Autogrill Group

Consolidated Half-year Financial Report at 30 June 2017

(Translation from the original version issued in Italian)

Boards and officers

Board of Directors [1]

Chairman [2, 3]

Gilberto Benetton

CEO [2, 3, 4]

Gianmario Tondato Da Ruos [E]

Directors

Ernesto Albanese [7, I]
Alessandro Benetton
Franca Bertagnin Benetton
Tommaso Barracco[12]
Francesco Umile Chiappetta [6, 7, I]
Carolyn Ditmeier[12]
Massimo Di Fasanella D'Amore di Ruffano [5, 8, I, L]
Cristina De Benetti [6, I]
Giorgina Gallo[12]
Stefano Orlando[12]
Marco Patuano [5]
Maria Pierdicchi [8, I]
Elisabetta Ripa [5, 7, I]
Paolo Roverato [6, 8]
Neriman Ulsever[12]
Catherine Gerardin Vautrin [5, I]

Secretary

Paola Bottero

Board of Statutory Auditors [9]

Marco Rigotti [10]	Chairman
Antonella Carù [10]	Standing auditor
Eugenio Colucci [10]	Standing auditor
Giuseppe Angiolini [10]	Alternate auditor
Pierumberto Spanò [10]	Alternate auditor

Independent auditors [11]

Deloitte & Touche S.p.A.

[1] Appointed during the annual general meeting of 25 May 2017; in office until approval of the 2019 financial statements
[2] Appointed during the Board of Directors meeting held on 25 May 2017
[3] Powers assigned by law and the company's by-laws, particularly legal representation with individual signing authority
[4] Powers of ordinary administration, with individual signing authority, per Board resolution of 25 May 2017
[5] Member of the Strategies and Investments Committee
[6] Member of the Internal Control, Risks and Corporate Governance Committee
[7] Member of the Related Party Transactions Committee
[8] Member of the Human Resources Committee
[9] Appointed during the annual general meeting of 28 May 2015; in office until approval of the 2017 financial statements
[10] Chartered accountant/auditor
[11] Assignment granted during the annual general meeting of 28 May 2015, to expire on approval of the 2023 financial statements
[12] In office through 25 May 2017
[E] Executive director
[I] Independent director as defined by the Corporate Governance Code for Listed Companies (version approved in July 2014 by

the Corporate Governance Committee and endorsed by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria) and pursuant to Articles 147 *ter* (4) and 148 (3) of Legislative Decree 58/1998

[L] Lead Independent Director

Contents

Definitions and symbols

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

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

Like-for-like basis: this measures the change in sales without considering the impact of store openings and closures or of acquisitions and disposals.

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

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

Symbols: Unless otherwise specified, amounts in the half year directors' report are expressed in millions of euros (€m) and millions of US dollars ($m). In the notes to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k and $k).

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

Directors' interim report on operations

The Autogrill Group

Operations

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

Present in 31 countries with a workforce of over 57,000, it manages about 4,000 points of sale in approximately 1,000 locations. It operates mainly through concessions and subconcessions: at airports, along motorways and in railway stations, as well as at selected locations on high streets and at shopping centers, trade fairs and cultural attractions.

The Group manages a portfolio of more than 300 brands, both international and local, and offers a highly varied selection including proprietary brands and concepts (such as Ciao, Bistrot, Puro Gusto, Motta, Bubbles, Beaudevin and La Tapenade) and others owned by third parties. The latter include local brands (Tim Hortons, Leon, Class Croute) as well as international household names (Starbucks Coffee, Burger King, Brioche Dorée, etc.).

Change in the scope of consolidation and other corporate transactions

In the second half of 2016 the Group, through its US subsidiary HMSHost Corporation, completed the following acquisitions in North America:

- as part of its strategy to continuously strengthen its presence in the food & beverage business at airports, on 20 August 2016 the Group finalized the acquisition of Concession Management Services, Inc. ("CMS")'s airport F&B operations;
- with a view to expanding its operations, on 10 October 2016 the Group finalized the purchase of airport convenience retail operator Stellar Partners Inc..

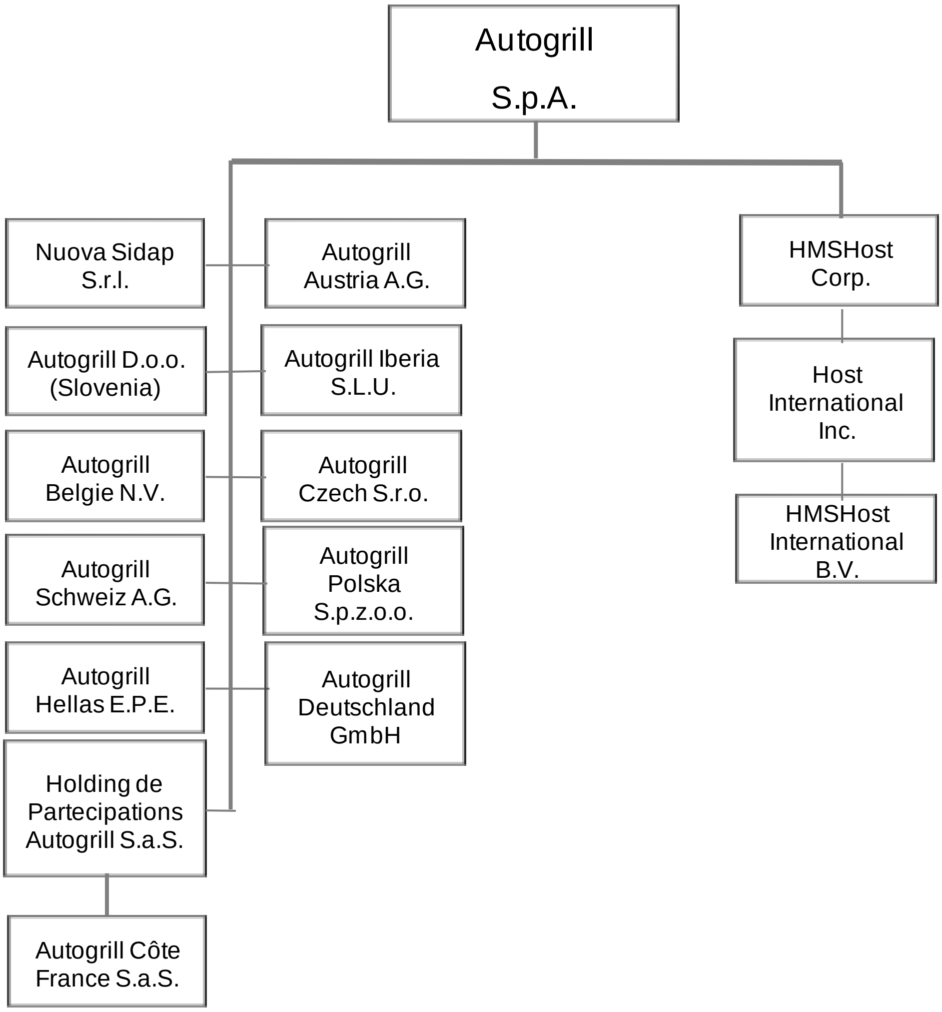
In the first half of 2017 CMS and Stellar Partners generated revenue of €40m ($43.4m).

On 9 June 2016 Autogrill S.p.A. also disposed of food and beverage operations at a few French railway stations for €27.5m which generated a capital gain of €14.9m. In the first five months of 2016 the business sold generated revenue of €26.4m.

On 3 November 2016 the disposal of the interest held in Autogrill Nederland B.V. and its subsidiaries was completed. In accordance with IFRS 5 ("Non-current assets held for sale and discontinued operations") the effects on profit/loss and on the statement of financial position for the first half of 2016 were classified separately.

