill Deutschland GmbH the Autogrill Group purchased the entire share capital of Le Crobag GmbH & Co. KG and F.F.N. GmbH which manage Le Crobag food and beverage activities in railway and stations in Germany, Austria and Poland. At the time of the acquisition, Le Crobag had 123 outlets, both directly managed and licensed, of which 114 in Germany alone. In 2017, it grossed € 80m, including € 57m from the outlets it operates directly, for a total EBITDA of around €7 million. The transaction is valued at €68 million, including repayment of the acquired company's financial debt for €14.2m and deferred payment until 2019 for €6.5m.

The transaction was finalized on 28 February 2018 and the Le Crobag Group was consolidated as of the same date. As a result of the transaction the assets and liabilities of Le Crobag were acquired based on the fair value calculated using the valuation methods typically used in acquisitions. The transaction resulted in:

- the recognition of €7.0m in deferred tax assets linked to the tax benefits expected as a result of the transaction given the possibility in germany of deducting the goodwill and trademarks;
- the recognition of the Le Crobag trademark for a total of €30.6m;
- an increase in the Group's goodwill of €16.3m.

Based on the revised IFRS 3 newly identified items may be recognized within 12 months from the acquisition date. The below, therefore, is to be considered temporary and may be subject to adjustments.

(€m)	Le Crobag	Adjustments	Le Crobag adjusted
Property, plant and equipment	8.6		8.6
Intangible assets	2.9	30.6	33.4
Financial assets	2.0	0.0	2.0
A) Non-current assets	**13.6**	**30.6**	**44.1**
B) Working capital	**(1.9)**	**-**	**(1.9)**
C) Other non-current non-financial assets and liabilities	**(0.0)**	**7.0**	**7.0**
D) Net invested capital (A+B+C)	**11.6**	**37.6**	**49.2**
- Equity attributable to owners of the parent	(0.1)	37.6	37.4
- Equity attributable to non-controlling interests	-	-	-
E) Equity	**(0.1)**	**-**	**(0.1)**
F) Net financial position	11.7	-	11.7
G) Total, as in D)	**11.6**	**-**	**11.6**
Acquisition cost (*)			53.8
Goodwill			16.3

(*) of which €6,5m deferred payment until 2019

The income statement for the first half reflects the revenue generated by the newly acquired company of €14.6m, which also contributed €2.6m to EBITDA.

2.2.3 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

(€k)	30.06.2018	31.12.2017	change
Bank and post office deposits	120,963	119,020	**1,943**
Cash and equivalents on hand	49,887	50,570	**(683)**
Total	**170,850**	**169,590**	**1,260**

"Cash and equivalents on hand" include cash floats at stores and amounts in the process of being credited to bank accounts. The amount may vary substantially depending on the frequency of pick-ups for deposit, which are generally handled by specialized third-party carriers.
The statement of cash flows presents the alternative sources and uses of cash that contributed to the change in this item, along with the balance of current account overdrafts.

II. Other financial assets

(€k)	30.06.2018	31.12.2017	change
Financial receivables from third parties	15,366	13,665	**1,701**
Receivables from credit card companies	19,257	15,157	**4,100**
Fair value of interest rate hedging derivatives	48	536	**(488)**
Fair value of exchange rate hedging derivatives	556	1,855	**(1,299)**
Total	**35,227**	**31,213**	**4,014**

"Financial receivables from third parties" consist mostly of current receivables due from the non-controlling shareholders of some North American subsidiaries.
The increase of the item "Receivables from credit card companies" is related to seasonality.
"Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 30 June 2018 and 31 December 2017, with a combined notional value of $ 100m. The non-current portion (€ 3,197k) is shown in the item “Other financial assets non current” (Note XX).
“Fair value of exchange rate hedging derivatives” refers to the fair value measurement of the derivatives entered into to hedge exchange rate risk at 30 June 2018, in particular to the forward purchase and/or sale of currency, in connection with loans and the payment of dividends.

III. Tax assets

This item amounts to € 5,830k (€ 15,373k at 31 December 2017) and refers to income tax advances and credits for tax assets.
The amount of the previous year reflected the largest advances paid in the United States during the year 2017 based on the tax legislation in force at the time of payment, used in the course of 2018 to offset current tax payables.

IV. Other receivables

(€k)	30.06.2018	31.12.2017	change
Suppliers	34,995	40,377	**(5,382)**
Lease and concession advance payments	20,363	16,420	**3,943**
Inland revenue and government agencies	22,289	21,920	**369**
Receivables from grantors for investments	2,284	2,864	**(580)**
Sub-concessionaires	3,376	1,750	**1,626**
Receivables from the parent for tax consolidation	12,599	12,599	**0**
Personnel	1,161	648	**513**
Other	34,623	33,714	**909**
Total	**131,690**	**130,292**	**1,398**

"Suppliers" refer to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received.
"Lease and concession advance payments" consist of lease instalments paid in advance, as required by contract.
Receivables from "Inland revenue and government agencies" are substantially unchaged and relate mostly to indirect taxes.
"Receivables from grantors for investments" relate to commercial investments made on behalf of concession grantors in accordance with the terms of contracts.
Amounts due from "Sub-concessionaires" refer to businesses licensed to others and consist mainly of rent receivable.
"Receivables from the parent for tax consolidation" concern the amount due from Edizione S.r.l. to the Italian companies in the Group that participate in the domestic tax consolidation scheme (see paragraph 2.2.12 Other Information – Related Parties).
"Other" consists mainly of prepayments for maintenance and insurance policies and advances on local taxes.

V. Trade receivables

(€k)	30.06.2018	31.12.2017	change
Third parties	58,461	53,649	**4,812**
Allowance for impairment	(4,635)	(4,677)	**42**
Total	**53,826**	**48,972**	**4,854**

"Third parties" refer mainly to catering service agreements and accounts with affiliated companies. In particular, with reference to the first application of IFRS 9, as from 1st January 2018, the credit risk assessment is already carried out as in previous years, taking into account the general risk of collection of the receivables not expired at the date of reference, as resulting from historical experience.

VI. Inventories

Inventories, totalling € 124,813k at 30 June 2018 (up from € 116,202k the previous year due to the seasonality), are shown net of the write-down provision of € 1,375k (€ 1,382k at 31 December 2017), determined considering the revised recoverability estimates based on disposal strategies for slow-moving goods. Inventories are concentrated mostly in Italy (where the Group uses centralized warehouses to handle logistics) and the United States, and consist chiefly of food raw materials, drinks, packaged products, and goods sold under government monopoly.

Non-current assets

VII. Property, plant and equipment

(€k)	30.06.2018 Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	31.12.2017 Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	change
Land and buildings	122,571	(70,633)	**51,938**	129,238	(77,317)	**51,921**	**17**
Leasehold improvements	1,212,615	(774,063)	**438,552**	1,168,622	(747,675)	**420,948**	**17,604**
Plant and machinery	197,163	(163,682)	**33,481**	200,143	(165,732)	**34,411**	**(930)**
Industrial and commercial equipment	920,616	(711,017)	**209,599**	842,201	(660,260)	**181,941**	**27,658**
Assets to be transferred free of charge	324,734	(255,208)	**69,526**	325,956	(255,502)	**70,454**	**(928)**
Other	54,693	(48,915)	**5,778**	52,627	(47,564)	**5,063**	**715**
Assets under construction and payments on account	115,448	-	**115,448**	116,178	-	**116,178**	**(730)**
Total	**2,947,840**	**(2,023,518)**	**924,322**	**2,834,965**	**(1,954,050)**	**880,916**	**43,406**

Capital expenditure in the first half 2018 amounted to € 119,367k, while the net carrying amount of disposals was € 4,401k. The disposals generated net gains of € 4,339k, mainly due to the sale of a warehouse in Italy. The directors' interim report on operations contains a more detailed analysis of capital expenditure.

Depreciation in the first half 2018 amounted to € 91,350k (€88,298k in the first half 2017).

At each reporting date, the Group checks the existence of losses in the value of property, plant and equipment of individual locations, including the reversal of losses charged in previous years (up to historical amortized cost as of the reversal date) where the reasons for impairment no longer exist. Consistently with the method followed in the 2017 consolidated financial statements, impairment testing is based on the estimated future cash flows for each location (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country. In the first half 2018 no impairment losses have been recognised (€558k in the first half 2017).

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

Assets under construction and payments on account are concentrated mostly in the United States and include investments for new openings and contract renewals.

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

(€k)	30.06.2018 Gross amount	Accumulated depreciation and impairment losses	Carrying amount	31.12.2017 Gross amount	Accumulated depreciation and impairment losses	Carrying amount
Land and buildings	5,536	(3,830)	**1,706**	5,536	(3,789)	**1,747**
Industrial and commercial equipment	828	(505)	**323**	608	(445)	**163**
Total	**6,364**	**(4,335)**	**2,029**	**6,144**	**(4,234)**	**1,910**

The financial payable for leased goods amounts to € 4,536k and is included under "Other financial liabilities" (current) for € 317k (€ 292k at the end of 2017) and "Other financial liabilities" (non-current) for € 4,219k (€ 4,200k the previous year) (Notes XVII and XX). Future lease payments due after 30 June 2018 amount to € 6,986k (€ 6,904k at the end of 2017).

The nature and location of the capital expenditure is presented in the Directors’ interim report on operations in the context of the comment on the performance of the Group's operating segments.

VIII. Goodwill

At 30 June 2018 goodwill amounts to € 825,671k, compared with € 795,928k the previous year. The cash-generating units (CGUs) are identified on the basis of business segments, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes.

