Autogrill Group

Half Year Report at 30 June 2008

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Note: This Report for the half-year ended 30 June 2008 has been translated into English from the original Italian version. Where differences exist, the Italian version shall prevail over the English version.

Group Profile

The Autogrill Group is the world's leading provider of catering and travel retail & duty-free services and Autogrill S.p.A. is one of Italy's most internationalised companies operating in 43 countries, employing some 74,000 people and managing more than 5,500 stores in over 1,200 locations[1].

Autogrill ("Autogrill" or the "Group") operates mainly under concession, which makes it possible to plan its business long-term and offset the impact of differing economic cycles. The Group's main business segments are airports, motorways and railway stations, but it has significant operations in shopping centres, trade fairs, museums and cities, too. Considering the full impact of the acquisitions made in H1 2008[2], airports are the largest segment, followed by motorways.

With its portfolio of over 350 international, national and local brands managed directly or under licence, Autogrill operates in two sectors: food & beverage, which is the Group's historical business, and travel retail & duty-free, which has become of fundamental strategic importance following the acquisitions of Aldeasa S.A. and Alpha Group Plc. and more recently World Duty Free Europe Ltd. Carrying on both businesses side by side makes it possible to offer customers a complete range of products and services – and at the same time to benefit from the two businesses' complementarity

Diversification by region, business segment and sector is the basis of Group strategy, making it possible to effectively offset results in the various businesses and affording a greater ability to absorb external factors, local criticalities and adverse economic conditions.

[1] These figures refer to 30 June 2008. The country count includes Saudi Arabia and Egypt where concessions were won in 2007 and 2008 respectively, but are not yet operational.
[2] Data have been calculated assuming that the acquisition of WDFE, Air Czech and full control of Aldeasa had been finalised at the beginning of the first half 2008.

Highlights and Defined Terms

(€m)	H1 2008	H1 2007	Change at current exch. rate	Change at costant exch. rate
Revenue	2,544.5	2,034.4	25.1%	33.2%
EBITDA	233.1	219.1	6.4%	14.3%
EBITDA margin	*9.2%*	*10.8%*		
EBIT	116.1	128.2	(9.5%)	(2.2%)
EBIT margin	*4.6%*	*6.3%*		
Profit attributable to the Shareholders of the Parent	33.9	49.7	(31.8%)	(25.9%)
% of Revenue	*1.3%*	*2.4%*		
Capital Expenditure	157.2	115.6	36.0%	46.1%
Earnings per share (€ cents)				
basic	13.3	19.5		
diluted	13.2	19.3		

Revenue: In Europe the Group also operates a small but growing number of service stations. Fuel sales reached €50.2m in H1 2008 as against €39.1m in H1 2007. The Interim Report on Operations comments on revenue from operations excluding fuel sales, which are referred to as "revenue". Cost/income ratios are based on this metric.

Constant Exchange Rates: Over half the Group's business is located in countries with a functional currency other than the euro, the main ones being the US, the UK, Canada and Switzerland.

The Group's continuing policy is to manage exchange rate risk, by funding the main net assets denominated in currencies other than the euro with loans in the same currency, or by entering into foreign exchange transactions with the same effect. This does not however completely neutralise the effect of changes in exchange rates in respect of individual financial statements items.

Specifically, fluctuations in the $/€ exchange rate – given the size of the operations of Autogrill Overseas Inc. and its subsidiaries – can make comparison of Group figures with those of the previous year less meaningful.

Changes in average $/€ exchange rates in the period and spot rates at the period-end were significant and therefore had a notable impact on consolidated results and financial position.

In H1 2007 and H1 2008 the average $/€ exchange rate rose from 1.33 in H1 2007 to 1.53 in H1 2008 (i.e., a 13% depreciation of the dollar against the euro). The $/€ rate at 30 June 2007 was 1.35, as against 1.58 at 30 June 2008.

With the entry of Alpha Group and WDFE into the consolidation scope, the pound sterling became a significant currency for Group assets and liabilities. In H1 2008 the average sterling/euro (£/€) rate was 0.78 and the £/€ spot rate at 30 June 2008 was 0.79.

To enable proper comparison of data and to provide complete economic and financial information the Interim Report on Operations contains summary tables giving data at both constant and current exchange rates. Where necessary, the commentary also addresses changes in results at both current and constant exchange rates.

Organic growth indicates like-for-like growth at constant exchange rates. In respect of Alpha Group, consolidated since 1 June 2007, this growth refers to the actual period of consolidation.

EBITDA: As shown in the condensed consolidated income statement, this is the operating profit and loss plus depreciation, amortisation and impairment losses and can be directly calculated from the condensed interim consolidated financial statements and notes thereto. This indicator is not defined in the IFRS and therefore may not be identical and thus not comparable with that of other groups.

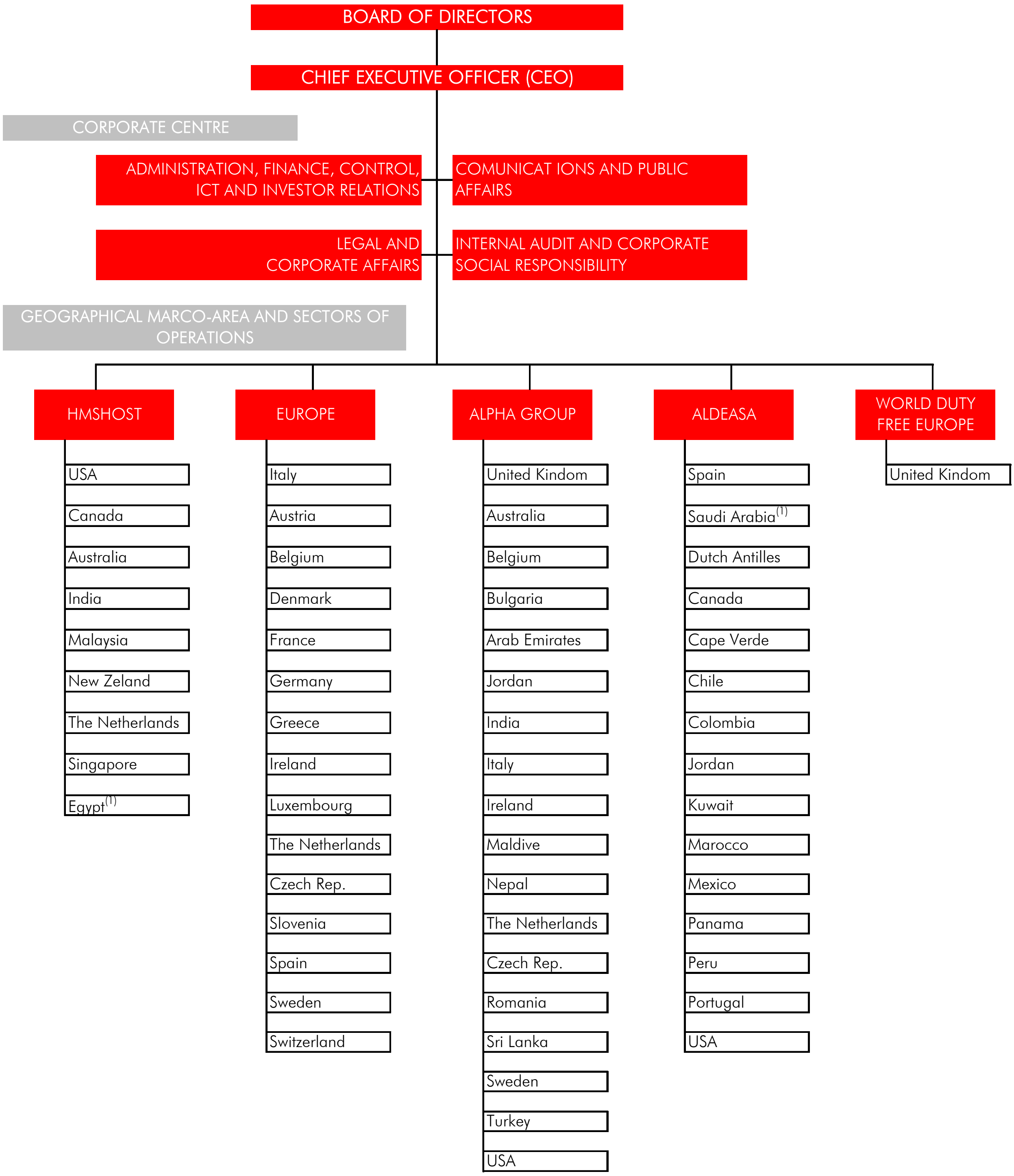
Capital Expenditure excludes investments in non-current financial assets and equity investments.

Unless otherwise stated, figures given in the Interim Report on Operations are in millions of euros (abbreviated as €m) or US dollars (abbreviated as $m) or pounds sterling (abbreviated as £m). Figures given in the Short-Form Notes to the condensed interim consolidated financial statements are in thousands, i.e., €k, $k or £k.

Some figures may have been rounded down to the nearest million. Changes and ratios have been calculated using figures in thousands and not the figures rounded to the nearest million as shown.

1) Corporate Governance

1.1 Organisational Structure



[(1)] These units did not make any sales in H1 2008.

The Group is structured in business units, generally by region, which conduct their operations within centrally defined objectives and guidelines. The above chart does not strictly represent the actual legal entities comprised in the structure or the equity interests held; the chart gives the Autogrill Group's operating structure as it is, in a simplified form.

HMSHost, whose HQ is in Bethesda, Maryland, USA, runs operations in North America and the Pacific area as well as Schiphol Airport in the Netherlands.

In Europe the business is conducted by distinct organisations by region or country, under unified coordination of international operations (hereinafter the "Rest of Europe").

Alpha Group Plc. ("Alpha Group", formerly Alpha Airports Group Plc.), which has been consolidated since 1 June 2007, operates mainly in in-flight food & beverage and travel retail & duty-free, and has travel retail & duty-free stores in airports.
Its home market is the UK and Ireland, where it operates in airports throughout the country. Its international operations generate a still modest – but rapidly growing – share of its turnover, particularly in Asia and Oceania.

Aldeasa S.A. ("Aldeasa") is one the world's leaders in the travel retail & duty-free sector, market leader in Spain and increasingly present outside Spain, in North America, Latin America and the Middle East.

World Duty Free Europe Ltd (WDFE), acquired from B.A.A. Ltd on 21 May 2008 through Autogrill España S.A.U., operates travel retail & duty-free stores in airports, with a full product range typical of the business, sold as duty-free, tax free, tax paid and duty paid.

It is the UK market leader and operates stores in seven of the most important UK airports, including Heathrow which, with 63 million passengers, is the third-largest international hub in terms of traffic. WDFE employs some 1,900 people and runs 58 stores with total sales floor space of 15,000 square metres and a range of over 13,000 lines. The location of these stores enables WDFE to take advantage of large numbers of non-EU passengers, who usually generate higher profits than EU travellers. WDFE has a special focus on beauty products, which is a growth area and has more than offset reduced sales in tobacco over recent years.

The segmentation given in the Interim Report on Operations refers to this structure.

1.2 Corporate Bodies

BOARD OF DIRECTORS (1)

Chairman (2)(3)	Gilberto BENETTON
CEO (2)(3)(4)	Gianmario TONDATO DA RUOS (E)
Directors	Alessandro BENETTON
	Giorgio BRUNETTI (5) (L) (I-1)
	Antonio BULGHERONI (6) (I-1) (I-2)
	Arnaldo CAMUFFO (6) (I-1) (I-2)
	Claudio COSTAMAGNA (6) (I-1) (I-2)
	Francesco GIAVAZZI (I-1) (I-2)
	Alfredo MALGUZZI (5) (6) (I-1)
	Gianni MION (6)
	Javier GOMEZ-NAVARRO
	Paolo ROVERATO (5)
Secretary to the Board of Directors	Pietro Minaudo (7)

BOARD OF STATUTORY AUDITORS (8)

Chairman	Luigi BISCOZZI	Auditor
Statutory Auditor	Gianluca PONZELLINI	Auditor
Statutory Auditor	Ettore Maria TOSI	Auditor
Alternate Auditor	Graziano Gianmichele VISENTIN	Auditor
Alternate Auditor	Giorgio SILVA	Auditor

INDEPENDENT AUDITORS (9)

KPMG S.p.A.

1. Appointed by the Shareholders' Meeting held on 23 April 2008; in office until approval of the 2010 Financial Statements.
2. Appointed by the Board of Directors on 23 April 2008.
3. Vested with all legal and corporate powers including legal representation of the Company and sole signatory on behalf of the Company.
4. Vested with powers of ordinary management as sole signatory as per resolution dated 23 April 2008.
5. Member of the Internal Auditing and Corporate Governance Committee.
6. Member of the Human Resources Committee.
7. Appointed by the Board of Directors on 11 June 2008.
8. Appointed by the Shareholders' Meeting held on 27 April 2006; in office until approval of the 2008 Financial Statements.
9. Appointed by the Shareholders' Meeting held on 27 April 2006; in office until approval of the 2011 Financial Statements.

E. Executive Director.
I-1 Independent Director in accordance with the Corporate Governance Code as adopted by the Board of Directors on 12 December 2007.
I-2 Independent Director under the arrangement prescribed by §§147-ter and 148 ¶3, Law 58/98.
L Lead Independent Director.

1.3 Corporate Governance (in brief)

Autogrill bases its Corporate Governance structure on the principles given in Italy's Corporate Governance Code for listed companies – proposed by the Committee for Corporate Governance for listed companies – and more generally on international best practice adapted in line with the special features of the Company's organisation and business.

To bring the information published in the corporate governance report approved by the Board of Directors on 13 February 2008 up to date, the following are the principal corporate governance events that have occurred since that time.

On 18 March 2008 the Board of Directors approved the rules for the manager in charge of preparing Company financial statements.

On 23 April 2008 the Shareholders' Meeting appointed the following to the Board of Directors for the period 2008-2010: Gilberto Benetton (Chairman), Gianmario Tondato Da Ruos (CEO), Alessandro Benetton, Giorgio Brunetti, Antonio Bulgheroni, Arnaldo Camuffo, Claudio Costamagna, Francesco Gavazzi, Alfredo Malguzzi, Gianni Mion, Javier Gomez-Navarro and Paolo Roverato (Directors).

The new Board of Directors found that the Directors Giorgio Brunetti, Antonio Bulgheroni, Arnaldo Camuffo, Claudio Costamagna, Francesco Giavazzi and Alfredo Malguzzi qualified as Independent Directors under §3.C.1, Corporate Governance Code for listed companies, as adopted in the meeting of the Board of Directors of Autogrill held on 12 December 2007, and that the Directors Antonio Bulgheroni, Arnaldo Camuffo, Claudio Costamagna and Francesco Giavazzi also qualified as Independent Directors under the arrangement prescribed by §§147-ter, ¶ 4 and 148, ¶ 3, of Law 58/98.

On the same date the Board appointed the members of the Internal Auditing and Corporate Governance Committee, as follows: Directors Giorgio Brunetti, Alfredo Malguzzi and Paolo Roverato.
The Board also decided to extend the duties of the Remuneration Committee to cover the management and development of human resources and the drawing up of guidelines for the appointment of the members of the governing bodies of significant subsidiaries, consequently changing the name of the committee to Human Resources Committee and adopting the internal regulation that governs its membership, duties and procedures. The new members of the committee are Directors Antonio Bulgheroni, Arnaldo Camuffo, Claudio Costamagna, Alfredo Malguzzi and Gianni Mion.

On 12 May 2008 the Board of Directors appointed Director Giorgio Brunetti Lead Independent Director, as provided by §2.C.3 Corporate Governance Code.

On 9 July 2008, having amended the regulation of the Supervisory Body and organisational, management and control model required by Law 231/2001, the Board of Directors changed the membership of the Supervisory Body and appointed as members Marco Desiderato, a former Director and expert in economic and financial matters, and Alessandro Preda, Manager of Group Organisational Development in Autogrill, while confirming the membership of Silvio de Girolamo, Manager of Group Internal Audit.

Finally, in July 2008 the Company published its 2007 Sustainability Report.

2) Interim Report on Operations

2.1 First Half 2008 Results

2.1.1 Performance

H1 2008 was marked by important strategic achievements in the Autogrill Group despite the far from easy macroeconomic situation.

The Group further strengthened its strategic position as world leader in services for people on the move. Thanks to the acquisitions of World Duty Free Europe Ltd. (WDFE) and an additional interest of 49.95% in Aldeasa S.A., coming after the acquisition of the Alpha Group in 2007, the Autogrill Group is today world leader in travel food & beverage and airport travel retail & duty-free.

At the same time the Group extended its reach into high-potential regions of the world and this was largely accomplished by winning new concessions. Examples of this are the new food & beverage concessions acquired in Cairo and Singapore which strengthen the Group's position in Asia coming after the concessions awarded in Hyderabad and Bangalore in India in 2007 and the achievement of positions of strong regional leadership in the in-flight sector by means of targeted acquisitions and joint-ventures.

The emerging-country initiatives made a very small contribution to the results for the period, but these are proof of the Group's ability to achieve both organic and external growth, and to adapt its business model and commercial offering to the different needs of various regions and cultures.

The Group's rapid development occurred in a period of market turmoil.

The serious financial crisis sparked by the sub-prime mortgage crisis in the summer of 2007 continues to have a negative effect on the macroeconomic situation and in some ways acts as a catalyst of further turbulence with a far wider effect. In the highly industrialised western countries the most worrying aspect is the simultaneous presence of slow growth and rising inflation caused by upward pressure on energy and foodstuffs prices. The newly industrialised countries, which in the last decade have been a driver of virtuous non-inflationary growth, still sustain world growth, but also contribute to energy and other raw material price inflation.

In this highly turbulent situation the economies of the main regions in which Autogrill operates have slowed markedly. US GDP (Gross Domestic Product), which had expanded by an average of 3% per annum in 2005-2006 slowed to 2.2% in 2007 and growth of only 1.2% is forecast for 2008 and 1.1% for 2009, according to the OECD[3]. The eurozone, which gave encouraging signs of recovery in 2006 and 2007 with GDP growing by 2.9% and 2.6% respectively, is forecast to undergo a progressive slowdown with forecast growth of 1.7% in 2008 and 1.4% in 2009 according to the OECD. In the UK there is also a clear slowdown, GDP growth rates having fallen from 3% in 2006-2007 to a forecast 1.8% in 2008 and 1.4% in 2009, again according to the OECD.

World growth is still driven by the BRIC countries (Brazil, Russia, India and the PRC), whose growth rates – though subject to a slight deceleration – are very high. However, the Group's presence in these regions, though growing, still accounts for a small percentage of the total concessions portfolio under management.

If the general performance of world economies is an inescapable reference point for an assessment of the environment in which the Group operates, it should also be emphasised that in the past Autogrill's performance has always been more closely linked to traffic trends than to

[3] Economic Outlook no. 83

GDP. These are obviously two correlated variables, but traffic has been less sensitive to the economic cycle than GDP over the years, since it has been sustained by market globalisation, which produced a greater need for mobility. In the current phase, however, the sharp rises in the oil price had a negative effect on US traffic, which in 2008 contracted in terms of both flights and especially vehicle use. The situation is not very much better in the eurozone, especially in terms of vehicle use.

Given the world economy and globalisation there are currently no alternatives to the movement of people and goods, even when transport itself costs more due to higher energy prices. The Group therefore believes that the current situation is not a fundamental change in the industry or user behaviour, but rather a temporary shock requiring the businesses operating in this market to adapt their actions to the new scenario.

Given this situation the Group concentrated its efforts on the search for operating efficiency gains, taking advantage of the scale it has reached. The necessary integration of the recent acquisitions in travel retail & duty-free was accordingly extended to the reorganisation also of the Group's corporate centre and local units.

This reorganisation has been planned in two stages: stage one has been initiated and will be completed in H2 2008, with the aim of freeing up resources of over €20m annually starting from 2009, thanks to rationalisation of the cost structure, including staff cost. The second stage will be completed in 2009 and will focus on the integration of the travel retail & duty-free companies' business operations, with the specific aims of optimising procurement processes and logistics by taking advantage of scale. This is estimated to reduce costs by over €25m annually starting from 2010.

Total synergies generated will save €45m a year from 2010 on. In 2008 estimated one-off restructuring costs will be some €17m net of the benefits for the year.

Condensed Consolidated Income Statement [4]

(€m)	H1 2008	% of Revenue	H1 007 *	% of Revenue	Change at current exch. rate	Change at costant exch. rate
Revenue	2,544.5	100.0%	2,034.4	100.0%	25.1%	33.2%
Other operating income	51.8	2.0%	45.3	2.2%	14.5%	14.6%
Total revenue and income	**2,596.3**	102.0%	**2,079.7**	102.2%	**24.8%**	**32.8%**
Cost of raw materials, consumables and supplies	(981.3)	38.6%	(748.4)	36.8%	31.1%	37.8%
Personnel expense	(687.5)	27.0%	(579.3)	28.5%	18.7%	27.1%
Leases, rents, concessions and royalties	(421.5)	16.6%	(309.3)	15.2%	36.3%	46.3%
Other operating costs	(272.9)	10.7%	(223.6)	11.0%	22.0%	29.5%
EBITDA	**233.1**	9.2%	**219.1**	10.8%	**6.4%**	**14.3%**
Depreciation, amortisation and impairment losses	(117.0)	4.6%	(90.9)	4.5%	28.8%	37.5%
EBIT	**116.1**	4.6%	**128.2**	6.3%	**(9.5%)**	**(2.2%)**
Net financial expense	(47.0)	1.8%	(27.3)	1.3%	72.3%	87.4%
Net reversals of impairment losses on financial assets	(0.9)	0.0%	(0.4)	0.0%	158.9%	173.8%
Profit before tax	**68.1**	2.7%	**100.6**	4.9%	**(32.3%)**	**(27.0%)**
Tax	(27.5)	1.1%	(45.3)	2.2%	(39.3%)	(35.7%)
PROFIT FOR THE PERIOD	**40.6**	1.6%	**55.3**	2.7%	**(26.5%)**	**(19.6%)**
- attributable to the shareholders of the Parent	33.9	1.3%	49.7	2.4%	(31.8%)	(25.9%)
- minority interests	6.7	0.3%	5.6	0.3%	20.0%	40.5%

* Some data have been restated since the 2007 Half Year Report to take account of the change in the accounting policy for actuarial gains and losses on defined-benefit plans. Please see the Notes to the condensed interim consolidated financial statements for details.

(€m)	WDFE	Alpha	Aldeasa	Other	Total acquisition effetct	Organic growth
Revenue	98.5	280.2	109.8	25.2	513.7	6.3%
EBITDA	9.8	13.2	10.5	1.3	34.9	(2.8%)
EBITDA margin	*10.0%*	*4.7%*	*9.6%*	*5.2%*	*6.8%*	
EBIT	7.6	1.2	3.7	(0.4)	12.1	(12.4%)
EBIT margin	*7.7%*	*0.4%*	*3.4%*	*1.4%*	*2.4%*	

[4] The items of the condensed consolidated income statement may be computed directly from the condensed consolidated financial statements and notes thereto, except for "Revenue" and "Cost of raw materials, consumables and supplies", which do not include, respectively, revenue and expense relating to fuel sales, disclosed net in "Other Operating Income".

Consolidated Revenue

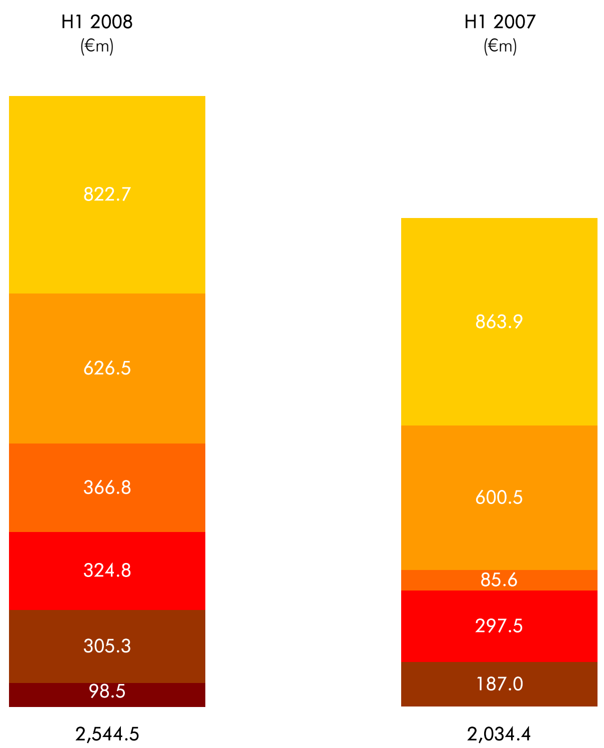
In H1 2008 Autogrill recorded strong growth in consolidated revenue, which was €2,544.5m, up by 25.1% over the H1 2007 figure, or 33.2% at constant exchange rates.

The increase comprises Alpha Group's contribution for the entire period (which contributed only its June 2007 results in H1 2007) and that of the acquisitions of 49.95% of Aldeasa and control of World Duty Free Europe Ltd., which were effective respectively from April and May 2008. The contribution of the new acquisitions was €513.7m.

First Half 2008 organic growth was 6.3%.

In Q2 2008 revenue grew by 27.9% over Q2 2007 or by 36.6% at constant exchange rates. Total sales were €1,453.6m as against €1,136.8m in the period of comparison. Q2 2008 organic growth was 4.7%.