On 11 April 2017 the Board of Directors approved the start of a corporate reorganization project which would result in the separation of the Italian Food & Beverage business, as well as the coordination activities and services provided to the directly controlled European subsidiaries, from the Group strategy and management activities carried out by the holding company. The purpose of this transaction is to achieve maximum consistency and flexibility in the Group's organizational and corporate structure which could lead to the spinoff of operations pertaining to one or more business segments/holdings, which today, are carried out directly by Autogrill S.p.A. to one or more of the parent company's existing and/or newly formed wholly owned subsidiaries.

Simplified Group structure [1-2]



[1] Where not otherwise specified, all companies are wholly owned. See the annexes to the consolidated half-year financial report for a complete list of equity investments .
[2] Company names did not change in the first half of 2017.

1.1 Group performance

In the first half the Group posted solid growth in revenue and the contracts portfolio[4] with renewals and new awards totalling €1.5billion with an average duration of 7.9 years (new awards total around €1 billion and renewals around €500 million). See below the details by geographical area:

New awards and renewals

(€bn)	New	Renewals
North America	0.43	0.34
International	0.40	0.01
Europe	0.15	0.13
Total	**0.98**	**0.47**

1.1.1 Income statement review

Group condensed income statement[5]

(€m)	First half 2017	% of revenue	First half 2016	% of revenue	Change 2016	Change at constant exchange rates
Revenue	2,129.1	100.0%	2,040.5	100.0%	4.3%	2.8%
Other operating income	52.0	2.4%	53.4	2.6%	-2.6%	-2.7%
Total revenue and other operating income	**2,181.1**	**102.4%**	**2,093.9**	**102.6%**	**4.2%**	**2.6%**
Raw materials, supplies and goods	(658.7)	30.9%	(642.2)	31.5%	2.6%	1.3%
Personnel expenses	(734.2)	34.5%	(695.1)	34.1%	5.6%	4.0%
Leases, rentals, concessions and royalties	(383.4)	18.0%	(362.5)	17.8%	5.8%	4.2%
Other operating expenses	(260.5)	12.2%	(255.3)	12.5%	2.0%	0.6%
Gain on operating activities disposal	-	0.0%	14.9	0.7%	-	-
EBITDA	**144.3**	**6.8%**	**153.7**	**7.5%**	**-6.1%**	**-8.0%**
Depreciation, amortization and impairment losses	(99.4)	4.7%	(93.3)	4.6%	6.6%	5.1%
EBIT	**44.9**	**2.1%**	**60.4**	**3.0%**	**-25.7%**	**-27.9%**
Net financial costs	(13.0)	0.6%	(15.7)	0.8%	-17.1%	-18.8%
Income (expenses) from investments	0.4	0.0%	0.4	0.0%	-1.8%	-5.9%
Pre-tax Profit	**32.3**	**1.5%**	**45.1**	**2.2%**	**-28.5%**	**-30.9%**
Income taxes	(19.1)	0.9%	(22.2)	1.1%	-13.9%	-16.1%
Result from continuing operations	**13.2**	**0.6%**	**23.0**	**1.1%**	**-42.6%**	**-44.9%**
Result from discontinued operations	-	0.0%	(0.1)	0.0%	-	-
Result attributable to:	**13.2**	**0.6%**	**22.9**	**1.1%**	**-42.3%**	**-44.7%**
- owners of the parent	6.0	0.3%	16.8	0.8%	-64.5%	-66.1%
- non-controlling interests	7.2	0.3%	6.0	0.3%	19.6%	16.3%
Earnings per share (€ cents)						
basic	2.4		6.6			
diluted	2.4		6.6			

Alternative performance measures

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

- the estimated costs for the management incentive plan ("Phantom Stock Option") which were impacted materially by the change in the price of Autogrill's shares

[4] Overall value of the contracts calculated as the sum of expected revenue of each contract for its entire duration. The amount also includes contracts signed by participated companies consolidated with the equity method.

[5] Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated income statement primarily because they do not include revenue from the sale of fuel and the related cost, the net value of which is classified as "Other operating income" in accordance with Group protocol for the analysis of figures. This revenue came to €195.3m in first half 2017 (€199.8m in first half 2016) and the cost to €186.5m in first half 2017 (€189.3m in first half 2016).

recorded on the stock market (particularly with respect to the estimates used at 31 December 2016 to value the plan liabilities), and
- the capital gain generated by the sale of the French railway station business in June 2016.

More in detail, the first half of 2017 includes €10.4m (€0.6m in the first half of 2016) in costs for the Phantom Stock Option Plan (€9.4m and €0.6m net of the tax effect, respectively), while the income statement for the first half of 2016 included the capital gain of €14.9m generated by the sale of the French railway station business.
The significance of the comparative data according to IAS 1 as well as the correct identification of the Group's normalized profit for the half, would be significantly impaired in case the impact of these items and the comparability of the periods, is not separately represented.
Based on the figures presented in this half-year report and in light of the significant impact of the above items on the financial disclosures relating to the Group's performance, which we cannot exclude will not materialize again in future periods, it was deemed useful, accordingly, to introduce the following alternative performance measures: EBITDA underlying, EBITDA margin underlying, operating profit (EBIT) underlying and net profit underlying (attributable to shareholders of the parent), calculated as follows:

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
EBITDA	**144.3**	**153.7**	**-6.1%**	**-8.0%**
Management incentive plan's cost	10.4	0.6		
Gain on operating activity disposal	0.0	(14.9)		
EBITDA underlying	**154.7**	**139.4**	**11.0%**	**8.5%**
EBITDA margin underlying	**7.3%**	**6.8%**		

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
Operating profit (EBIT)	**44.9**	**60.4**	**-25.7%**	**-27.9%**
Management incentive plan's cost	10.4	0.6		
Gain on operating activity disposal	0	(14.9)		
Operating profit (EBIT) underlying	**55.3**	**46.1**	**19.8%**	**15.1%**

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
Net profit (attributable to shareholders of the parent)	**6.0**	**16.8**	**-64.5%**	**-66.1%**
Management incentive plan's cost (net of tax)	9.4	0.6		
Gain on operating activity disposal (net of tax)	0	(14.9)		
Net profit underlying (attributable to shareholders of the parent)	**15.4**	**2.6**	**503.0%**	**357.7%**

Revenue

The Group's consolidated revenue amounted to €2,129.1m in the first half of 2017, a 4.3% increase (+2.8% at constant exchange rates) against the €2,040.5m realised in the previous year.

(€m)	1H 2017	1H 2016	Actual FX	FX	Constant FX	Organic growth L-f-L growth	 Net contract gains /(losses)	 Calendar	Acquisitions/ (disposals)
North America	1,117.5	1,026.3	8.9%	3.2%	5.7%	4.4%	-1.3%	-	2.6%
North America $	*1,210.3*	*1,145.3*	*5.7%*	*0.0%*	*5.7%*	*4.4%*	*-1.3%*	*-*	*2.6%*
International	228.2	195.7	16.6%	-0.8%	17.4%	11.4%	7.4%	0.3%	-1.7%
Europe	783.3	818.6	-4.3%	0.2%	-4.5%	2.0%	-2.7%	-0.5%	-3.3%
of which									
Italy	477.1	488.4	-2.3%	-	-2.3%	0.9%	-2.7%	-0.5%	-
Other European countries	306.3	330.2	-7.2%	0.4%	-7.6%	3.9%	-2.7%	-0.5%	-8.3%
Total Group	**2,129.1**	**2,040.5**	**4.3%**	**1.6%**	**2.8%**	**4.1%**	**-1.8%**	**-0.2%**	**0.7%**

The increase in revenue is attributable primarily to robust like-for-like growth in sales (+4.1%).

Acquisitions include CMS and Stellar Partners in the United States, both in 2016[6], while disposals[7] consist in the sale of the French railway station business[8], completed in June 2016, and the unwinding of a joint venture in Indonesia in the first part of 2017.