The carrying amounts of CGUs grouped by geographical area are presented below:

(€k)	30.06.2018	31.12.2017	change
North America	433,850	422,784	**11,066**
International	59,199	58,297	**902**
Europe			
Italy	83,631	83,631	**0**
Other european countries	248,991	231,216	**17,775**
Total	**825,671**	**795,928**	**29,743**

The change for the period is attributable to the goodwill arising from acquisition of Le Crobag (€ 16,344k) and to exchange differences (€ 13,399k).
The economic and financial patterns noted during the first half and the updated forecasts of future macroeconomic trends are consistent with the assumptions used to test the recoverability of goodwill upon preparation of the annual report at 31 December 2017. Therefore, no indicators of potential impairment were identified during the preparation of the Directors' interim report on operations and early impairment tests were not run.

IX. Other intangible assets

	30.06.2018			31.12.2017			
(€k)	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	change
Concessions, licenses, trademarks and similar rights	205,384	(120,636)	**84,748**	164,993	(113,342)	**51,651**	**33,097**
Other intangible assets	107,300	(86,572)	**20,728**	98,084	(80,115)	**17,969**	**2,759**
Assets under development and payments on account	5,025	-	**5,025**	6,059	-	**6,059**	**(1,034)**
Total	**317,709**	**(207,208)**	**110,501**	**269,136**	**(193,457)**	**75,679**	**34,822**

The change in the item "Concessions, licenses, trademarks and similar" in the first half of 2018 is mainly represented by the acquisition of the Le Crobag brand (€ 30,556k).
Depreciation for the period amounted to € 11,295k compared to € 10,565k in the first half of 2017.
All "Other intangible assets" have finite useful lives.
Following the verification if impairment losses exist at store level, no impairment losses on intangible assets were recognized for the period.

X. Investments

This item is mainly comprised of associates and joint ventures, measured using the equity method.
The decrease for the period is therefore explained by the exchange effect and dividend distribution.
Any surplus of an investment's carrying amount over pro-rata equity represents future profitability inherent in the investment.
For the sake of thoroughness, we report that implementation of the equity method evaluation has lead to a recognition of a positive € 201k profit in the income statement under " Income (expense) from investments" (€ 381k in the first half of 2017) while a positive € 28k for exchange gains was recorded in the Statement of other comprehensive income (€ -177k in the first half 2017).

XI. Other financial assets

(€k)	30.06.2018	31.12.2017	change
Interests-bearing sums with third parties	6,325	5,431	**894**
Guarantee deposits	20,405	15,420	**4,985**
Other financial receivables from third parties	15,845	12,493	**3,352**
Total	**42,575**	**33,344**	**9,231**

The item "Interests-bearing sums with third parties" refers to interest-bearing deposits.
The increase in the item "Guarantee deposits" is mainly related to deposits made in connection with new contractual awards and the acquisition of Le Crobag.
"Other financial receivables from third parties" consist primarily of non current amounts due from the non-controlling shareholders of some North American subsidiaries for capital advances, taking account of their ability to pay the sums back with future earnings.

XII. Deferred tax assets and liabilities

The “deferred tax assets”, shown net of offsettable deferred tax liabilities, amount to € 55,184k as of 30 June 2018 (€ 37,815k at 31 December 2017).
The increase with respect to the previous period includes, among other things, € 7,005k for the recognition of deferred tax assets for the valuation of the tax benefits expected from the acquisition of Le Crobag due to the tax deduction in Germany of goodwill and of the acquired brand.
At 30 June 2018, "Deferred tax liabilities" not offsettable against deferred tax assets amounted to € 31,466k (€ 28,517k the previous year).

XIII. Other receivables

Most of the other non-current receivables of € 10,284k (€ 10,072k at 31 December 2017) consist of rent paid in advance.

Current liabilities

XIV. Trade payables

Trade payables at 30 June 2018 came to € 356,527k, a slight increase compared to the balance at 31 december 2017 of € 351,168k.

XV. Tax liabilities

This item amounts to € 1,966k, decreased by € 1,600k compared to the balance at 31 december 2017, and refers to taxes accrued during the year net of offsettable receivables. The income tax balance of the Italian companies participating in the domestic tax consolidation scheme of the parent, Edizione S.r.l., is recognized under "Other receivables" in current assets (Note XIII).
The non-current portion, equal to € 5,057k, refers to the residual income tax liability accrued, in the previous year, by the US subsidiary following the tax reform.

XVI. Other payables

(€k)	30.06.2018	31.12.2017	change
Personnel expense	129,205	140,228	**(11,023)**
Due to suppliers for additions of capital expenditure	66,962	75,048	**(8,086)**
Social security and defined contribution plans	40,751	44,543	**(3,792)**
Indirect taxes	30,898	32,544	**(1,646)**
Withholding taxes	9,214	13,805	**(4,591)**
Other	40,226	37,605	**2,621**
Total	**317,256**	**343,773**	**(26,517)**

The change in the item "Personnel expense" is mainly due to the payment of incentives for the year 2017 and the payments for the exercise of Wave 3 of the Phantom Stock Option 2014 plan (paragraph 2.2.12).
"Due to suppliers for additions of capital expenditure" reflect the seasonality in capital expenditure concentrated, tipically for the Group, in the last quarter of the year.
The item "Social security and defined contribution plans" refers chiefly to the amount due to local social security institutions and for liabilities under defined contribution programs.
Most of the change in "Indirect taxes" concerns mainly indirect taxes.
The item "Other" includes amounts due to directors and statutory auditors as well as deferred promotional contributions from suppliers and accrued liabilities for insurance, utilities, and maintenance pertaining to the semester.

XVII. Other financial liabilities

(€k)	30.06.2018	31.12.2017	change
Fair value of interest rate hedging derivatives	85	-	**85**
Accrued expense and deferred income for interest on loans	6,526	6,493	**33**
Lease payments due to others (note VII)	317	292	**25**
Fair value of exchange rate hedging derivatives	563	411	**152**
Other financial accrued expense and deferred income	1	6	**(5)**
Total	**7,492**	**7,202**	**290**

The item "Accrued expense and deferred income for interest on loans" is mainly due to the to the financial charges on the US bond contracted by the subsidiary HMSHost Corp., substantially unchanged compared to 31 December 2017.
“Fair value of exchange rate hedging derivatives” refers to the fair value measurement of the derivatives entered into to hedge currency risk at 30 June 2018, in particular to the forward sale and/or purchase of currency, in connection with intercompany loans and dividends.

Non-current liabilities

XVIII. Other payables

“Other payables” amount to € 34,735k (€ 33,230k at 31 December 2017) and include mainly the liability to personnel for long-term incentives and for defined contribution plans. The balance at 30 June 2018 also includes € 6.5m deferred payment for 2019 for the acquisition of Le Crobag.

XIX. Loans

(€k)	30.06.2018	31.12.2017	change
Current account overdrafts	54,571	27,897	**26,674**
Unsecured bank loans	55,307	190,434	**(135,127)**
Commissions on loans	0	(87)	**87**
Total current	**109,878**	**218,244**	**(108,366)**
Unsecured bank loans	537,831	236,717	**301,114**
Commissions on loans	(1,900)	(1,275)	**(625)**
Total non-current	**535,931**	**235,442**	**300,489**
Total	**645,809**	**453,686**	**192,123**

The breakdown of "Unsecured bank loans" at 30 June 2018 and at 31 December 2017 is shown below:

		30.06.2018		31.12.2017	
	Expiry	Amount (€k)	Drawdowns in €k (1)	Amount (€k)	Drawdowns in €k (1)
Revolving Facility Agreement - HMS Host Corporation (2)	March 2020	257,334	157,831	250,146	86,717
2013 Line		**257,334**	**157,831**	**250,146**	**86,717**
Term Amortizing Facility - Autogrill S.p.A. (3)	January 2023	100,000	100,000	-	-
Revolving Amortizing Facility - Autogrill S.p.A. (3)	January 2023	200,000	30,000	-	-
2018 Line		**300,000**	**130,000**	**-**	**-**
Revolving Facility - Autogrill S.p.A. (3)	January 2023	100,000	100,000	-	-
2018 Line		**100,000**	**100,000**	**-**	**-**
Term Loan Facility - Autogrill S.p.A.	August 2021	150,000	150,000	150,000	150,000
2017 lines		**150,000**	**150,000**	**150,000**	**150,000**
Revolving Facility - Autogrill S.p.A.	March 2020	-	-	400,000	160,000
2015 Syndicated lines		**-**	**-**	**400,000**	**160,000**
Total		**807,334**	**537,831**	**800,146**	**396,717**
of which current portion		**-**	**-**	**160,000**	**160,000**
Total lines of credit net of current portion		**807,334**	**537,831**	**640,146**	**236,717**

(1) Drawdowns in currency are measured based on exchange rates at 30 June 2018 and 31 December 2017

(2) On 26 June 2018 HMSHost Corp. obtained a new credit facility of $400m used to repay the loan of $300m, with original deadline of March 2020

(3) Credit line, obtained in January 2018 and used to repay in advance the Revolving Facility of € 400m.

At 30 June 2018 the Group's committed credit facilities had been drawn down by about 67%.

In August 2017, the Company obtained a new credit line (Term loan) for € 150m expiring in August 2021, used to settle the partially used Term Amortizing line in advance, with a nominal € 200m, maturing in 2020.
It should be noted that in January 2018 the Parent Company obtained two new credit lines:

• a loan with a final maturity of January 2023, divided into a Term Amortizing line and a Revolving Amortizing line, respectively of € 100m and € 200m. The "Term Amortizing" line provides for the annual repayment, starting from January 2021, of 2 installments of € 25m and the extinction at the end of the remaining capital of € 50m. The Revolving line provides for the reduction of the commitment starting from January 2021, of 2 installments of € 62.5m and the cancellation upon expiry of the residual commitment of € 75m;

• a Revolving line ("Revolving Facilities Agreement") of € 100m expiring in January 2023.