Growth of Revenue by Geo-Organisational Macro-Areas

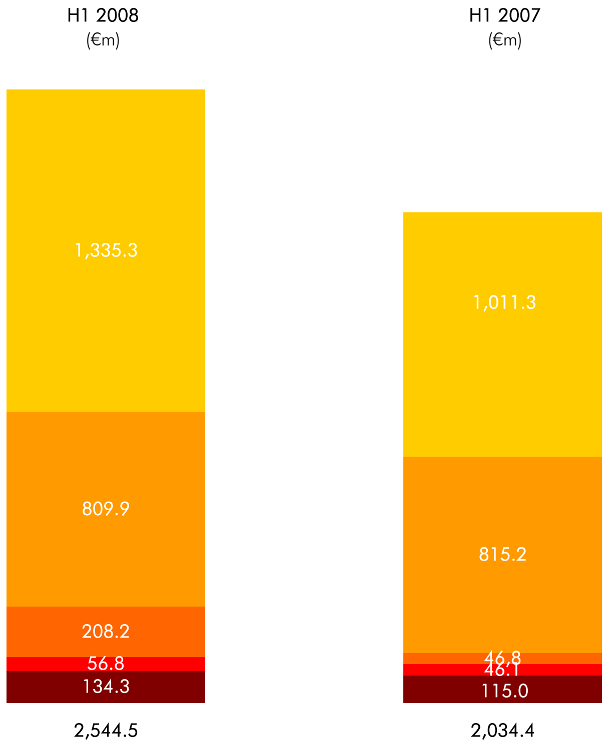


	Change	
	at current exch. rate	at costant exch. rate
North America and the Pacific Area	(4.8%)	9.6%
Italy	4.3%	4.3%
Alpha Group	n.s.	n.s.
Rest of Europe	9.2%	8.9%
Aldeasa	63.3%	63.3%
WDFE	n.s.	n.s.
Total	25.1%	33.2%

In general, all the business regions recorded sales growth, although the figure for North America was affected by the dollar’s weakness against the euro and thus in euro terms appeared to be lower.

The significant acquisitions finalised between mid-2007 and early 2008 did however reduce the Group’s dependence on its traditionally dominant areas: North America’s share of revenue fell from 42% to 32% (also due to the exchange rate effect) and Italy from 30% to 25% of revenue.

Growth of revenue by Business Segment



	Change	
	at current exch. rate	at costant exch. rate
Airports	32.0%	46.2%
Motorways	(0.6%)	1.6%
In-flight	n.s.	n.s.
Railway stations	23.3%	23.1%
Other	16.7%	18.8%
Total	25.1%	33.2%

Revenue by segment was driven by the performance of airport businesses, whose growth of 32% at current exchange rates or 46.2% at constant exchange rates was connected with the acquisitions made in H1, which operate exclusively in this business segment.

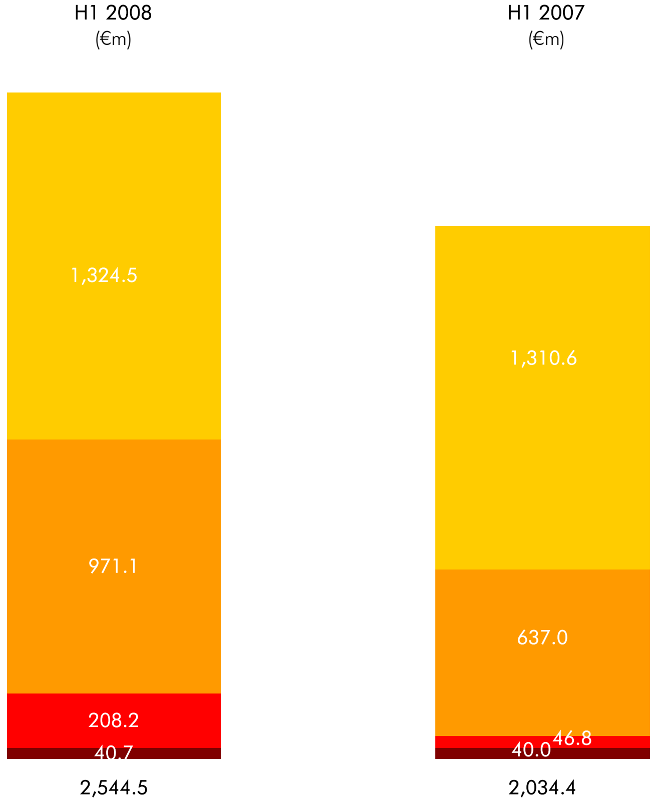
Organic growth in this segment was 8.8% to which US airports contributed with +8.2% as well as the European airports - especially Copenhagen, Arlanda and Shannon, where the expansion begun in H1 2007 was completed.

Motorway segment revenue was more or less steady, declining slightly by 0.6% at current exchange rates and rising by 1.6% at constant exchange rates, due to progress recorded in Europe, where Italian motorway revenue grew by 1.6%, which offset a 2.7% contraction (in dollar terms) in North America.

Railway station businesses grew strongly, not least following completion of the rebuilding work in certain French stations and the positive impact on Spanish traffic of the opening of new high-speed lines.

The in-flight business segment's contribution to consolidated revenue grew strongly – in H1 2008 its contribution to sales was €208.2m as against €46.8m in H1 2007 – but this was due to a longer period of consolidation, since in 2007 Alpha Group was only consolidated from 1 June. Comparing H1 2008 figures with those of the whole first half of 2007, in-flight recorded growth of 2.4% (in sterling terms), due to the entry of Air Czech into its consolidation scope.

Growth of Revenue by Sector



	Change at current exch. rate	Change at costant exch. rate
Food & beverage	1.1%	9.2%
Retail & duty-free	52.5%	57.5%
In-flight	n.s.	n.s.
Other	1.7%	1.6%
Total	25.1%	33.2%

Revenue by sector shows that retail & duty-free grew faster and reached €971.1m as against €637m in H1 2007, the rate of growth being 52.5% at current exchange rates or 57.5% at constant exchange rates, mainly due to acquisitions.

This sector's organic growth was 22.8%.

The food & beverage sector achieved revenue of €1,324.5m, an increase of 9.2% at constant exchange rates, which reduces to 1.1% at current exchange rates due to the depreciation of the US dollar against the euro. This sector's organic growth was 7.7%.

EBITDA

In H1 2008 EBITDA was €233.1m, an increase of 6.4% at current exchange rates or 14.3% at constant exchange rates. This was a sharp improvement over the Q1 2008 EBITDA decrease of 6.7% at current exchange rates and more or less zero at constant exchange rates.

In Q2 2008 EBITDA was €158.5m, an increase of 13.5% at current exchange rates or 21.7% at constant exchange rates.

Organic growth in EBITDA was negative by 1.6% in Q2 2008, an improvement over Q1's fall of 5.9%. The overall H1 change in EBITDA organic growth was negative by 2.8%.

The following table shows changes in EBITDA by geo-organisational macro-area[5]; these results are commented on area by area in a later section of the Report.

(€m)	H1 2008	H1 2007	Change at current exch. rate	Change at constant exch. rate
North America and the Pacific Area	95.1	108.5	(12.3%)	0.9%
EBITDA margin	*11.6%*	*12.6%*		
Italy	77.3	75.8	1.9%	1.9%
EBITDA margin	*12.3%*	*12.6%*		
Rest of Europe	19.5	18.8	3.8%	3.4%
EBITDA margin	*6.0%*	*6.3%*		
Aldeasa	24.8	15.9	56.2%	56.2%
EBITDA margin	*8.1%*	*8.5%*		
Alpha Group	23.7	8.0	n.s.	n.s.
EBITDA margin	*6.5%*	*9.3%*		
WDFE	9.8	-	n.a.	n.a.
EBITDA margin	*10.0%*	-		
Non-allocated	(17.1)	(7.8)	n.s.	n.s.
Consolidated	233.1	219.1	6.4%	14.3%
EBITDA margin	*9.2%*	*10.8%*		

The "Not allocated" figure, which went from a charge of €7.8m in H1 2007 to €17.1m in H1 2008, was the result of the sum of corporate centre costs and recurring or non-core income or expense items.

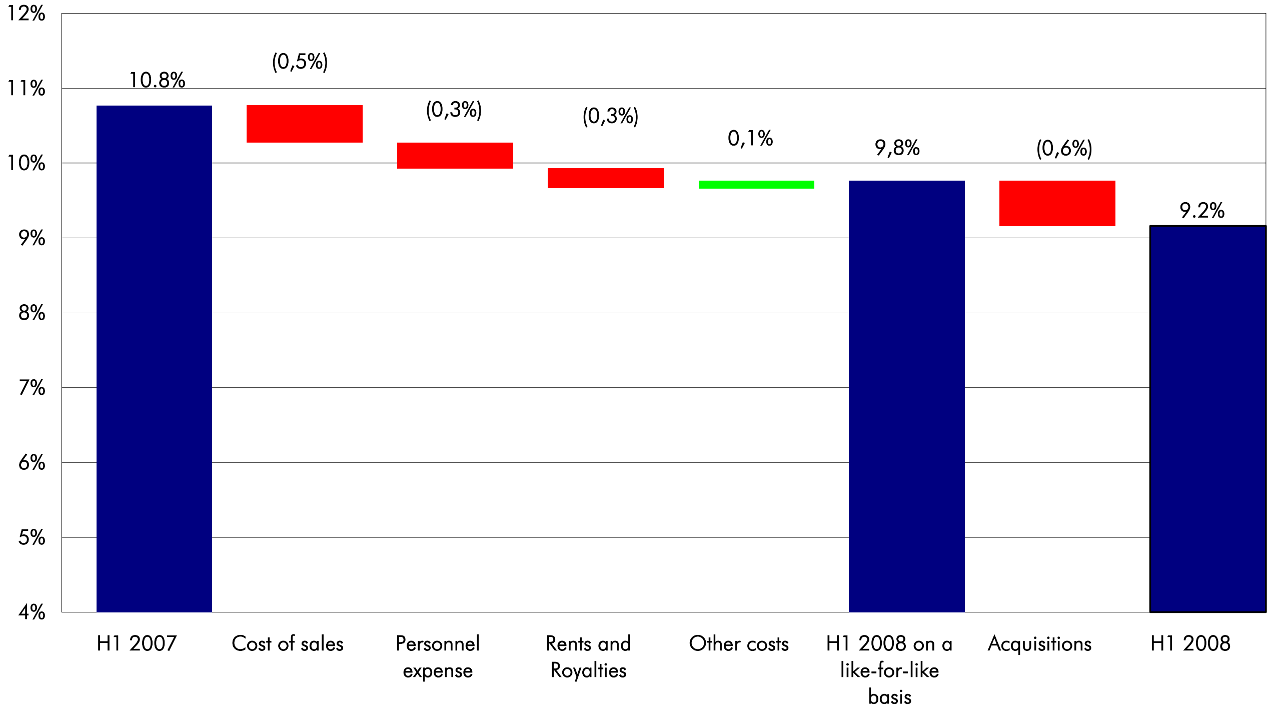
In H1 2007 this item comprised a benefit of €6.4m curtailment in the Italian post-employment benefits following changes in the related legislation which came into effect in 2007. In H1 2008, additionally, one-off costs of €1.2m were recognised in relation to the corporate centre portion of the restructuring plan underway.

[5] The macro-areas commented on are identified according to a strictly organisational criterion. The only discrepancy between these macro-areas and the geographical divisions presented in the Notes to the condensed interim consolidated financial statements – in any case, an insignificant one – is the Amsterdam Schiphol airport business, which in the Interim Report on Operations is included in North America and the Pacific area, but is part of Other European Countries in table 3.2.7 of the notes.

Overall restructuring costs were €1.7m in H1 2008 (€1.2m in the corporate centre, €0.3m in Italy and €0.2m in the Rest of Europe).

The EBITDA margin fell from 10.8% to 9.2%, which was partly due to the inclusion of new subsidiaries of which some operate in businesses and markets having lower average profit margins than that of the Group as a whole.

EBITDA margin growth - New Acquisition Effect



The higher ratio of the cost of sales to total revenue was the effect of both the changed sectorial composition of the Group and sharp increases in raw foodstuff prices. In the US, raw material price inflation remained very high; this meant that our US subsidiary's price increases at the till, designed to recover the inflation of 2007, and could only limit the deterioration of its margins.

The higher ratio of payroll to total revenue was due both to a fall in productivity, occasioned by the mentioned contraction in traffic in certain regions and business segments, mainly Italy and the US, and by increased unit costs. The increased "Personnel expense" was also due to the mentioned one-off costs of the reorganisation plan.

The higher ratio of rents and royalties to total revenue was due to the faster rate of growth of the airport segment, which carries higher percentage rents than the motorway business.

Depreciation, Amortisation and Impairment losses

In H1 2008 depreciation, amortisation and impairment losses were €117m, an increase of 28.8%, or 37.5% at constant exchange rates over the H1 2007 figure of €90.9m. The impact of the businesses acquired in H1 2008 was €22.7m.

The marked increase in depreciation and amortisation was due to the Group's extensive ongoing capital expenditure following recent years' award of important concessions and renewals.

This item also increased by €5.3m, due to amortisation for April-June 2008 following the allocation to contractual rights of a portion of the excess price paid for the additional 49.95% stake in Aldeasa bought from Altadis S.A.. The total amount allocated to contractual rights is €97m, to be amortised over the period April 2008 to December 2012.

This item includes impairment losses on intangible assets and property, plant and equipment of €1.4m, as against €1.3m in H1 2007.

EBIT

The Group's EBIT amounted to €116.1m, a reduction of 9.5% at current exchange rates (2.2% at constant exchange rates) from the H1 2007 figure of €128,2m. The contribution of the acquisitions was €12.1m.

In Q2 2008 EBIT was €94.4m as against €92.3m in the comparable period of 2007.

Organic growth in Q2 2008 was negative by 8.7% but showed strong recovery from the Q1 figure, a drop of 24%. Overall organic growth in EBIT was thus a negative 12.4% in H1 2008.

			Change	
(€m)	H1 2008	H1 2007	at current exch. rate	at constant exch. rate
North America and the Pacific Area	52.0	66.2	(21.4%)	(9.5%)
EBITDA margin	*6.3%*	*7.7%*		
Italy	53.4	56.9	(6.0%)	(6.0%)
EBITDA margin	*8.5%*	*9.5%*		
Rest of Europe	(3.2)	(5.6)	(43.5%)	(43.2%)
EBITDA margin	*(1.0%)*	*(1.9%)*		
Aldeasa	15.1	12.5	20.5%	20.5%
EBITDA margin	*4.9%*	*6.7%*		
Alpha Group	8.9	6.1	n.s.	n.s.
EBITDA margin	*2.4%*	*7.2%*		
WDFE	7.6	-	n.a.	n.a.
EBITDA margin	*7.7%*	-		
Non-allocated	(17.8)	(7.9)	n.s.	n.s.
Consolidated	116.1	128.2	(9.5%)	(2.2%)
EBITDA margin	*4.6%*	*6.3%*		

Net financial expense

Net financial expense increased from €27.3m to €47m, due mainly to the increased debt needed to acquire Alpha Group – which had only a marginal effect on H1 2007 financial expense – the 49.95% stake in Aldeasa and WDFE.

A large part of the acquisition finance for Alpha Group and WDFE was in sterling and this change to the currency basket of the Group's debt caused an increase in average cost, which was contained at around 0.55%, which increased average borrowing cost to 6% as against the 5.15% of H1 2007.

Interest rate hedging had a broadly neutral economic effect, since the benefits arising from having hedged the euro rate were equal to the increased cost, compared to short-term interest rate, of hedging the US dollar rate.

At 30 June 2008, 40% of the Group's debt was originally or synthetically denominated in euros, 23% in US dollars and 37% in pounds sterling.

Fixed-rate borrowings were 54% of the Group's net debt; fixed-rate borrowings were 73% of US dollar debt, 65% of sterling borrowings and 33% of finance in euros.

Subsequent to the end of the first half 2008, in light of the performance of the markets, euro interest rate hedges were increased by €100m, which thus reached notional €340m.

Tax

The tax rate fell from 45% to 40.3%. This change was due to the fact that a larger portion of profit was realised in countries with an ordinary tax rate lower than that of the two countries which in the past were the Group's main markets, viz. the US, where the average total tax rate is 39.5%, and Italy, where the aggregate of IRES (corporate tax) and IRAP (regional tax on production) is only nominally 31.4%, but actually much higher for businesses with high labour content like those of Autogrill S.p.A., as well as the tax cuts of 2007 and 2008 in many countries like Italy (from 37.25% to 31.4%) and Spain (from 32.5% to 30%).

Profit for the period

The H1 2008 profit attributable to the Shareholders of the Parent was €33.9m as against €49.7m in H1 2007, after net financial expense of €47m as against €27.3m in H1 2007, largely related to the acquisitions of Alpha Group, WDFE and the remaining interest in Aldeasa, and negative exchange differences of €3.9m.

2.1.2 Financial Position

Condensed Consolidated Balance Sheet[6]

(€m)	30/06/2008	31/12/2007 *	Change at current exch. rate	Change at constant exch. rate
Intangible assets	2,393.5	1,402.8	990.7	1,038.0
Property, plant and equipment	1,003.6	908.1	95.5	124.1
Non-current financial assets	26.6	23.5	3.1	4.1
A) Total non-current assets	**3,423.6**	**2,334.3**	**1,089.4**	**1,166.2**
Inventories	282.3	196.8	85.5	91.3
Trade receivables	111.8	104.8	7.0	11.1
Other current assets	217.0	199.5	17.5	22.7
Trade payables	(734.9)	(529.3)	(205.6)	(215.3)
Other current liabilities	(467.7)	(332.2)	(135.5)	(145.5)
B) Working capital	**(591.4)**	**(360.4)**	**(231.0)**	**(235.7)**
C) Capital invested, less current liabilities	**2,832.2**	**1,973.9**	**858.3**	**930.5**
D) Other non-current non-financial assets and liabilities	**(208.3)**	**(204.5)**	**(3.8)**	**(8.1)**
E) Assets held for sale	**11.3**	**5.8**	**5.5**	**5.5**
F) Net capital invested	**2,635.2**	**1,775.2**	**860.0**	**927.9**
Equity attributable to the shareholders of the Parent	494.3	554.9	(60.6)	(35.9)
Minority interests	55.4	58.2	(2.8)	0.4
G) Equity	**549.7**	**613.0**	**(63.3)**	**(35.5)**
H) Convertible bonds	**40.6**	**40.2**	**0.4**	**0.4**
Non-current financial liabilities	2,095.2	1,206.3	888.9	918.8
Non-current financial assets	(6.0)	(4.5)	(1.5)	(1.8)
I) Net non-current financial position	**2,089.1**	**1,201.7**	**887.4**	**917.0**
Current financial liabilities	194.0	144.7	49.3	66.7
Cash and cash equivalents and non-current financial assets	(238.3)	(224.5)	(13.8)	(20.7)
L) Net current financial position	**(44.3)**	**(79.8)**	**35.5**	**46.0**
Net financial position (H+I+L)	**2,085.5**	**1,162.2**	**923.3**	**963.4**
M) Total, as in F)	**2,635.2**	**1,775.2**	**860.0**	**927.9**

* Some balance-sheet data have been restated since the 2007 Half Year Report to take account of the change in the accounting policy for actuarial gains and losses on defined-benefit plans and to take account of the final fair value recognition of Alpha Group assets and liabilities as prescribed by IFRS 3.

Net capital invested increased by €860.0m (€927.9m at constant exchange rates), mainly due to the acquisitions made in the first half of the year, whose initial total impact was €133.6m.

Working capital, structurally negative for the Group, was €591.4m at 30 June 2008, an increase of €231m over 31 December 2007, which – as well as the usual seasonality that marks the first half of every year – was due both to the changed consolidation scope, and to certain changes made in the management of working capital.

The financing of higher net assets was mainly achieved through borrowing, as the €923.3m increase in net financial position (€963.4m at constant exchange rates) shows, such that net financial position stood at €2,085.5m at 30 June 2008, as against €1,162.2m at 31 December 2007.

6. The main items of the condensed consolidated balance sheet may be computed directly from the condensed interim financial statements and notes thereto.

In detail: the acquisition of 49.95% of Aldeasa and WDFE was financed by bank loans totalling €1 billion, structured as follows:

- a term loan of €275m with a term of 5 years and bullet repayment on maturity (19 March 2013) with two options to extend for one year at a time, subject to lenders' consent;
- a term loan of €600m (entirely in sterling) with final maturity on 19 March 2013 and repayments beginning in 2010, plus a bullet of €300m at final maturity. As for the term loan of €275m, there are two options to extend for one year at a time, subject to lenders' consent;
- a revolving credit facility of €125m with final maturity on 19 March 2013.

These loans were arranged and entirely underwritten by BNP Paribas, Intesa San Paolo, The Royal Bank of Scotland and UniCredit Group, as Mandated Lead Arrangers and Bookrunners, and by Banco Bilbao Vizcaya Argentaria SA, ING Bank N.V. and Natixis S.A. as Mandated Lead Arrangers and Sub-Underwriters.

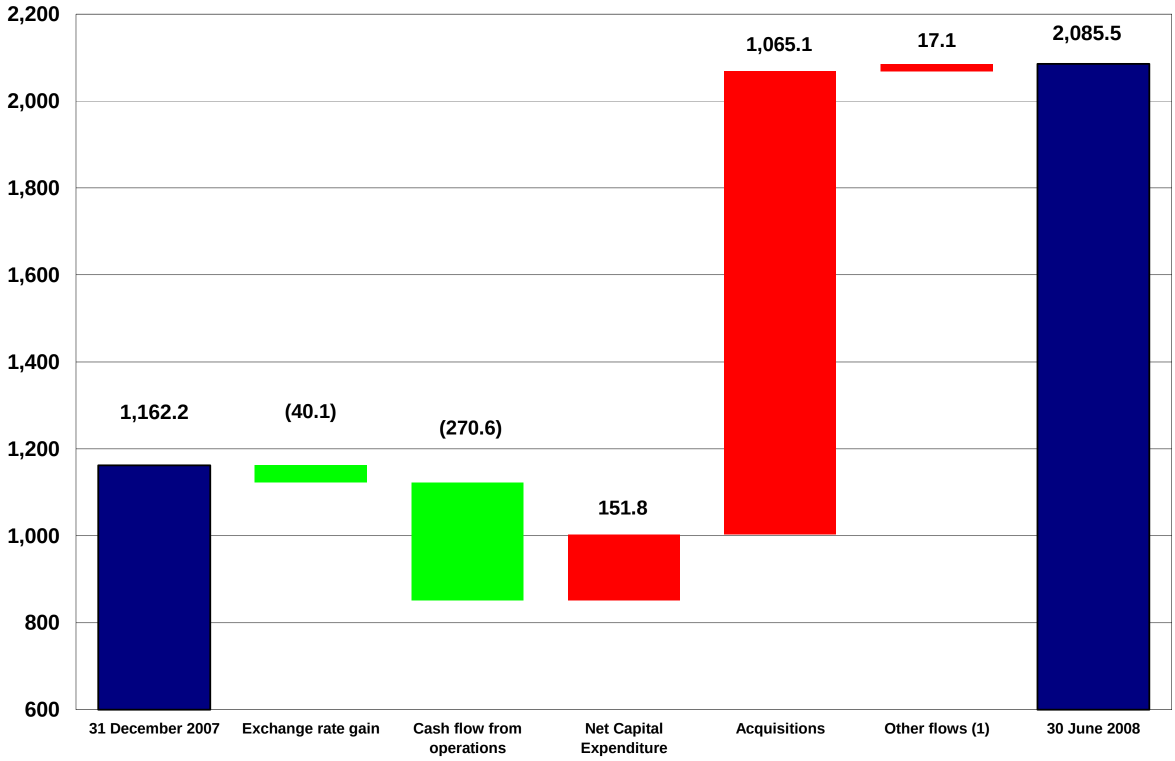
The reduction in Equity was also the consequence of the resolution of the Shareholders' Meeting held on 23 April 2008 to distribute dividends totalling €76.3m (€0.30 per share) paid out from 24 July 2008. The related liability is disclosed under "Other liabilities".

Cash Flows and Net Financial Position

Net cash flow from operations reached €270.6m, a sharp increase over H1 2007, when net cash flow from operations was €94.2m. A significant contribution to this outcome was made by the optimisation of working capital management. Additionally, cash flows were reduced in H1 2007 by the payment of the 2004-2006 incentives.

Increased cash flow from operations more than financed net capital expenditure, which amounted to €151.8m in H1 2008, an increase of some €50m over H1 2007.

At 30 June 2008 net financial position stood at €2,085.5m, having benefited from a conversion difference of €40.1m mainly due to the US dollar component. The increase over 31 December 2007 was mainly due to the borrowings needed to fund the acquisition of 49.95% of Aldeasa and WDFE, which was entirely financed by bank borrowings.



(1) Other flows comprised primarily payment of dividend to minority shareholders of subsidiaries and net changes in non-current financial assets.

2.2 Business Development

2.2.1 Capital Expenditure

In H1 2008 the Group continued its capital expenditure programme consequent on the numerous concessions awarded in the previous two years: compared to the H1 2007 figure of €115.6m, capital expenditure grew by 36% (46.1% at constant exchange rates) to €157.2m and 6.2% of sales as against 5.7% in H1 2007. Organic growth was 31.8%.

(€m)	H1 2008					H1 2007				
	Development and Renovation	Maintenance	ICT & Other	Total	*Percentage*	Development and	Maintenance	ICT & Other	Total	*Percentage*
Motorways	38.3	10.0	0.8	**49.1**	*31.2%*	28.6	7.3	0.3	**36.3**	*31.4%*
Airports	81.1	5.8	0.3	**87.2**	*55.5%*	42.0	3.3	(0.0)	**45.2**	*39.1%*
Railway stations	0.8	0.6	0.1	**1.5**	*0.9%*	2.8	0.3	0.0	**3.2**	*2.7%*
In-flight	4.8	-	-	**4.8**	*3.1%*	-	-	-	**-**	-
Other Businesses	6.3	1.2	(0.0)	**7.6**	*4.8%*	9.8	0.4	0.0	**10.2**	*8.8%*
Non-allocated	1.7	1.0	4.4	**7.1**	*4.5%*	3.4	3.4	13.8	**20.7**	*17.9%*
Total	133.0	18.7	5.6	157.2		86.7	14.8	14.1	115.6	
Percentage	*84.6%*	*11.9%*	*3.5%*			*75.0%*	*12.8%*	*12.2%*		

In Q2 2008 capital expenditure was €99.4m, an increase of 55.2% overall and of 47.9% on an organic growth basis, over H1 2007.

A break down of capex by purpose illustrates the trend: expenditure for business development absorbed almost 85% of resources as against 75% in H1 2007, and increased by nearly 54% or 51% on an organic growth basis. IT expenditure fell following the gradual completion of the development begun in 2006 principally in respect of the development of applications for the retail & duty-free business.