Results benefited from a favorable currency effect of +1.6%, due to the appreciation of the US Dollar. The period was marked by a calendar effect of -0.2%, mainly due to the fact that 2016 was a leap year.

Revenue by channel

(€m)	First half 2017	First half 2016	Change 2016	 at constant exchange rates
Airports	1,253.0	1,133.0	10.6%	8.2%
Motorways	729.5	733.5	-0.5%	-1.3%
Other Channels	146.5	174.1	-15.8%	-15.8%
Total Revenue	**2,129.1**	**2,040.5**	**4.3%**	**2.8%**

In the **airport channel** sales increased by 10.6% (+8.2% at constant exchange rates), driven primarily by the growth recorded in the United States and Northern Europe. The channel posted a positive like-for-like performance of 6.5%. Revenue reflects the contribution of CMS and Stellar Partners, consolidated as of the second half of 2016.

[6] CMS and Stellar Partners contributed €40m ($43.4m) to revenue in the first half of 2017.
[7] The disposal of the Dutch motorway business is not included because it is reported separately under discontinued operations.
[8] The French railway stations contributed €26.4m to revenue in the first half of 2016.

Sales for the **motorway channel** fell by 0.5% (-1.3% at constant exchange rates). The solid like-for-like performance (+1.4%) across the board partially neutralized the decreased traffic in Italy.

The sales trend in **other channels** (-15.8% at current and constant exchange rates) reflects the disposal of the French railway station business, the temporary closing of a few spaces in the “Duomo” store in Milan and the exit from the shopping center channel in the United States and from some locations in the city center in Italy. The channel posted a positive like-for-like performance of 0.6%.

EBITDA

EBITDA amounted to €144.3m, down 6.1% compared to the €153.7m reported in the first half of 2016 (-8% at constant exchange rates), and went from 7.5% of revenue to 6.8%.

In 2016 EBITDA benefited from the capital gain on the disposal of the French railway station business (€ 14.9m).

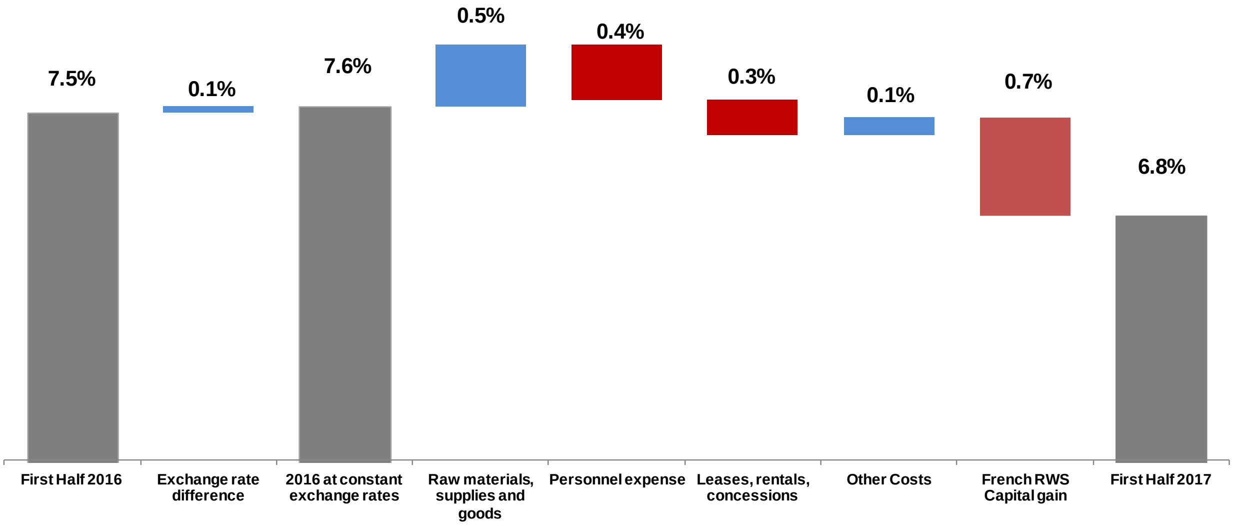
Excluding that gain, EBITDA was up 3.9% at current exchange rates (+1.6% at constant exchange rates) against the first half of 2016. EBITDA growth was sustained by the growth in revenue recorded across the board, as well as the improved profitability of the Group’s three divisions, which absorbed the increased cost of the management incentive plan.

With reference to incentive plan, as anticipated, the first half of 2017 includes €10.4m (€0.6m in the first half of 2016) in costs for management incentive plan (“Phantom Stock Option Plan”). Such costs also reflects the change in the estimated cost recognized at 31 December 2016 (€5.7m) based on the price of Autogrill’s stock which rose from the €8.6 per share recorded at 31 December 2016 to €10.6 per share at 30 June 2017.

(m€)	**First half 2017**	**First half 2016**
North America	2.3	-
International	1.1	0.1
Europa	1.9	0.2
Corporate	5.1	0.3
Stock Option Plan total costs	**10.4**	**0.6**

These costs represent the main reason for the increase in personnel expense as a percentage of revenues as shown in the chart below that analysed the EBITDA margin.

Change in EBITDA margin



Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses came to €99.4m in the first half of 2017, was 6.6% higher (+5.1% at constant exchange rates) compared with €93.3m in the first half of 2016, due to the increased investments made in the second half of 2016 and the first half of 2017, but was basically in line with the first half of 2016 as a percentage of revenue (4.7%).

Net financial expense

Net financial expense came to €13m in the first half of 2017, down from €15.7m of the previous half, as a result of decreased exchange losses compared to the first half of 2016. In the first half of 2017 the average cost of debt went from the 3.8% posted in first half 2016 to 3.9%.

Income tax

Tax amounted to €19.1m versus €22.2m in first half 2016. This item includes taxes charged on operating profit (IRAP in Italy and CVAE in France), amounting to €0.2m (€1.1m in first half 2016).

Net profit

First half 2017 closed with a net profit attributable to the owners of the parent of €6m compared to €16.8m in first half 2016 which benefitted from the €14.9m capital gain generated by the sale of the French railway station business and lower costs for the Phantom Stock Option, as indicated in the paragraph “Alternative performance measures”.
Non-controlling interests came to €7.2m (€6m in first half 2016).

1.1.2. Financial position

Reclassified consolidated statement of financial position [9]

(€m)	30/06/2017	31/12/2016	Change 2016	Change at constant exchange rate
Intangible assets	901.2	950.6	(49.4)	(3.5)
Property, plant and equipment	866.2	896.5	(30.3)	11.6
Financial assets	20.5	15.3	5.2	5.8
A) Non-current assets	**1,787.9**	**1,862.4**	**(74.5)**	**13.9**
Inventories	115.7	119.5	(3.8)	(1.1)
Trade receivables	45.8	58.1	(12.3)	(11.1)
Other receivables	131.8	121.9	9.9	8.7
Trade payables	(326.7)	(359.8)	33.1	24.4
Other payables	(342.2)	(382.1)	39.9	22.7
B) Working capital	**(375.7)**	**(442.5)**	**66.8**	**43.6**
Invested capital (A+B)	**1,412.2**	**1,419.9**	**(7.7)**	**57.4**
C) Other non-current non-financial assets and liabilities	(140.8)	(154.4)	13.6	7.2
D) Net invested capital (A+B+C)	**1,271.5**	**1,265.6**	**5.9**	**64.6**
Equity attributable to owners of the parent	580.0	643.6	(63.6)	(39.1)
Equity attributable to non-controlling interests	47.1	44.0	3.1	4.9
E) Equity	**627.2**	**687.6**	**(60.4)**	**(34.1)**
Non-current financial liabilities	633.9	520.0	113.9	139.2
Non-current financial assets	(13.1)	(7.7)	(5.5)	(6.0)
F) Non-current financial indebtedness	**620.8**	**512.3**	**108.5**	**133.2**
Current financial liabilities	203.4	262.9	(59.6)	(46.3)
Cash and cash equivalents and current financial assets	(179.8)	(197.3)	17.5	11.8
G) Current net financial indebtedness	**23.5**	**65.6**	**(42.1)**	**(34.5)**
Net financial position (G+F)	**644.3**	**578.0**	**66.4**	**98.7**
H) Total (E+F+G), as in D)	**1,271.5**	**1,265.6**	**5.9**	**64.6**

The disclosure of the change in the statement of financial position is included in the consolidated financial statements and related notes.