The two lines were used to pay in advance, in February 2018, the Revolving loan of nominal € 400m, partially used, with original maturity in March 2020.
The € 150m loan agreement (obtained in August 2017) and the new loan contracts for a total of € 400m (obtained in January 2018), provide for the retention of the same indicators envisaged for the € 600m loan contract within pre-established values.
The aforesaid contracts provide for the fulfillment of the following covenants within pre-established values: a Leverage Ratio (Gross Financial Debt / EBITDA) not higher than 3.5 and an Interest Cover Ratio (EBITDA / Net Financial Charges) of not less than 4.5. The contract takes as reference, in the calculation of the covenants, the data of the entire Group. At 30 June 2018 all the covenants mentioned above are met. The forecast data confirm compliance with the covenants also over the next 12 months.
On 26 June 2018, the subsidiary HMSHost Corp. obtained a new loan with a final maturity of June 2023, divided into a Term Loan line and a Revolving Credit Facility line, both of $200m. The "Term Loan" line provides for the annual repayment, starting from June 2020, of a $ 50m installment and the extinction upon maturity of the remaining capital of $ 50m. The two lines were used to pay off the Revolving nominal $ 300m, used for $ 200m.
The new loan agreement signed by HMSHost Corporation provides for the fulfillment of the following covenants within pre-established values: a Leverage Ratio (Gross Financial Debt / EBITDA) not higher than 3.5 and an Interest Cover Ratio (EBITDA / Net Financial Charges)) not less than 4.5. This contract requires that the covenants to be met are determined solely on the company perimeter of HMSHost Corporation. At 30 June 2018 all the parameters mentioned above are met. The forecast data confirm compliance with the aforementioned covenants also over the next 12 months.
For the determination of the Leverage Ratio and the Interest Cover Ratio, the loan contracts refer to contractual definitions of net and gross financial indebtedness, EBITDA and financial charges that differ from the balances resulting from the balance sheet items or their aggregations and therefore the final levels of these ratios can not be immediately deduced from the reading of the financial statements.

XX. Other financial liabilities

(€k)	30.06.2018	31.12.2017	change
Lease payments due to others (note VII)	4,219	4,200	**19**
Fair value of interest rate hedging derivatives	3,197	533	**2,664**
Liabilities due to others	882	1,267	**(385)**
Total	**8,298**	**6,000**	**2,298**

"Fair value of interest rate hedging derivatives" includes the non-current portion of the fair value measurement of derivatives outstanding at 30 June 2018 and 31 December 2017, with a combined notional value of $ 100m. The current portion is included under “Other financial liabilities” (current) for € 85k (Note XVII).

"Liabilities due to others" refer mainly to financial payables to the non-controlling shareholders of certain subsidiaries.

XXI. Bonds

(€k)	30.06.2018	31.12.2017	change
Bonds (non-current)	296,939	291,577	**5,362**
Commissions on bond issues	(1,111)	(1,164)	**53**
Total non-current	**295,828**	**290,413**	**5,415**
Total	**295,828**	**290,413**	**5,415**

"Bonds" refer to private placements issued by HMSHost Corporation:
- in January 2013 for a total of $ 150m, maturing in January 2023 and paying interests half-yearly at a fixed annual rate of 5.12%;
- in March 2013 for a total of $ 200m, paying interests half-yearly and split into tranches as summarized in the table below:

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

At 30 June 2018 bonds amounted to € 295,828k, compared to € 290,413k at the end of 2017. The change is due essentially to the exchange difference (€ 8,237k).

The Group negotiated interest rate swaps with maturities matched with those of the bonds issued in 2013, for a notional value of $ 100m. At 30 June 2018 there was a gain on the hedged item of € 2,905k and a loss of a similar amount on the hedge, so the effect on the income statement was essentially nil (Note XXXII).

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

The regulations for these bonds require the fulfillment of certain covenants: a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, calculated solely with respect to HMSHost Corporation and its subgroup. For the calculation of these covenants, gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, they are not readily apparent from the financial statements. At 30 June 2018 these contractual requirements are satisfied. Projections confirm that they will continue to be met over the next 12 months.

XXII. Defined benefit plans

At 30 June 2018 this item amounts to € 77,483k (€ 80,110k at the end of the previous year).
The valuation of assets/liabilities connected to defined benefit plans is done regularly, at the end of each year unless specific indicators suggest the need to update estimates earlier; during the period

under examination the need to update the discount rate applied to defined benefit plan assets/liabilities in Italy materialized; the discount rate was, therefore, adjusted, and as a result the liability decreased for €189k posted in the comprehensive income, net of the tax effect of €45k (Note XXIV).

XXIII. Provisions for risks and charges

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

(€k)	30.06.2018	31.12.2017	change
Provision for taxes	2,825	3,630	(805)
Other provisions	20,573	12,758	7,815
Provision for legal disputes	2,691	1,852	839
Total provisions for current risks and charges	**26,090**	**18,241**	**7,849**
Other provisions	24,735	23,290	1,445
Provision for legal disputes	2,075	2,081	(6)
Provision for the refurbishment of third party assets	5,880	6,493	(613)
Onerous contracts provision	932	952	(20)
Total provisions for non-current risks and charges	**33,621**	**32,815**	**806**

Provision for taxes

The current portion relates primarily to disputes over US companies' direct and indirect tax obligations and reflect the advice of the Group's tax advisors (Note XXX).

Other provisions

The change is attributable mainly to provisions for early retirement linked to the "intergenerational pact" in Italy. In March 2018, in fact, an "intergenerational pact" was signed with social security institutions based on which employees of Italian companies, who meet certain requirements identified in the current law (Fornero Law), may voluntarily opt for early retirement. At the same time new resources will be introduced in order to maintain a balanced workforce and support commercial development of the sales network. The Group estimated the possible economic impact based on the information available at the date of this half-year financial report relating to the employees who qualify and are eligible under the law and the expense per employee. It will only be possible to determine the final economic impact after the procedure has been completed and the number of employees who may qualify and be eligible has been defined with the social security institutions, as well as the final cost for each of these employees. The definitive liability will be settled between 2019 and 2021.
This item includes also the United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans, settled on an annual basis. In the first half 2018, € 6,251k was allocated to this provision on the basis of track records and forecasts regarding accidents, while settlements for the period came to € 6,707k.

Provision for legal disputes

This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments, in line with forecasts. Allocations for the period, net of amounts released due to changed estimates of existing risks, came to € 1,758k.

Provision for the refurbishment of third party assets
This represents the estimated liability for ensuring that leased assets are returned in the contractually agreed condition.

Onerous contracts provision
This refers to long-term leases or concession agreements on commercial units that are not profitable enough to cover the rent. It has been updated using profitability projections as of 30 June 2018.

XXIV. Equity

Movements in equity items during the year are detailed in the statement of changes in equity.

Share capital
At 30 June 2018 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to € 68,688k and consists of 254,400,000 ordinary shares.
At 30 June 2018 Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

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

Translation reserve
Translation differences are generated by the translation into euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the equity method, net of the fair value of instruments designated as net investment hedges. Of the increase, € 5,855k concerns exchange rate differences from the translation of financial statements in foreign currencies, € 28k the portion of comprehensive income for investments valued using the equity method (Note X), and € 265k the change in the fair value of instruments designated as net investment hedges, net of the tax effect.

Other reserves and retained earnings
These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the stock option plans.
Other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement defined benefit plan assets and liabilities.
The change in this item was caused mainly by the allocation to reserves of the 2017 profit on the basis of the shareholders' meeting resolution of 24 May 2018 and by the payment of € 48,300k in dividends.

Treasury shares
The annual general meeting of 24 May 2018, pursuant to arts. 2357 *et seq.* of the Italian Civil Code and after revoking the authorization granted at 25 May 2017, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.
At 30 June 2018 the parent company owned 181,641 treasury shares with a carrying amount of € 720k and an average carrying amount of € 3.96 per share.

Non-controlling interests
Non-controlling interests amount to € 47,621k, compared with € 45,371k at 31 December 2017. Most of the increase is due to the profit of the period (€ 6,086k) and capital injections (€ 7,941k) made chiefly by the non-controlling shareholders of the US companies, net of dividends paid (€ 13,800k).

Other comprehensive income

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

(€k)	First half 2018			First half 2017		
	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Remeasurements of the defined benefit (liabilities)/asset	189	(45)	144	717	(336)	381
Items that will never be reclassified to profit or loss	**189**	**(45)**	**144**	**717**	**(336)**	**381**
Equity-accounted investee - share of other comprehensive income	28	-	28	(177)	-	(177)
Foreign currency translation differences for foreign operations	7,878	-	7,878	(29,982)	-	(29,982)
Gain/(loss) on net investment hedge	354	(89)	265	(157)	39	(118)
Items that may be subsequently reclassified to profit or loss	**8,260**	**(89)**	**8,171**	**(30,316)**	**39**	**(30,277)**
Total other comprehensive income	**8,449**	**(134)**	**8,315**	**(29,599)**	**(297)**	**(29,896)**

2.2.4 Notes to the income statement

XXV. Revenue

Revenue for first half 2018 was made up as follows:

(€k)	First Half 2018	First Half 2017	change
Food & Beverage sales	2,105,793	2,129,067	**(23,274)**
Oil sales	197,665	195,292	**2,373**
Total	**2,303,458**	**2,324,359**	**(20,901)**

The change reflects higher business volumes, specifically in North America and in various countries covered by HMSHost International, more than offset by the depreciation of the US dollar.
The sale of fuel takes place mainly at rest stops in Italy and Switzerland. For details of the trend in revenue, see section 2.2.8 (Segment reporting) and the Directors' interim report on operations.

XXVI. Other operating income

(€k)	First Half 2018	First Half 2017	change
Bonus from suppliers	19,444	20,373	**(929)**
Income from business leases	4,240	3,739	**501**
Affiliation fees	1,941	1,009	**932**
Gain on sales of property, plant and equipment	4,443	1,236	**3,207**
Other revenue	17,015	16,855	**160**
Total	**47,083**	**43,212**	**3,871**

"Other revenue" includes € 10,724k (€ 9,703k the previous period) in commissions from the sale of goods and services for which the Group acts as an agent (mostly telephone cards, fuel and lottery tickets). It also includes income from services, reimbursements from third parties and insurance payments.
The change in “Gain on sales of property, plant and equipment ” is mainly due to the sale of a warehouse in Italy.