Airports were the segment in which most capex was undertaken, involving almost a doubling of the allotted resources, from €45.2m to €87.2m, up by 82.6% in organic growth terms. In North America capex was aimed at up-grading the offering in recently awarded (e.g., Sacramento) or renewed locations (Honolulu, New York JFK and Tampa) and this macro-area also undertook the expenditure in Asia with the opening of Bangalore and Singapore and completion of the stores in Hyderabad. In the European airports, too, capex followed the award of new concessions (e.g., Shannon and Copenhagen) or renewals (Brussels and Manchester). Aldeasa invested both in its domestic airports – in the old terminals of Madrid airport at the same time the infrastructure was being rebuilt and in certain holiday destinations like Palma de Mallorca – and in its international locations, with the completion of its stores in Atlanta airport.

Motorway capex increased to €49.1m, an overall increase of 35.3% and 40.7% in organic growth terms, in relation to the continuation of up-grading along the Pennsylvania Turnpike and the New York Thruway and work on the Italian motorway network.

2.2.2 New Concessions

In H12008 the Group maintained its excellent track-record of concessions won and renewed, consolidating its position in its established long-standing locations, but also extending its business model to new regions (e.g., Africa) or those where its entry was more recent (Asia in general and Singapore), as follows:

HMSHost:

- extension of its Asian operations through a new concession to manage food & beverage services in a number of stores in Changi Airport, Singapore: in the life of the concession, (from one to three years) total sales should be $15m;
- extension to 2020 of the retail & duty-free concession in the Empire State Building, New York: over the life of the agreement sales are expected to exceed $190 m;
- consolidation of its competitive position in the airports of Florida both in food & beverage and in retail & duty-free, having renewed to 2015 the concession in Tampa airport and extended the agreement in Miami airport to 2011: these two businesses are expected to generate sales of $670m and $75m respectively over the life of the agreements;
- renewal of the food & beverage and retail & duty-free concessions in Little Rock airport, Arkansas to 2018: the expected sales are $115m.

Italy:

Food & beverage and retail & duty-free concessions were won on eight vessels of the Grandi Navi Veloci fleet: these businesses are expected to generate sales of €100m over the five years of the agreement.

The Rest of Europe:

- a stronger presence in Ireland following the award of a ten-year concession to provide food & beverage services in Belfast airport: the expected revenue over the life of the agreement is £30m;
- entry by HMS Europe into Africa following the award of a concession to provide food & beverage services in certain stores in Cairo airport: over the five years of the agreement sales are expected to be $15m.

2.2.3 Acquisitions

A Stronger Presence in Travel Retail & Duty-Free and in the United Kingdom

The first half of 2008 was a strategically significant period for the Autogrill Group: through the acquisition of 49.95% of Aldeasa held by Altadis S.A. and 100% of WDFE held by B.A.A. Ltd.[7] the Group made a further important step on the path of diversification, on which it set out after privatisation, while remaining within the food & beverage and travel retail & duty-free concession businesses. These transactions gave the Group world leadership in airport retail & duty-free, after the diversification by country and business segment that in previous years had made Autogrill the market leader in food & beverage.

Development of the travel retail & duty-free sector, which had always been a business of the Group, primarily in North American airports and along the Italian motorways, was pursued more energetically from 2005 with the acquisition of the first 49.95% interest in Aldeasa. The greater size of the retail & duty-free market – worth $34 billion in sales in 2007, of which over $19 billion were generated in the airport segment[8], as against the €15-20bn of food & beverage – and the complementary nature in terms of travellers' needs of the two product categories explain the strategy followed. Expansion into the travel retail & duty-free sector continued through the acquisition in 2007 of Alpha Group and in 2008 of WDFE.

The British origin of both these companies was a further strategic reason for these transactions, i.e., expansion into the United Kingdom, one of the most important concession markets in Europe, both for travel retail & duty-free and for food & beverage. The British market is estimated to be worth more than €4bn in annual sales, of which €1 billion is generated by food & beverage and $3bn by retail & duty-free (on the basis of these figures, the United Kingdom is the largest retail & duty-free market in the world).

Airports are the main concession business segment: food & beverage accounts for 40% of this market and London Heathrow, London Gatwick and Manchester are the largest, the tenth-largest and the twelfth-largest travel retail & duty-free outlets in the world (with estimated annual sales of $1bn at Heathrow, $400m at Gatwick and $300m at Manchester). The importance of the airport market is shown by traffic figures[9]: UK airports served 240 million passengers in 2007 – more than 5% of world traffic; over the last 25 years its average annual rate of growth has exceeded 5% and forecast growth for the next twenty years is around 2.5% p.a. thanks to significant factors such as the opening of Terminal 5 at Heathrow, the 2010 London Olympics and above all the Open Skies agreements.

Autogrill believes that these companies' combination of a deep knowledge of and widely established presence in the British Isles, together with their food & beverage know-how and brand portfolios, will enable the Group to continue to grow in this food & beverage market, continuing the process begun in 2006 with the awards of concessions in Irish airports of Cork in 2006, Shannon in 2007 and Belfast in February 2008.

World Duty Free Europe Ltd.

WDFE is the UK market leader in travel retail & duty-free. It was set up by B.A.A. Ltd. and started operations in 1997. It has 58 stores with total floor space of 15,000 square metres located in

[7] Britsh Airport Authorities Ltd., the largest British airport manager.
[8] Estimates of the size of the food & beverage and retail markets were calculated by the Group on the basis of data supplied respectively by Gira and Generation. Gira data are in euros and refer to food & beverage. Generation data referring to retail are in US dollars. Given the illustrative purpose of this section, it was not thought necessary to convert these figures.
[9] Sources: Airport Council International (A.C.I.), B.A.A. and U.K. Civil Aviation Authorities.

seven of the most important UK airports viz. Heathrow, Gatwick, Stansted, Southampton, Edinburgh, Glasgow and Aberdeen, and employs around 1,900 people.

WDFE sells all the usual duty-free & tax free products, specialising in cosmetics and alcoholic beverages, which are respectively its largest and second-largest product groups in terms of sales. Like Autogrill, WDFE operates through a number of brands, both under licence and proprietary.

In 2007 WDFE generated revenue of £420.5m, more than half of which in Heathrow. Thanks to its presence in Heathrow – the largest in Europe and the third-largest in the world in terms of passenger traffic, but above all the largest in the world in terms of travel retail & duty-free sales – WDFE has developed deep knowledge of the characteristics of international travellers and their purchasing habits.

WDFE's competitive position, the expertise it has developed in important travel retail & duty-free product categories and its ability to constantly improve its offering not least through interaction with its suppliers are a fundamental strategic complement to the know-how that the Autogrill Group already posses in the travel retail & duty-free sector thanks to Aldeasa and Alpha Group.

Concentration of the businesses of the three companies in Europe will make significant synergies possible in terms of procurement and logistics. Additionally, the closeness of Alpha Group and WDFE will produce further synergies by rationalising the cost structure of their main offices. These synergies should generate savings of €45m annually and the Group intends to achieve this starting in 2010.

Alpha Group Expansion into Eastern Europe

Alpha Group has acquired Air Czech Catering A.S. from Czech Airlines A.S. (the Czech national carrier), which was the airline's exclusive in-flight service division. This acquisition will enable Alpha Group, which already operates in Romania and Bulgaria, to strengthen its presence in Eastern Europe, a region of rapid change and strong growth in the airport segment.

2.3 Results by macro-areas

The following is a more detailed analysis of Group results by macro-areas.

2.3.1 North America and the Pacific Area

To remove the interference of fluctuations in the euro/US dollar exchange rate and facilitate an understanding of the performance of this region, data are given in millions of US dollars ($m).

($m)	H1 2008	H1 2007	Change
Revenue	1,259.0	1,148.2	9.6%
Motorways	184.4	189.4	(2.7%)
Airport	1,033.1	937.2	10.2%
Shopping malls	41.6	21.6	92.6%
EBITDA	145.5	144.2	0.9%
EBITDA margin	*11.6%*	*12.6%*	
Capital Expenditure	116.1	72.5	60.2%
% of Revenue	*9.2%*	*6.3%*	

Revenue

In H1 2008 this region generated revenue of $1,259m, an increase of 9.6% - 6.3% excluding the contribution of FoodBrand LLC and CBR Inc., acquired in the second half of 2007[10] - over the $1,148.2m of H1 2007.

In Q2 2008 revenue was $656.1m, an increase of 8.1% including new businesses and 4.9% on a like-for-like basis over the Q2 2007 figure of $606.7m.

Results by business segment:

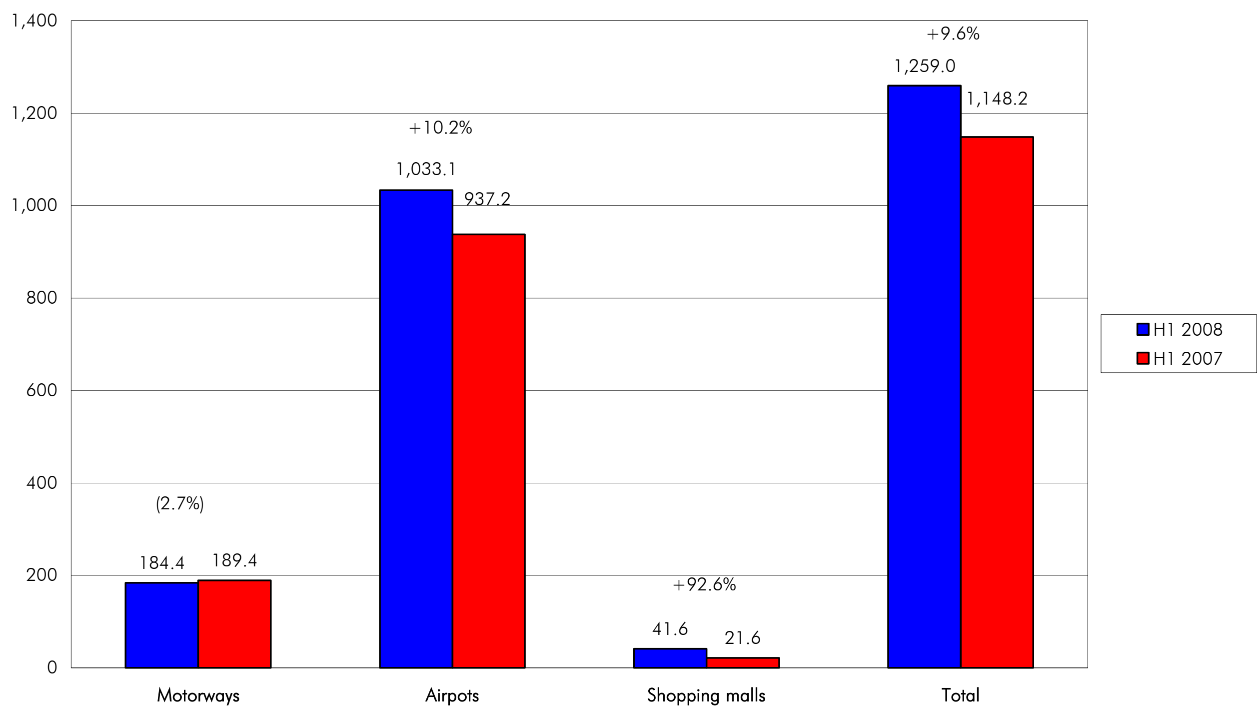
- *Airports*: this segment increased its revenue by 8.2% in H1 2008 (7% on a like-for-like basis[11]) despite adverse traffic trends due to the countermeasures taken by the airlines to meet fuel price rises: in H1 2008 traffic contracted by 1.9% in terms of both passengers and flights, according to A.T.A.[12]. The notable difference between the Group's results and traffic trends is further proof of the ability of the Group to grow much faster than its market through continual improvement to its offering, viz. the introduction of concepts and products with a higher average check, and the maintenance of high standards of service. The ability to out-perform traffic trends marked Q2 2008 as well: in this period traffic contracted by 3.7% in terms of passengers and by 3% in terms of flights according to the A.T.A., while revenue increased on a comparable basis by 5.9%. Total airport revenue increased by 9.2% in Q2 2008, reaching $532.2m, as against $487.4m in Q2 2007;
- *Motorways*: the impact of fuel price rises and the continuation of the store upgrading works initiated in 2007 explain the fall in revenue recorded by this segment in H1 2008. On a like-

[10] FoodBrand LLC provides food & beverage services in shopping malls and secondarily in airports; CBR Inc. is a retailer in airports only.
[11] Like-for-like comparison refers to stores operating both in the period and in the previous comparable period with the same offering.
[12] Airport Transport Association.

for-like basis the decline was contained at 0.2%. In Q2 2008 revenue fell more sharply, by 4.6% (from $108.2m to $103.2m); on a like-for-like basis the contraction was 2.3%;

– *Shopping malls:* sales doubled due to the consolidation of FoodBrand LLC. Net of this change in consolidation scope this segment's performance was broadly stable when compared to that of H1 2008.

Revenue Growth by Business Segment - North America and the Pacific Area



EBITDA

H1 2008 EBITDA was $145.5m as against $144.2m in H1 2007, the margin (ratio to revenue) being 11.6% as against 12.6% in H1 2007. The newly consolidated companies contributed $2m, con which diluted the margin by 0.2%.

In H1 2008 personnel expense rose as a ratio to revenue, due both to the decision to maintain high standards of service and to inflation in the period. Upward pressure on the ratio of cost of sales to revenue was contained by transferring part of the increase in foodstuffs prices to the consumer and revising the offering. Operating and general expenses also rose, the former due to higher energy costs and the latter partly due to the realisation of a new operational department to manage development in Asia.

In Q2 2008 EBITDA rose from the Q2 2007 figure of $82m to $83.1m, with a margin of 12.7% as against 13.5% in Q2 2007.

Capital Expenditure

The significant increase in capex in H1 2008 was linked to the continuation of upgrading work at the Pennsylvania Turnpike and New York Thruway stores, two of the Group's most important motorways in North America. In the airports segment the Group up-graded the offering recently awarded (e.g., Sacramento) and renewed (e.g., Honolulu, New York JFK and Tampa) locations.

Expenditure also occurred in Asia for the opening of stores in Bangalore and Singapore and the completion of those in Hyderabad.

2.3.2 Italy

(€m)	H1 2008	H1 2007	Change
Revenue	626.5	600.5	4.3%
Motorways	493.2	485.3	1.6%
Airport	37.3	30.8	21.2%
Railway stations and Ports	14.9	9.1	62.5%
Other	81.2	75.4	7.7%
EBITDA	77.3	75.8	1.9%
EBITDA margin	*12.3%*	*12.6%*	
Capital Expenditure	29.0	35.7	(18.6%)
% of Revenue	*4.6%*	*5.9%*	

Revenue

In H1 2008 the Group's operations in Italy recorded an increase in revenue of 4.3% to €626.5m as against the H1 2007 figure of €600.5m. The motorway segment grew faster than its market and the new businesses in the other segments mitigated the impact of the difficult economic situation. In Q2 2008 sales reached €334.4m, an increase of 2.7% over the Q2 2007 figure of €325.8m.

Results by business segment:

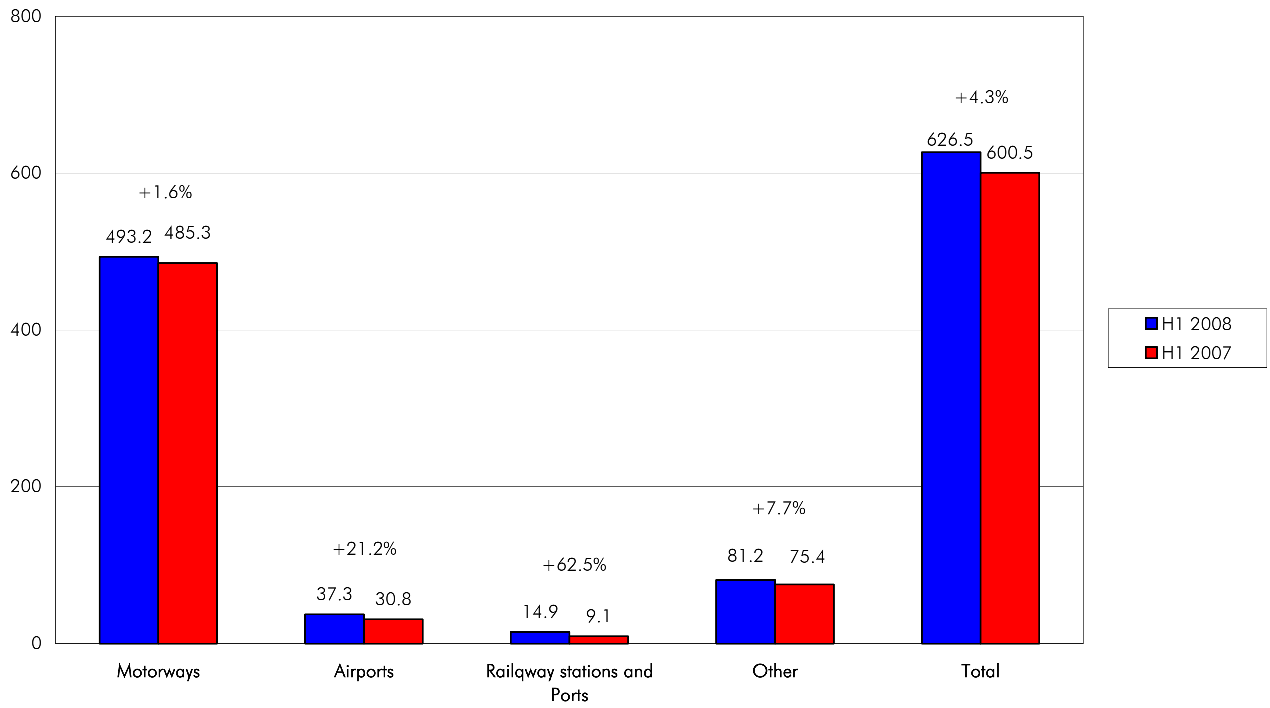
– *Motorways:* The increase in revenue of 1.6% (taking total business) and 1.3% on a same-store basis was achieved despite negative traffic trends in the period – a drop of 0.4%, or a rise of 0.2% including the effect of the 29th day of February according to Atlantia – due to fuel price rises. The latter also affected travellers' spending: there was a shift in sales towards medium-low price average check in the self-service and pizza restaurants and the snack bars. The Group reacted by extending its range of products, e.g., by launching new filled rolls using local produce and targeted promotions of products impacted by lower spending by consumers. In Q2 2008 the contraction in traffic was even greater at 2.5%, according to Atlantia, made worse by May's bad weather: in this situation the Group's sales fell by 1.1% to €262.7m overall and by 2% on a same-store basis;

– *Airports*: the significant rise in revenue was due to the retail & duty-free businesses in Rome's Fiumicino Airport, which were acquired by Alpha Group as part of the process of integrating it into the Group. Excluding these businesses the increase was 9.9% as against a 3.3% increase in traffic in the period according to Assaeroporti. In Q2 2008 overall growth was 25.4% to €21.7m, or 5.3% net of the Rome Fiumicino retail & duty-free outlets' sales as against largely unchanged traffic, which increased by 0.2% over Q2 2007 according to internal estimations based on Assaeroporti data due to the impact on traffic of Alitalia's reduction of the number of flights;

– *Railway Stations and Ports:* The sharp increase in sales was due to the food & beverage business on board vessels of the Grandi Navi Veloci fleet net of which revenue declined by 4.2%, due to the impact of the difficult economic situation on consumption. In Q2 2008 sales grew from €5m to €9.3m; net of the Grandi Navi Veloci business sales were broadly unchanged from Q2 2007;

– *Other (Shopping malls, Towns and Cities, and Trade Fairs):* The new businesses of Trentuno S.p.A., which in H1 2007 was consolidated only in May and June, increased this segment's sales; net of acquisitions, sales were largely unchanged. In Q2 2008, revenue grew by 7.5% to €40.7m and by 1.3% on a like-for-like basis.

Revenue Growth by Business Segment - Italy



EBITDA[13]

EBITDA was €77.3m, up by 1.9% over the H1 2007 figure of €75.8m. The EBITDA margin was 12.3% (as against 12.6% in H1 2007). Continual upgrading of the offering, e.g. by introducing snacks with a higher average price and changing the sales mix, with food & beverage products growing faster than retail & duty-free articles, made it possible to improve the cost of sales, which mitigated the increases in payroll, following application of the new national labour, and operating costs, due to rises in the prices of energy and utilities.

In Q2 2008 EBITDA increased by 2% to 46.6 m€, and the margin was 13.9% as against 14.0% in Q2 2007. The Italy region recognised reorganisation costs of €0.3m in the quarter.

Capital Expenditure

The contraction of capex was due to adjustments made to expenditure programmes in light of market conditions and primarily to the smaller number of store openings in the motorway segment in the period though this segment was still the most important in terms of dedicated resources. Resources were channelled *inter alia* into the remodelling of the Brembo and Viverone Nord e Sud stores, which saw the first installation of a geothermal energy production plant.

[13] The H1 and Q2 2007 figures show a difference of €3.8m and €3.4m respectively, as they were restated in line with the change in the accounting policy for actuarial gains and losses on defined-benefit plans. Please see the notes to the condensed interim consolidated financial statements at 30 June 2008 for further details.

2.3.3 The Rest of Europe

(€m)	H1 2008	H1 2007	Change at current exch. rate	Change at constant exch. rate
Revenue	324.8	297.5	9.2%	8.9%
Motorways	196.3	187.3	4.8%	4.6%
Airport	65.9	55.2	19.3%	19.1%
Railway stations	42.0	37.0	13.5%	13.3%
Other	20.7	18.0	15.0%	14.0%
EBITDA	19.5	18.8	3.8%	3.4%
EBITDA margin	*6.0%*	*6.3%*		
Capital Expenditure	23.9	17.3	38.7%	38.1%
% of Revenue	*7.4%*	*5.8%*		

Revenue

In H1 2008 the Group generated revenue of €324.8m in the rest of Europe, an increase of 9.2% at current exchange rates or 8.9% at constant exchange rates over the H1 2007 figure of €297.5m, thanks to the contribution of airports and other segments in which there are non-concession operations.

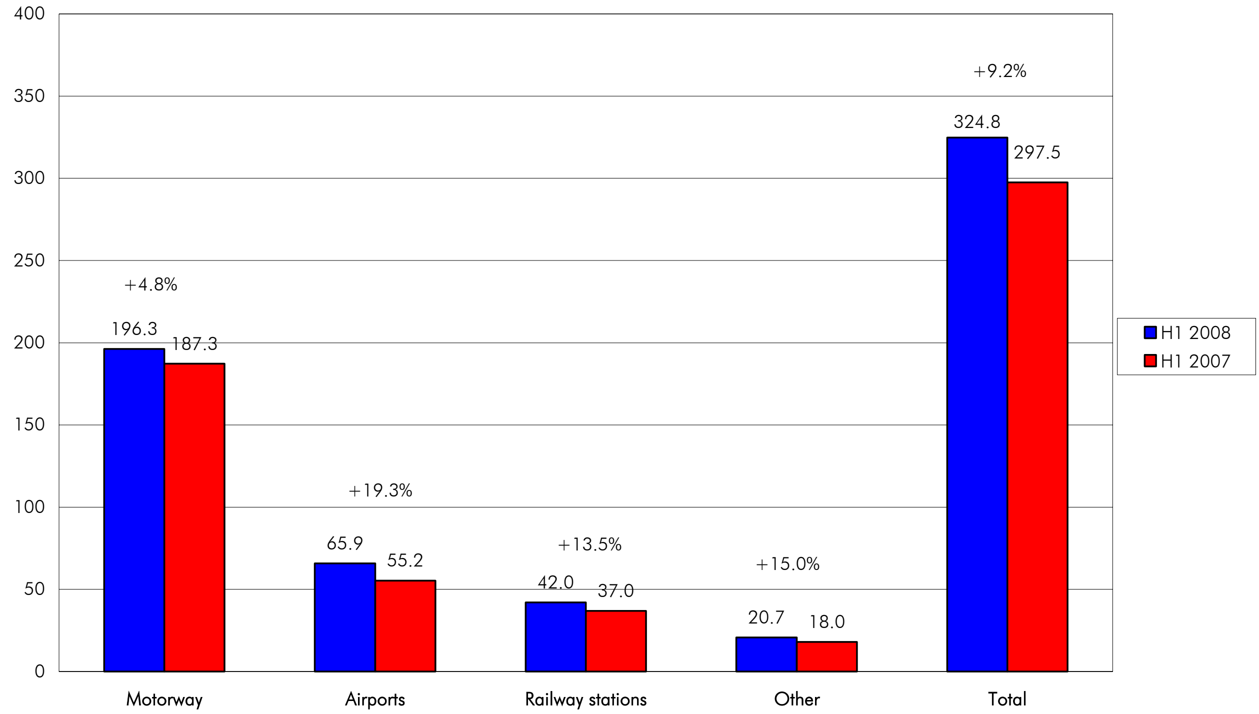
In Q2 2008 sales reached €175.4m, an increase of 5.6% or 5.3% at constant exchange rates over the Q2 2007 figure of €166.1m.

Results by business segment:

- *Motorways*: sales in this segment were €196.3m as against the H1 2007 figure of €187.3m. The increase of 4.8% or 4.6% at constant exchange rates was achieved in less favourable market conditions than those of H1 2007due to a slowdown in traffic following the increase in fuel prices and the general weakening of the economies of the countries where the Group operates. Group revenue in this segment rose by some 1.8% in France, declined by 7.3% in Spain due to that country's negative economic situation and also the closure of some toll-free highway stores in 2007, and grew strongly in Switzerland, by over 21% in Swiss currency, benefiting from the completion of rebuilding work at the Pratteln. In Q2 2008 sales reached €107.2m, broadly in line with the Q2 2007 figure of €106.7m;
- *Airports*: revenue in this segment rose from the H1 2007 figure of €55.2m to €65.9m. This significant growth (19.1% at constant exchange rates) was due to a good performance by already operational businesses (e.g., Zurich and Brussels) and the expansion of certain of the Group's operations such as Copenhagen and Shannon. In Q2 2008 revenue reached €36.1m, an increase of 16.4% or 16% at constant exchange rates over the Q2 2007 figure of €31m;
- *Railway Stations*: Businesses in all the countries where the Group operates recorded an improved performance. The French railway station stores advanced by 9% thanks to the gradual completion of the infrastructure works that had involved them, while Spanish businesses increased sales by more than 12% due to the positive impact on traffic of the opening of the new Madrid-Malaga and Madrid-Barcelona routes. The smaller businesses such as those in Switzerland and Belgium grew thanks inter alia to new stores being opened;
- *Other*: Organic growth of 14%, e.g., at the Telefónica office complex in Madrid, was supplemented by the start-up of food & beverage at Le Carrousel du Louvre which

contributed €3.9m for the entire period, leading to total sales of €20.7m as against the H1 2007 figure of €18m. In Q2 2008 segment sales reached €10.2m an increase of 13.8% or 12.5% at constant exchange rates over the H1 2007 figure of €9m.