[9] The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and notes, with the exception of "Financial assets," which do not include "Financial receivables from third parties" (€12m), and the "Fair value of interest rate swaps" (€1.1m) classified as non-current financial receivables in the net financial position and included in other financial assets (non-current) in the consolidated statement of financial position.

Net Cash flow

(€m)	First half 2017	First half 2016	Change
EBITDA (*)	144.3	138.8	5.5
Change in net working capital	(42.9)	(25.9)	(17.0)
Other non cash items	(1.0)	(0.1)	(1.0)
Cash flows from operating activities	**100.4**	**112.9**	**(12.5)**
Tax paid	(11.1)	(0.2)	(10.9)
Net interest paid	(15.9)	(13.0)	(2.9)
Net cash flows from operating activities	**73.3**	**99.6**	**(26.3)**
Net investment	(128.3)	(96.6)	(31.7)
Net cash flows after investment	**(54.9)**	**3.1**	**(58.0)**
Disposal of French railways station business	-	27.5	(27.5)
Free operating cash flows pre dividend	**(54.9)**	**30.6**	**(85.5)**
Dividend payment (10)	(42.9)	(36.3)	(6.6)
Free operating cash flows	**(97.8)**	**(5.7)**	**(92.1)**

2016 does not include the gain generated by the sale of french railway station

Net cash flow from operating activities after capital expenditure fell by €58m due to a change in the timing of least payments relative to a few motorway concessions in Italy (€26m difference, to be recovered in the second half of 2017), a tax refund received in the United States in the first half of 2016, as well as higher capital expenditure in the half.

First half 2016 includes the proceeds (€27.5m) from the sale of the French railway station business.

In June 2017 the Group also paid a dividend to shareholders of €40.7m (€30.5m in first half 2016). In the first half of 2017 dividends were also paid to the non-controlling shareholders of consolidated companies[10] in the amount of € 2.2m (€5.8m in first half 2016).

[10] Shown net of capital increases

Net financial position

Net debt at 30 June 2017 amounted to €644.3m versus €578m at 31 December 2016, of which 67% in U.S. dollars (74% at 31 December 2016) and the rest in euros. Fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 33% of the total (compared with 62% at 31 December 2016). The fair value of interest rate hedging derivatives at 30 June 2017 was positive for €1.9m versus €0.3m at 31 December 2016.

Debt consists primarily of long-term bonds (private placements) and committed long-term credit lines from banks. Loans have an average remaining life of about three years and six months.

In May 2017 available long-term credit lines were used to repay a $150m, private placement issued in May 2007 with a coupon of 5.73% which was redeemed at maturity. In June a €30m tranche of the term loan granted in March 2015 was repaid as per the loan agreement.

1.2 Business segments

Revenue by geographical area

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
North America	1,117.5	1,026.3	8.9%	5.7%
International	228.2	195.7	16.6%	17.4%
Italy	477.1	488.4	-2.3%	-2.3%
Other European countries	306.3	330.2	-7.2%	-7.6%
Total Europe	783.3	818.6	-4.3%	-4.5%
Total Revenue	**2,129.1**	**2,040.5**	**4.3%**	**2.8%**

EBITDA by geographical area

(€m)	First half 2017	*% of revenue*	First half 2016	*% of revenue*	Change 2016	Change at constant exchange rates
North America	113.8	10.2%	108.2	10.5%	5.1%	2.0%
International	21.4	9.4%	18.4	9.4%	16.5%	17.5%
Europe	25.6	3.3%	39.1	4.8%	-34.5%	-34.7%
Corporate costs	(16.4)	-	(11.9)	-	-37.7%	-37.7%
Total EBITDA	**144.3**	**6.8%**	**153.7**	**7.5%**	**-6.1%**	**-8.0%**

Capital expenditure [11] by geographical area

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
North America	48.2	41.9	14.9%	11.5%
International	17.5	8.7	100.9%	99.8%
Total Europe	39.9	34.5	15.7%	15.4%
Total capital expenditure	**105.6**	**85.2**	**24.0%**	**22.0%**

[11] Net capital expenditure equals gross investments recognized in the period (€ 110.1m) net of proceeds from the sale of assets (€ 4.5m)

Nord America[12]

Revenue in North America came to $1,210.3m in the first half of 2017, an increase of 5.7% (at constant and current exchange rates) compared with the $1,145.3m posted in the first half of 2016.

(m)	1H 2017	1H 2016	Actual FX	FX	Constant FX	Organic growth			Acquisitions/ (disposals)
						L-f-L growth	Net contract gains /(losses)	Calendar	
Nord America - $	1,210.3	1,145.3	5.7%	0.0%	5.7%	4.4%	-1.3%	-	2.6%
Nord America - €	*1,117.5*	*1,026.3*	*8.9%*	*3.2%*	*5.7%*	*4.4%*	*-1.3%*	-	*2.6%*

Like-for-like growth was very positive, at +4.4%, driven by Seattle, Charlotte, Toronto and Honolulu airports, whereas the new openings, including among others Orlando, Greensboro and Boston airports.

Acquisitions include CMS and Stellar Partners, both made in the second half of 2016.

Revenue by geography

($m)	First half 2017	First half 2016	Change	
			2016	at constant exchange rates
US	1,089.6	1,025.4	6.3%	6.3%
Canada	120.7	119.9	0.6%	0.8%
Total Revenue	**1,210.3**	**1,145.3**	**5.7%**	**5.7%**

Revenue by channel

($m)	First half 2017	First half 2016	Change	
			2016	at constant exchange rates
Airports	1,011.3	946.2	6.9%	6.9%
Motorways	188.7	185.6	1.6%	1.7%
Other Channels	10.3	13.5	-23.7%	-23.7%
Total Revenue	**1,210.3**	**1,145.3**	**5.7%**	**5.7%**

Sales in the **Airport** channel rose by 6.9% (+6.9% at current exchange rates). The growth reflects the good performance of U.S. airports[13] in terms of both average purchase per

[12] This division includes operations in the United States and Canada.
[13] Accounting for around 90% of the channel's revenue

customer and number of transactions. The new openings in Chicago, Boston and Greensboro and the contribution made by acquisitions, CMS and Stellar Partners ($43.4m), helped to mitigate the impact of the decreased traffic at Tampa airport. Sales at Canadian airports were up slightly.

Revenue in the **Motorway** channel was up by 1.7% (+1.6% at current exchange rates) thanks to the increase in average purchase per customer in the United States, despite the bad weather that penalized the Canadian motorways in the spring.

Other channels saw a decrease of 23.7% as a result of the planned closing of two US shopping centers.

($m)	First half 2017	First half 2016	Change	
			2016	at constant exchange rates
EBITDA	**123.2**	**120.8**	**2.0%**	**2.0%**
% on revenue	*10.2%*	*10.5%*		

EBITDA in North America came to $123.2m, 2% higher (+2% at current exchange rates) than the $120.8m recorded in first half 2016. This amounts to 10.2% of revenue, versus 10.5% in the previous half due mainly to the increase in average hourly wages and the related direct expenses which affected the entire U.S. food & beverage industry. The first half of 2017 includes $2.5m of costs relating to the Phantom Stock Option Plan (nil in first half 2016).