XXVII. Raw materials, supplies and goods

(€k)	First Half 2018	First Half 2017	change
Purchases	852,149	844,069	**8,080**
Change in inventories	(7,519)	1,112	**(8,631)**
Total	**844,630**	**845,181**	**(551)**

The variation of this item is mainly due to the growth of the revenue and inflationary trend on some raw goods, offset by the depreciation of the US dollar.

XXVIII. Personnel expense

(€k)	First Half 2018	First Half 2017	change
Wages and social security contribution	651,230	660,030	**(8,800)**
Employee benefits	18,769	17,385	**1,384**
Other costs	59,161	56,780	**2,381**
Total	**729,160**	**734,195**	**(5,035)**

The increase in personnel expense reflects the expansion of business and inflationary pressure on labor cost, specifically in the United States, offset by the depreciation of the US dollar.
"Other costs" include the portion of the stock option plans pertaining to the period and the accrued remuneration of the Directors, as detailed in Section 2.2.12 below.
This item includes the early retirement costs of €9.0m linked to the "intergenerational pact" introduced in Italy in March 2018 (note XXIII – Provisions for risks and charges).

XXIX. Leases, rentals, concessions and royalties

(€k)	First Half 2018	First Half 2017	change
Leases, rentals and concessions	339,003	334,320	**4,683**
Royalties	52,436	52,929	**(493)**
Total	**391,439**	**387,249**	**4,190**

The increase of this item reflects the expansion of the Group's operations, as well as the impact of the start-up of a few operations in Europe and China which caused a temporary drop in the absorption of fixed rental costs.

XXX. Other operating expense

(€k)	First Half 2018	First Half 2017	change
Utilities	41,785	42,224	**(439)**
Maintenance	38,435	39,279	**(844)**
Cleaning and disinfestations	26,034	25,718	**316**
Consulting and professional services	17,233	16,914	**319**
Commissions on credit card payments	24,710	25,204	**(494)**
Storage and transport	8,606	8,273	**333**
Advertising	7,801	6,317	**1,484**
Travel expenses	14,388	14,278	**110**
Telephone and postal charges	8,117	9,665	**(1,548)**
Insurance	2,763	2,651	**112**
Surveillance	1,448	1,449	**(1)**
Transport of valuables	2,292	2,256	**36**
Banking services	2,298	2,576	**(278)**
Sundry materials	18,295	16,993	**1,302**
Other services	18,130	17,600	**530**
Costs for materials and services	**232,335**	**231,397**	**938**
Impairment losses on receivables (Note V)	**172**	**400**	**(228)**
For taxes	(298)	237	(535)
For legal disputes	1,758	840	918
For onerous contracts	(10)	(1,596)	1,586
For other risks	6,101	6,780	(679)
Allocation to provisions for risks (Note XXIII)	**7,551**	**6,261**	**1,290**
Indirect and local taxes	**11,919**	**13,368**	**(1,449)**
Other operating expense	**6,465**	**5,206**	**1,259**
Total	**258,442**	**256,632**	**1,810**

In general the increase in this item is linked to the expansion of the Group's operations is offset by the depreciation of the US dollar.
“Advertising” increases due to the more actions to support the sales.
"Sundry materials" refer to the purchase of inexpensive equipment and to various consumables such as uniforms, office supplies, and advertising materials.
"Consulting services" were received primarily in Italy and the United States.
The item "Other services" includes miscellaneous items such as medical check-ups, public relations, general services, and personnel recruitment and training.

XXXI. Depreciation, amortization and impairment losses

In detail by type of assets:

(€k)	First Half 2018	First Half 2017	change
Other intangible assets	11,295	10,565	**730**
Property, plant and equipment	83,866	80,988	**2,878**
Assets to be transferred free of charge	7,484	7,310	**174**
Total	**102,645**	**98,863**	**3,782**

The increase reflects the higher capital expenditure during the second half 2017 and first half 2018. In the first half 2018 no impairment losses were recognized (€ 558k in the first half 2017), following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each cash generating unit.

XXXII. Financial income and expense

(€k)	First Half 2018	First Half 2017	change
Interest income	456	441	15
Exchange rate income	-	508	(508)
Ineffective portion of hedging instruments	2	-	2
Other financial income	542	27	515
Total financial income	**1,000**	**976**	**24**

(€k)	First Half 2018	First Half 2017	change
Interest expense	11,551	13,128	(1,577)
Discounting of long-term liabilities	363	350	13
Exchange rate losses	1,014	-	1,014
Interest differential on exchange rate hedges	454	283	171
Fees paid on loans and bonds	139	45	94
Ineffective portion of hedging instruments	-	3	(3)
Other financial expense	194	152	42
Total financial expense	**13,715**	**13,961**	**(246)**
Total net financial expense	**(12,715)**	**(12,985)**	**270**

The decrease in interest expenses reflects a reduction in the average cost of debt, from 3.9% in the first half 2017 to 3.1% in the first half 2018.

XXXIII. Income tax

The balance of € 9,032k (€ 19,099k in the first half 2017) includes € 16,576k in current taxes (€ 18,588k the previous year) and € 8,177k in net deferred tax assets (€ 330k in the first half 2017).

IRAP, which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense for fixed-term labor, came to € 51k in the first half 2018 (€ 457k in the first half 2017). CVAE, charged on French operations and calculated on the basis of revenue and value added, amounted to € 582k (€ 639k in the first half 2017).

Following the U.S. tax reform enacted at the end of 2017, tax for the first half 2018 was determined based on the new tax rate and way of calculating taxable income resulting in a tax burden that is lower than the comparison period. Below a reconciliation between the tax charge recognized in the consolidated financial statements and the theoretical tax charge is reported. The latter was determined by applying the theoretical tax rate to the gross income earned in each jurisdiction.

(€k)	First Half 2018	First Half 2017
Theoretical income tax	**2,273**	**16,898**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(1,496)	(2,783)
Net effect of unrecognised tax losses, of utilization of unrecognised prior-year tax losses and the revision of estimates on the taxability/deductibility of temporary differences	8,648	8,679
Tax concession on the labour cost in the United States	(3,653)	(3,559)
Permanent differences	2,628	(318)
Income tax, excluding IRAP and CVAE	**8,400**	**18,917**
IRAP and CVAE	632	182
Recognised income tax	**9,032**	**19,099**

XXXIV. Basic and diluted earnings per share

Basic earnings per share is calculated as the Group's share of net profit divided by the weighted average number of ordinary Autogrill S.p.A. shares outstanding during the year; treasury shares held by the Group are therefore excluded from the denominator.
Diluted earnings per share takes account of dilutive potential shares deriving from stock option plans when determining the number of shares outstanding.
Below is the calculation of basic and diluted earnings per share:

	First Half 2018	First Half 2017
Profit/(loss) for the period attributable to owners of the parent (€k)	(3,407)	5,973
Weighted average no. of outstanding shares (no./000)	254,218	254,057
Basic earnings per share (€/cents.)	**(1.3)**	**2.4**

	First Half 2018	First Half 2017
Profit/(loss) for the period attributable to owners of the parent (€k)	(3,407)	5,973
Weighted average no. of outstanding shares (no./000)	254,218	254,057
Dilution effect of shares included in stock option plans (no./000)	182	-
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,400	254,057
Diluted earnings per share (€/cents.)	**(1.3)**	**2.4**

2.2.5 Net financial position

Details of the net financial position at 30 June 2018 and 31 December 2017 are as follows:

Note	(€m)	30.06.2018	31.12.2017	change
I	A) Cash on hand	49,9	45,5	**4,4**
I	B) Cash equivalents	121,0	124,1	**(3,1)**
	C) Securities held for trading	-	-	**-**
	D) Cash and cash equivalent (A)+(B)+(C)	**170,9**	**169,6**	**1,3**
II	**E) Current financial assets**	**35,2**	**31,2**	**4,0**
XIX	F) Bank loans and borrowings, current	(109,9)	(218,2)	**108,4**
XXI	G) Bond issued	(0,0)	(0,0)	**-**
XVII	H) Other financial liabilities	(7,5)	(7,2)	**(0,3)**
	I) Current financial indebtedness (F+G+H)	**(117,4)**	**(225,4)**	**108,1**
	J) Net current financial indebtedness (I+E+D)	**88,7**	**(24,6)**	**113,3**
XIX	K) Bank loans and borrowings, net of current portion	(535,9)	(235,4)	**(300,5)**
XXI	L) Bond issued	(295,8)	(290,4)	**(5,4)**
XX	M) Due to others	(8,3)	(6,0)	**(2,3)**
	N) Non-current financial indebtedness (K+L+M)	**(840,1)**	**(531,9)**	**(308,2)**
	O) Net financial indebtedness (J+N)[1]	**(751,4)**	**(556,5)**	**(194,9)**
XI	**P) Non-current financial assets**	**15,8**	**12,5**	**3,4**
	Net financial position - total	**(735,5)**	**(544,0)**	**(191,5)**

[1] As defined by CONSOB communication 28 July 2006 and ESMA/2011/81 recommendations

Most of the increase reflects the payment of dividends, the cash-out related to the Le Crobag acquisition and capital expenditure of the period, only partially offset by the free operating cash flow.

For further commentary, see the notes indicated for each item.

At the close of this period and the previous year, there were financial assets due from related parties; see Section 2.2.12 ("Other information") for details.

2.2.6 Financial instruments – Fair value and risk management

The objectives, policies, and procedures of financial risk management did not changed during the first half of the year. They are described in the 2017 Annual Report. In addition, there were no changes in the fair value hierarchy used in measuring of financial instruments compared with the most recent annual consolidated financial statements, and the methods used in measuring level fair value are consistent with those used in the 2017 Annual Report.