Revenue Growth by Business Segment - Rest of Europe



EBITDA

While EBITDA increased by 3.8% at current exchange rates and 3.4% at constant exchange rates to €19.5m over the H1 2007 figure of €18.8m, the EBITDA margin fell by 0.3% which had been 6.3% in H1 2007. This was mainly due to the start-up costs of new businesses, principally in Northern European airports, as well as the growing cost pressure of raw material and utility prices. In Q2 2008 EBITDA declined from €17.5m to €17.2m, a contraction of 2.2% or 2.5% at constant exchange rates from Q2 2007. This contraction was due to higher raw material and utility prices. The Q2 2008 EBITDA margin was 9.8% as against 10.6% in Q2 2007.

Capital Expenditure

The increase in resources dedicated to the Rest of Europe, €23.9m as against €17.3m in H1 2007, a rise of 38.7% at current exchange rates or 38.1% at constant exchange rates, was due to the numerous projects launched following the award and renewal of concessions in previous year, for example: the completion of the start-up process of the stores at Shannon and Copenhagen and the continuation of up-grading in Brussels airport. In the railway station segment the work done at the Paris Est station in France is worth of note.

2.3.4 Aldeasa S.A.

The data given below refer to the entire group made up of Aldeasa and its subsidiaries which were proportionately consolidated and contributed to consolidated results 50% in Q1 2008. Following the acquisition of the shareholding held by Altadis S.A. in Aldeasa through Autogrill España on 14 April 2008, the Autogrill Group's stake in this travel retail & duty-free company rose to 99.90%: Aldeasa and its subsidiaries have therefore been fully consolidated since 1 April 2008.

(€m)	H1 2008	H1 2007	Change
Revenue	390.9	374.0	4.5%
Airports	384.0	362.6	5.9%
Palaces and Museums	6.9	11.4	(39.2%)
EBITDA	28.5	31.8	(10.2%)
EBITDA margin	*7.3%*	*8.5%*	
Capital Expenditure	17.6	13.8	28.1%
% of Revenue	*4.5%*	*3.7%*	

Revenue

In H1 2008 Aldeasa generated revenue of €390.9m, an increase of 4.5% over the H1 2007 figure of €374m: significant growth in international business more than offset the weakness of domestic sales. In Q2 2008 revenue reached €219.7m, an increase of 1.2% over Q2 2007.

Results by business segment:

- *Airports*: The sales of international operations increased by 30.3% from €84.9m to €110.6m, while domestic businesses recorded a 1.6% reduction from €277.7m to €273.4m. The result in Spain was the effect of the domestic economy being severely affected by the property slump and the consequent fall in consumption. This general problem was accompanied by a series of specific factors concerning Aldeasa's business, such as the depreciation of sterling against the euro, which sharply curtailed British travellers' spending, and the competition of high-speed trains on some important routes (Madrid-Barcelona and Madrid-Malaga). These factors led to slower growth in Spanish traffic (up by 2.8% in H1 2008 as against 7.5% growth in Q1 2008 according to A.E.N.A.)[14]. By contrast, Aldeasa achieved strong gains in international sales: even excluding the impact of the openings in North America which took place in 2007, growth was at a rate of almost 16%, the best results coming from stores in Chile, Mexico and Kuwait City. In Q2 2008 revenue grew by 2.3% to €215.9m: international revenue grew by 21.8% to €57.5m, while domestic business declined by 3.3% to €158.4m while Spanish traffic contracted by 0.7%, according to internal estimates based on A.E.N.A. data;
- *Palaces and Museums*: termination of business in the Museo del Prado following the museum's decision to manage its merchandising directly was the main reason for the reduction in sales.

[14] Aeropuertos Españoles y Navegación Aérea.

EBITDA

Aldeasa's H1 2008 EBITDA was affected by its start-ups in North America, which currently have a high cost structure and have not yet reached their full potential level of sales. In Q2 2008, EBITDA contracted from €21.4m to €21.1m, and the EBITDA margin was 9.6% (9.8% in Q2 2007). The Q2 2007 figure was however affected by retroactive recognition of rent adjustments going back to 1 January 2008 for the Spanish airports following the renewal of the concession. Net of this charge, Q2 2007 EBITDA would have been €22.4m, and the margin would have been 10.3%.

Capital Expenditure

The increase over H1 2007 was due to various initiated or completed projects both in Spain and abroad. In Spain the up-grading of stores in the old Madrid terminals continued at the same time as the rebuilding of the infrastructure. Some holiday destination airports were also up-graded ahead of the summer months. On the international side the stores in Atlanta airport were completed and up-grading was begun on the outlets in Jordan.

2.3.5 Alpha Group

Alpha Group and its subsidiaries were included in the Group's scope of consolidation on 1 June 2007. Full data for H1 2007 are given with the sole aim of enabling comparison with the H1 2008 results, while noting that they for the most part precede the Group's acquisition of Alpha Group.
To remove the interference of fluctuations in the euro/pound sterling exchange rate and facilitate an understanding of the performance of this marco-area, data are given in millions of pounds sterling (£m).

(£m)	H1 2008	H1 2007	Change
Revenue	284.3	282.7	0.6%
Airports	123.0	125.2	(1.7%)
In-flight	161.4	157.5	2.4%
EBITDA	18.3	11.1	65.9%
EBITDA margin	6.5%	3.9%	
Capital Expenditure	12.6	7.4	70.7%

Revenue

In H1 2008 Alpha Group (consolidated from 1 June 2007) recorded sales of £284.3m, more or less unchanged from the H1 2007 figure of £282.7m. The contraction in domestic sales following post-acquisition focus on the more profitable initiatives was more than offset by significant growth in both segments of the international business.
In Q2 2008 sales increased from £157.3m to £162.3m, an increase of 3.2%.

Results by business segment:

- *In-Flight*: termination of the agreements with EasyJet and BA Connect was the reason for the 19.7% fall in domestic sales, from £115.6m to £92.8m: on a continuing business basis domestic sales grew by around 5%. The 63% increase in international sales, from £41.9m to £68.5m, was due to the £5.4m contribution of Air Czech Catering (consolidated from April 2008) and most of all to the solid performance of already operational businesses, which grew by 50%. Australian businesses made an especially positive contribution, benefiting from the agreement with Emirates which was signed in H2 2007, as did the operations in eastern Europe and the Middle East. In Q2 2008 domestic sales contracted by 15.2% from Q2 2007, to £52.3m overall, but on a continuing business basis growth was 5%. International sales grew from £23m to £37.5m, giving like-for-like growth of 40%;
- *Airports:* the approx. 4% fall in domestic revenue to £93.6m was due to the sale of the World News stores (13 in Q4 2007 and 23 in Q2 2008): net of these disposals, revenue grew by nearly 20%. This result was achieved by improvements in store management and thanks to the depreciation of the pound sterling against the euro. The business in Manchester Airport performed particularly well. International sales increased by 7.7%, from £27.3m to £29.4m: termination of operations in Turkey and the transfer of the Italian businesses to Autogrill S.p.A. were offset by progress achieved in the Indian sub-continent and Sweden. In Q2 2008, domestic sales fell by 1.8% from Q2 2007, to £56.7m, due to the mentioned disposals, but increased more than 16% on a continuing business basis. International sales increased by 6.3% to £15.7m.

EBITDA

The significant improvement of EBITDA, both in cash terms and as a percentage of revenue, reflects the progress made in both business segments. In the in-flight business, faster growth in international as opposed to domestic sales and the termination of less profitable agreements both contributed to improved profitability. The travel retail & duty-free business, both at home and abroad, benefited from the closure or disposal of less profitable units (the World News stores and the Turkish operation): domestic business benefited particularly from improved labour productivity. In Q2 2008, EBITDA grew from £10.3m to £15.3m, and the EBITDA margin rose to 9.4% from 6.5% in Q2 2007, with the £1 million contribution of the new acquisition, Air Czech Catering A.S.

Capital Expenditure

The most important project in H1 2008 was the opening of the Biza stores, a new travel retail & duty-free product concept in Manchester Airport's T1 (for which a ten-year concession was renewed by the Group in 2006), Newcastle Airport and East Midlands Airport: about half of the company's capex for the period was dedicated to this initiative. Starbucks Coffee expansion continued with the opening of a store in Inverness Airport following on from the stores opened in Dublin and Jersey in 2007. In-flight capex was undertaken to support new businesses, such as the domestic operations under an agreement with Thomas Cook, and international operations in Australia.

2.3.6 World Duty Free Europe Ltd.

WDFE was included in the Group's consolidation scope from 1 May 2008.

WDFE's contribution to consolidated results in H1 2008 is summarised as follows:

(£m)	H1 2008
Revenue	76.3
Airports	76.3
EBITDA	7.6
EBITDA margin	10.0%
Capital Expenditure	0.8

However, in order to enable an assessment of its full H1 2008 results, these are commented on below in comparison with WDFE's H1 2007 performance, noting that the 2007 figures and those of January-April 2008 refer to the pre-acquisition period and have been calculated according to the accounting calendar followed before purchase by Autogrill, based on four-week periods except for the last in each quarter, which was of five weeks.

(£m)	H1 2008	H1 2007	Change
Revenue	205.9	191.1	7.8%
Airports	205.9	191.1	7.8%
EBITDA	19.3	15.9	21.4%
EBITDA margin	9.4%	8.3%	
Capital Expenditure	5.4	8.7	(37.6%)

Revenue

In H1 2008 WDFE's sales increased by 7.8%, to £205.9m over the H1 2007 figure of £191.1m: this was achieved despite a small reduction in traffic of 0.6% according to B.A.A.[15]. The notable difference between the results achieved and the traffic trend demonstrates WDFE's ability to grow at a mush faster rate than its market thanks to constant improvements to its offering with the aim of increasing both the number of contacts and the average till receipt.

In Q2 2008 sales reached £113.7m, an increase of 10% over Q2 2007 while traffic contracted by 1.8% in the period according to internal estimates based on B.A.A. data.

Results by airport of operation:

– *Heathrow*: In H1 2008 revenue reached £113m, an increase of 9.7% over the H1 2007 figure of £103m. The key event of the first half was the opening of Terminal 5 which is used by British Airways for all its flights: this entailed moving flights from one terminal to another and did not bring an increase in passengers; traffic fell by 0.4% according to B.A.A. There were some positive indirect effects of the terminal opening – an improvement in the environment (e.g., less crowded terminals and quicker security) – which encouraged passengers to buy: this was particularly evident in Terminals 2 and 3. Sterling depreciation

[15] British Airports Authority

was also a favourable factor for WDFE. In Q2 2008 sales grew by 14.6% to £59.7m, as against a fall in traffic of 1.3% according to internal estimates based on B.A.A. data;

– *Other Airports:* revenue generated by WDFE's other airports of operation – London Gatwick, London Stansted, Southampton, Aberdeen, Edinburgh and Glasgow – amounted to roughly 45% of total sales and increased by 5.5% to £92.9m from the H1 2007 figure of £88.1m. Gatwick is the largest airport of this group accounting for 60% of Other Airports sales and over 25% of the total and recorded growth of nearly 8%. In Q2 2008, total sales generated in these locations exceeded £54m, an increase of 5.4%.

EBITDA

In H1 2008 EBITDA increased by 21.4%, from £15.9m to £19.3m. In 2007 concession rents were calculated using a profit-sharing method, whereas in 2008 rents are calculated as a percentage of sales; a pro-forma calculation for H1 2007 applying the 2008 method, would produce EBITDA of £15.1m instead of £15.9m. The significant progress made was mainly due to the leveraging of fixed costs by increasing turnover.

Capital Expenditure

In H1 2008, WDFE made investments of £5.4m, as against £8.7m in H1 2007: this marked reduction was due to fewer resources being dedicated to the new stores in Heathrow's Terminal 5. In addition, for the whole of 2007 WDFE made significant investments in IT for the introduction of new more advanced cash registers; this activity is now almost at an end. The most important projects in H1 2008 were the completion of the T5 stores and the up-grading of the two main stores in Stansted and Gatwick airports.

In Q2 2008 capital expenditure was £2.8m, a reduction of 35% from Q2 2007.

2.4 Outlook

Subsequent Events after the end of the First Half 2008

Since 30 June 2008 the Group has strengthened its position in North American airports as follows:

- renewal to 2020 of the food & beverage concession in St. Louis airport, with forecast cumulative sales of over $585m over the concession term;
- award of a new food & beverage and retail & duty-free concession in Indianapolis airport: these businesses are expected to generate cumulative sales of $145m over the ten years of the concession;
- extension of operations in Atlanta airport through the award of new retail & duty-free concessions which are expected to generate cumulative sales of over $270m from 2008 to 2015;
- award of two new food & beverage and retail & duty-free concessions in Mineta San Josè airport, which are estimated to generate cumulative sales of $330m from 2009 to 2020.

At the end of the 33rd week (year-to-date figures at 17 August 2008), the Group recorded an increase in sales revenue of 19.7% at current exchange rates[16] and 28.2% at constant exchange rates; organic growth was 4.7%.

Business Outlook

On16 July, during a meeting with the financial community in London, the Group presented the guidelines and the Business Plan for the three-year period 2008-2010.

The 2008 income statements figures[17] of the plan indicate consolidated revenue of €5,780m, and consolidated EBITDA of €600m, giving an EBITDA margin of 10.4%. Compared to the previous forecasts indicated by the Group on 12 May 2008 when presenting the Interim Report on Operations at 31 March 2008, the new forecast takes into account later information on, and updated projections of changes in certain macroeconomic and market variables which are significant for the Group.

The most significant of these changes include:

- modified assumptions in respect of the average exchange rates used in the forecast. The 12 May 2008 forecast was based on the average exchange rates of Q1 2008 (i.e., €/US$ rate 1:1.498 and €/£ rate 1:0.757). In the Business Plan average exchange rates which it is believed may be closer to actual average rates for the year were used, on the basis of year-to date trends: €/US$ rate 1:1,550 and €/£ rate 1:0.786. Other estimates being equal, these amended exchange rates produce a difference of some €99m in lower sales for the current forecast as compared to that of last May; these changes reduce EBITDA by about €11m;
- new information on the impact of the net costs connected with the restructuring plan underway in the current year. As well as more exact quantification and timing of the costs of reorganising the travel retail & duty-free business, an efficiency plan has been added to reduce the central costs of the food & beverage business, of which the exact costs and

[16] €/$ exchange rate = 1:1.536 and €/£ exchange rate = 0.779.
[17] €/$ exchange rate = 1:1.550 and €/£ exchange rate = 0.786.

expected gains had not been defined at the time of the May forecast. The net effect on 2008 EBITDA is €10m compared to the May figure;

– new information originating in the market, particularly in terms of the effect on traffic of the US airlines' announced reduction of flights starting in September, in order to contain the negative impact on their profitability of the sharp rises in fuel prices. Converting the announced cuts into a forecast of traffic trends is always complex and highly risky (e.g., the translation of fewer flights into an effect on traffic has to be adjusted in light of the foreseeable higher load factor of the remaining flights). The forecast prepared for the 16 July 2008 meeting assumes that the cuts in flights from September would cause a 4% reduction in traffic in the final months of the year, giving an overall reduction in US airport traffic of roughly 3% for the whole of 2008;

– new information on the performance of the macro-area. Compared to the forecasts given on 12 May 2008, the July forecast is for reduced sales in North America (for the reasons given in the preceding paragraph) and Aldeasa, bearing in mind the weakness of Spain's economy, largely offset by a good performance by WDFE, which was also consolidated in May instead of June, as assumed in the 12 May 2008 forecast.

The Business Plan foresees capital expenditure of €325m in 2008 and net financial debt of €2,150m[18] at 31 December 2008.

On the basis of the data transmitted to the Parent by the operating companies on the progress of their capital expenditure programmes we believe that the capex objective may not be achieved: at the time of writing the projected figure exceeds the objective by some €20m. Despite this possible need for greater resources than planned, we believe that there are sufficient margins to be able to meet the end-2008 net financial debt target.

Factors of Uncertainty for the Remaining Part of the Year

Autogrill made these projections on the basis of the most up-to-date forecasts available. However the current highly unstable state of the international economy means that forecasts have a greater margin of error than they would have in a more stable situation. There are in fact a number of factors that may affect the achievement of the results, for example: changes in demand and inflation rates in the markets in which the Group operates; oil price and foodstuff price movements; changes in traffic trends not least due to the actions of other concerns operating in the same transport market (e.g., the airlines); changes in competition and in comparable products, even if sold in different channels to those in which the Group operates; exchange rate movements involving the main currencies against the euro, especially the US dollar and the pound sterling; changes in interest rates; general macroeconomic conditions; geopolitical factors; legislative changes in the countries in which the Group operates, and other changes in the business environment.

[18] In assessing end-2008 net financial debt denominated in currencies other than the euro (mainly the US dollar and the pound sterling) a simplifying assumption that the period-end exchange rates would be the same as the average rates used (i.e., $/€ rate 1:1.55 and €/£ rate 1: 0.786) has been used.

2.5 Further Information

2.5.1 Management and Coordination

Following the transfer by Edizione Holding S.p.A. of its entire shareholding of 57.09% in Autogrill S.p.A.'s share capital to Schematrentaquattro S.r.l., which is wholly owned by Edizione Holding S.p.A., (subsequently increased by Schematrentaquattro S.r.l. to 57.86% on 30 June 2008 and 58.72% on 13 February 2008) at its meeting held on 18 January 2007 the Board deemed that to the conditions defined by §2497-*bis* of the Italian Civil Code which would indicate that the Company was managed and coordinated by its parent, continued not to subsist.

2.5.1 Related-Party Transactions

Please see the Additional Information section of the notes to the condensed interim consolidated financial statements.

2.5.3 Treasury Shares

At 30 June 2008, neither the Parent nor its subsidiaries held treasury shares or shares in controlling entities or subsidiaries, nor did they buy or sell such shares directly or indirectly or through a trustee or nominee in the first half of 2008.

In implementing the resolution of the shareholders' meeting of 23 April 2008 which authorised a buy-in of ordinary treasury shares up to a maximum of 12,720,000 shares or 5% of share capital, Autogrill S.p.A. initiated this programme on 15 July 2008. The purchases were made on 22 and 29 July 2008 and on the date the Board approved the half year report Autogrill S.p.A. held a total of 125,141 treasury shares being 0.049% of its share capital and having a value of €944,822.68.

2.5.3 Shareholders

At 30 June 2008 the share capital of Autogrill S.p.A. amounted to €132,288,000 fully paid up and represented by 254,400,000 ordinary shares with a par value of €0.52 each.
Shareholders of the Company holding over 2% of shares at 30 June 2008 were, on the basis of available information and advice received, pursuant to CONSOB regulation no. 11971/99: Schematrentaquattro S.r.l. with 58.71% and Gruppo Assicurazioni Generali S.p.A. with 5.14% of share capital. In the first half of 2008 no significant changes occurred in the Company's shareholding structure.

3) Condensed Interim Consolidated Financial Statements

3.1 Consolidated Financial Statements

Consolidated Balance Sheet

Notes	(k€)	30.06.2008	31.12.20007*	Change
	Cash and cash equivalents	215,023	202,023	13,000
I	Other financial assets	23,249	22,468	781
	Tax assets	3,852	6,358	(2,506)
II	Current assets	186,979	173,153	13,826
	Trade receivables	111,836	104,808	7,028
III	Inventories	282,281	196,775	85,506
	Total current assets	**823,220**	**705,585**	**117,635**
IV	Property, plant and equipment	1,003,551	908,103	95,448
V	Goodwill	2,183,124	1,294,083	889,041
VI	Other intangible assets	210,338	120,498	89,840
	Equity Investments	11,314	10,367	947
	Other financial assets	21,355	17,630	3,725
VII	Deferred tax assets	135,139	104,083	31,056
	Other non-current assets	14,909	13,263	1,646
	Total non-current assets	**3,579,730**	**2,468,027**	**1,111,703**
	Assets held for sale	**11,257**	**5,779**	**5,478**
	TOTAL ASSETS	**4,414,207**	**3,179,391**	**1,234,816**
VIII	Trade payables	734,870	529,380	205,490
IX	Tax liabilities	34,635	15,704	18,931
X	Other current liabilities	420,434	303,492	116,942
XI	Due to banks	171,133	125,168	45,965
XII	Other financial liabilities	22,834	19,518	3,316
XVII	Provisions for risks and charges	12,615	12,949	(334)
	Total current liabilities	**1,396,521**	**1,006,211**	**390,310**
XIII	Other non-current liabilities	58,678	44,243	14,435
XIV	Loans (net of current portion)	1,766,028	852,525	913,503
XV	Bonds	369,767	393,959	(24,192)
VII	Deferred tax liabilities	73,654	55,412	18,242
XVI	Post-employment and other employee benefits	128,476	131,566	(3,090)
XVII	Provisions for risks and charges	71,359	70,585	774
	Total non-current liabilities	**2,467,962**	**1,548,290**	**919,672**
	TOTAL LIABILITIES	**3,864,483**	**2,554,501**	**1,309,982**
	EQUITY	**549,724**	**624,890**	**(75,166)**
XVIII	- attributable to the shareholders of the Parent	494,283	566,721	(72,438)
	- attributable to minority interests	55,441	58,169	(2,728)
	TOTAL LIABILITIES AND EQUITY	**4,414,207**	**3,179,391**	**1,234,816**

* Please see pages 51and 59 for details of items restated since first publication.

Consolidated Income Statement

Notes	(k€)	H1 2008	H1 2007 *	Change
XIX	Revenue	2,594,623	2,073,544	521,079
XX	Other operating income	49,088	43,508	5,580
	Total revenue and other operating income	**2,643,711**	**2,117,052**	**526,659**
XXI	Cost of raw materials, consumables and supplies	1,028,787	785,696	243,091
XXII	Personnel expense	687,480	579,328	108,152
XXIII	Leases, rents, concessions and royalties	421,496	309,329	112,167
XXIV	Other operating costs	272,878	223,598	49,280
XXV	Depreciation and amortisation	115,591	89,627	25,964
XXV	Impairment losses on property, plant and equipment and intangible assets	1,417	1,252	165
	Operating Profit	**116,062**	**128,222**	**(12,160)**
XXVI	Financial income	3,499	5,498	(1,999)
XXVII	Financial expense	(50,508)	(32,776)	(17,732)
	Reversals of impairment losses on financial assets	(942)	(364)	(578)
	Profit before tax	**68,111**	**100,580**	**(32,468)**
XXVIII	Tax	(27,481)	(45,272)	17,791
	PROFIT FOR THE PERIOD	**40,630**	**55,308**	**(14,677)**
	- attributable to the shareholders of the Parent	33,884	49,685	(15,800)
	- attributable to minority interests	6,746	5,623	1,123
	Earnings per share (in Euro cents)			
	basic	13.3	19.5	
	diluted	13.2	19.3	

* Please see pages 51and 59 for details of items restated since first publication.

Statement of Changes in Consolidated Equity

(€k)	Share Capital	Legal Reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Profit for the period	Equity attributable to the shareholders of the Parent	Equity attributable to minority interests
31.12.2006	**132,288**	**10,755**	**395**	**(22,783)**	**251,309**	**152,503**	**524,467**	**33,477**
Allocation of 2006 profit:								
- Reserves	-	4,763	-	-	45,980	(50,743)	-	-
- Dividends	-	-	-	-	-	(101,760)	(101,760)	(6,123)
Exchange rate gains (losses) and other changes	-	-	-	972	842	-	1,814	(5,097)
Fair value gains (losses) on hedging instruments	-	-	4,030	-	(1,412)	-	2,618	-
Effect of purchase of equity stakes of <100%	-	-	-	-	-	-	-	14,743
Profit for the period*	-	-	-	-	-	49,685	49,685	5,623
30.06.2007	**132,288**	**15,518**	**4,425**	**(21,811)**	**296,719**	**49,685**	**476,824**	**42,623**

(€k)	Share Capital	Legal Reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Profit for the period	Equity attributable to the shareholders of the Parent	Equity attributable to minority interests
31.12.2007*	**132,288**	**15,508**	**1,275**	**(32,300)**	**291,889**	**158,061**	**566,721**	**58,169**
Allocation of 2007 profit:								
- Reserves	-	7,417	-	-	74,324	(81,741)	-	-
- Dividends	-	-	-	-	-	(76,320)	(76,320)	(12,555)
Exchange rate gains (losses) and other changes	-	-	-	(33,117)	(3,221)	-	(36,338)	676
Fair value gains (losses) on hedging instruments	-	-	8,715	-	(2,379)	-	6,336	-
Effect of purchase of equity stakes of <100%	-	-	-	-	-	-	-	2,405
Profit for the period*	-	-	-	-	-	33,884	33,884	6,746
30.06.2008	**132,288**	**22,925**	**9,990**	**(65,417)**	**360,613**	**33,884**	**494,283**	**55,441**

* Please see pages 51and 59 for details of items restated since first publication.

(€k)	H1 2008	H1 2007
Fair value gains (losses) on hedging instruments (1)	6,336	2,618
Exchange rate gains (losses) and other changes	(36,338)	1,814
Exchange rate gains (losses) recognised directly in Equity attr. to the shareholders of the Parent	**(30,002)**	**4,432**

(1) Shown net of the tax effect recognised in Other reserves and retained profit .