($m)	First half 2017	First half 2016	Change	
			2016	at constant exchange rates
CAPEX	**52.2**	**46.8**	**11.5%**	**11.5%**
% on revenue	*4.3%*	*4.1%*		

Capital expenditure concerned the airports in Los Angeles and Fort Lauderdale, and rest stops on the Indiana Turnpike.

International[14]

In the first half of 2017 **revenue** amounted to €228.2m, an increase of 17.4% (+16.6% at current exchange rates) against the €195.7m posted in the first half of 2016 thanks to the excellent performances reported in Northern Europe, as well as the contribution of Vietnam and India.

(€m)	1H 2017	1H 2016	Actual FX	FX	Constant FX	Organic growth: L-f-L growth	Organic growth: Net contract gains /(losses)	Calendar	Acquisitions/ (disposals)
International	228.2	195.7	16.6%	-0.8%	17.4%	11.4%	7.4%	0.3%	-1.7%

Disposals comprise the unwinding of a joint venture in Indonesia in the first part of 2017. Development and growth of the Group's presence in Indonesia will continue, for example with the recently awarded contract in Jakarta Airport that we have announced in May 2017.

Revenue by geography

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
Northern Europe	162.5	140.7	15.5%	17.7%
Rest of the world	65.7	54.9	19.5%	16.8%
Total Revenue	**228.2**	**195.7**	**16.6%**	**17.4%**

Revenue by channel

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
Airports	202.8	173.7	16.7%	17.1%
Other Channels	25.4	22.0	15.7%	19.8%
Total Revenue	**228.2**	**195.7**	**16.6%**	**17.4%**

The **airport channel** reported an increase of 17.1% (+16.7% at current exchange rates), driven by the excellent performances recorded in the Netherlands (Schiphol Airport), Vietnam and India, as well as the expanded activities in the United Kingdom and the openings in Finland and Norway.

Growth was posted by **Other** channels due to the improved performance at railway stations in the Netherlands and UK, as well as the new openings.

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

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
EBITDA	**21.4**	**18.4**	**16.5%**	**17.5%**
% on revenue	*9.4%*	*9.4%*		

EBITDA for this area reached €21.4m, an increase of 17.5% (+16.5% at current exchange rates) on the €18.4m reported in first half 2016 thanks to the strong increase in sales, and came to 9.4% of sales, basically in line with first half 2016. The recovery in profitability at the Dutch railway stations, in Finland and in Russia offset the costs linked to the start-up of new activities in Norway, Indonesia and China. The first half of 2017 includes €1.1m in costs relating to the Phantom Stock Option Plan (€0.1m in first half 2016).

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
CAPEX	**17.5**	**8.7**	**100.9%**	**99.8%**
% on revenue	*7.7%*	*4.5%*		

Capital expenditure in **International** concerned mainly the Netherlands (Schiphol Airport), Vietnam and Norway (the airport in Oslo).

Europe

Revenue in Europe totaled €783.3m, compared with € €818.6m in the first half of the prior year, showing a decrease of 4.5% at constant exchange rates (-4.3% at current exchange rates).

(€m)	1H 2017	1H 2016	Actual FX	FX	Constant FX	Organic growth: L-f-L growth	Organic growth: Net contract gains /(losses)	Organic growth: Calendar	Acquisitions/ (disposals)
Europe	783.3	818.6	-4.3%	0.2%	-4.5%	2.0%	-2.7%	-0.5%	-3.3%
of which									
Italy	477.1	488.4	-2.3%	-	-2.3%	0.9%	-2.7%	-0.5%	-
Other European countries	306.3	330.2	-7.2%	0.4%	-7.6%	3.9%	-2.7%	-0.5%	-8.3%

Of note is the like-for-like growth posted in Italy (+0.9%) fueled by the contribution of motorways and the good performance of Other European countries (+3.9%), supported also by the return to normal operating conditions at the Brussels airport. Disposals include the exit from the French railway station business[15].

Revenue by geography

(€m)	First half 2017	First half 2016	Change: 2016	Change: at constant exchange rates
Italy	477.1	488.4	-2.3%	-2.3%
Other European countries	306.3	330.2	-7.2%	-7.6%
Total Revenue	**783.3**	**818.6**	**-4.3%**	**-4.5%**

Revenue by channel

(€m)	First half 2017	First half 2016	Change: 2016	Change: at constant exchange rates
Motorways	555.3	567.2	-2.1%	-2.2%
Airports	116.4	111.4	4.5%	4.1%
Other Channels	111.6	140.0	-20.3%	-20.5%
Total Revenue	**783.3**	**818.6**	**-4.3%**	**-4.5%**

Revenue for the **Motorway** channel reached €555.3m, lower compared to the €567.2m recorded in first half 2016 due to streamlining in Italy and the exit from a few profitable locations in Germany.

[15] The French railway stations contributed €26.4m to revenue in first half 2016.

Sales at **Airports** grew by 4.1% (4.5% at current exchange rates), from €111.4m in first half 2016 to €116.4m, thanks to the good performance of German and Greek airports, as well as the return to normal operating conditions in Belgium after the 2016 terroristic attacks.

In **Other** locations, namely railway stations, high streets, commercial centers and trade fairs, revenue dropped by 20.3% as a result of the changed perimeter in France. On a like-for-like basis, sales in this channel were down by just 1.8% due to the temporary closing of part of the "Duomo" store in Milan and the exit from a few locations in Italy and Switzerland.

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
EBITDA	**25.6**	**39.1**	**-34.5%**	**-34.7%**
% of revenue	*3.3%*	*4.8%*		
EBITDA net gain	**25.6**	**24.2**	**5.7%**	**5.3%**
% of revenue	*3.3%*	*3.0%*		

EBITDA in Europe came to €25.6m, down against the €39.1m posted in first half 2016 which included the capital gain generated by the sale of the French railway station business (€14.9m). Net of this gain, EBITDA would have been 5.7% higher than the same period 2016, rising from 3% to 3.3% of sales.

The increase in profitability across the board is explained by the improve sales mix in Italy (with Food & Beverage and Market sales outpacing complementary goods), the operating efficiencies across the board, including in store labor cost, cost of goods sold and other store costs, and the recovered profitability in Belgium that in March 2016 was affected by the terroristic attacks. First half 2017 includes €1.9m in costs relating to the Phantom Stock Option Plan (€0.2m in first half 2016).

(€m)	First half 2017	First half 2016	Change 2016	Change at constant exchange rates
CAPEX	**39.9**	**34.5**	**15.7%**	**15.4%**
% of revenue	*5.1%*	*4.2%*		

Capital expenditure involved mainly the Cantagallo rest stop in in Italy, the Brou rest stop and the Miramas outlet in France, and the Brussels airport.

Corporate costs

Corporate costs rose from the €11.9m reported in first half 2016 to €16.4m, due solely to the higher cost of the Phantom Stock Option Plan which came to €5.1m (€0.3m in first half 2016).

1.3 Related party transactions

Transactions with the Group's related parties do not qualify as atypical or unusual as defined in CONSOB Communication n. DEM/6064293 of 28 July 2006. They are conducted in the interests of the Company and the Group on an arm's length basis.

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

1.4 Atypical or unusual transactions

In the first half of 2017 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

1.5 Subsequent events

Since 30 June 2017, no events have occurred that if known in advance would have entailed an adjustment to the figures reported into the consolidated half-year financial statements or required additional disclosures in the related notes.

1.6 Outlook

Regarding the foreseeable development of management, although there is some uncertainty about the trend of world traffic and the economy in general, the Group has all the requirements in the short term to benefit from the growth opportunities of the sector and markets where it works. The expected results for 2017 confirm our expectations for the three-year guidance we announced to the market in March 2017.