In this context, the new IFRS 9 foresee some modifications to hedge accounting management which are now recorded more in line with a risk management approach. The application of these rules, applicable only in a perspective approach, determined a review of hedge accounting on contract existing as of 1st January 2018, without implying any modification on conclusions and accounting.

2.2.7 Disclosure of non-controlling interests

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

At 30 June 2018, these companies had net assets of $ 184.4m ($ 167m at 31 December 2017), revenue of $ 420.8m ($ 366.2m in the first half 2017) and profit for the period of $ 29.2m ($ 40.9m in the first half 2017). The equity attributable to non-controlling interests amount to $ 42.3m ($ 37.8m at 31 December 2017) and the profit to $ 8.7m ($ 8.3m in the previous period).

2.2.8 Segment reporting

The Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, serving a local and international customer base. The business is conducted in Europe by Autogrill S.p.A. (directly in Italy and through subsidiaries in other European countries), and in North America, the Netherlands, Uk and Ireland, Scandinavia, the Middle East and Asia by HMSHost Corporation and its subsidiaries. The Group serves its own proprietary brands as well as third-party brands under license. The operational leverages are typically assigned to local organizations and coordinated, at the European level, by central facilities.
Performance is monitored separately for each business unit: Europe, North America, and International (the latter covering Northern Europe, Middle East and Asia). It should be mentioned that as a result of the reorganization process in 2017, the areas "Italy" and "Other European countries" have been merged to reflect the Group's organizational and managerial structure. The area also includes costs for European Support.
Costs are shown separately for "Corporate" functions, which include the centralized units in charge of administration, finance and control, investor relations, strategic planning, legal and corporate affairs, enterprise risk management, communications, human resources and organization for the Group as a whole.
Key information on operating segments is presented below. The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

Profit & Loss - First half 2018					
(€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	**1,036,735**	**268,593**	**1,043,409**	**1,804**	**2,350,541**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(49,997)	(15,727)	(35,912)	(1,009)	(102,645)
Operating profit/(loss)	**47,168**	**7,585**	**(17,548)**	**(12,981)**	**24,225**
Net financial expense					**(12,715)**
Adjustment to the value of financial assets					**201**
Pre-tax profit					**11,711**
Income tax					**(9,032)**
Result for the period					**2,679**

Net invested capital at 30.06.2018					
(€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	433,850	59,199	332,622	-	**825,671**
Other intangible assets	28,738	16,620	64,078	1,066	**110,501**
Property, plant and equipment	492,805	95,754	332,234	3,528	**924,322**
Financial assets	8,388	12,043	8,624	871	**29,925**
Non-current assets	**963,781**	**183,616**	**737,558**	**5,465**	**1,890,420**
Net working capital	**(182,149)**	**(56,955)**	**(161,683)**	**15,106**	**(385,680)**
Other non-current non financial assets and liabilities	(63,163)	2,088	(63,551)	7,732	(116,894)
Net invested capital	**718,470**	**128,749**	**512,324**	**28,303**	**1,387,845**

Profit & Loss - First half 2017					
(€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	**1,119,874**	**229,064**	**1,018,632**	**-**	**2,367,571**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(52,940)	(12,434)	(33,968)	(79)	**(99,421)**
Operating profit/(loss)	**60,834**	**8,942**	**(8,384)**	**(16,499)**	**44,893**
Net financial expense					**(12,985)**
Adjustment to the value of financial assets					**381**
Pre-tax profit					**32,289**
Income tax					**(19,099)**
Result for the period					**13,190**

Net invested capital at 31.12.2017					
(€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	422,784	58,297	314,846	-	**795,928**
Other intangible assets	29,880	13,704	31,625	470	**75,679**
Property, plant and equipment	468,687	90,268	321,627	334	**880,916**
Financial assets	7,460	10,573	6,324	-	**24,357**
Non-current assets	**928,811**	**172,842**	**674,423**	**803**	**1,776,880**
Net working capital	**(250,454)**	**(55,994)**	**(167,557)**	**68,099**	**(405,906)**
Other non-current non financial assets and liabilities	(66,393)	548	(60,297)	(5,559)	(131,702)
Net invested capital	**611,964**	**117,396**	**446,568**	**63,343**	**1,239,272**

2.2.9 Seasonal patterns

The Group's volumes are closely related to the flow of travellers, which is highly seasonal in some businesses, and this affects consolidated results. A breakdown of 2017 results by quarter shows that volumes are concentrated in the second half of the year, and particularly in the third quarter, when business is at a peak due to summer holidays.

	2017			
€m	**First quarter**	**First half**	**First nine months**	**Full year**
Revenue	985.6	2,129.1	3,376.4	4,594.6
% of full year	*21.5%*	*46.3%*	*73.5%*	*100.0%*
Operating profit/(loss)	(10.9)	44.9	160.3	185.2
% of full year	*n.s.*	*24.2%*	*86.5%*	*100.0%*
Pre-tax profit/(loss)	(17.5)	32.3	142.2	158.7
% of full year	*n.s.*	*n.s.*	*89.6%*	*100.0%*
Profit/(loss) attributable to owners of the parent	(22.4)	6.0	81.8	96.2
% of full year	*n.s.*	*n.s.*	*85.0%*	*100.0%*

Notes:
- In order to compare data with the figures shown in the Directors' interim report on operations, revenue does not include fuel sales made primarily in Swiss and Italian motorway service areas

The percentages shown are general indications only and should not be used to predict results or the generation of cash. Indeed, seasonal trends are further magnified by cash flows, with the first quarter usually seeing a concentration of annual payments (namely concession fees), both as settlement of amounts accrued in the previous year and as advances on the year in course.

2.2.10 Guarantees given, commitments and contingent liabilities

At 30 June 2018 the guarantees given by the Autogrill Group amount to € 430,376k (€ 320,310k at the end of 2017) and refer to performance bonds and other personal guarantees issued in favor of grantors, business counterparties and financial institutions.
The increase reflects mainly guarantees given by Autogrill S.p.A. in favor of financial instituitions in the interests of its own controlled italian subsidiaries, coming from the reorganization process ended in 2017.
With regard to commitments, there are no significant changes with respect to 31 December 2017.
At 30 June 2018, there were no contingent liabilities as described in IAS 37.

2.2.11 Operating leases

The table below gives details by due date of the Group's future minimum operating lease payments at 30 June 2018:

(€k)

Year	Total future minimum lease payments	Future minimum sub-lease payment [1]	Net future minimum lease payments
2°half 2018	227,774	13,171	214,603
2019	430,772	23,962	406,810
2020	392,301	21,715	370,586
2021	358,673	18,687	339,986
2022	304,972	12,947	292,025
After 2022	1,441,248	26,747	1,414,501
Total	**3,155,740**	**117,229**	**3,038,511**

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

In the first half year 2018, the fees recognized in the income statement amount to € 339,003k (Note XXIX) for operating leases (including € 221,670k in guaranteed minimums), net of € 23,610k for sub-leases (including € 13,840k in guaranteed minimums).
The new accounting principle on the recognition of lease agreements (IFRS 16) provides a new lease definition and introduces a criterion based on the right of use of an asset to distinguish leasing contracts from service contracts and establishes a model recognition and evaluation of leasing contracts, which provides, for the lessee, the inclusion of the asset that is also leased to operating assets with a counterpart in a financial debt. The new principle will have an impact on the exposure of the aforementioned contracts only from 1 January 2019; the Group has put in place a specific road map for determining the accounting impacts related to the implementation of the principle, through an in-depth analysis of the contracts and the clauses contained therein.

2.2.12 Other information

Related party transactions

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

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

In the first half year 2018 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.p.A..

Income statement	Revenue		Other operating income		Raw materials, supplies and goods		Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense) /income	
€k	First Half 2018	First Half 2017	First Half 2018	First Half 2017	First Half 2018	First Half 2017	First Half 2018	First Half 2017	First Half 2018	First Half 2017	First Half 2018	First Half 2017	First Half 2018	First Half 2017
Parent:														
Edizione S.r.l.	-	-	13	13	-	-	-	-	4	4	50	58	-	-
Other related parties:														
Atlantia Group	15	22	43	57	85	53	38,122	37,038	1,585	1,530	-	-	-	-
Benetton Group S.r.l.	-	-	-	129	-	-	-	-	-	-	-	-	-	-
Verde Sport S.p.A	1	3	-	-	-	-	-	-	45	45	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	-	2	-	-	-	-	-	-	-	-
Edizione Property S.p.a	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity investments	-	-	680	710	-	-	(593)	(591)	(241)	(281)	-	-	45	47
Other related parties (*)	-	-	-	-	-	-	-	-	117	89	2,526	2,517	-	-
Total Related parties	**16**	**25**	**736**	**908**	**85**	**55**	**37,529**	**36,447**	**1,509**	**1,387**	**2,576**	**2,575**	**45**	**47**
Total Group	**2,303,458**	**2,324,359**	**47,083**	**43,212**	**844,630**	**845,181**	**391,439**	**387,249**	**258,442**	**256,632**	**729,160**	**734,195**	**(12,715)**	**(12,985)**
Incidence	**0.0%**	**0.0%**	**1.6%**	**2.1%**	**0.0%**	**0.0%**	**9.6%**	**9.4%**	**0.6%**	**0.5%**	**0.4%**	**0.4%**	**-0.4%**	**-0.4%**

Statement of financial position	Trade receivables		Other receivables		Trade payables		Other payables		Financial receivables	
€k	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Parent:										
Edizione S.r.l.	-	7	12,599	12,599	-	(0)	52	115	-	-
Other related parties:										
Atlantia Group	2,442	2,045	2,194	2,172	12,240	27,963	50	893	-	-
Benetton Group S.r.l.	-	-	8	8	-	-	-	-	-	-
Verde Sport S.p.A	-	1	-	-	23	-	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	0	1	-	-	-	-
Edizione Property S.p.a	-	20	-	-	-	-	-	-	-	-
Equity investments	-	-	1,659	1,451	-	-	-	14	6,977	6,285
Other related parties (*)	-	-	-	-	-	-	662	2,123	-	-
Total Related parties	**2,442**	**2,073**	**16,460**	**16,231**	**12,263**	**27,964**	**764**	**3,146**	**6,977**	**6,285**
Total Group	**53,826**	**48,972**	**131,690**	**130,292**	**356,527**	**351,168**	**317,256**	**343,773**	**42,575**	**33,344**
Incidence	**4.5%**	**4.2%**	**12.5%**	**12.5%**	**3.4%**	**8.0%**	**0.2%**	**0.9%**	**16.4%**	**18.8%**

(*) The Other related parties refer to transactions with directors and executives with strategic responsabilities

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

"Personnel expense" refers to fees earned by a director of Autogrill S.p.A. as of 30 June 2018 and paid back to Edizione S.r.l. where he serves as executive manager. "Other payables" mostly originate from the same transactions.