Consolidated Cash Flow Statement

2007	(€m)	H1 2008	H1 2007
181.6	**Net cash and cash equivalent - opening balance**	**152.7**	**181.6**
340.4	Profit before tax and net financial expense for the period (including minority interests)	115.1	127.9
223.3	Amortisation, depreciation and impairment losses on non-current assets, net of reversals	117.0	90.9
(0.4)	Impairement losses and (gains)/losses on disposal of financial assets	0.9	0.4
(4.8)	(Gains)/losses on disposal of non-current assets	(0.5)	(1.6)
(33.1)	Change in working capital [1]	110.4	(73.5)
(18.1)	Net change in non-current non-financial assets and liabilities	(18.1)	(1.2)
507.3	**Cash flows from operations**	**324.8**	**142.9**
(126.2)	Tax paid	(9.5)	(23.4)
(60.3)	Net interest paid	(44.7)	(25.3)
320.8	**Net cash flows from operations**	**270.6**	**94.2**
(278.2)	Expenditure on property, plant and equipment and intagible assets	(157.2)	(115.6)
37.4	Proceeds from disposal of non-current assets	5.4	11.5
(318.8)	Acquisition of consolidated equity investments [2]	(978.5)	(324.9)
9.6	Net change in non-current fianancial assets	(2.4)	13.6
(550.0)	**Cash flows used in investing activities**	**(1,132.7)**	**(415.4)**
101.9	Bond issues	-	110.3
396.8	Increase in non-current loans	866.6	615.6
(39.9)	Repayments of non-current loans	(9.2)	(189.6)
(136.4)	Repayments of current loans net of new loans	58.4	(134.9)
(101.8)	Payment of dividends	-	(101.8)
(16.8)	Other cash flows [3]	(13.2)	(6.3)
203.7	**Cash flows from financing activities**	**902.5**	**293.3**
(25.6)	**Cash flows for the period**	**40.3**	**(27.9)**
(3.3)	Exchange rate gains and losses on net cash and cash equivalents	(4.9)	(0.9)
152.7	**Net cash and cash equivalents - closing balance**	**188.1**	**152.8**

[1] Includes the exchange rate gains (losses) on income-forming items.
[2] Net of cash and cash equivalents amounting to € 48.2m.
Figures have been converted at the spot exchange rate at 30 June 2008 and therefore differ from those reported in tables in the section "3.2.2 Acquisitions".
[3] Includes dividend paid to minority shareholders of subsidiaries.

Reconciliation of net cash and cash equivalents

2007	(€m)	H1 2008	H1 2007
181.6	**Net cash and cash equivalents - opening balance**	**152.7**	**181.6**
216.8	Cash and cash equivalents	202.0	216.8
(35.2)	Current account overdrafts	(49.3)	(35.2)
152.7	**Net cash and cash equivalents - closing balance**	**188.1**	**152.8**
202.0	Cash and cash equivalents	215.0	187.7
(49.3)	Current account overdrafts	(26.9)	(34.9)

* Please see pages 51and 59 for details of items restated since first publication.

3.2 Notes to the Condensed Interim Consolidated Financial Statements

3.2.1 Accounting Policies and Consolidation Methods

The Group's Business

The Group carries on the business of food & beverage and travel retail in Italy and, through subsidiaries, in other countries, principally in airports, in motorway service areas and in railway stations, agreements known by convention as concessions, as well as in-flight. Autogrill is the only concern among the main players in its market which operates almost exclusively under concessions.

General Policies

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2008 were prepared in accordance with §154-*ter* Law 58/98 (known as the "TUF", i.e., the consolidated finance act) and subsequent amendments and additions and in line with IAS 34 "Interim financial reporting". They do not include all the information required under IFRS for annual financial statements and should be read together with the annual consolidated financial statements at 31 December 2007.

To prepare these condensed interim consolidated financial statements the accounting principles and consolidation criteria adopted are the same as those used for the preparation of the 2007 annual consolidated financial statements, to which reference should be made for a detailed description, except for the method of financial statements for actuarial gains and losses on defined-benefit pension plans.

Previously the Group chose to take these gains and losses directly to income statement.

Continuing with this method would – not least following the acquisition of UK companies with large pension plans – have caused the financial statements results to be highly volatile, due to the fluctuations of the actuarial figures.

The Group therefore chose to continue taking actuarial gains and losses to income statement, but using the corridor approach whereby actuarial gains and losses are not recognised as long as they are within a limit of ±10% of the greater of the value of the plan assets and the present value of plan obligations. Any excess is recognised in the income statement in constant instalments over the residual working life of the beneficiaries.

H1 2007 data have been restated accordingly as shown in the following table, to show the effect of this change.

(€k)	2007
Income statement for the six months ended 30 June	
Increase in "Personnel expense"	(3,820)
Decrease in "Tax"	1,261
Decrease in "Profit attr. to the shareholders of the Parent"	(2,559)
Balance sheet at 31 December	
Cumulated increase "Post-employment and other employee benefits"	206
Decrease in "Deferred tax assets"	764
Decrease in "Deferred tax liabilities"	(807)
Cumulated decrease in retained earnings	(163)

The effect on EPS at 30 June 2008 was one euro cent per share, i.e. a reduction from 20.5 to 19.5 euro cents per share and from 20.3 to 19.3 euro cents for diluted EPS.

The method used to recognised factored receivables is also given below, since this became more significant during H1 2008 than in previous periods.

Factoring transactions were recognise under IAS 39, by derecognising all factored assets, since all contractual rights to receive cash flow from the assets are wholly transferred to the counterparty, substantially transferring all risks and rewards of ownership. The difference between the carrying amount of the factored asset and the amount received in payment has been recognised in the income statement.

The preparation of these condensed interim consolidated financial statements and related disclosure requires the Group's management to make use of estimates and assumptions which affect the carrying amounts of the assets and liabilities and the information relating to potential assets and liabilities at the reporting date. Actual results may differ from these estimates. Estimates are used to determine provisions for bad debts and inventory obsolescence, depreciation and amortisation, impairment losses on assets, employee benefits, tax, restructuring provisions and other provisions. Estimates and assumptions are regularly reviewed and the effects of any changes made are recognised immediately in the Income Statement.

These condensed interim consolidated financial statements at 30 June 2008 were prepared in a perspective of business continuity using the euro as the presentation currency. All figures shown in these Notes, as well as the financial statements, are in thousands of euros (€k), with the exception of the Cash Flow Statement, which is presented in millions of euros (€m).

End 2007 data have been restated to reflect the result of the completion of purchase price allocation within the twelve-month term allowed by IFRS 3 in respect of the acquisition of Alpha Group, consolidated from 1 June 2007. Please see section 3.2.2 for details.

The exchange rates used to convert subsidiaries' interim financial statments denominated in other currencies into euros are given below:

	2008		2007		
	current at 30 June	average of H1	current at 30 June	average of H1	current at 31 December
US Dollar	1.5764	1.5304	1.3505	1.3291	1.4721
Canadian Dollar	1.5942	1.5401	1.4245	1.5075	1.4449
Swiss Franc	1.6056	1.6065	1.6553	1.6320	1.6547
Pound Sterling	0.7922	0.7752	0.6740	0.6738	0.7334

Scope and Methods of Consolidation

The consolidated financial statements include the separate financial statements at 30 June 2008 of Autogrill S.p.A. and all companies in which the Parent holds a direct or indirect majority of the voting rights or excercise a dominant influence.

As compared to 31 December 2007, World Duty Free Europe Ltd. (as to 100%) and Air Czech Catering A.S. (as to 100%) have been included in the scope of consolidation.

On 14 April 2008, a 49.95% stake in Aldeasa S.A., held by Altadis S.A. was acquired, such that Aldeasa S.A. is now fully controlled by Autogrill where previously it was under joint control with Altadis S.A..

Please see section 3.2.2 below for details of these acquisitions.

Since 30 June 2007 the consolidation scope also changed following the acquisition of:

- Foodbrand LLC businesses, in Q3 2007;
- a CBR Inc. business, finalised on 17 December 2007.

Please see the 2007 Annual financial statements for a description of these acquisitions, which were in any case of modest size.

Alpha Group Plc. and its subsidiaries and joint-ventures, consolidated on 1 June 2007 and thus contributing to one month only of H1 2007, and Trentuno S.p.A., acquired on 3 May 2007, contributed to the consolidated results for the whole first half 2008.

Autogrill Overseas, Inc. and its subsidiaries close their financial year on the Friday nearest to 31 December and divide it into 13 periods of 4 weeks each, grouped into 'quarters' of 12 weeks, except for the last, which has 16 weeks. The respective interim financial statements used for consolidation therefore refer to the period 29 December 2007 – 13 June 2008, and the comparable period is 30 December 2006 – 15 June 2007.

The income statement of companies acquired or disposed of during the period are included in the consolidated Income Statement from the effective date of acquisition until the effective date of disposal with limited timing adjustments where these dates do not coincide with monthly reporting dates. Whenever necessary, adjustments are made to the interim financial statements of subsidiaries to align the policies criteria used with those adopted by the Group.

World Duty Free Europe Ltd. was acquired on 21 May 2008. Before the acquisition its financial year was divided into four-week periods, except for the last in each quarter, which was of five weeks. On the basis of this calendar, the balance-sheet date closest to acquisition was 2 May 2008 and therefore WDFE's H1 2008 figures included in these condensed interim consolidated financial statements refer to the period 3 May – 30 June 2008. Starting in June, its reporting period is that of the calendar year.

Air Czech Catering A.S. was acquired on 2 April 2008 and fully consolidated from 1 April 2008.

Aldeasa S.A., already consolidated using the proportionate method on the basis of the joint control exercised over it, was fully consolidated as of 1 April 2008.

3.2.2 Acquisitions

The acquisitions made in H1 2008 have been recognised in accordance with IFRS 3, as described below.

World Duty Free Europe Ltd. (WDFE)

On 9 March 2008, at the end of a bidding procedure and commercial and financial due diligence, Autogrill entered into an agreement for the purchase of 100% of WDFE, an English company based in London. The total investment was £574m comprising £546.6m being the price offered as at 1 January 2008, £15.7m the price adjustment made on closing and £11.7m additional expenses.

This acquisition was subject to clearance by the European Commission, which was issued on 16 May 2008.

Closing took place on 21 May 2008 with the transfer of WDFE's shares to Autogrill España S.A.U. after distribution of reserves in the amount of the cash held by the company at 31 December 2007, viz. £101.7m, to the seller.

This acquisition was entirely financed by medium-term bank loans.

One tranche, denominated in Pounds, of the €1 billion line of credit obtained by Autogrill S.p.A. on 19 March 2008 was used to finance the purchase of WDFE.

Please see note XIV below for details of the terms and conditions of this line of credit.

- *Business Operations*

WDFE operates travel retail & duty-free stores in airports, with a full product range typical of the business, sold as duty-free, tax free, tax paid and duty paid.
WDFE is market leader in this sector in the UK and operates stores in seven of the most important UK airports, including Heathrow which, with 63 million passengers, is the third-largest international hub in terms of traffic. WDFE employs some 1,900 people and runs 58 stores with total sales floor space of 15,000 square metres and a range of over 13,000 lines. The location of these stores enables WDFE to take advantage of large numbers of non-EU passengers, who usually generate higher margins than EU travellers. WDFE has a special focus on beauty products, which is a growth area and has more than offset reduced sales in tobacco over recent years.

WDFE generated net revenue of £420.5m and operating profit of £25.7m in 2007.

On being sold to the Autogrill Group, WDFE renegotiated its sub-concession agreement with B.A.A. Ltd. (British Airports Authority, the largest UK airport manager), which has a term of twelve years and may be renewed for a further three years provided that certain standards of service specified in the agreement are reached.

- *Consolidation*

WDFE was fully consolidated as from 3 May 2008.

The company contributed revenue of €98.5 m, or 3.8% of consolidated revenue, and profit attributable to the Group of €5.6m to the consolidated H1 2008 results. This does not however take account of the amortisation of intangible assets with a definite useful life to which part of the purchase price will be allocated when they are identified and measured.

To assess the full impact of this acquisition on the consolidated financial statements, it is necessary to consider the borrowing cost of the acquisition finance, estimated to be in the region of €5.1m (€3.6m net of the tax effect).

If this acquisition and the consolidation of WDFE had occurred at the beginning of the first half of the year, it is estimated that the Autogrill Group's consolidated revenue would have been higher by €165m and consolidated profit by €8.3m, before amortisation of intangible assets with a definite useful life to which part of the purchase price will be allocated and the borrowing cost of the acquisition.

WDFE's assets and liabilities on the acquisition date were as follows:

	Word Duty Free Europe Ltd.	Adjustment to the acquisition values	Word Duty Free Europe Ltd. adjusted	
	(£m)	(£m)	(£m)	(€m) (*)
Intangible assets	8.8	(2.6)	6.2	7.8
Property, plant and equipment	26.3	4.2	30.5	38.4
A) Non-current assets	**35.1**	**1.6**	**36.7**	**46.2**
Inventories	28.4	-	28.4	35.7
Other assets	7.4	(0.0)	7.4	9.3
Trade payables	(39.3)	(0.0)	(39.3)	(49.4)
Other liabilities	(19.8)	(0.0)	(19.8)	(24.9)
B) Working capital	**(23.3)**	**(0.0)**	**(23.3)**	**(29.3)**
C) Capital invested less current liabilities	**11.8**	**1.6**	**13.4**	**16.9**
D) Other non-current non-financial assets and liabilities	**(0.5)**	**(3.3)**	**(3.8)**	**(4.8)**
E) Net capital invested	**11.3**	**(1.7)**	**9.6**	**12.1**
F) Equity	**37.7**	**(1.7)**	**36.0**	**45.2**
G) Net current financial assets	**(26.4)**	**-**	**(26.4)**	**(33.1)**
H) Total, as in E)	**11.3**	**(1.7)**	**9.6**	**12.1**
Purchase price				735.7
Goodwill				690.5

(*) £/€ exchange rate on acquisition date for balance sheet items: 0.79585.

The euro equivalent of the acquisition cost given above, less transaction costs, was hedged against exchange rate fluctuations in March 2008 for a total notional amount of £563m on entering into the purchase agreement for this equity investment.

The financial statements at the acquisition date were adjusted provisionally as allowed by ¶¶61 and 62 IFRS 3 in order to recognise:

- the effect – amounting to £2.6m (€3.3m) – of the alignment of the useful life of software (four or seven years) with the Autogrill Group accounting policies (three years) as well as the related tax effect and
- a refurbishment provision of £4.2m (€5.3m) in respect of agreements requiring return of premises in predefined condition. Contra the provision the item *Property, plant and equipment* was increased. This higher value will be amortised over the residual life of the agreements.

Due to the brevity of the period between closing and drawing up these condensed interim consolidated financial statements and given the complexity of the analysis and valuation of WDFE's identifiable intangible assets, the excess of Autogrill S.p.A.'s interest over the adjusted carrying amounts given above and the cost of the acquisition has been provisionally recognised under *Goodwill*. It is expected that, as with other recent acquisitions, part of the greater price paid will be allocated to trade marks and contractual relationships. This allocation will generate amortisation which will impact the 2008 profit and that of future years.

Air Czech Catering A.S.

On 2 April 2008, Alpha Group Plc. acquired Air Czech Catering A.S. from Czech Airlines A.S., which is the sole manager of the airline's in-flight service division.

The price paid was CZK680.2m, the equivalent of €27.1m.

The company's assets and liabilities at the acquisition date are given below. Given the brevity of the period between closing and the preparation of this condensed interim consolidated financial statements, the excess of Autogrill's interest in the net fair value of the assets, liabilities and contingent liabilities has been provisionally recognised as *Goodwill* under non-current assets as permitted by ¶¶61 and 62 IFRS 3.

	Air Czech Catering A.S. (CZKm)	Adjustment to the acquisition values (CZKm)	Air Czech Catering A.S. adjusted (CZKm)	(€m) (*)
Intangible assets	0.9	-	0.9	0.0
Property, plant and equipment	318.4	-	318.4	12.7
A) Non-current assets	**319.3**	**-**	**319.3**	**12.7**
Inventories	16.5	-	16.5	0.7
Trade receivables	69.6	-	69.6	2.8
Trade payables	(47.4)	-	(47.4)	(1.9)
Other liabilities	(42.1)	-	(42.1)	(1.7)
B) Working capital	**(3.4)**	**-**	**(3.4)**	**(0.1)**
C) Capital invested less current liabilities	**315.9**	**-**	**315.9**	**12.6**
D) Other non-current non-financial assets and liabilities	**(7.9)**	**-**	**(7.9)**	**(0.3)**
E) Net capital invested	**308.0**	**-**	**308.0**	**12.3**
F) Equity	**408.5**	**-**	**408.5**	**16.3**
G) Non-current financial assets	**(100.6)**	**-**	**(100.6)**	**(4.0)**
H) Total, as in E)	**308.0**	**-**	**308.0**	**12.3**
Purchase price	680.2		680.2	27.1
Goodwill	271.7		271.7	10.8

(*) CZK/€ exchange rate on acquisition date: 25.07.

Air Czech Catering A.S. was fully consolidated as of 1 April 2008 and contributed revenue of €2.4m or 0.1% to H1 2008 consolidated revenue and profit attributable to the Group of €0.3m.

If the acquisition and consolidation of Air Czech Catering A.S. had occurred on 1 January 2008, the Autogrill Group's H1 2008 revenue would have been higher by €5.5m, while profit would not have been appreciably different.

Aldeasa S.A.

On 7 March 2008, the Autogrill Group signed an agreement with Altadis S.A. whereby the latter sold its 49.95% stake in Aldeasa S.A. to the Group, which thus acquired full control of the company.

The acquisition was subject to clearance by the European Commission which was issued on 8 April 2008. On 14 April 2008, Autogrill España S.A.U. finalised the acquisition of the equity interest at a price of €275m.

This acquisition was entirely financed by medium-term bank loans, a tranche of a €1bn line of credit obtained by Autogrill S.p.A. on 19 March 2008 being used for this purpose.

Please see Note XIV for details of the line of credit's terms and conditions.

The Aldeasa Group was fully consolidated as of 1 April 2008.

The impact of full consolidation on H1 2008 results was additional revenue of €109.8m and profit attributable to the Group of €2.3m, which was net of amortisation of intangible assets with definite useful life to which a portion of the purchase price was allocated.

To fully assess the impact of the acquisition on consolidated results, it is necessary to consider the borrowing cost as well, which is estimated at €3.2m (€2.2m, net of the related tax effect).

Below are the assets and liabilities acquired with the allocation to each of the purchase price, while noting that the figures are provisional (as permitted by ¶¶61 and 62 IFRS 3) given the complexity of the analysis and valuation of the Aldeasa Group's identifiable intangible assets.

(€m)	Aldeasa Group	Adjustments to the acquisition values	Aldeasa Group adjusted
Intangible assets	0.7	97.0	97.7
Property, plant and equipment	28.5		28.5
Financial assets	2.6		2.6
A) Non-current assets	**31.8**	**97.0**	**128.8**
Inventories	46.5		46.5
Trade receivables	1.6		1.6
Other assets	16.0		16.0
Trade payables	(48.0)		(48.0)
Other liabilities	(14.8)		(14.8)
B) Working capital	**1.3**	**-**	**1.3**
C) Capital invested less current liabilities	**33.1**	**97.0**	**130.1**
D) Other non-current non-financial assets and liabilities	**(7.6)**	**(13.3)**	**(20.9)**
E) Net capital invested	**25.5**	**83.7**	**109.2**
Equity attributable to the shareholders of the Parent	(52.6)	83.7	31.1
Minority interests	2.4		2.4
F) Equity	**(50.2)**	**83.7**	**33.5**
G) Bonds			**-**
Non-current financial liabilities	71.0		71.0
Non-current financial assets	(0.3)		(0.3)
H) Non-current financial debt	**70.7**	**-**	**70.7**
Current financial liabilities	19.9		19.9
Cash and current financial assets	(14.9)		(14.9)
I) Net current financial debt	**5.0**	**-**	**5.0**
Net financial debt	**75.7**	**-**	**75.7**
G) Total, as in E)	**25.5**	**83.7**	**109.2**
Purchase price			275.0
Goodwill			243.9

Valuation of the assets and liabilities on acquisition of the additional interest caused €97m to be attributed to contractual rights.

The preliminary assessment of the fair value of these rights was made by comparing the applicable conditions contained in current sub-concession agreements with market terms and conditions in comparable agreements and discounting any difference. This allocation therefore reflects the general rise in concession rents in recent years.

Deferred tax liabilities of €13.3m were recognised on the €44.5m difference between the value attributed to these assets and related tax basis.

If the acquisition of full control and full consolidation of Aldeasa had occurred on 1 January 2008, the Autogrill Group's consolidated H1 2008 revenue would have been higher by €85.6m and profit would have been €2.6m lower after amortisation of intangible assets with definite useful life and the related tax effect.

To fully assess the impact of the acquisition on consolidated results, it is necessary to consider the borrowing cost as well, which is estimated at €3.8m (€2.7m, net of the related tax effect).

Alpha Group Plc.

In H1 2008, the valuation of Alpha Group's assets and liabilities was completed. This acquisition was initiated in May 2007 by means of successive share purchases and completed by a squeeze-out of the minorities remaining after the tender offer launched on 4 June 2007, which was followed by delisting of the share from the UKLA official list and removal from trading on the London Stock Exchange.

Valuation was carried out within the twelve-month term allowed by IFRS 3 for the determination of acquisition account values and, compared to the provisional disclosure made in the 2007 Annual Financial Statements, resulted in the following:

- recognition of additional liabilities due to onerous contracts amounting to £1.6m (€2.3m);
- higher risk provisions of £0.6m (€0.9m) due to a clawback claim from a customer under bankruptcy proceeding;
- impairment losses of £0.4m (€0.6m) on an amount owed by a jointly controlled company;
- a £0.6m (€0.9m) reduction in the carrying amount of software following alignment with Autogrill Group accounting policies;
- a £7.6m (€11.3m) increase in the defined-benefit pension plan deficit following alignment of the actuarial parameters with those of the trustee as part of the regular assessment of the financial coverage of the underlying obligations. The tax effect of this adjustment was £2.1m (€3.2m).

The net effect of these adjustments was £8.7m (€12.9m, at the acquisition date rate of exchange) and led to an increase by this amount in *Goodwill* as at the acquisition date.

Below are the final values in the acquisition financial statements and related adjustments made to recognise the fair value of assets, liabilities and contingent liabilities and to recognise the final difference between Autogrill S.p.A.'s interest in them and the cost of the acquisition.

	Alpha Group Plc.	Adjustments to the acquisition values	Alpha Group Plc. adjusted	
	(£m)	(£m)	(£m)	(€m) (*)
Intangible assets	8.0	32.0	40.0	59.3
Property, plant and equipment	64.3	4.0	68.3	101.4
Financial assets	0.7	-	0.7	1.0
A) Non-current assets	**73.0**	**36.0**	**109.0**	**161.7**
Inventories	39.8	-	39.8	59.1
Trade receivables	40.7	-	40.7	60.3
Other assets	28.9	-	28.9	42.9
Trade payables	(47.5)	-	(47.5)	(70.4)
Other liabilities	(32.6)	-	(32.6)	(48.4)
B) Working capital	**29.3**	**-**	**29.3**	**43.5**
C) Capital invested less current liabilities	**102.3**	**36.0**	**138.3**	**205.2**
D) Other non-current non-financial assets and liabilities	**(27.6)**	**(17.1)**	**(44.7)**	**(66.3)**
E) Net capital invested	**74.7**	**18.9**	**93.6**	**138.9**
Equity attributable to the shareholders of the Parent	8.3	3.7	12.0	17.8
Minority interests	3.2	15.2	18.4	27.3
F) Equity	**11.5**	**18.9**	**30.4**	**45.1**
G) Non-current financial debt	**3.4**	**-**	**3.4**	**5.1**
Current financial liabilities	76.3	-	76.3	113.2
Cash and current financial assets	(16.5)	-	(16.5)	(24.5)
H) Current financial liabilities	**59.8**	**-**	**59.8**	**88.7**
Net financial debt (G+H)	**63.2**	**-**	**63.2**	**93.8**
I) Total, as in E)	**74.7**	**18.9**	**93.6**	**138.9**
Purchase price				292.3
Goodwill				274.5

(*) £/€ exchange rate on acquisition date: 0.674£.

3.2.3 Notes to the Balance Sheet

Current Assets

I. Other financial assets

(€k)	30.06 2008	31.12 2007	Change
Fair value of exchange rate hedging instruments	5,658	5,763	(105)
Due from associates	3,620	4,365	(745)
Fair value of interest rate hedging instruments	7,095	6,709	386
Other	6,876	5,631	1,245
Total	**23,249**	**22,468**	**781**

The item *Fair value of interest rate hedging instruments* includes the fair value of IRSs as at 30 June 2008, with total notional amount of £175m, £300m and $75m.

The item *Fair value of exchange rate hedging instruments* includes the fair value of exchange rate hedges as at 30 June 2008, being forward purchases of ¥13,074m and $40m.

See Section 3.2.6 *Financial Risk Management* for a more detailed analysis.

Due from associates mainly refers to receivables from North American associates.

Other comprises mainly amounts owed by joint-venture partners.

II. Current assets

(€k)	30.06 2008	31.12 2007	Change
Suppliers	62,330	60,503	1,827
Credit card receipts	15,541	10,356	5,185
Lease and concession advance payment	10,775	19,474	(8,699)
Inland revenue and public administration	27,034	21,476	5,558
Sub-licensees	2,447	3,768	(1,321)
Advances to grantors for investments	3,249	4,862	(1,613)
Staff	4,534	4,349	185
Other assets	61,068	48,365	12,703
Total	**186,978**	**173,153**	**13,825**

The newly consolidated entities contributed €24,291k to the balance, mainly under the item *Other assets* (€5,183k), *Inland Revenue and public administration* (€4,323k), *Suppliers* (€10,944k) and *Lease and concession* (€2,693k). The change also comprised an exchange rate loss of €3,998k.

III. Inventories

(€k)	30.06 2008	31.12 2007	Change
Food & beverage and retail	278,058	192,963	85,095
Merchandise and various items	4,223	3,812	411
Total	**282,281**	**196,775**	**85,506**

The newly consolidated entities contributed €82,973k to the balance. The change also comprised an exchange rate loss of €5,772k.