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

The forecasts set by the Group are based on the most up-to-date information available. However, economic conditions around the world are highly unstable, making predictions less reliable than usual.

Barring, however, any significant unforeseen disruptions, the principal uncertainties for the second half of the year concern the global market conditions, the geopolitical environment, traffic trends, travelers' propensity to consume and the price of a few raw materials which, directly or indirectly, have an impact on the sector. See the 2016 Annual Report for a description of the main risks to which the Group is exposed.

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

On 24 January 2013 the Board of Directors of Autogrill S.p.A. voted to take the option provided for by CONSOB Resolution 18079 of 20 January 2012 that removes the obligation to make available to the public the disclosure documents required by Arts. 70 and 71 of the Listing Rules (CONSOB Regulation 11971/1999) in the case of significant mergers, demergers, increases in share capital through contributions in kind, acquisitions and transfers.

2. Condensed interim consolidated financial statements

2.1 Consolidated financial statements

2.1.1 Statement of financial position

Note	(€k)	30.06.2017	*Of which related parties*	31.12.2016	*Of which related parties*
ASSETS					
	Current assets	**473,078**		**496,761**	
I	Cash and cash equivalents	141,182		158,744	
II	Other financial assets	38,637		38,563	
III	Tax assets	3,048		3,268	
IV	Other receivables	128,723	*15,466*	118,625	*15,479*
V	Trade receivables	45,832	*1,735*	58,105	*1,616*
VI	Inventories	115,656		119,456	
	Non current assets	**1,851,343**		**1,922,782**	
VII	Property, plant and equipment	866,247		896,533	
VIII	Goodwill	826,814		869,318	
IX	Other intangible assets	74,389		81,289	
X	Investments	3,576		4,610	
XI	Other financial assets	29,979	*6,461*	18,325	*3,792*
XII	Deferred tax assets	39,094		41,644	
XIII	Other receivables	11,244		11,063	
	Assets for discontinued operations	-		-	
	TOTAL ASSETS	**2,324,421**		**2,419,543**	
LIABILITIES AND EQUITY					
	LIABILITIES	**1,697,265**		**1,731,938**	
	Current liabilities	**872,283**		**1,004,886**	
XIV	Trade payables	326,699	*7,791*	359,832	*31,528*
XV	Tax liabilities	18,219		8,619	
XVI	Other payables	308,719	*1,415*	356,728	*2,121*
XIX	Bank loans and borrowings	196,392		108,046	
XVII	Other financial liabilities	6,966		11,716	
XXI	Bonds	-		143,177	
XXIII	Provision for risks and charges	15,288		16,768	
	Non-current liabilities	**824,982**		**727,052**	
XVIII	Other payables	35,527		38,980	
XIX	Loans, net of current portion	321,488		181,989	
XX	Other financial liabilities	5,362		7,603	
XXI	Bonds	307,033		330,381	
XII	Deferred tax liabilities	30,956		34,342	
XXII	Defined benefit plans	85,951		90,835	
XXIII	Provision for risks and charges	38,665		42,922	
	Liabilities for discontinued operations	-		-	
XXIV	**EQUITY**	**627,156**		**687,605**	
	- attributable to owners of the parent	580,036		643,608	
	- attributable to non-controlling interests	47,120		43,997	
	TOTAL LIABILITIES AND EQUITY	**2,324,421**		**2,419,543**	

2.1.2 Income statement

Note	(€k)	First half 2017	*Of which related parties*	First half 2016	*Of which related parties*
XXV	Revenue	2,324,359	*25*	2,240,380	*24*
XXVI	Other operating income	43,212	*198*	42,785	*277*
	Total revenue and other operating income	**2,367,571**		**2,283,165**	
XXVII	Raw materials, supplies and goods	845,181	*55*	831,490	*53*
XXVIII	Personnel expenses	734,195	*2,575*	695,054	*2,417*
XXIX	Leases, rentals, concessions and royalties	383,380	*36,446*	362,482	*36,489*
XXX	Other operating expenses	260,501	*677*	255,301	*827*
XXXI	Depreciation and amortization	98,863		92,112	
XXXI	Impairment losses on property, plant and equipment and intangible assets	558		1,166	
XXXII	Gain on operating activities disposal	0		14,856	
	Operating profit	**44,893**		**60,416**	
XXXIII	Financial income	1,414	*47*	1,202	*3*
XXXIII	Financial costs	(14,399)	*0*	(16,870)	*(478)*
X	Income (expenses) from investments	381		388	
	Pre-tax profit	**32,289**		**45,136**	
XXXIV	Income taxes	(19,099)		(22,175)	
XXXV	**Profit for the period - continuing operations**	**13,190**		**22,961**	
	Result for discontinued operations	0		(96)	
	Profit for the period	**13,190**		**22,865**	
	Profit for the year attributable to:				
	- owners of the parent	5,973		16,832	
	- non-controlling interests	7,217		6,033	
XXXV	**Earnings per share (in € cents)**				
	- basic	2.4		6.6	
	- diluted	2.4		6.6	

2.1.3 Statement of comprehensive income

Note	(€k)	First half 2017	First half 2016
	Profit for the period	**13,190**	**22,865**
	Items that will never be reclassified to profit or loss		
XXIV	Remeasurements of the defined benefit (liabilities)/asset	717	(3,753)
XXIV	Tax effect on items that will never be reclassified to profit or loss	(336)	964
		381	**(2,789)**
	Items that may be subsequently reclassified to profit or loss		
XXIV	Equity-accounted investee - share of other comprehensive income	(177)	285
XXIV	Foreign currency translation differences for foreign operations	(29,982)	294
XXIV	Gain/(loss) on net investment hedge	(157)	163
XXIV	Tax effect on items that may be subsequently reclassified to profit or loss	39	(39)
		(30,277)	**703**
	Total other comprehensive income for the period	**(16,706)**	**20,779**
	- attributable to owners of the parent	(20,578)	15,065
	- attributable to non-controlling interests	3,872	5,714

2.1.4 Statement of changes in equity

(NoteXXIV)

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

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit/(loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2015	**68,688**	**13,738**	**56,278**	**358,162**	**(1,447)**	**64,153**	**559,572**	**40,400**
Total other comprehensive income for the period								
Profit for the period	-	-	-	-	-	16,832	**16,832**	**6,033**
Foreign currency translation differences for foreign operations	-	-	613	-	-	-	**613**	**(319)**
Gain/(loss) on net investment hedge, net of the tax effect	-	-	124	-	-	-	**124**	**-**
Equity-accounted investee - share of other comprehensive income	-	-	285	-	-	-	**285**	**-**
Remeasurements of the defined benefit (liabilities)/asset, net of the tax effect (XXII)	-	-	-	(2,789)	-	-	**(2,789)**	**-**
Total other comprehensive income for the period	**-**	**-**	**1,022**	**(2,789)**	**-**	**16,832**	**15,065**	**5,714**
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Allocation of 2015 profit to reserves	-	-	-	64,153	-	(64,153)	-	-
Capital increase	-	-	-	-	-	-	**-**	**6,780**
Dividend distribution	-	-	-	(30,484)	-	-	**(30,484)**	**(11,952)**
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**33,669**	**-**	**(64,153)**	**(30,484)**	**(5,172)**
Changes in ownership interests in subsidiaries	-	-	-	33,669	-	(64,153)	**(30,484)**	**(5,172)**
30.06.2016	**68,688**	**13,738**	**57,300**	**389,042**	**(1,447)**	**16,832**	**544,153**	**40,942**