"Other receivables" consist of:

- € 12,438k for the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l., on behalf of Autogrill S.p.A. for € 12,424k and Nuova Sidap S.r.l. for € 14k, due as a result of the retroactive recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (Art. 2 of Law 201/2011)

- € 162k for taxes withheld in 2016 and transferred to the consolidating company Edizione S.r.l. In accordance with the regulations, the amount will be reimbursed after their use.

Atlantia group: “Other operating income” refers to commissions on sales of Viacards (automatic toll collection cards). "Other operating expense" refers chiefly to the management of motorway locations.

"Leases, rentals, concessions and royalties" refer to concession fees and accessory costs pertaining to the year. “Trade receivables” and “Trade payables” originate from the same transactions.

"Other receivables" consist primarily of fees for cleaning services at rest stops and the co-marketing fees described above.

Benetton Group S.r.l.: "Other receivables" refer to rent and related charges for the sublet of premises in Milan, expired on 30th April 2017.

Verde Sport S.p.A.: "Other operating expense" concerns the commercial sponsorship of youth sports at the facilities housed at "La Ghirada - Città dello Sport". "Revenue" refers to the sale of products relating to the commercial affiliation contract for the operation of an outlet at those facilities.

Remuneration of directors and executives with strategic responsibilities

The following remuneration accrued to members of the Board of Directors and to executives with strategic responsibilities in the first half year 2018:

Name (€)	Office held	Term of office	Remuneration	Non-monetary benefits	Other fees
Gilberto Benetton	Chairman	2017/2019	30,000		
Gianmario Tondato da Ruos	CEO	2017/2019	260,000	2,402	200,000
Alessandro Benetton	Director	2017/2019	30,000		
Paolo Roverato	Director	2017/2019	50,000		
Massimo Fasanella D'Amore di Ruffano	Director	2017/2019	61,438		
Francesco Chiappetta	Director	2017/2019	45,000		
Ernesto Albanese	Director	2017/2019	35,000		
Marco Patuano	Director	dal 26/01/2017 al 2019	40,000		
Franca Bertagnin Benetton	Director	dal 25/5/2017 al 2019	30,000		
Cristina De Benetti	Director	dal 25/5/2017 al 2019	40,000		
Catherine Gerardin Vautrin	Director	dal 25/5/2017 al 2019	40,000		
Maria Pierdicchi	Director	dal 25/5/2017 al 2019	40,000		
Elisabetta Ripa	Director	dal 25/5/2017 al 2019	56,438		
Total directors			**757,876**	**2,402**	**200,000**
Key managers with strategic responsibilities (8 people)				131,138	1,434,312
Total			**757,876**	**133,540**	**1,634,312**

The CEO's remuneration includes, among others, his executive salary from Autogrill S.p.A., which is shown under "Other fees". According to the Board of Directors resolution of 29 June 2017, which governs the CEO's employment, if the CEO resigns with just cause or is dismissed by the Company without just cause, the Company will top up to €2m the standard indemnity in lieu of notice and any other indemnity or leaving compensation provided for in the national collective managers' contract for the commercial sector, when less than that amount. Also, given the CEO's strategic role at the Company, he is bound by a non-compete agreement and a ban on poaching Autogrill Group personnel for 18 months, under a specific agreement that entails a penalty for breach thereof.

Under the 2014 Phantom Stock Option Plan described below, he received 883,495 options in Wave 1, 565,217 options in Wave 2 and 505,556 options in Wave 3. Under Wave 1 of the plan, during the year 2017 the CEO exercised all the options and under the 2014 Phantom Stock Option Plan (Wave 2) described below, he exercised 367,881 options.

With regard to the 2016 Phantom Stock Option Plan described below, the CEO was assigned 679,104 options under the "Wave 1".

With regards to the 2018 Performance Share Units Plan described below, the CEO was assigned 136,701 options and 122,830 options respectively in the "Wave 1" and "Wave 2".

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

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

Statutory auditors' fees

The following fees accrued to members of the Board of Statutory Auditors in the first half year 2018:

Name (€)	**Office held**	**Term of office**	**Fees**
Marco Giuseppe Maria Rigotti	Chairman	01.01.2018-31.12.2020	39,000
Eugenio Colucci	Standing auditor	01.01.2015-24.05.2018	39,726
Massimo Catullo	Standing auditor	24.05.2018-31.12.2020	5,414
Antonella Carù	Standing auditor	01.01.2018-31.12.2020	32,500
Total Statutory Auditors			**116,640**

Incentive plans for directors and executives with strategic responsibilities

2014 Phantom Stock Option Plan

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

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

On 16 July 2014, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. Under Wave 1 (vesting period from 16 July 2014 to 15 July 2016), a total of 3,268,995 options were assigned. A total of 2,835,967 options were assigned under Wave 2 (vesting period from 16 July 2014 to 15 July 2017). In 2017, 3,054,201 Wave 1 options were exercised. In 2017, with respect to Wave 2, 1,790,117 options were exercised and 132,665 were cancelled.

On 12 February 2015, under Wave 3 (vesting period from 12 February 2015 to 11 February 2018), a total of 2,752,656 options were assigned. In 2017, 142,867 options were cancelled.

Movements in 2017 and 2018 are shown below:

	Options		
	WAVE 1	WAVE 2	WAVE 3
Options at 1st January 2017	**3,091,901**	**2,846,932**	**2,617,441**
Options exercized in 2017	(3,054,201)	(1,790,117)	-
Options cancelled in 2017	-	(132,665)	(142,847)
Options at 31 December 2017	**37,700**	**924,150**	**2,474,594**
Options exercized in the first half 2018	(37,700)	-	(1,932,949)
Options cancelled in the first half 2018	-	-	-
Options at 30 June 2018	**-**	**924,150**	**541,645**

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

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

2016 Phantom Stock Option Plan

On 26 May 2016, the general meeting of shareholders approved a new incentive plan referred to as the "2016 Phantom Stock Option Plan." The options are assigned free of charge to executive directors and employees with strategic responsibilities of the company and/or its subsidiaries or to members of the management team as named, on one or more occasions, by the Board of Directors.

This plan, which expires on 30 June 2024, is split into three sub-plans or “Waves” which grant each beneficiary the right to receive, for each option exercised, a gross cash amount equal to the difference between the terminal value and the allocation value of the Autogrill shares (the "Bonus"), subject to certain conditions and in any case not exceeding a given cap. Specifically, the terminal value of the shares is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the exercise date, plus dividends paid from the grant date until the date of exercise. The allocation value is defined as the average official closing price of the company’s shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the allocation date.

On 26 July 2016, the plan was implemented and the terms and conditions of Wave 1 were defined. With a vesting period from 26 May 2016 to 25 May 2019, a total of 4,825,428 options were assigned. Of these, 331,107 options were cancelled in 2017.

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

Movements in 2017 and 2018 are shown below:

	Options
Options at 1st January 2017	**4,734,010**
Options cancelled in 2017	(331,107)
Options at 31 December 2017	**4,402,903**
Options exercized in the first half 2017	0
Options cancelled in the first half 2017	(47,118)
Options at 30 June 2017	**4,355,785**

Thorough information on the 2016 Phantom Stock Option Plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of CONSOB Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).
The costs of the 2014 and 2016 Phantom Stock Option Plans in first half 2018 came to € 2.5m (€10.4m in the first half 2018). In 2017 the costs included also the adjustment of estimates with respect to the provisions made at 31 December 2016 on the basis of available information on the stock market performance of Autogrill shares.

2018 Performance Share Units Plan

On 24 May 2018, the general meeting of shareholders approved a new incentive plan referred to as the "2018 Performance Share Units Plan" (the Plan). The units of shares are assigned free of charge to executive directors and/or employees with strategic responsibilities of the company and/or its subsidiaries or to members of the management team as named, on one or more occasions, by the Board of Directors.

This plan is split into three “Waves” which grant each beneficiary the right to receive, for each option exercised, an Autogrill share subject to satisfaction of certain conditions linked to the market performance of Autogrill’s stock and the Autogrill Group’s financial performance.

On 24 May 2018, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. A vesting period of from 24 May 2018 to 23 May 2020 was determined for Wave 1 and a total of 866,032 options were assigned. A vesting period of from 24 May 2018 to 23 May 2021 was determined for Wave 2 and a total of 789,906 options were assigned.

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

Thorough information on the 2018 Performance Share Units Plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of CONSOB Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).
Costs for this plan amounted to €0.2m in the first half 2018.