Non-current Assets

IV. Property, plant and equipment

(€k)	30.06.2008			31.12.2007		
	Gross carrying amount	Depreciation and impairment losses	Net carrying amount	Gross carrying amount	Depreciation and impairment losses	Net carrying amount
Land and buildings	171,011	(67,623)	103,388	146,581	(60,081)	86,500
Leasehold improvements	917,381	(610,746)	306,635	940,878	(628,868)	312,010
Plant and machinery	339,354	(233,343)	106,011	292,686	(209,093)	83,593
Industrial and commercial equipment	728,308	(523,966)	204,342	635,334	(466,330)	169,004
Assets to be trasferred free of charge	472,551	(335,231)	137,320	463,777	(321,614)	142,163
Other	122,795	(94,262)	28,533	99,789	(73,867)	25,922
Assets under construction and down-payments	117,321	-	117,321	88,911	-	88,911
Total	**2,868,721**	**(1,865,171)**	**1,003,550**	**2,667,956**	**(1,759,853)**	**908,103**

The newly consolidated entities contributed €74,972k to the balance and the change also comprised an exchange rate loss of €28,588k.

In H1 2008 impairment losses of €1,417k were recognised following tests of future profitability carried out on individual stores or contracts. These tests determine future cash flow without incorporating assumptions of greater efficiency.

The discount rate used is gross of tax and varies between 7.54% and 8.28% according to the cost of money and the specific risk of the business attributable in each country of operation.

In H1 2008, capex of €157,242k was undertaken. The net carrying amount of disposals was €4,917k. These disposals led to capital gains of €487k.

V. Goodwill

The following table gives a breakdown of total goodwill at 30 June 2008 and 31 December 2007:

(€k)	30.06.08	31.12.07	Change
Word Duty Free Europe Ltd.	679,178	-	679,178
Aldeasa S.A.	548,840	304,962	243,878
North America	377,295	405,344	(28,049)
Alpha Group Plc.	239,511	248,410	(8,900)
Switzerland	91,253	88,504	2,749
Italy	88,121	87,937	184
France	65,237	65,237	-
Belgium	48,205	48,205	-
The Netherlands	22,161	22,161	-
Spain	20,203	20,203	-
Germany	3,120	3,120	-
Total	**2,183,124**	**1,294,083**	**889,041**

The item increase from €1,294,083k to €2,183,124k, was due to the recognition of goodwill arising from the following acquisitions:

- €679,178k - acquisition of WDFE, determined provisionally;
- €243,878k - acquisition of 49.95% of Aldeasa, determined provisionally;
- €10,844k - acquisition of Air Czech Catering A.S. by Alpha Group Plc., determined provisionally.

As noted in Section 3.2.2, which please see for detailed descriptions of the acquisitions, the initial attribution of goodwill in respect of the acquisitions of WDFE, Aldeasa and Air Czech Catering A.S. is provisional as permitted by ¶¶61 and 62 IFRS 3, in light of the complexity of the analysis and valuation and the short time that elapsed from the acquisition date.

Conversion differences caused a reduction in the item of €42,611k at 31 December 2007.

Goodwill relating to Alpha Group (which includes that of Air Czech Catering A.S.) and WDFE was converted at the 30 June 2008 exchange rate and therefore differs from the amounts given in the tables in Section 3.2.2 *Acquisitions*.

The Group carries out impairment tests annually when preparing the annual financial statements. At 30 June the goodwill of Alpha Group was impairment tested to check its recoverability. This test was carried out owing to the greater value attributed to goodwill and the expected higher payments required to eliminate Alpha Group's defined-benefit pension plan deficit.

The test was based on estimated future cash flow, determined by using profit and financial projections out to a time horizon corresponding to the average life of existing concessions and contracts together with assumptions as to contract renewals and diversified medium-term profits for each operating unit, which *inter alia* took the Group's past experience into account.

The discount rate used was 8% net of tax.

The test confirmed that the goodwill was entirely recoverable.

VI. Other intangible assets

(€k)	30.06.2008	31.12.2007	Change
Concessions, licences, brands and similar assets	172,808	92,237	80,571
Assets under development and down-payment	14,968	12,067	2,901
Other	22,561	16,194	6,367
Total	**210,337**	**120,498**	**89,839**

Concessions, licenses, brands and similar assets at 30 June 2008 also included the sum of €97,000k relating to contractual rights identified in the process of valuation at fair value, in application of IFRS 3, of the acquired assets and liabilities of Aldeasa. This amount was determined by comparing the applicable terms contained in current sub-concession agreements with market terms and conditions in comparable agreements and discounting any differential, as the valuation basis. These rights are amortised over the life of the underlying contracts.

The change also comprised an exchange rate loss of €5,199k.

Other intangible assets all have a definite useful life and are therefore amortised over that life.

VII. Deferred tax assets and liabilities

Deferred tax assets are disclosed net of off-settable deferred tax liabilities and amount to €135,139k (€104,083k at 31 December 2007). The change from 31 December 2007 was mainly due to the effect of extending the consolidation scope.

The change also comprised an exchange rate loss of €3,899k.

At 30 June 2008 non-off-settable deferred tax liabilities were €73,654k (€55,412k at 31 December 2007). the only significant change concerned the tax liability amounting to €13,250k recognised on the contractual rights recognised on acquisition of full control of Aldeasa. The elements comprising this item and the nature of tax liabilities underwent no further significant changes.

<u>Current Liabilities</u>

VIII. Trade payables

Trade payables at 30 June 2008 were €734,870k as against €529,380k at 31 December 2007. The increase of this item by €205,490k was mainly due to the contribution of the newly consolidated entities (€100,626k). Conversion differences caused a reduction of €9,711k.

IX. Tax liabilities

The item amounted to €34,635k, an increase of €18,931k over the end of 2007 due to provisioning for tax for the period, net of payments made during the first half of the year. The amount due to the Inland Revenue in respect of income tax payable by the Autogrill Group's Italian companies which joined the domestic tax consolidation scheme is not disclosed before the end of the fiscal year in *Other amounts payable*, since it is legally due to the ultimate parent Ragione di Gilberto Benetton & C. S.a.p.A.; during the year this amount (€14,696k) is recognised in *Tax liabilities* which is why this item increases sharply at the year-end.

The newly consolidated entities contributed €4,246k to the item total. Conversion differences caused a reduction of €451k.

X. Other current liabilities

(€k)	30.06 2008	31.12 2007	Change
Due to staff	113,231	119,259	(6,027)
Suppliers for capital expenditure	54,883	53,363	1,520
Indirect tax	45,682	22,341	23,340
Withholdings	9,977	11,080	(1,103)
Social security institutions	41,115	46,476	(5,361)
Accrued expenses and deferred income	52,602	35,518	17,084
Other	102,944	15,456	87,488
Total	**420,434**	**303,492**	**116,941**

The newly consolidated entities contributed €35,844k to the item total, mainly included in the items *Due to Staff* (€5,783k), *Indirect Tax* (€12,642k), *and Accrued expenses and deferred income* (€13,654k). The change also comprised an exchange rate loss of €8,748k.

The residual item *Other* includes a €76,320k liability to shareholders in respect of dividend resolved on by the shareholders' meeting held on 23 April 2008, which was paid on 24 July 2008.

XI. Due to banks

(€k)	30.06 2008	31.12 2007	Change
Unsecured bank loans	144,210	75,835	68,376
Current account overdrafts	26,922	49,333	(22,411)
Total	**171,133**	**125,168**	**45,965**

The newly consolidated entities contributed €19,094k to the item total, and conversion differences caused a reduction of €4,909k.

XII. Other financial liabilities

(€k)	30.06 2008	31.12 2007	Change
Fair value of exchange-rate hedging instruments	5,154	2,368	2,786
Accrued interest on loans	11,858	11,412	446
Fair value of interest rate hedging instruments	3,201	2,362	839
Due to other lessors	2,431	2,371	60
Other accrued financial liabilities	190	1,005	(815)
Total	**22,834**	**19,518**	**3,316**

Fair value of exchange rate hedging instruments comprises the valuation at fair value of currency hedges outstanding at 30 June 2008, in relation specifically to forward sales of ¥13,074m and

$21m. The change recorded in the first half corresponds to the change in the underlying exposure.

Fair value of interest rate hedging instruments comprises the valuation at fair value of interest rate swaps outstanding at 30 June 2008 with notional amount of €65m, £100m and $110m. The change from 31 December 2007 was due to the effects of interest rate movements recorded in the reference period and to the purchase of new contracts worth notional £100m and €40m. Details of derivatives outstanding at 30 June 2008 are given in Section 3.2.6 *Financial Risk Management*.

The conversion effect of the item change was a reduction of €770k.

Non-Current Liabilities

XIII. Other non-current liabilities

The amount of €58,678k mainly referred to concession rentals to be paid by the end of 2012 by Aldeasa. The change includes the effect of the acquisition of the remaining 49.95% of the Aldeasa Group. The item includes provisions for amounts due to personnel under long-term incentive plans.

XIV. Loans (net of current portion)

(k€)	30.06 2008	31.12 2007	Change
Unsecured bank loans	1,763,924	840,870	923,055
Bank charges on loans	(10,029)	(1,604)	(8,425)
Total bank debt	**1,753,895**	**839,266**	**914,630**
Lease payables	11,147	12,258	(1,111)
Other	986	1,001	(15)
Total	**1,766,028**	**852,525**	**913,503**

The newly consolidated entities contributed €71,055k to the item total. The change also comprised an exchange rate loss of €348k.

The increase was mainly due to the acquisitions finalised in H1 2008.

On 19 March 2008, the Parent obtained a new €1billion line of credit, structured as follows:

- a term loan of €275m with a term of 5 years and bullet repayment on maturity (19 March 2013) with two options to extend for one year at a time, subject to the lenders' consent;
- a term loan of €600m (drawn entirely in sterling) with a final maturity of 19 March 2013 and three annual repayments of €100m beginning in 2010, plus a bullet of €300m at final maturity. As for the term loan of €275m, there are two options to extend for one year at a time, subject to lenders' consent;
- a revolving credit facility of €125m with a final maturity of 19 March 2013.

The purpose of both term loans was to finance acquisitions and they were fully drawn down in H1 2008. The first term loan was used for the purchase of the 49.95% stake in Aldeasa and the second for the acquisition of WDFE.

The revolving line may be used to cover the Group's borrowing requirements arising from operations as well as acquisitions.

As well as the above usage of the new line of credit, long-term bank debt at 30 June 2008 mainly comprised:

– a loan of €200m with bullet repayment on maturity due at the end of June 2015;
– a loan with a remaining balance of €87.5m of the original €125m obtained by Aldeasa in 2006, repaying in equal biannual instalments of €12.5m and maturing in August 2011;
– usage of a €300m revolving line of credit entered into in 2005 and with bullet repayment in June 2012;

– usage in pounds sterling of a €500m revolving line of credit obtained in May 2007 with a bullet repayment by May 2014.

At 30 June 2008, the Group's bank credit lines maturing after one year were 80% utilised. The bank loans bear variable interest rates. The average life of bank loans, including unused lines, was about 5 years.

The main multi-year loan agreements require regular monitoring of certain financial ratios (debt coverage and interest coverage). The loan agreements entered into by Aldeasa refer to the leverage ratio (net debt to EBITDA) and interest cover (the ratio of EBITDA to finance cost), which are calculated solely on the figures of the Aldeasa Group and have thresholds of 3.5 and 3 respectively. The other loan agreements refer to the figures of the Autogrill Group as a whole and specify a maximum of 3.5 for the leverage ratio and a minimum of 4.5 for interest cover. Except for the Aldeasa loan agreements, the agreements allow the leverage ratio to exceed 3.5 but not 4 for three half-years or six quarters, which need not be consecutive, following acquisitions.

At 30 June 2008, as in all previous monitoring periods, these covenants were fully satisfied and there was no reason to believe that they might not be so satisfied in the future.

XV. Bonds

There were no changes in the composition of this item from end 2007 and the change was entirely due to the conversion effect and the maturities of implicit interest.

These bonds' terms include covenants requiring regular monitoring of the same financial ratios as are subject to covenants in the multi-year loan agreements. At 30 June 2008, as in all previous observation periods, these covenants were fully satisfied.

XVI. Post-employment and other employee benefits

The item amount at 30 June 2008 was €128,476k, a reduction of €3,090k from 31 December 2007.

The newly consolidated entities contributed €4,738k to the item total. The change also comprised an exchange rate loss of €2,707k.

As described on page 51 above, for these condensed interim consolidated financial statements the Group has adopted the corridor approach instead of taking actuarial gains and losses directly to income statement as in the past.

At 30 June 2008, unrecognised actuarial losses were €5,552m.

XVII. Provisions for risks and charges

(€k)	Balance at 30.06.2008	Balance at 31.12.2007	Change
Current tax	4,436	4,554	(118)
Various risks	7,115	8,088	(973)
Disputes with third parties	1,064	307	757
Total provisions for current risks and charges	**12,615**	**12,949**	**(334)**
Tax	2,732	1,425	1,307
Various risks	28,179	30,379	(2,200)
Onerous contracts	19,654	22,580	(2,926)
Refurbishment costs of third party assets	12,821	7,661	5,160
Disputes with third parties	3,749	4,392	(643)
Refurbishment costs on assets to be returned free of charge	4,224	4,148	76
Total provisions for non-current risks and charges	**71,359**	**70,585**	**774**

There were no significant changes in the composition of this item from 31 December 2007, the change being due to normal provisions and releases made in the period as well as an exchange rate loss of €2,641m and the contribution of the newly consolidated entities amounting to €6,315m.

XVIII. Equity attributable to the Shareholders of the Parent

H1 2008 changes in the items making up Shareholders' Equity are shown in the specific Statement.

The main changes were:

- a reduction of €76,320k on distribution of the dividend approved by the Shareholders' Meeting held on 23 April 2008 (€0.30 per share) and paid on 24 July 2008;
- a reduction of €33,117k due to differences in conversion of the financial statements in foreign currency, net of the effects of the recognition of the hedges of net investments;
- a reduction of €3,221k in *Other reserves and retained earnings* due to the tax effect of recognition of the value of hedges of net investments;
- a net increase of €6,336k in the hedging reserve (€8,715k net of the related tax effect of €2,379k);
- an increase due to consolidated profit of €33,884k.

At the foot of the Income Statement we give basic and diluted earnings per share information, in the calculation of which the numerator is profit attributable to the shareholders of the Parent (€33,884k in H1 2008 and €49,685k in H1 2007), while the denominator corresponds to the number of ordinary shares outstanding, or, respectively, the number of ordinary shares outstanding plus the 2,478,000 shares which may be subject to conversion under the Autogrill Finance 1999-2014 convertible bond.

3.2.4 Notes to the Income Statement

The following paragraphs provide detailed comments on the Income Statement items.

The figures for H1 2008 reflect inclusion in the consolidation scope of World Duty Free Europe Ltd. (as of 3 May 2008), the Aldeasa Group (line-by-line consolidation as of 1 April 2008) and Air Czech Catering A.S. (as of 1 April 2008), as well as the businesses of Foodbrand LLC and a business of CBR Inc. acquired in Q4 2007. References to newly consolidated entities therefore refer to the effects of the transactions involving these units. Alpha Group and Trentuno S.p.A. contributed to consolidated results for the whole of H1 2008, whereas in H1 2007 they contributed for one month only and two months only, respectively.

XIX. Revenue

(€k)	H1 2008	H1 2008	Change
Catering	1,324,513	1,310,524	13,990
Retail	1,021,303	676,134	345,169
Hotellerie	13,113	11,238	1,875
Sales to third parties and affiliates	235,694	75,648	160,046
Total	**2,594,623**	**2,073,544**	**521,079**

The newly consolidated entities contributed €240,457k to the first half 2008 figure. The item change was also affected by an exchange rate loss of €159,405k.

Retail includes fuel sales income of €50,167k in H1 2008 (as against €39,134k in H1 2007), mainly from motorway service stations in Switzerland and Italy.

XX. Other Operating Income

(€k)	H1 2008	H1 2007	Change
Suppliers' contributions to promotions	26,233	22,408	3,825
Business rents	7,244	5,957	1,288
Affiliation fees	2,038	2,662	(624)
Gains on disposals of property, plant and equipment	791	1,763	(972)
Other	12,782	10,718	2,063
Total	**49,088**	**43,508**	**5,580**

The contribution of the newly consolidated entities to the H1 2008 figure was €5,172k.

Other mainly includes fees and commissions for managing commission business and prior year income.

XXI. Cost of raw materials, consumables and supplies

(€k)	H1 2008	H1 2007	Change
Catering and retail purchase	1,036,914	799,641	237,273
Changes in inventories	(8,127)	(13,945)	5,818
Total	1,028,787	785,696	243,091

The contribution of the newly consolidated entities to the H1 2008 figure was €109,632k.

The change also comprised an exchange rate loss of €52,929k.

XXII. Personnel expense

(€k)	H1 2008	H1 2007	Change
Wages and salaries	559,241	463,130	96,111
Social security contributions	87,061	81,060	6,001
Employee benefit	10,026	6,537	3,489
Other costs	31,152	28,601	2,551
Total	**687,480**	**579,328**	**108,152**

The contribution of the newly consolidated entities to the Hi 2008 figure was €31,699k.

The change also comprised an exchange rate loss of €45,549k.

Average staff numbers in FTE terms reached 53,088 people (45,889 in H1 2007).

XXIII. Leases, rents, concessions and royalties

(€k)	H1 2008	H1 2007	Change
Leases, rents and concessions	394,073	282,726	111,347
Royalties for use of brands	27,423	26,603	820
Total	**421,496**	**309,329**	**112,167**

The contribution of the newly consolidated entities to the H1 2008 figure was €64,476k.

The change also comprised an exchange rate loss of €26,334k.

The rise was due to increased sales volumes and to changes in the sales mix, mainly in businesses with rents tied to sales volume.

XXIV. Other operating costs

(€k)	H1 2008	H1 2007	Change
Water and energy utilities	46,465	38,385	8,081
Maintenance costs	32,259	28,337	3,923
Cleaning and disinfestation services	22,754	20,683	2,071
Consultancy and professional services	20,127	18,972	1,155
Advertising and market research	10,075	8,031	2,043
Travel costs	14,080	11,844	2,236
Logistics costs	15,147	9,352	5,795
Insurance	5,396	2,757	2,639
Commission on payments by credit card	12,855	10,434	2,421
Postal and telephone charges	9,044	6,622	2,422
Secure transportation	2,622	2,185	437
Surveillance	4,096	3,138	958
Bank charges for services	2,100	2,498	(398)
Hire and lease of equipment	5,858	5,227	631
Other costs for materials	16,354	14,545	1,808
Other services	20,847	20,916	(69)
Cost of material and external services	**240,080**	**203,926**	**36,154**
Impairment losses on trade receivables	**(659)**	**(346)**	**(313)**
Impairment losses on other assets	**120**	**(527)**	**647**
Provisions for risks	**3,686**	**4,729**	**(1,043)**
Indirect taxes and duties	**12,066**	**10,483**	**1,583**
Cash differences	1,340	1,222	117
Losses on disposals	304	199	105
Other costs	15,941	3,910	12,031
Other operating costs	**17,585**	**5,332**	**12,253**
Total	**272,878**	**223,598**	**49,280**

The contribution of the newly consolidated entities to the H1 2008 figure was €16,820k (o/w *Cost of materials and external services* accounted for €14,948k and *Other operating costs* €1,420k).

The change also comprised an exchange rate loss of €16,098k.

Other services include costs for various services such as health checks, public relations, general services, recruitment and training of staff.

Other costs for materials refer to the purchase of low-unit-value equipment and various consumables such as uniforms, stationery and publicity material.

XXV. Depreciation and amortisation and Impairment losses on property, plant and equipment and intangible assets

The breakdown of this item is as follows:

(€k)	H1 2008	H1 2007	Change
Other intangible assets	17,944	6,943	11,001
Property, palnt and equipment	82,289	69,214	13,074
Assets to be trasferred free of charge	15,358	13,469	1,888
Total	**115,591**	**89,627**	**25,964**

The contribution of the newly consolidated entities to the H1 2008 figure was €8,302k, of which €5,347k referred to amortisation of intangible assets recognised provisionally pending completion of purchase price allocation. The change also comprised an exchange rate loss of €6,512k.

It should be noted that the first half of the year does not include the effect of any additional amortisation that may arise on valuation of intangible assets under final purchase price allocation relating to the new acquisitions.

In H1 2008, impairment losses were recognised in the amount of €1,417k following the results of tests of the recoverability of carrying amounts which were carried out on each cash generating unit and based on the expected future cash flows.

Please see Note IV above for details of the assumptions and principles used for these tests.

XXVI Financial income

(€k)	H1 2008	H1 2007	Change
Interest differentials on interest-rate hedges	-	4,996	(4,996)
Bank interest income	2,090	-	2,090
Exchange rate gains	-	121	(121)
Interest differentials on exchange-rate hedges	1,245	52	1,193
Other financial income	165	329	(164)
Total	**3,499**	**5,498**	**(1,999)**

XXVII. Financial expense

(€k)	H1 2008	H1 2007	Change
Interest expense on bank loans	37,382	17,467	19,915
Interest expense on bonds	9,395	8,616	779
Release to profit or loss of the hedging reserve relating to interest rate hedges	-	-	-
Interest differentials on interest-rate hedges	34	2,272	(2,238)
Discounting of non-current financial liabilities	2,428	2,022	406
Interest differentials on currency hedges	338	1,278	(941)
Commission and fees	687	681	6
Other financial expense	245	439	(194)
Total	**50,508**	**32,776**	**17,732**

The increase in *Interest on bank loans* was mainly due to the increased debt required to finance the acquisition of WDFE, full control of Aldeasa and Alpha Group. The latter had had little effect, on financial expense in H1 2007 having been acquired in May 2007.

Interest rate hedging had a broadly neutral effect on income statement, since the benefits obtained on euro IRSs were equal to the increased cost, compared to short-term interest rates, of the US dollar IRSs.

XXVIII. Tax

The amount of €27,481k (€45,272k in H1 2007) refers, as to €32,981k, to current tax (€35,589k in H1 2007) and, as to €5,499k, to net deferred tax income (net deferred tax expense of €1,757k in H1 2007). IRAP [a regional tax on productive activity] is charged on Italian businesses, the taxable amount being broadly the sum of operating profit and personnel expense and was €6,132k (€7,926k in H1 2007).

In H1 2008 the Group's theoretical tax rate, excluding IRAP, was 31%, a sharp reduction from the 37% of H1 2007, due to the reduction of the nominal rate in some countries (including Italy, where it fell from 33% to 27.5%) and the larger portion of income generated in countries with tax rates lower than the Group average.

The following table shows a reconciliation of the effective tax charge shown in the consolidated financial statements to the theoretical tax charge.

The latter was determined by applying the applicable theoretical rate to pre-tax profits realised in each jurisdiction as well as allocating the tax on future distribution of profits realised by subsidiaries.

(€k)	H1 2008	H1 2007
Theorical income tax	**21,318**	**38,628**
Reduced tax due to direct taxation of minority partners in fully consolidated US joint ventures	(1,514)	(1,851)
Unrecognised tax losses	1,018	-
Other permanent differences	526	1,831
Tax recognised in the financial statements excl. IRAP	**21,348**	**38,608**
IRAP	6,132	7,926
Tax recognised in the financial statements	**27,481**	**46,534**

3.2.5 Net Financial Position

The detail of the net financial position at 30 June 2008 and 31 December 2007 is given below.

Notes	(€k)	30.06 2008	31.12 2007	Change
	A. Cash	71,756	114,692	(42,936)
	B. Other cash items	143,267	87,331	55,936
	C. Cash and cash equivalents (A)+(B)	**215,023**	**202,023**	**13,000**
I	**D) Current financial assets**	**23,249**	**22,468**	**781**
XI	E. Due to banks	171,133	125,168	45,965
XII	F. Due to other lenders	2,484	2,498	(14)
XII	G. Other financial liabilities	20,350	17,019	3,331
	H) Total current liabilities (E)+ (F)+ (G)	**193,967**	**144,685**	**49,282**
	I) Net current financial position (H)- (D)- (C)	**(44,305)**	**(79,806)**	**35,501**
	J) Non-current financial assets	**6,033**	**4,523**	**1,510**
XIV	K. Bank loans	1,753,895	839,266	914,629
XV	L. Bonds	369,767	393,959	(24,192)
XIV	M. Due to other lenders	12,133	13,260	(1,127)
	N) Non-current financial liabilities (K)+ (L)+ (M)	**2,135,795**	**1,246,484**	**889,311**
	O) Net non-current financial debt (N)- (J)	**2,129,762**	**1,241,961**	**887,801**
	P) Net financial debt (I)+ (O)	**2,085,457**	**1,162,156**	**923,301**

For commentary, please refer to the notes indicated above for each item of the net financial position.

At 30 June 2008 and 31 December 2007 there were no financial assets/liabilities due from/to or related parties.

3.2.6 Financial Risk Management

The Group is exposed to market risk arising from the use of financial instruments.

Financial risk management objectives, policies and processes were not changed in H1 2008.

Please refer to the 31 December 2007 consolidated financial statements for a detailed description of these.

In accordance with the mentioned risk management policies, further hedging transactions were undertaken to protect against the financial risks associated with the acquisitions described in Section 3.2.2 above.