2.1.5 Statement of cash flows

(€k)	First half 2017	First half 2016
Opening net cash and cash equivalents	**128,698**	**108,845**
Pre-tax profit and net financial expense for the period	45,274	60,804
Amortisation, depreciation and impairment losses on non-current assets, net of reversals (Note XXXI)	99,421	93,278
Adjustment and (gains)/losses on disposal of financial assets	(381)	(388)
Gain on disposal of non-current assets (Note VII)	(1,033)	(52)
Gain on operating activities disposal (Note XXXII)	-	(14,856)
Change in working capital	(37,324)	(29,105)
Net change in non-current non-financial assets and liabilities	(5,606)	3,215
Cash flow from operating activities	**100,352**	**112,896**
Taxes paid	(11,133)	(249)
Interest paid	(15,883)	(13,002)
Net cash flow from operating activities	**73,336**	**99,645**
Acquisition of property, plant and equipment and intangible assets paid	(132,726)	(98,524)
Proceeds from sale of non-current assets	4,462	1,972
Acquisitions of consolidated investments	(2,049)	-
Disposal of French railway station business	-	27,500
Net changes in non-current financial assets	(4,327)	543
Net change in non-current financial assets	**(134,640)**	**(68,509)**
Repayments of bond "Private Placement"	(138,504)	-
Drawdown of long-term credit lines available	142,334	-
Repayments of non-current loans	(1,917)	(22,896)
Repayments of current loans, net of new loans	59,647	(19,477)
Dividends paid	(40,656)	(30,484)
Excercise of stock options	761	-
Other movements (*)	(3,229)	(659)
Net cash flow used in financing activities	**18,436**	**(73,516)**
Cash flow for the period - continuing operations	**(42,868)**	**(42,381)**
Net cash flow from operating activities - discontinued operations	-	1,498
Net cash flow used in investing activities - discontinued opeations	-	(529)
Net cash flow used in financing activities - discontinued operations	-	(930)
Cash flow for discontinued operations	**-**	**39**
Effect of exchange on net cash and cash equivalents	(1,855)	(1,069)
Closing net cash and cash equivalents	**83,975**	**65,434**

Reconciliation of net cash and cash equivalents

(€k)		
Opening - net cash and cash equivalents - balance as of 1st January 2017 and as of 1st January 2016	**128,698**	**108,845**
Cash and cash equivalents (Note I)	158,744	161,834
Current account overdrafts (Note XIX)	(30,046)	(52,989)
Closing - net cash and cash equivalents - balance as of 30 June 2017 and as of 30 June 2016	**83,975**	**65,434**
Cash and cash equivalents (Note I)	141,182	132,600
Current account overdrafts (Note XIX)	(57,207)	(67,166)

* Includes dividend paid to minority shareholders in subsidiaries

2.2 Notes to the condensed interim consolidated financial statements

Group operations

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

On 11 April 2017 the Board of Directors approved the start of a corporate reorganization project which would result in the separation of the Italian Food & Beverage business, as well as the coordination activities and services provided to the directly controlled European subsidiaries, from the Group strategy and management activities carried out by the holding company. The purpose of this transaction is to achieve maximum consistency and flexibility in the Group's organizational and corporate structure which could lead to the spinoff of operations pertaining to one or more business segments/holdings, which today, are carried out directly by Autogrill S.p.A. to one or more of the parent company's existing and/or newly formed wholly owned subsidiaries.

2.2.1 Accounting policies and basis of consolidation

General standards

The condensed interim consolidated financial statements at 30 June 2017 have been prepared in accordance with Art. 154-ter of Legislative Decree 58 of 24 February 1998 (Italy's Consolidated Finance Act), as amended, and with IAS 34 "Interim financial reporting". They do not include all disclosures required by IFRS in the annual financial statements, and should therefore be read jointly with the consolidated financial statements as at and for the year ended 31 December 2016.

In the condensed interim consolidated financial statements, the accounting standards and consolidation methods are the same, except as indicated below, as those used in the 2016 annual consolidated financial statements, which should be consulted for further description and those used in the condensed interim consolidated financial statements at 30 June 2016.

The preparation of the condensed interim consolidated financial statements and the relative notes in application of IFRS require the Directors to make estimates and assumptions on the values of revenues, costs, assets and liabilities in the half-year report and on the disclosures relating to the assets and contingent liabilities at 30 June, 2017. If in the future, these estimates and assumptions, which are based on the best valuations made by the Directors, should be different from the actual results recorded, they will be modified appropriately in the period in which the circumstances occur.

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

The valuation of assets/liabilities connected to defined benefit plans is usually performed, at the end of each year unless specific indicators suggest the need to update estimates earlier; during the half ending 30 June 2017 the need to update the discount rate applied to defined benefit plan assets/liabilities in a few European countries materialized; the estimates were, therefore adjusted to reflect the applicable discount rates and adjustments to liabilities were recognized directly in equity (Note XXIV).

With reference to the recognition of liabilities for Phantom Stock Option, the use of the best available information on the expected trend of the share price to estimate with actuarial assumptions the related liability, value may not correspond to the trend of the value of the Autogrill shares actually occurred in subsequent periods, this implying in the need to adjust the liability when such information becomes available.

Finally, the estimate of tax expenses, in accordance with IAS 34, is calculated using the accurate calculation option for the liabilities at 30 June 2017.

In the condensed interim consolidated financial statements, income statement and statement of cash flow for the first half 2017 are compared with those for the first half of the previous year. Net financial position and statement of financial position at 30 June 2017 are compared with the figures at 31 December 2016.

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

Since the new IFRS accounting standards, amendments and interpretations have not entered into force since 1 January 2017, the Group has prepared this consolidated half-year consolidated financial statements using the same accounting principles adopted for the consolidated financial statements as of December 31, 2016 .

Below are the accounting standards issued by the IASB and approved by the European Union to be mandatory in the financial statements for the years beginning January 1, 2018 and not previously adopted by the Group:

IFRS 9: Financial Instruments. It is considered that the application of this principle will not have any significant effect on the classification and valuation of financial instruments.

IFRS 15: Revenues from Customer Contracts. The nature of the retail activity suggests that the application of IFRS 15 will have no significant effect on revenues and operating costs recognition.

On the other hand, with regard to the future application of the new IFRS 16 - Leases principle, which EU approval is expected in the second half of 2017, and which will replace the IAS 17 - Leasing principle as from 1 January 2019, the Group has implemented a specific road map for determining the accounting impacts related to the implementation of such new principle, through an in-depth analysis of the contracts and the clauses contained therein.

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

	2017		2016		
	Rate on 30 June	Average rate for the period	Rate on 30 June	Average rate for the period	Rate on 31 December
US Dollar	1.1412	1.0830	1.1102	1.1159	1.0541
Canadian Dollar	1.4785	1.4453	1.4384	1.4844	1.4188
Swiss Franc	1.0930	1.0766	1.0867	1.0960	1.0739
British Sterling	0.8793	0.8606	0.8265	0.7788	0.8562

Basis of consolidation

There have been no significant changes in the scope of consolidation since 31 December 2016.

HMSHost Corporation and its subsidiaries, following common practice in English-speaking countries, close their fiscal year on the Friday closest to 31 December and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last which is a 16-week quarter. As a result, the accounts included in the condensed interim consolidated financial statements at 30 June 2017 cover the period 30 December 2016 to 16 June 2017, while the previous year's accounts covered the period 2 January 2016 to 17 June 2016. This practice has no significant impact on the statement of financial position at 30 June 2017 and on the profit/(loss) for the period.

On 9 June 2016 Autogrill S.p.A. (through the French subsidiary Holding de Participations Autogrill S.a.s.) finalized the sale of Autogrill Restauration Services S.a.s., which handles the Group's food

& beverage operations at French railway stations, to the Elior Group for a fee of 27.5m€, with a gain of € 14.9m recorded in the income statement under the item "Gain on operating activities disposal". In the first five months of 2016, the amount of revenues generated from the discontinued operations was € 26.4m, while the operating profit was € 1.1m.