2.2.13 Significant non-recurring events and transactions

Except the Corporate reorganization completed in December 2017 with effect from 1st January 2018 (see section 2.2.1 "Corporate reorganization" of the separate financial statements of Autogrill S.p.A. as of 31 December 2017), in the first half 2018 there were no significant non-recurring events or transactions as defined by CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.14 Atypical or unusual transactions

In the first half 2018, there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.15 Events after the reporting period

Since 30 June 2018, no events have occurred that if known in advance would have entailed an adjustment to the figures in the condensed interim consolidated financial statements or required additional disclosures in these Notes.

2.2.16 Authorization for publication

The Board of Directors authorized the publication of these consolidated financial statements at its meeting of 27 July 2018.

Annexes

List of consolidated companies and other investments

Company	Registered office	Currency	Share capital	% held at 30.06.2018	Shareholders
Parent					
Autogrill S.p.A.	Novara	EUR	68,688,000	50.1000%	Schematrentaquattro S.p.A.
Companies consolidated line by line					
Nuova Sidap S.r.l.	Novara	EUR	100,000	100.0000%	Autogrill Italia S.p.A.
Autogrill Europe S.p.A.	Novara	EUR	50,000,000	100.0000%	Autogrill S.p.A.
Autogrill Italia S.p.A.	Novara	EUR	68,688,000	100.0000%	Autogrill S.p.A.
Autogrill Advanced Business Service S.p.A.	Novara	EUR	1,000,000	100.0000%	Autogrill S.p.A.
Autogrill Austria GmbH	Gottlesbrunn	EUR	7,500,000	100.0000%	Autogrill Europe S.p.A.
Autogrill Czech Sro	Prague	CZK	154,463,000	100.0000%	Autogrill Europe S.p.A.
Autogrill D.o.o.	Ljubljana	EUR	1,342,670	100.0000%	Autogrill Europe S.p.A.
Autogrill Hellas Single Member Limited Liability Company	Avlonas	EUR	3,696,330	100.0000%	Autogrill Europe S.p.A.
Autogrill Polska Sp. z.o.o.	Katowice	PLN	1,405,000	100.0000%	Autogrill Europe S.p.A.
Autogrill Iberia S.L.U.	Madrid	EUR	7,000,000	100.0000%	Autogrill Europe S.p.A.
Autogrill Deutschland GmbH	Munich	EUR	205,000	100.0000%	Autogrill Europe S.p.A.
Le Crobag GmbH & Co KG	Hamburg	EUR	904,867	98.8700%	Autogrill Deutschland GmbH
				1.1300%	Le Fournil de Frédéric Neuhauser GmbH
Le Crobag Polska Sp. Z.o.o.	Warsaw	PLN	100,000	100.0000%	Le Crobag GmbH & Co KG
Le Fournil de Frédéric Neuhauser GmbH	Hamburg	EUR	25,565	100.0000%	Autogrill Deutschland GmbH
Autogrill Belgie N.V.	Antwerp	EUR	6,700,000	99.9900%	Autogrill Europe S.p.A.
				0.0100%	Ac Restaurants & Hotels Beheer N.V.
Ac Restaurants & Hotels Beheer N.V.	Antwerp	EUR	3,250,000	99.9900%	Autogrill Belgie NV
Autogrill Schweiz A.G.	Olten	CHF	23,183,000	100.0000%	Autogrill Europe S.p.A.
Restoroute de Bavois S.A.	Bavois	CHF	2,000,000	73.0000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont-en-Ogoz	CHF	1,500,000	54.3300%	Autogrill Schweiz A.G.
Holding de Participations Autogrill S.a.s.	Marseille	EUR	84,581,920	100.0000%	Autogrill Europe S.p.A.
Autogrill Coté France S.a.s.	Marseille	EUR	31,579,526	100.0000%	Holding de Participations Autogrill S.a.s.
Volcarest S.a.s.	Champs	EUR	1,050,144	50.0000%	Autogrill Coté France S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	EUR	2,337,000	100.0000%	Holding de Participations Autogrill S.a.s.
Société de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	Marseille	EUR	8,000	100.0000%	Autogrill Coté France S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	EUR	375,000	100.0000%	Autogrill Coté France S.a.s.
Autogrill FFH Centres Villes S.àr.l.	Marseille	EUR	375,000	100.0000%	Autogrill Restauration Carrousel S.a.s.
Autogrill Restauration Loisirs SASU	Marseille	EUR	3,000,000	100.0000%	Holding de Participations Autogrill S.a.s.
HMSHost Corporation	Delaware	USD	-	100.0000%	Autogrill S.p.A.
HMSHost International, Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMSHost USA, LLC	Delaware	USD	-	100.0000%	HMSHost Corporation
Host International, Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMS Host Tollroads Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMS Airport Terminal Services, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
Host International of Maryland, Inc.	Maryland	USD	1,000	100.0000%	Host International, Inc.
Michigan Host, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
Host Services of New York, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
Host International of Kansas, Inc.	Kansas	USD	1,000	100.0000%	Host International, Inc.
Host Services Inc.	Texas	USD	-	100.0000%	Host International, Inc.
Anton Airfood of Cincinnati, Inc.	Kentucky	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood, Inc.	Delaware	USD	1,000	100.0000%	HMSHost Corporation
Anton Airfood of Newark, Inc.	New Jersey	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of JFK, Inc.	New York	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Minnesota, Inc.	Minnesota	USD	-	100.0000%	Anton Airfood, Inc.
Palm Springs AAI, Inc.	California	USD	-	100.0000%	Anton Airfood, Inc.
Fresno AAI, Inc.	California	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Seattle, Inc.	Washington	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Tulsa,Inc.	Oklahoma	USD	-	100.0000%	Anton Airfood, Inc.
Islip AAI, Inc.	New York	USD	-	100.0000%	Anton Airfood, Inc.
Stellar Partner Inc.	Florida	USD	25,500	100.0000%	Host International, Inc.
Host International (Poland) Sp.zo.o. (in liquidation)	Warsaw	USD	-	100.0000%	Host International, Inc.
Shenzhen Host Catering Company, Ltd. (in liquidation)	Shenzhen	USD	-	100.0000%	Host International, Inc.
Host Services Pty, Ltd.	North Cairns	AUD	11,289,360	100.0000%	Host International, Inc.
Host International of Canada, Ltd.	Vancouver	CAD	75,351,237	100.0000%	Host International, Inc.
Horeca Exploitatie Maatschappij Schiphol, B.V.	Haarlemmermeer	EUR	45,400	100.0000%	HMSHost International B.V.
Marriott Airport Concessions Pty, Ltd.	North Cairns	AUD	2,665,020	100.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 30.06.2018	Shareholders
HMSHost Services India Private, Ltd.	Balgalore	INR	668,441,680	99.0000%	Host International, Inc.
				1.0000%	HMSHost International, Inc.
HMSHost Singapore Private, Ltd.	Singapore	SGD	8,470,896	100.0000%	Host International, Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	MYR	2	100.0000%	Host International, Inc.
HMSHost New Zealand Ltd.	Auckland	NZD	1,520,048	100.0000%	Host International, Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co., Ltd. (in liquidation)	Shanghai	CNY	-	100.0000%	Host International, Inc.
HMSHost International B.V.	Haarlemmermeer	EUR	18,090	100.0000%	Host International, Inc.
HMSHost Hospitality Services Bharath Private, Ltd.	Karnataka	INR	100,000,000	99.0000%	HMSHost Services India Private Ltd
				1.0000%	HMSHost International, Inc.
NAG B.V.	Haarlemmermeer	EUR	100	60.0000%	HMSHost International B.V.
HMSHost Finland Oy	Helsinki	EUR	2,500	100.0000%	HMSHost International B.V.
Host -Chelsea Joint Venture # 3	Texas	USD	-	63.8000%	Host International, Inc.
Host Bush Lubbock Airport Joint Venture	Texas	USD	-	90.0000%	Host International, Inc.
Airside C F&B Joint Venture	Florida	USD	-	70.0000%	Host International, Inc.
HSI Kahului Joint Venture Company	Hawaii	USD	-	90.0000%	Host International, Inc.
Host/ Coffee Star Joint Venture	Texas	USD	-	50.0100%	Host International, Inc.
HSI Southwest Florida Airport Joint Venture	Florida	USD	-	78.0000%	Host International, Inc.
HSI Honolulu Joint Venture Company	Hawaii	USD	-	90.0000%	Host International, Inc.
HMS/Blue Ginger Joint Venture	Texas	USD	-	55.0000%	Host International, Inc.
Host/Java Star Joint Venture	Texas	USD	-	50.0100%	Host International, Inc.
Host-Chelsea Joint Venture # 1	Texas	USD	-	65.0000%	Host International, Inc.
Host-Tinsley Joint Venture	Florida	USD	-	84.0000%	Host International, Inc.
HSI/Tarra Enterprises Joint Venture	Florida	USD	-	75.0000%	Host International, Inc.
Host D&D STL FB, LLC	Missouri	USD	-	75.0000%	Host International, Inc.
Host/LJA Joint Venture	Missouri	USD	-	85.0000%	Host International, Inc.
Seattle Restaurant Associates	Olympia	USD	-	70.0000%	Host International, Inc.
Bay Area Restaurant Group	California	USD	-	49.0000%	Host International, Inc.
HMS Host Coffee Partners Joint Venture	Texas	USD	-	50.0100%	Host International, Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	USD	-	60.0000%	Host International, Inc.
HSI Miami Airport FB Partners Joint Venture	Florida	USD	-	70.0000%	Host International, Inc.
Host DEI Jacksonville Joint Venture	Florida	USD	-	51.0000%	Host International, Inc.
Host/JQ RDU Joint Venture	North Carolina	USD	-	75.0000%	Host International, Inc.
Host CTI Denver Airport Joint Venture	Colorado	USD	-	90.0000%	Host International, Inc.
Host -Chelsea Joint Venture # 4	Texas	USD	-	63.0000%	Host International, Inc.
Host-CMS SAN F&B, LLC	Delaware	USD	-	100.0000%	Host International, Inc.
Host GRL LIH F&B, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host Fox PHX F&B, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host FDY ORF F&B, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
LTL ATL JV, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host ATLChefs JV 3, LLC	Delaware	USD	-	95.0000%	Host International, Inc.
Host ATLChefs JV 5, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host LGO PHX F&B, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host-Love Field Partners I, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host-True Flavors SAT Terminal A FB	Delaware	USD	-	65.0000%	Host International, Inc.
Host Havana LAX F&B, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host-CTI DEN F&B II, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host Lee JAX FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host/DFW AF, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host Havana LAX TBIT FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host Houston 8 IAH Terminal B, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
HHL Cole's LAX F&B, LLC	Delaware	USD	-	80.0000%	Host Havana LAX F&B, LLC
Host CMS LAX TBIT F&B, LLC	Delaware	USD	-	100.0000%	Host International, Inc.
Host JQE RDU Prime, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host Howell Terminal A F&B, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MCA FLL FB, LLC	Delaware	USD	-	76.0000%	Host International, Inc.
Host MCA SRQ FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
HOST ECI ORD FB, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host Aranza Howell DFW B&E FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host MGV IAD FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MGV DCA FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host CTI DEN F&B STA, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host MGV DCA KT, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host MBA LAX SB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host H8 IAH FB I, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host BGV IAH FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host TBL TPA FB, LLC	Delaware	USD	-	71.0000%	Host International, Inc.
Host JQE CVG FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host MBA CMS LAX, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host VDV CMH FB LLC	Delaware	USD	-	85.0000%	Host International, Inc.
HOST OHM GSO FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 30.06.2018	Shareholders
Host JQE LIT FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host JV PDX FB, LLC	Delaware	USD	-	84.0000%	Host International, Inc.
Host TFC SDF FB, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host JQE RDU CONC D, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host SMI SFO FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host Ayala LAS FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Stellar Partners Tampa, LLC	Florida	USD	-	90.0000%	Stellar Partners, Inc.
Host LBL LAX T2 FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host BGI MHT FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host SCR SAV FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host Chen ANC FB LLC	Delaware	USD	-	88.0000%	Host International, Inc.
Host SCR SAN FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host SCR SNA FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Stellar LAM SAN, LLC	Florida	USD	-	80.0000%	Stellar Partner Inc.
Host DII GRR FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host Java DFW MGO, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host SHI PHL FB LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host VDV DTW SB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
MCO Retail Partners, LLC	Delaware	USD	-	80.0000%	Stellar Partners, Inc.
Host VDV DTW 3 SB, LLC	Delaware	USD	-	79.0000%	Host International, Inc.
HMSHost Family Restaurants, Inc.	Maryland	USD	2,000	100.0000%	Host International, Inc.
HMSHost UK, Ltd.	London	GBP	217,065	100.0000%	HMSHost International B.V.
HMSHost Sweden A.B.	Stockholm	SEK	2,500,000	100.0000%	HMSHost International B.V.
HMSHost Ireland Ltd.	Cork	EUR	13,600,000	100.0000%	HMSHost International B.V.
HMSHost Nederland B.V.	Haarlemmermeer	EUR	100	100.0000%	HMSHost International B.V.
HMSHost Huazhuo (Beijing) Catering Management Co., Ltd.	Beijing	CNY	55,000,000	100.0000%	HMSHost International B.V.
HMSHost - UMOE F&B Company AS	Bærum	NOK	90,000	51.0000%	HMSHost International B.V.
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Jakarta	IDR	46,600,000,000	65.0000%	HMSHost International B.V.
SMSI Travel Centres, Inc.	Vancouver	CAD	10,800,100	100.0000%	Host International of Canada, Ltd.
Hms Host Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	TRL	10,271,734	100.0000%	HMSHost International B.V.
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	VND	104,462,000,000	70.0000%	HMSHost International B.V.
Limited Liability Company Autogrill Rus	St. Petersburg	RUB	10,000	100.0000%	NAG B.V.
PT Autogrill Services Indonesia	Jakarta	IDR	12,104,000,000	99.0000%	HMSHost International B.V.
				1.0000%	HMSHost Nederland B.V.
HMSHost Vietnam Company Limited	Ho Chi Minh City	VND	-	100.0000%	HMSHost International B.V.
HMSHost Family Restaurants, LLC	Delaware	USD	-	100.0000%	HMSHost Family Restaurants, Inc.
HMSHost Motorways L.P.	Winnipeg	CAD	-	99.9999%	SMSI Travel Centres, Inc.
HMSHost Motorways, Inc.	Vancouver	CAD	-	100.0000%	SMSI Travel Centres, Inc.
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Antalya	TRL	2,140,000	51.0000%	Hms Host Yiyecek Ve Icecek Hizmetleri A.S.
HK Travel Centres GP, Inc.	Toronto	CAD	-	51.0000%	HMSHost Motorways, Inc.
HK Travel Centres L.P.	Winnipeg	CAD	-	50.9999%	HMSHost Motorways L.P.
Stellar Retail Group ATL, LLC	Tampa	USD	-	59.0000%	Stellar Partner Inc.
Host CEI KSL MSY, LLC	Delaware	USD	-	63.0000%	Host International, Inc.
Host MCA ATL FB, LLC	Delaware	USD	-	64.0000%	Host International, Inc.
Stellar RSH DFW, LLC	Tampa	USD	-	65.0000%	Stellar Partner Inc.
Stellar Retail Partners DFW, LLC	Tampa	USD	-	65.0000%	Stellar Partner Inc.
Host HTB DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host DSL DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host MCL DFW SB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MCL DFW Bar, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host DCG ATL SB, LLC	Delaware	USD	-	59.0000%	Host International, Inc.
Host MCA HLM ATL FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host TGI DEN GD FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host TGI DEN STA FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host D&D STL 3KG FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host JAVA DFW SBC-GAB, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host IBC MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host BGB SCA MSP, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HMSHost Maldives Pvt Ltd	Republic of Maldives	MVR	-	99.0000%	HMSHost International B.V.
				1.0000%	HMSHost Nederland B.V.
HMSHost Rus Limited Liability Company	Russia	RUB	-	90.0000%	HMSHost International B.V.
				10.0000%	HMSHost Nederland B.V.
HMS Host (Shanghai) Catering Management Co., Ltd.	China	CNY	-	100.0000%	HMSHost International B.V.
Stellar DML GCG MCO, LLC	Delaware	USD	-	70.0000%	Stellar Partner Inc.
Host CEG KSL LGA FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host TRA BNA STA FB, LLC	Delaware	USD	-	84.0000%	Host International, Inc.
Host TRA BNA FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HSI BFF SEA FB, LLC	Delaware	USD	-	51.0000%	Host Services, Inc.
Stellar PHL, LLC	Delaware	USD	-	65.0000%	Stellar Partner Inc.
Stellar Retail Group PHX, LLC	Delaware	USD	-	55.0000%	Stellar Partner Inc.