MARKET RISK

Interest Rate Risk

The following are details of the interest rate swaps outstanding at 30 June 2008:

Counterparty		Notional amount	Date negotiated	Start date	Expiry	Fixed rate paid	Floating rate received	Fair value €k
Goldman Sachs	€k	25,000	26/06/2008	11/07/2008	24/06/2015	5.02%	1 month Euribor + 25bps	(149)
Mediobanca	€k	25,000	26/06/2008	11/07/2008	24/06/2015	4.75%	1 month Euribor + 23bps	240
Intesa San Paolo	€k	35,000	12/06/2008	11/07/2008	24/06/2015	4.56%	1 month Euribor + 20,75bps	619
BNP Paribas	€k	35,000	12/06/2008	11/07/2008	24/06/2015	4.44%	1 month Euribor + 20bps	828
Intesa San Paolo	€k	40,000	23/05/2008	21/05/2008	07/03/2013	4.41%	1 month Euribor	714
Citybank	€k	40,000	23/05/2008	21/05/2008	07/03/2013	4.41%	1 month Euribor	804
Unicredit	€k	40,000	10/06/2008	21/05/2008	07/03/2013	4.95%	1 month Euribor	(93)
BNPParibas	£k	50,000	23/05/2008	21/05/2008	07/03/2013	5.64%	1 month Libor	616
BNPParibas	£k	50,000	30/05/2008	21/05/2008	07/03/2013	5.79%	1 month Libor	69
BNPParibas	£k	50,000	10/06/2008	21/05/2008	07/03/2013	5.91%	1 month Libor	(401)
Royal Bank of Scotland	£k	50,000	02/06/2008	21/05/2008	07/03/2013	5.66%	1 month Libor	553
Royal Bank of Scotland	£k	50,000	30/05/2008	21/05/2008	07/03/2013	5.80%	1 month Libor	253
Royal Bank of Scotland	£k	50,000	30/05/2008	21/05/2008	07/03/2013	5.76%	1 month Libor	277
Royal Bank of Scotland	£k	50,000	10/06/2008	21/05/2008	07/03/2013	5.90%	1 month Libor	(183)
Unicredit	£k	50,000	04/06/2008	21/05/2008	07/03/2013	5.64%	1 month Libor	1,005
JP Morgan	$k	110,000	13/01/2005	13/01/2005	16/10/2009	5.398%	3 month Usd Libor	(2,374)

Counterparty		Notional amount	Date negotiated	Start date	Expiry	Fixed rate paid	Floating rate received	Fair value €k
Royal Bank of Scotland	$k	25,000	06/04/2007	09/05/2007	09/05/2017	5.73%	6 month Usd Libor + 0,4755%	721
Royal Bank of Scotland	$k	50,000	06/04/2007	09/05/2007	09/05/2017	5.73%	6 month Usd Libor + 0,5055%	396

Currency Risk

Financial instruments hedging financial assets/liabilities in currencies other than the euro

Counterparty		Notional amount	Date negotiated	Start date	Expiry	Spot Exchange rate	Forward exchange rate	Fair value €k
BNP Paribas	YENk	13,074,100	14/04/2008	16/04/2008	16/07/2008	158.9	157.445	4,704
BNP Paribas	YENk	13,074,100	14/04/2008	16/04/2008	16/07/2008	100.57	100.0675	(4,341)
BBVA	$k	6,000	20/12/2007	20/12/2007	15/09/2008	1.4395	1.4389	(364)

Hedges of translation risk

Counterparty		Notional amount	Date negotiated	Start date	Expiry	Spot Exchange rate	Forward exchange rate	Fair value €k
B.ca Akros	CHFk	30,000	25/06/2008	27/06/2008	29/09/2008	1.623	1.614025	(200)
Unicredit	CHFk	30,000	25/02/2008	27/06/2008	29/09/2008	1.623	1.6139	(200)
BNP Paribas	$k	$ 15.000	18/02/2008	20/02/2008	20/02/2009	1.468	1.45	703
BNP Paribas	$k	$ 15.000	15/04/2008	17/04/2008	20/02/2009	1.5844	1.55955	(48)
BNP Paribas	$k	$ 25.000	16/06/2008	18/06/2008	20/02/2009	1.5518	1.5429	251

The acquisition of WDFE entailed an increase of the Group's exposure to translation risk since WDFE operates solely in the UK and its functional currency is the pound sterling.

In order to contain this increased exposure and finance the acquisition, the Group obtained a loan in sterling, as indicated in Note XIV above, designated a hedge of a net investment in a foreign operation.

LIQUIDITY RISK

The acquisitions of Aldeasa and WDFE were entirely financed by an increase of borrowings, as indicated in Note XIV above, which thus increased the Group's exposure to liquidity risk. This was contained by setting appropriate maturities for the loans obtained.

3.2.7 Segment Reporting

The Group segments its business by geographical/organisation and business, the latter being the physical environment in which the business is carried on (motorway service areas, airports and railway stations, to name the main ones).

The segment identified as primary is the geographical/organisation, since it also determines reporting lines, such that the business controlled by Aldeasa is disclosed separately, while WDFE's business is aggregated with that of Alpha Group, as both operate mainly in the UK.

H1 2008								
Breakdown by Geographical Segment (€k)	Italy	US and Canada	Rest of Europe	Aldeasa	WDFE and Alpha Group	Non-allocated	Eliminations	Consolidated
Revenue	661,904	782,451	379,722	305,293	465,253	-	-	2,594,623
Other operating income	27,564	(1,222)	11,564	6,883	3,593	706	-	49,088
Intra-segment income	1,444	490	226	-	-	1,058	(3,218)	0
Total revenue and other operating income	**690,912**	**781,719**	**391,513**	**312,176**	**468,846**	**1,764**	**(3,218)**	**2,643,711**
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	23,864	41,469	24,228	9,701	17,006	741	-	117,009
Operating profit	**53,414**	**48,098**	**795**	**15,088**	**16,467**	**(17,802)**	**-**	**116,060**
Capital expenditure	**29,042**	**73,666**	**23,930**	**13,694**	**16,892**	**18**	**-**	**157,242**
Total assets	**1,469,384**	**668,110**	**1,354,436**	**396,555**	**335,333**	**194,910**	**(4,522)**	**4,414,207**

H1 2007								
Breakdown by Geographical Segment (€k)	Italy	US and Canada	Rest of Europe	Aldeasa	WDFE and Alpha Group	Non-allocated	Eliminations	Consolidated
Revenue	628,761	827,568	344,607	186,996	85,612 -	-		2,073,544
Other operating income	28,422	604	8,894	5,058	31	499 -		43,508
Intra-segment income	725	730	361 -	-		721	(2,537) -	
Total revenue and other operating income	**657,908**	**828,902**	**353,862**	**192,054**	**85,643**	**1,220**	**(2,537)**	**2,117,052**
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	18,970	40,350	26,281	3,354	1,833	91 -		90,879
Operating profit	**56,852**	**61,772**	**(1,154)**	**12,516**	**6,142**	**(7,906) -**		**128,222**
Capital expenditure	**35,698**	**53,553**	**17,250**	**6,886**	**2,135**	**64 -**		**115,586**
Total assets	**986,129**	**699,023**	**373,174**	**261,375**	**279,467**	**598,593**	**(4,080)**	**3,193,681**

H1 2008								
Breakdown by Business Segment (€k)	Motorways	Airports	Railway stations	Shopping malls	In-flight	Others	Non-allocated	Consolidated
Revenue	860,114	1,335,257	56,823	81,824	208,153	52,592	(139)	2,594,623
Other operating income	31,836	13,067	951	1,763	-	1,972	(501)	49,088
Total revenue and other operating income	**891,950**	**1,348,324**	**57,774**	**83,587**	**208,153**	**54,563**	**(640)**	**2,643,711**
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	37,174	57,444	2,649	5,692	9,133	4,481	434	117,008
Operating profit	**45,048**	**81,555**	**402**	**(2,918)**	**9,892**	**(360)**	**(17,557)**	**116,061**
Capital expenditure	**49,114**	**87,210**	**1,460**	**4,836**	**4,803**	**4,732**	**5,087**	**157,242**
Total assets	**686,988**	**973,043**	**41,819**	**58,115**	**238,688**	**170,748**	**2,244,806**	**4,414,207**

H1 2007								
Breakdown by Business Segment (€k)	Motorways	Airports	Railway stations	Shopping malls	In-flight	Others	Non-allocated	Consolidated
Revenue	854,335	1,011,283	46,103	63,254	46,764	51,935	(131)	2,073,544
Other operating income	31,339	8,180	667	2,070	18	1,592	(365)	43,500
Total revenue and other operating income	**885,674**	**1,019,463**	**46,770**	**65,324**	**46,781**	**53,527**	**(487)**	**2,117,052**
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	35,332	44,704	2,830	2,794	854	3,653	713	90,879
Operating profit	**49,840**	**81,211**	**(147)**	**2,558**	**4,535**	**139**	**(9,913)**	**128,222**
Capital expenditure	**36,293**	**45,243**	**3,175**	**1,268**	**255**	**8,640**	**20,713**	**115,586**
Total assets	**668,302**	**760,350**	**32,124**	**33,704**	**181,837**	**73,909**	**1,443,455**	**3,193,681**

Aldeasa's H1 2008 revenue was generated as to €219.8m in Spain and as to €85.5m elsewhere. Alpha Group produced revenue of €232.2m in the UK and €134.5m elsewhere. WDFE's business is carried on entirely within the UK.

3.2.8 The Seasonality of the Industry

The Group's business volumes are linked to personal mobility levels and thus to seasonality; some business units are subject to marked seasonality, which is reflected in consolidated results. Quarterly performance in 2007 shows that business is concentrated in the second half of the year and especially in the third quarter, in which significantly higher levels of business than the average for the year are transacted due to summer holiday traffic.

	2007 (*)			
€m	**Q1**	**H1**	**First nine months**	**Full year**
Revenue	897.7	2,034.4	3,516.8	4,861.3
Share of full year	*18.5%*	*41.8%*	*72.3%*	*100.0%*
EBITDA	79.9	219.1	443.9	562.4
Share of full year	*14.2%*	*39.0%*	*78.9%*	*100.0%*
EBIT	36.4	128.2	301.6	339.1
Share of full year	*10.7%*	*37.8%*	*88.9%*	*100.0%*
Consolidated profit	9.8	49.7	142.6	158.0
Share of full year	*6.2%*	*31.4%*	*90.2%*	*100.0%*

Figures not normalised to take account of exchange differences.

*Please see pages 51 and 59 above for details of the adjustments made to the data as originally published.

It should be noted that these percentages are however a general description and cannot be used to accurately forecast expected results.

Seasonality is further accentuated by cash flow, in that annual payments are normally concentrated in the first quarter, particularly business rentals whether accrued from the previous financial year and as advance payment for the current financial year.

The entry of Alpha Group and WDFE into the consolidation scope and full consolidation of Aldeasa have increased the Group's seasonality, since their revenue and margins are concentrated in the middle of the year.

3.2.9 Operating Leases

(€k)

Year	Total minimum lease payments	Sublease minimum lease payments [1]	Net minimum lease payment
2008	235,077	8,228	226,849
2009	442,516	14,569	427,947
2010	350,571	11,293	339,278
2011	302,729	9,159	293,570
2012	267,396	7,824	259,572
> 2012	1,158,394	17,796	1,140,598
Total	**2,756,684**	**68,869**	**2,687,814**

[1] Refers to subleases mainly in the U.S. under the agreement with the lessor, and in Italy

In H1 2008 lease payments recognised in the income statement were €120,617k for leases and €3,122k for sub-leases.

3.2.10 Additional Information

RELATED PARTY TRANSACTIONS

Autogrill S.p.A. is controlled by Schematrentaquattro S.r.l., which holds 58.7168% of its share capital and is in turn a wholly-owned subsidiary of Edizione Holding S.p.A.. The latter is controlled by Ragione di Gilberto Benetton & C. S.a.p.A..

All transactions with related parties were carried out in the interests of the Group and settled at arm's length.

Transactions with associates were of negligible value.

No transactions were carried out with Schematrentaquattro S.r.l.

Transactions with Ragione di Gilberto Benetton & C. S.a.p.A..

(€k)	**Ragione di Gilberto Benetton & C. S.a.p.A.**		
	30/06/2008	31/12/2007	Change
Balance Sheet:			
Other assets	4,822	3,632	1,190

Other assets refers to over-payment on a prior-year basis of the advance on corporate tax due on 2007 income.

This receivable will be recovered in July, thus reducing the amount to be paid as 2008 advance tax.

Autogrill S.p.A., Autogrill International S.p.A., Nuova Sidap S.r.l. and Nuova Estral S.r.l. joined the tax consolidation scheme of Ragione di Gilberto Benetton & C. S.a.p.A. for the period 2007-2009.

Transactions with Edizione Holding S.p.A.

(€k)	**Edizione Holding S.p.A.**		
	30/06/2008	30/06/2007	Change
Income Statement:			
Other operating costs	30	32	(2)
	30/06/2008	31/12/2007	Change
Balance Sheet:			
Trade receivables	-	4	(4)
Trade payables	89	59	30
Other liabilities	910	966	(56)

Other operating costs refers to accrued remuneration of a Director of Edizione Holding S.p.A. for the office held as Director of Autogrill S.p.A., which is paid to the company.

Trade payables refers to the above remuneration accrued in 2007 and paid in August 2008 in the amount of €59k and to the amount accrued in H1 2008 (€30k).

Other liabilities refers to IRES (corporate tax) to be paid to Edizione Holding S.p.A. under the Group's tax consolidation scheme for the years 2004-2006 which was paid on 16 July 2008.

Transactions with companies controlled by Ragione di Gilberto Benetton & C. S.a.p.A.

(€k)	Fabrica S.p.A.			Verde Sport S.p.A			Olimpias S.p.A.			AD Moving S.p.A.		
	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change
Income Statement:												
Revenue	-	-	-	41	38	3	-	-	-	-	-	-
Other operating income	-	-	-	1	-	1	-	-	-	-	-	-
Other operating costs	54	30	24	33	28	5	24	13	11	255	-	255
	30/06/2008	31/12/2007	Change	30/06/2008	31/12/2007	Change	30/06/2008	31/12/2007	Change	30/06/2008	31/12/2007	Change
Balance Sheet:												
Trade payables	73	60	13	41	3	38	29	23	6	17	-	17
Trade receivables	-	-	-	25	17	8	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-

(€k)	Benetton Group S.p.A.			Bencom S.r.l.			Atlantia Group		
	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change	30/06/2008	30/06/2007	Change
Income Statement:									
Revenue	-	-	-	-	-	-	135	3	132
Other operating income	-	-	-	181	178	3	48	380	(332)
Other operating costs	-	-	-	-	-	-	2,477	1,472	1,005
Leases, rents, concessions and royalties	33	35	(2)	-	-	-	23,014	21,302	1,712
	30/06/2008	31/12/2007	Change	30/06/2008	31/12/2007	Change	30/06/2008	31/12/2007	Change
Balance Sheet:									
Trade payables	30	4	26	-	-	-	2,785	31,231	(28,446)
Trade receivables	-	-	-	878	987	(109)	1,173	1,048	125

Olimpias S.p.A.: purchases refer to sales staff uniforms.

Benetton Group S.p.A: *Leases, rents, concessions and royalties* refers to meeting room hire charges.

Verde Sport S.p.A.: *Revenue* and *Other operating income* refer to sales of food & beverage products under the commercial affiliation contract for the conduct of a Spizzico restaurant at La Ghirada - Città dello Sport.

Ad Moving S.p.A.: these costs refer to purchases of advertising space.

Fabrica S.p.A.: these transactions refer to graphic design advisory.

Bencom S.r.l.: This company continues to be sub-lessee of a part of a property located in Via Dante, Milan. *Other operating income* refers to the rental and additional charges for H1 2008.

Atlantia Group: *Other operating income* refers to commission on distribution of Viacard cards and to the contribution for promotional activities carried out in the period. *Other operating costs* refer to concession rents and related additional charges.

All amounts payable and receivable are current with the exception of the amount payable by Bencom, which will be paid in instalments over the residual life of the sub-lease.

TRANSACTIONS WITH ASSOCIATES OF RAGIONE DI GILBERTO BENETTON & C. S.A.P.A.

The following table shows the detail of the transactions that occurred in the period and the balances at 30 June 2007, referring to Autogrill S.p.A.:

(€k)	Grandi Stazioni S.p.A.		
	30/06/2008	30/06/2007	Change
Income Statement:			
Leases, rents, concessions and royalties	605	649	(44)
	30/06/2008	31/12/2007	Change
Balance Sheet:			
Trade payables	500	275	225

(€k)	SAGAT S.p.A.		
	30/06/2008	31/12/2007	Change
Balance Sheet:			
Trade receivables	13	-	13
Trade payables	-	5	(5)

(€k)	Adf S.p.A.		
	30/06/2008	30/06/2007	Change
Income Statement:			
Revenue	24	-	24
Other operating income	9	-	9
Leases, rents, concessions and royalties	220	-	220
	30/06/2008	31/12/2007	Change
Balance Sheet:			
Trade payables	53	149	(96)
Trade receivables	12	41	(29)

Grandi Stazioni S.p.A.: The costs refer to rentals and related service charges in respect of premises in Rome's Termini station.

SAGAT S.p.A.: The costs refer to sub-concession rentals and related service charges in respect of premises in Turin airport.

ADF S.p.A.: The costs refer to sub-concession rentals and related service charges in respect of premises in Florence airport. Income refers to sales of product and the fee for the management of the VIP lounge at Florence airport.

FEES TO DIRECTORS OR KEY MANAGERS

At 30 June 2008, there were no directors or key managers other than the CEO and the other Members of the Board of Directors of the Parent fees to whom are given below.

Name	Office held	Term of Office	Fees for the Office held	Non-monetary Benefits	Bonuses and other incentives	Other Fees
Gilberto Benetton	Chairman	01.01-30.06.08	25,500			
Gianmario Tondato da Ruos	CEO	01.01-30.06.08	250,000		225,000	223,190
Alessandro Benetton	Director	01.01-30.06.08	24,900			
Giorgio Brunetti	Director	01.01-30.06.08	30,475			
Antonio Bulgheroni	Director	01.01-30.06.08	27,475			
Gianni Mion	Director	01.01-30.06.08	29,875			
Francesco Gavazzi	Director	01.01-30.06.08	23,700			
Javier Gomez-Navarro	Director	01.01-30.06.08	24,300			182,350
Arnaldo Camuffo	Director	01.01-30.06.08	28,675			
Paolo Roverato	Director	01.01-30.06.08	29,275			
Claudio Costamagna	Director	01.01-30.06.08	28,675			
Alfredo Malguzzi	Director	01.01-30.06.08	34,850			
Total Directors			**557,700**	**-**	**225,000**	**405,540**
Luigi Biscozzi	Chairman	01.01-30.06.08	41,492			
Gianluca Ponzellini	Statutory auditors	01.01-30.06.08	27,769			
Ettore Maria Tosi	Statutory auditors	01.01-30.06.08	28,091			
Totale Statutory Auditors			**97,352**	**-**	**-**	**-**
Total			**655,052**	**-**	**225,000**	**405,540**

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

During H1 2008, there were no significant non-recurring events or transactions, as defined in CONSOB Resolution no. 15519 and Communication no. DEM/6064293.

POSITIONS OR TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

During H1 2008 there were no untypical or unusual operations, as defined in CONSOB Communications no. DEM /6037577 dated 28 April 2006 and no. DEM/6064293 dated 28 July 2006.

3.2.11 Subsequent Events

On 15 July 2008, Autogrill S.p.A. announced, pursuant to Consob's Resolution 11971 dated 14 May 1999 as amended (the "Issuer Regulations"), that a buy-in programme of its treasury shares, as authorised by the shareholders' meeting resolution of 23 April 2008, was to begin in respect of a number of shares equivalent to up to 5% of company capital.

These purchases are made in accordance with Law 58/98 and §144-bis of the Issuer Regulations as allowed by the applicable law and regulations. The volume of shares bought in any one day may not exceed 25% of the average daily volume of the shares traded.

Autogrill S.p.A. informed the market and the competent authorities, on the first trading day of the week, of the details of the trades carried out in the previous trading week, i.e., the number of shares bought, the average price and the total value.

The buy-in programme will terminate 18 months from the date of the above shareholders' resolution.

As at the date of the Board of Directors' meeting that approved these condensed interim consolidated financial statements, the following purchases had been made:

Date	Number of purchased ordinary shares	Average unit price (Euro p.s.)	Equivalent in m€
22/07/2008	100.000	7.5430	754,297
29/07/2008	25.141	7.5783	190,526
Total	**125.141**		**944,823**

It should be noted that the shareholders' authorisation does not oblige the Company to make purchases and therefore that the programme may be carried out only in part and may be terminated or extended at any time and the market be promptly informed accordingly.

3.2.12 Authorisation to Publish

These condensed interim consolidated financial statements were authorised for publication by the Board of Directors on 27 August 2008.

3.3 Annexes

3.3.1 List of Consolidated Companies and Other Equity Investments

Company name	Reg. Office	Curr.	Share Capital	% held	Through
Parent					
Autogrill S.p.A.	Novara	EUR	132,288,000	57.870	Schematrentaquattro S.r.l.
Subsidiaries					
Autogrill International S.p.A.	Novara	EUR	4,951,213	100.000	Autogrill S.p.A.
Aviogrill S.r.l.	Bologna	EUR	10,000	51.000	Autogrill S.p.A.
Trentuno S.p.A.	Trento	EUR	1,417,875	100.000	Autogrill S.p.A.
Nuova Estral S.r.l.	Novara	EUR	10,000	100.000	Autogrill S.p.A.
Bar del Porto di Nuova Estral S.r.l. S.n.c.	Piombino	EUR	74,303	100.000	Nuova Estral S.r.l.
Nuova Sidap S.r.l.	Novara	EUR	10,000	100.000	Autogrill S.p.A.
Autogrill Germany GmbH	Munchen	EUR	25,000	100.000	Autogrill S.p.A.
Alpha Group Plc.	Cranford	GBP	18,258,499	100.000	Autogrill S.p.A.
Alpha Retail UK Limited	Cranford	GBP	180,000	100.000	Alpha Group Plc.
Alpha Overseas Holdings Limited	Cranford	GBP	2	100.000	Alpha Group Plc.
Alpha Flight UK Limited	Cranford	GBP	190,000	100.000	Alpha Retail UK Limited
The Bagel Street Company Limited	Cranford	GBP	116,358	100.000	Alpha Group Plc.
Alpha Flight Services Overseas Limited	Jersey	GBP	5,100	80.400	Alpha Overseas Holdings Limited
Alpha Airports Group (Jersey) Limited	Jersey	GBP	4,100	100.000	Alpha Overseas Holdings Limited
Alpha Airport Catering (Ireland) Limited	Dublino	EUR	1	100.000	Alpha Retail UK Limited
Alpha Flight Services Ireland Limited	Dublino	EUR	3	100.000	Alpha Airport Holdings B.V.
Alpha Airport Holdings B.V.	Boesingheliede	EUR	74,874	100.000	Alpha Group Plc.
Alpha Flight Services B.V.	Boesingheliede	EUR	1,623,172	100.000	Alpha Overseas Holdings Limited
Alpha Retail Catering Sweden A.B.	Nykoping	SEK	100,000	100.000	Alpha Overseas Holdings Limited
Alpha Retail Italia S.r.l.	Rome	EUR	10,000	100.000	Autogrill S.p.A.
Alpha Rocas S.A.	Otopeni	LEU	33,500,000	64.200	Alpha Overseas Holdings Limited
Alpha Airport Services EOOD	Sophia	LEV	7,633,200	100.000	Alpha Overseas Holdings Limited
Alpha Keys Orlando Retail Associates Limited	Wilmington	USD	100	85.000	Alpha Airport Services Inc.
Alpha Airport Services Inc.	Wilmington	USD	1	100.000	Alpha Overseas Holdings Limited
Alpha Flight Services Pty. Limited	Broadbeach	AUD	52,002	51.000	Alpha Flight Services B.V.
Orient Lanka Limited	Sri Lanka	LKR	30,000,000	99.000	Alpha Airport Holdings B.V.
Jordan Flight Catering Company Limited	Fort Colombo	JOD	800,000	51.000	Alpha Flight Services Overseas Limited
Alpha MVKB Maldives Pvt Limited	Amman	MVR	20,000	60.000	Alpha Overseas Holdings Limited
Alpha Kreol (India) Pvt Ltd.	Male	INR	20	50.000	Alpha Airport Holdings BV
Alpha In-Flight Retail Ltd.	United Kingdom	GBP	150,000	100.000	Alpha Flight UK Limited
Alpha Flight Services UAE	Sharjah	AED	100,000	49.000	Alpha Overseas Holdings Limited
Alpha Airport Retail Holdings Pvt Ltd.	India	INR	9,741,600	100.000	Alpha Retail UK Limited
Alpha Airport Pension Trustees Ltd.	United Kingdom	GBP	100	100.000	Alpha Group Plc.
Pratt & Leslie Jones Ltd.	Singapore	Sing$	9	100.000	Alpha Retail UK Limited
Alpha SUTL Pte Ltd.	United Kingdom	GBP	2	50.000	Alpha Overseas Holdings Limited
Alpha ESOP Trustee Ltd.	United Kingdom	GBP	100	100.000	Alpha Overseas Holdings Limited
Alpha Airports Group Ltd.	USA	USD	2	100.000	Alpha Overseas Holdings Limited
Alpha Euroservices Ltd.	United Kingdom	GBP	170	100.000	Alpha Overseas Holdings Limited
Alpha Airport Services Ltd.	United Kingdom	GBP	25,000	100.000	Alpha Overseas Holdings Limited
Airport Catering Services (Sotland) Ltd.	United Kingdom	GBP	2	100.000	Alpha Overseas Holdings Limited
Alpha Services Group Ltd.	United Kingdom	GBP	3	100.000	Alpha Overseas Holdings Limited
Alpha Airports Group (Channel Island) Ltd.	United Kingdom	GBP	21	100.000	Alpha Overseas Holdings Limited
Airport Catering Services (NI) Ltd.	United Kingdom	GBP	2	100.000	Alpha Overseas Holdings Limited
Alpha Airports (FURBS) Trustees Ltd.	United Kingdom	GBP	26,000	100.000	Alpha Overseas Holdings Limited
Airport Duty Free Shops Ltd.	United Kingdom	EUR	2	100.000	Alpha Overseas Holdings Limited
Alpha Airports Group S.L.	United Kingdom	EUR	3,006	100.000	Alpha Overseas Holdings Limited
Dynair B.V.	United Kingdom	GBP	18,151	100.000	Alpha Overseas Holdings Limited
Air Czech Catering A.S.	Czech Republic	CZK	50,000,000	100.000	Alpha Overseas Holdings Limited
Autogrill Austria A.G.	Gottlesbrunn	EUR	7,500,000	100.000	Autogrill International S.r.l.
HMSHost Europe GmbH	Munchen	EUR	205,000	100.000	Autogrill S.p.A.
HMSHost Ireland Ltd.	Cork	EUR	800,000	100.000	HMSHost Europe GmbH
HMSHost Sweden A.B.	Stockholm	SEK	2,500,000	100.000	HMSHost Europe GmbH
Autogrill Espana S.A.U.	Madrid	EUR	1,800,000	100.000	Autogrill International S.r.l.
Autogrill Participaciones S.L.	Madrid	EUR	6,503,006	100.000	Autogrill Espana S.A.
Restauracion de Centros Comerciales S.A. (RECECO)	Madrid	EUR	108,182	85.000	Autogrill Participaciones S.L.
World Duty Free Europe Ltd.	UK	GBP	10,000,000	100.000	Autogrill Espana S.A.U.
World Duty Free Shangai Ltd	China	n.d.	n.d.	100.000	World Duty Free Europe Ltd
World Duty Free Mauritius	Mauritius	n.d.	n.d.	100.000	World Duty Free Europe Ltd
Autogrill Finance S.A.	Luxembourg	EUR	250,000	99.996 0.004	Autogrill S.p.A. Autogrill Europe Nord-Ouest S.A.
Autogrill D.o.o.	Lubjana	EUR	308,643	100.000	Autogrill S.p.A.