Company	Registered office	Currency	Share capital	% held at 30.06.2018	Shareholders
Stellar LAM PHX, LLC	Tampa	USD	-	70.0000%	Stellar Partner Inc.
Host NMG EWR SB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host PHE LDL MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host AAC SFO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
HSI MCA LBL LAX T6-TBIT, LLC	Delaware	USD	-	75.0000%	Host Services, Inc.
Host LDL MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.

Companies consolidated using the equity method

Company	Registered office	Currency	Share capital	% held at 30.06.2018	Shareholders
Caresquick N.V.	Brussels	EUR	3,300,000	50.000%	Autogrill Belgie N.V.
Autogrill Middle East, LLC	Abu Dhabi	AED	100,000	50.000%	HMSHost International B.V.
Dewina Host Sdn. Bhd.	Kuala Lumpur	MYR	350,000	49.000%	Host International, Inc.
HKSC Opco L.P.	Winnipeg	CAD	-	49.000%	HMSHost Motorways LP
HKSC Developments L.P.	Winnipeg	CAD	-	49.000%	HMSHost Motorways LP
HMS Host and Lite Bite Pte. Ltd.	Bangalore	INR	-	51.000%	HMS Host Services India Private Limited
Arab Host Services LLC	Qatar	QAR	200,000	49.000%	Autogrill Middle East, LLC

Statement by the CEO and the manager in charge of financial reporting

STATEMENT

about the condensed interim consolidated financial statements

pursuant to Art. 81 *ter* of CONSOB Regulation 11971

of 14 May 1999 (as amended)

1. We, the undersigned, Gianmario Tondato Da Ruos as Chief Executive Officer and Alberto De Vecchi as manager in charge of Financial Reporting of Autogrill S.p.A., hereby declare, including in accordance with Art. 154-*bis* (3) and (4) of Legislative Decree no. 58 of 24 February 1998:

- the adequacy of, in relation to the characteristics of the business; and
- due compliance with the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements during the course of the first half 2018.

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

3. We also confirm that:

3.1 the condensed interim consolidated financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;
b) correspond to the ledgers and accounting entries;
c) provide a true and fair view of the financial position and results of operations of Autogrill S.p.A. and of companies included in the consolidation.

3.2. The Directors' interim report on operations contains information on the key events that took place during the first six months of the year and their impact on the condensed consolidated interim financial statements, as well as a description of the main risks and uncertainties for the remaining six months of the year. The Directors' interim report on operations also discloses significant related party transactions.

Milan, 27 July 2018

Gianmario Tondato Da Ruos	Alberto De Vecchi
Chief Executive Officer	Manager in charge of Financial Reporting

External Auditors' Report

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Autogrill S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed interim consolidated financial statements of Autogrill S.p.A. and subsidiaries (the "Autogrill Group"), which comprise the statement of financial position as of June 30, 2018, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the six month period then ended, and related notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("CONSOB") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed interim consolidated financial statements of the Autogrill Group as of June 30, 2018 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
July 27, 2018

This report has been translated into the English language solely for the convenience of international readers.