Company name	Reg. Office	Curr.	Share Capital	% held	Through
Autogrill Czech Sro	Praga	CZK	2,000,000	100.000	Autogrill International S.r.l.
Autogrill Hellas E.P.E.	Avlona Attikis	EUR	1,696,350	99.990 0.01	Autogrill International S.r.l. Autogrill S.p.A.
Autogrill Overseas Inc.	Wilmington	USD	33,793,055	100.000	Autogrill International S.r.l.
Autogrill Europe Nord-Ouest S.A.	Luxembourg	EUR	41,300,000	99.999 0.001	Autogrill International S.r.l. Autogrill Finance S.A.
Autogrill Belgie N.V.	Merelbeke	EUR	26,250,000	99.999 0.001	Autogrill Europe Nord-Ouest S.A. Ac Restaurants & Hotels S.A.
Ac Restaurants & Hotels Beheer N.V.	Merelbeke	EUR	7,851,186	99.999 0.001	Autogrill Belgie N.V. Ac Restaurants & Hotels S.A.
Ac Restaurants & Hotels S.A.	Grevenmacher	EUR	500,000	99.990 0.010	Autogrill Belgie N.V. Ac Restaurants & Hotels Beheer N.V.
Autogrill Nederland B.V.	Breukelen	EUR	41,371,074	100.000	Autogrill Europe Nord-Ouest S.A.
Maison Ledeboer B.V.	Zaandam	EUR	69,882	100.000	Autogrill Nederland B.V.
Ac Holding N.V.	Breukelen	EUR	150,000	100.000	Maison Ledeboer B.V.
The American Lunchroom Co B.V.	Zaandam	EUR	18,151	100.000	Ac Holding N.V.
Ac Apeldoorn B.V.	Apeldoorn	EUR	45,378	100.000	The American Lunchroom Co B.V.
Ac Bodegraven B.V.	Bodegraven	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Heerlen B.V.	Heerlen	EUR	22,689	100.000	The American Lunchroom Co B.V.
Ac Hendrik Ido Ambacht B.V.	Hendrik Ido Ambacht	EUR	2,596,984	100.000	The American Lunchroom Co B.V.
Ac Holten B.V.	Holten	EUR	34,034	100.000	The American Lunchroom Co B.V.
Ac Leiderdorp B.V.	Leiderdorp	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Meerkerk B.V.	Meerkerk	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Nederweert B.V.	Weert	EUR	34,034	100.000	The American Lunchroom Co B.V.
Ac Nieuwegein B.V.	Nieuwegein	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Oosterhout B.V.	Oosterhout	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Restaurants & Hotels B.V.	Breukelen	EUR	91,212	100.000	The American Lunchroom Co B.V.
Ac Sevenum B.V.	Sevenum	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Vastgoed B.V.	Zaandam	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Vastgoed I B.V.	Zaandam	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Veenendaal B.V.	Woudensberg	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Zevenaar B.V.	Zevenaar	EUR	56,723	100.000	The American Lunchroom Co B.V.
Holding de Participations Autogrill S.a.s.	Marseille	EUR	84,581,920	99.999 0.001	Autogrill Europe Nord-Ouest S.A. Autogrill S.p.A.
Autogrill Aeroports S.a.s.	Marseille	EUR	1,721,096	99.999	Holding de Participations Autogrill S.a.s.
Autogrill Coté France S.a.s.	Marseille	EUR	31,579,526	99.999	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	Marseille	EUR	288,000	50.010	Autogrill Coté France S.a.s.
Société de la Porte de Champagne S.A. (SPC)	Auberives	EUR	153,600	51.900	Autogrill Coté France S.a.s.
Société de Restauration Autoroutière Dromoise S.a.s. (SRAD)	Marseille	EUR	1,136,000	49.994 49.998	Autogrill Coté France S.a.s. SRSRA S.A.
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	Marseille	EUR	144,000	50.000	Autogrill Coté France S.a.s.
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	EUR	1,440,000	70.000	Autogrill Coté France S.a.s.
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA)	St Rambert d'Albon	EUR	515,360	50.000	Autogrill Coté France S.a.s.
Volcarest S.A.	Champs	EUR	1,050,144	50.000	Autogrill Coté France S.a.s.
Societè de Gestion de Restauration Routieère (SGRR S.A.)	Marseille	EUR	879,440	100.000	Autogrill Coté France S.a.s.
SCI Vert Pre Saint Thiebaut	Nancy	EUR	457	99.900 0.100	SGRR S.A. Autogrill Coté France S.a.s.
S.n.c. TJ2D	Chaudeney Sur Moselle	EUR	1,000	99.000 1.000	SGRR S.A. Autogrill Coté France S.a.s.
Autogrill Restauration Services S.a.s.	Marseille	EUR	15,394,500	100.000	Holding de Participations Autogrill S.a.s.
Autogrill Gares Province S. a r.l.	Marseille	EUR	274,480	100.000	Autogrill Restauration Services S.a.s.
Autogrill Gares Metropoles S. a r.l.	Marseille	EUR	4,500,000	100.000	Autogrill Restauration Services S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	EUR	2,337,000	100.000	Holding de Participations Autogrill S.a.s.
Patisserie du Louvre S. a r.l.	Marseille	EUR	7,622	100.000	Holding de Participations Autogrill S.a.s.
La Rambertine S.n.c.	Saint Rambert d'Albon	EUR	1,524	51.000	Autogrill Coté France S.a.s.
Autogrill Schweiz A.G.	Olten	CHF	10,000,000	100.000	Autogrill International S.r.l.
Autogrill Pieterlen A.G.	Pieterlen	CHF	2,000,000	100.000	Autogrill Schweiz A.G.
Autogrill Pratteln A.G.	Pratteln	CHF	3,000,000	100.000	Autogrill Schweiz A.G.
Restoroute de Bavois S.A.	Bavois	CHF	2,000,000	73.000	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Avry devant Pont	CHF	1,500,000	54.300	Autogrill Schweiz A.G.
Autogrill Basel Airport S.a.s. (in liquidation)	St. Louis	CHF	58,680	100.000	Autogrill Schweiz A.G.
Autogrill Group Inc.	Bethesda	USD	225,000,000	100.000	Autogrill Overseas Inc.
CBR Specialty Retail Inc	Bethesda	USD	=	100.000	Autogrill Group Inc.
HMSHost Corp.	Bethesda	USD	=	100.000	Autogrill Group Inc.
HMSHost Europe Inc.	Wilmington	USD	=	100.000	Autogrill Group Inc.
HMSHost International Inc.	Wilmington	USD	=	100.000	Autogrill Group Inc.
HMSHost Tollroads Inc.	Bethesda	USD	=	100.000	HMSHost Corp.
HMSHost USA LLC	Bethesda	USD	=	100.000	Autogrill Group Inc.
Host International Inc.	Bethesda	USD	326,831	100.000	HMSHost Corp.
Sunshine Parkway Restaurants Inc.	Bethesda	USD	100	50.000 50.000	HMSHost Corp. Gladieux Corp.

Company name	Reg. Office	Curr.	Share Capital	% held	Through
Cincinnati Terminal Services Inc.	Bethesda	USD	=	100.000	Host International Inc.
Cleveland Airport Services Inc.	Bethesda	USD	=	100.000	Host International Inc.
HMS-Airport Terminal Services Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
HMS B&L Inc.	Bethesda	USD	=	100.000	Host International Inc.
HMS Holdings Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
HMS Host Family Restaurants Inc.	Bethesda	USD	2,000	100.000	HMS Holdings Inc.
HMS Host Family Restaurants LLC	Bethesda	USD	=	100.000	HMS Host Family Restaurants Inc.
Gladieux Corporation	Bethesda	USD	750	100.000	HMS Holdings Inc.
Host (Malaysia) Sdn.Bhd	Sepang	MYR	=	100.000	Host International Inc.
Host Gifts Inc.	Bethesda	USD	100,000	100.000	Host International Inc.
Host International of Canada Ltd.	Vancouver	CAD	73,351,238	100.000	Host International Inc.
Host International of Canada (RD) Ltd.	Vancouver	CAD	=	100.000	Host International of Canada Ltd.
Host Canada L.P.	Vancouver	CAN	43	100.000	Host International Inc.
SMSI Travel Centres Inc.	Toronto	CAD	=	100.000	Host International of Canada Ltd.
Host International of Kansas Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
Host International of Maryland Inc.	Bethesda	USD	79,576	100.000	Host International Inc.
HMS Host USA Inc.	Bethesda	USD	=	100.000	Host International Inc.
Host International (Poland) Sp zo o, (in liquidation)	Warsaw	Zity	=	100.000	Host International Inc.
Host of Holland B.V.	Schiphol	EUR	=	100.000	Host International Inc.
Horeca Exploitatie Maatschappij Schiphol B.V.	Schiphol	EUR	45,378	100.000	Host of Holland B.V.
Host Services (France) S.a.s. (in liquidation)	Paris	EUR	=	100.000	Host International Inc.
Host Services Inc.	Bethesda	USD	=	100.000	Host International Inc.
Host Services of New York Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
Host Services Pty Ltd.	North Cairns	AUD	6,252,872	100.000	Host International Inc.
Las Vegas Terminal Restaurants Inc.	Bethesda	USD	=	100.000	Host International Inc.
Marriott Airport Concessions Pty Ltd.	Tullamarine	AUD	3,910,102	100.000	Host International Inc.
Michigan Host Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
Shenzen Host Catering Company Ltd.	Shenzen	CNY	=	90.000	Host International Inc.
The Gift Collection Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
Turnpike Restaurants Inc.	Bethesda	USD	=	100.000	Host International Inc.
HMShost Services India Private Ltd.	Bangalore	INR	88,606,387	99.000	Host International Inc
HMS Airport Terminal Services Inc.	Christchurch	NZ$	-	100.000	Host International Inc
HMSHost Singapore Pte Ltd.	Singapore	$ Sing.	1,510,193	100.000	Host International Inc
AAI Investments Inc.	Washington	USD	=	100.000	Autogrill Group Inc.
Anton Airfood Inc. (AAI)	Washington	USD	1,000	100.000	AAI Investments Inc.
AAI Terminal 7 Inc.	New York	USD	=	100.000	Anton Airfood Inc.
AAI Terminal One Inc.	New York	USD	=	100.000	Anton Airfood Inc.
Airport Architects Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood JFK Inc.	New York	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of Cincinnati Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of Minnesota Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of New York Inc.	New York	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of North Carolina Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of Ohio Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of Rhode Island Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of Texas Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of Virginia Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Palm Springs AAI Inc.	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of Boise, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
Anton Airfood of Tulsa, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
AAI Islip, Inc.	New York	USD	n.d.	100.000	Anton Airfood Inc.
Fresno AAI, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
Anton Airfood of Newark, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
Anton Airfood of Seattle, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
Lee Airport Concession	Washington	USD	=	100.000	Anton Airfood Inc.
Anton Airfood of Bakersfield Inc. (in liquididazione)	Washington	USD	1,000	100.000	Anton Airfood Inc.
Host Bush Lubbock Airport Joint Venture	USA	USD	n.d.	90.000	Host International Inc.
Host/Lub-Tech Joint Venture	USA	USD	n.d.	90.000	Host International Inc.
Host Keefee Joint Venture	USA	USD	n.d.	49.000	Host International Inc.
CS Host Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Airside C F & B Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Host Kahului Joint Venture Company	USA	USD	n.d.	90.000	Host International Inc.
Host/Coffee Star Joint Venture	USA	USD	n.d.	50.000	Host International Inc.
Host-Chelle-Ton Sunglass Joint Venture	USA	USD	n.d.	80.000	Host International Inc.
Southwest Florida Airport Joint Venture	USA	USD	n.d.	68.000	Host International Inc.
Host Honolulu Joint Venture Company	USA	USD	n.d.	90.000	Host International Inc.
Host/Forum Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
HMS/Blue Ginger Joint Venture	USA	USD	n.d.	55.000	Host International Inc.

Company name	Reg. Office	Curr.	Share Capital	% held	Through
Savannah Airport Joint Venture	USA	USD	n.d.	45.000	Host International Inc.
Host/Star Concessions JV	USA	USD	n.d.	65.000	Host International Inc.
Host & Garrett Joint Venture	USA	USD	n.d.	75.000	Host International Inc.
Tinsley - Host - Tampa Joint Venture	USA	USD	n.d.	49.000	Host International Inc.
Host/NCM Atlanta Joint Venture	USA	USD	n.d.	80.000	Host International Inc.
Phoenix - Host Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Host Taco Joy Joint Venture	USA	USD	n.d.	80.000	Host International Inc.
Host English Joint Venture Company	USA	USD	n.d.	69.400	Host International Inc.
Minnesota Retail Partners, LLC.	USA	USD	n.d.	51.000	Host International Inc.
Host Chelsea Joint Venture	USA	USD	n.d.	65.000	Host International Inc.
Providence Airport JV	USA	USD	n.d.	25.000	Host International Inc.
Host - Tinsley Joint Venture	USA	USD	n.d.	84.000	Host International Inc.
Host/Tarra Joint Venture	USA	USD	n.d.	75.000	Host International Inc.
Metro-Host Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Ben-Zey/Host Lottery JV	USA	USD	n.d.	40.000	Host International Inc.
ASG - Host Joint Venture	USA	USD	n.d.	85.000	Host International Inc.
Host D and D St. Louis Airport Joint Venture	USA	USD	n.d.	75.000	Host International Inc.
East Terminal Chilis Joint Venture	USA	USD	n.d.	55.000	Host International Inc.
Host Stellar Joint Venture	USA	USD	n.d.	51.000	Host International Inc.
Host - Chelsea Joint Venture #2	USA	USD	n.d.	75.000	Host International Inc.
Host/LJA Joint Venture	USA	USD	n.d.	85.000	Host International Inc.
Host/NCM Atlanta E Joint Venture	USA	USD	n.d.	75.000	Host International Inc.
Houston 8/Host Joint Venture	USA	USD	n.d.	60.000	Host International Inc.
Seattle Restaurant Associates	USA	USD	n.d.	70.000	Host International Inc.
Bay Area Restaurant Group	USA	USD	n.d.	49.000	Host International Inc.
Islip Airport Joint Venture	USA	USD	n.d.	50.000	Host International Inc.
Sarasota Joint Venture	USA	USD	n.d.	20.000	Host International Inc.
Host Prose #2 J/V	USA	USD	n.d.	70.000	Host International Inc.
HMS Host/Coffee Partners Joint Venture	USA	USD	n.d.	50.000	Host International Inc.
Host-Grant Park Chili's Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Host/JV Ventures McCarran Joint Venture	USA	USD	n.d.	60.000	Host International Inc.
Airside E Joint Venture	USA	USD	n.d.	50.000	Host International Inc.
Host-CJ & Havana Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Xavier-Host Joint Venture	USA	USD	n.d.	60.000	Host International Inc.
Southwest Retail Alliance III	USA	USD	n.d.	70.000	Host International Inc.
Host Whitsett Joint Venture	USA	USD	n.d.	60.000	Host International Inc.
Host/Howell-Mickens Joint Venture	USA	USD	n.d.	65.000	Host International Inc.
Anton/JQ RDU Joint Venture	USA	USD	n.d.	100.000	Host International Inc.
MIA Airport Retail Partners Joint Venture	USA	USD	n.d.	30.000	Host International Inc.
Host of Santa Ana Joint Venture Company	USA	USD	n.d.	75.000	Host International Inc.
Host Marriott Services - D/FW Joint Venture	USA	USD	n.d.	65.000	Host International Inc.
Host Marriott Services - D/FWorth Joint Venture II	USA	USD	n.d.	75.000	Host International Inc.
Host - Prose Joint Venture III	USA	USD	n.d.	51.000	Host International Inc.
Host Adevco Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Host/JQ Raleigh Durham	USA	USD	n.d.	75.000	Anton Airfood Inc.
Autogrill Belux N.V.	Merelbeke	EUR	10,000,000	99.900 0.100	Autogrill S.p.A. Autogrill International S.r.l.
Carestel Motorway Services N.V.	Merelbeke	EUR	6,000,000	99.900	Carestel Group N.V.
Restair N.V.	Merelbeke	EUR	61,500	99.900	Carestel Group N.V.
Carestel Service Center N.V., (in liquidation)	Merelbeke	EUR	62,000	99.900	Carestel Group N.V.
Carestel Beteiligungs GmbH & Co. (in liquidation)	Echterdingen	EUR	25,000	99.900	Restair N.V.
Carestel Commercial Catering France S.A.	Saint Louis	EUR	2,916,480	99.900	Restair N.V.
Carestel Nord S. a r.l.	Saint Louis	EUR	76,225	99.900	Carestel Commercial Catering France S.A.
Autogrill Trois Frontières S.a.s.	Saint Louis	EUR	621,999	99.900	Carestel Commercial Catering France S.A.
Restair UK Ltd.	London	GBP	1	100.000	Restair N.V.
Carestel A.B.	Stockholm	SEK	6,000,000	100.000	Carestel Motorway Services N.V.
Carestel Sud S. a r.l. (in liquidation)	Lesquin	EUR	840,172	99.000	Carestel Commercial Catering France S.A.
ALDEASA S.A.	Madrid	EUR	10,772,462	99.960	Autogrill Espana S.A.
Aldeasa Internacional S.A.	Madrid	EUR	5,409,000	100.000	Aldeasa S.A.
Aldeasa Chile Ltda.	Santiago del Chile	USD	1,854,154	99.990	Aldeasa S.A.
Sociedad de Distribución Aeroportuaria de Canarias S.L.	Gran Canaria	EUR	667,110	60.000	Aldeasa S.A.
Aldeasa Colombia Ltda.	Cartagena de Indias	COP	966,441	99.990	Aldeasa S.A.
Aldeasa México S.A. de C.V.	Cancun	MXN	7,390,815	99.990	Aldeasa S.A.

Company name	Reg. Office	Curr.	Share Capital	% held	Through
Transportes y Suministros Aeroportuarios S.A.	Madrid	EUR	1,202,000	100.000	Aldeasa S.A.
Ciro Holdings S.A.	Geneva	CHF	56,336,347	100.000	Aldeasa S.A.
Aldeasa Cabo Verde S.A.	Isola di Sal	CVE	54,490	99.990	Aldeasa S.A.
Prestadora de Servicios en Aeropuertos S.A. de C.V.	Crucero	USD	6,462	99.990	Aldeasa S.A.
Panalboa S.A.	Panama	PAB	125,623	80.000	Aldeasa S.A.
Audioguiarte Servicios Culturales S.L.	Madrid	EUR	251,000	100.000	Aldeasa S.A.
Aldeasa Servicios Aeroportuarios Ltda.	Santiago del Chile	USD	8,134,652	99.990	Aldeasa S.A.
Aldeasa Projects Culturels S.a.s.	Versailles	EUR	1,300,000	100.000	Aldeasa S.A.
Cancouver Uno S.L.	Madrid	CAD	3,010	100.000	Aldeasa S.A.
Aldeasa Jordan Airports Duty Free Shops (AJADFS)	Amman	USD	771,377	100.000	Ciro Holdings
Aldeasa Curacao N.V.	Curacao	EUR	389,937	100.000	Ciro Hodlings
Aldeasa Atlanta JV	Vancouver	USD	1,497,923	51.000 25.000	Aldeasa S.A. Autogrill Group Inc.
Aldeasa Canada Inc	Vancouver	CAD	709	100.000	Cancouver Uno S.L.
Aldeasa US Inc.	Wilmington	USD	1,000	100.000	Aldeasa S.A.
Aldeasa Atlanta LLC	Atlanta	USD	100	100.000	Aldeasa US Inc.
Aldeasa Vancouver L.P.	Vancouver	CAD	16,879,337	74.900 0.100 25.000	Cancouver Uno S.L. Aldeasa Canada Inc. Host International Inc.

Proportionately Consolidated Companies:

Company name	Reg. Office	Curr.	Share Capital	% held	Through
Steigenberger Gastronomie GmbH	Frankfurt	EUR	750,000	49.900	HMSHost Europe GmbH
Servair Air Chef S.r.l.	Milan	EUR	2,000,000	50.000	Alpha Overseas Holdings Limited
Servizi di Bordo S.r.l.	Italy	EUR	100,000	80.000	Servair Air Chef S.r.l. (joint venture)
Alpha Future Airport Retail Pvt Ltd.	Mumbai	INR	321,472,800	50.000	Alpha Overseas Holdings Limited
Alpha ASD Limited	Cranford	GBP	20,000	50.000	Alpha Overseas Holdings Limited
Caresquick N.V.	Brussels	EUR	2,500,000	50.000	Carestel Group N.V.

Equity-accounted Associates

Company name	Reg. Office	Curr.	Share Capital	% held	Through
Dewina Host Sdn Bhd	Sepang	MYR	250,000	49.000	Host International, Inc.
HMSC-AIAL Ltd.	Aukland	NZD	111,900	50.000	Host International, Inc.
TGIF National Restaurant JV	Texas	USD	n.d.	25.000	Host International, Inc.
Estación Aduanera Zaragoza Aervicios, S.A.	Zaragoza	EUR	1,670,153	31.260	Aldeasa S.A.
Souk al Mouhajir, S.A.	Tangeri	EUR	521,889	35.850	Aldeasa S.A.
Creuers del Port de Barcelona, S.A.	Barcelona	EUR	3,005,061	23.000	Aldeasa S.A.
Lanzarote de Cultura y Ocio, S.A.	Tias	EUR	180,304	30.000	Aldeasa S.A.
Virgin Express Catering Services N.V.	Brussels	EUR	62,000	49.980	Alpha Airport Holdings B.V.

STATEMENT
on the Condensed Interim Consolidated Financial Statements pursuant to §154-bis ¶5 Law 58/98

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

1. The undersigned, Gianmario Tondato Da Ruos, in his capacity as CEO, and Alberto Devecchi, in his capacity as the manager in charge of drawing up Autogrill S.p.A.'s financial reporting, also pursuant to §154bis ¶¶3 and 4 of Legislation decree no. 58/98, that the administrative and accounting procedures used to prepare the Condensed state Interim Consolidated Financial Statements during the first half 2008 were

   - suitable to the characteristics of the company and
   - actually applied.

2. Following the acquisition of 100% of World Duty Free Europe Limited, finalised on 21 May 2008, an examination of the internal control system was initiated in order to prepare the accounting and financial information to be provided to Autogrill S.p.A. by the above entity in support of the Statement to be issued on the Consolidated Financial Statements of Autogrill S.p.A. as at and for the year ended 31 December 2008.

3. It is also attested that:

   3.1 the condensed interim consolidated financial statements

   a) are drawn up in compliance with applicable IFRS endorsed by the European Community pursuant to directive (EC)1606/2002 of the European Parliament and the Council dated 19 July 2002;
   b) are consistent with the company books and accounting records;
   c) are suitable to provide a true and fair view of the financial condition and result of operations of the issuer and the group of companies included in consolidation;

   3.2 the interim report on operations contains references to important events that occurred in the first six months of the year and their effect of the condensed interim consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year, as well as information on significant transactions with related parties.

Milan, 27 August 2008

Gianmario Tondato Da Ruos	Alberto Devecchi
CEO	Manager in charge of financial reporting
Autogrill S.p.A.	Autogrill S.p.A.
(Signed on the original)	(Signed on the original)

KPMG

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

Review report

To the shareholders of
Autogrill S.p.A.

1 We have reviewed the condensed interim consolidated financial statements comprising the balance sheet, income statement, statement of changes in equity, cash flow statement and notes thereto of the Autogrill Group as at and for the six months ended 30 June 2008. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting", endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information relating to the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and verification or validation of assets and liabilities and is significantly less than an audit performed in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements present the corresponding figures of the prior year annual and interim consolidated financial statements for comparative purposes. As disclosed in the notes, the parent's directors restated such corresponding figures. We audited the prior year annual consolidated financial statements and reviewed the prior year interim consolidated financial statements, issuing our reports thereon on 7 April 2008 and 19 September 2007, respectively. Specifically, the corresponding figures have been restated to reflect the change in accounting policy for defined benefit plans and completion of the initial recognition of the subsidiary Alpha Group Plc.'s acquisition carrying amounts, which had been already determined on a preliminary basis.

KPMG S.p.A., an Italian limited liability share capital company and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Milano Ancona Aosta Bari
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Varese Verona

Società per azioni
Capitale sociale
Euro 7.013.350,00 i.v.
Registro Imprese Milano e
Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Part. IVA 00709600159
Sede legale: Via Vittor Pisani, 25
20124 Milano MI

We have examined the methods used to restate such corresponding figures and related disclosures to the extent that we considered to be necessary to prepare our review report on the condensed interim consolidated financial statements at 30 June 2008.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Autogrill Group as at and for the six months ended 30 June 2008 have not been prepared, in all material respects, in conformity with IAS 34, "Interim Financial Reporting", endorsed by the European Union.

Milan, 29 August 2008

KPMG S.p.A.

(Signed on the original)

Giovanni Rebay
Director of Audit

Autogrill S.p.A.

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Via Luigi Giulietti, 9
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Chamber of Commerce of Novara: *188902 Economic Administrative Index*
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