On 3 November 2016 Autogrill S.p.A. finalized the sale of Autogrill Nederland B.V. and its two subsidiaries. As a result, in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the income statement and cash flow figures for the first half 2016 have been presented under "Result from discontinued operations" and "Cash flow from discontinued operations". Consequently, the first half 2016 income statement and statement of cash flows originally published by the Autogrill Group have been restated accordingly.

Finally, through the US subsidiary HMSHost Corporation, during the year 2016, the Group acquired the following acquisition operations:

- In the framework of the strategy for the continued strengthening of the Group's presence in North America's catering services industry, on August 20, 2016, the Autogrill Group has completed the acquisition of Concession Management Services airport catering services, Inc. ("CMS") for a fee of $ 37.9m;

- As part of the expansion of its operations in North America, on October 10, 2016, the Autogrill Group completed the acquisition of Stellar Partners Inc., specializing in airport convenience for a fee of $ 16.2m, whose 2.3m $ dilated.

Overall, in the first half of 2017, CMS and Stellar Partners generated revenues of € 40m ($ 43.4m).

2.2.2 Discontinued operations

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations," the income statement and cash flows of Autogrill Nederland B.V. and its subsidiaries for the first half of 2016 are shown on the lines "Result for discontinued operations" and "Cash flow from discontinued operations".

The income statement and the statement of cash flows of the first half of 2016 are shown below (Note XXXV):

Income statement

(€k)	First Half 2016
Revenue	16,067
Other operating income	717
Total revenue and other operating income	**16,784**
Raw materials, supplies and goods	2,692
Personnel expense	6,109
Leases, rentals, concessions and royalties	1,848
Other operating expense	4,792
Depreciation and amortization	1,338
Operating profit	**5**
Financial expense	(101)
Pre-tax profit	**(96)**
Income tax	0
Profit for the period	**(96)**

Statement of cash flows

(€k)	First Half 2016
Opening net cash and cash equivalents	**542**
Pre-tax profit and net financial expense for the period	5
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	1,338
Change in working capital	256
Cash flow from operating activities	**1,599**
Interest paid	(101)
Net cash flow from operating activities	**1,498**
Acquisition of property, plant and equipment and intangible assets paid	(529)
Net cash flow used in investing activities	**(529)**
Repayments of current loans, net of new loans	(930)
Net cash flow used in financing activities	**(930)**
Cash flow for the period	**39**
Closing net cash and cash equivalents	**581**

Reconciliation of net cash and cash equivalents

(€k)	
Opening - net cash and cash equivalents - balance as of 1st January 2016	**542**
Closing - net cash and cash equivalents - balance as of 30th June 2016	**581**

2.2.3 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

(€k)	30.06.2017	31.12.2016	change
Bank and post office deposits	97,054	107,914	**(10,860)**
Cash and equivalents on hand	44,128	50,830	**(6,702)**
Total	**141,182**	**158,744**	**(17,562)**

The balance of “Bank and post office deposits” decreased with respect to 31 December 2016 due to a better and efficient management of bank account balances.

"Cash and equivalents on hand" include cash floats at stores and amounts in the process of being credited to bank accounts. The amount may vary substantially depending on the frequency of pick-ups for deposit, which are generally handled by specialized third-party carriers.

The statement of cash flows presents the various sources and uses of cash that contributed to the change in this item.

II. Other financial assets

(€k)	30.06.2017	31.12.2016	change
Financial receivables from third parties	16,953	22,066	**(5,113)**
Receivables from credit card companies	19,850	14,801	**5,049**
Fair value of interest rate hedging derivatives	810	1,018	**(208)**
Fair value of exchange rate hedging derivatives	1,024	678	**346**
Total	**38,637**	**38,563**	**74**

"Financial receivables from third parties" consists mostly of current receivables due from the non-controlling shareholders of some North American subsidiaries and the change is due to the revenues of the period.

The increase of the item "Receivables from credit card companies" is related to seasonality.

"Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 30 June 2017 and 31 December 2016, with a combined notional value of $ 100m. The non-current portion (€ 1,135k) is shown in the item ‘Other financial assets non current’(Note XI).

“Fair value of exchange rate hedging derivatives” refers to the fair value measurement of the derivatives entered into to hedge exchange rate risk at 30 June 2017, in particular to the forward purchase and/or sale of currency, in connection with loans and the payment of dividends.

III. Tax assets

These amount to € 3,048k (€ 3,268k at 31 December 2016) and refer to income tax advances and credits mainly related to the Parent Company and some European subsidiaries.

IV. Other receivables

(€k)	30.06.2017	31.12.2016	change
Suppliers	31,923	32,702	**(779)**
Lease and concession advance payments	18,553	15,784	**2,769**
Inland revenue and government agencies	23,824	11,177	**12,647**
Receivables from grantors for investments	1,974	2,795	**(821)**
Sub-concessionaires	2,268	1,459	**809**
Receivables from the parent for tax consolidation	12,457	12,457	**0**
Personnel	536	504	**32**
Other	37,188	41,747	**(4,559)**
Total	**128,723**	**118,625**	**10,098**

"Suppliers" refers to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received.

"Lease and concession advance payments" consist of lease instalments paid in advance, as required by contract.

Receivables from “Inland revenue and government agencies” relate mostly to indirect taxes. Most of the change concerns the shift to a net VAT liability in Italy, compared with a debit at 31 December 2016, caused by the different scheduling of renting invoices by the landlords.

"Receivables from grantors for investments" relate to commercial investments made on behalf of concession grantors in accordance with the terms of contracts. The decrease reflects amounts collected during the period.

Amounts due from “Sub-concessionaires” refer to businesses licensed to others and consist mainly of rent receivable.

"Receivables from the parent for tax consolidation" concern the amount due from Edizione S.r.l. to the Italian companies in the Group that participate in the domestic tax consolidation scheme (see paragraph 2.2.12 Other Information – Related Parties).

"Other" consists mainly of prepayments for maintenance and insurance policies and advances on local taxes. Most of the decrease concerns the effect of seasonality.

V. Trade receivables

(€k)	30.06.2017	31.12.2016	change
Third parties	49,942	62,823	**(12,881)**
Bad debt reserve	(4,110)	(4,718)	**608**
Total	**45,832**	**58,105**	**(12,273)**

"Third parties" refers mainly to catering service agreements and accounts with affiliated companies. In particular, with reference to the first application of IFRS 9, as from 1 January 2018, the credit risk assessment is already carried out as in previous years, taking into account the general risk of collection of the receivables not expired at the date of reference, as resulting from historical experience. The provision for "Bad debt reserve" accrued for the first half of the year is 405k€.

VI. Inventories

Inventories, totalling € 115,656k at 30 June 2017 (down from € 119,456k the previous year), are shown net of the write-down provision of € 1,419k (€ 1,430k at 31 December 2016), determined considering the revised recoverability estimates based on disposal strategies for slow-moving goods. Inventories are concentrated mostly in Italy (where the Group uses centralized warehouses to handle logistics) and the United States, and consist chiefly of food raw materials, drinks, packaged products, and goods sold under government monopoly.

Non-current assets

VII. Property, plant and equipment

	30.06.2017			31.12.2016			
(€k)	Gross carrying amount	Accumulated depreciation and impair.	Carrying amount	Gross carrying amount	Accumulated depreciation and impair.	Carrying amount	change
Land and buildings	136,467	(81,835)	**54,632**	132,982	(78,347)	**54,635**	**(3)**
Leasehold improvements	1,151,475	(741,032)	**410,443**	1,206,715	(778,074)	**428,641**	**(18,198)**
Plant and machinery	203,281	(169,912)	**33,369**	194,969	(168,912)	**26,057**	**7,312**
Industrial and commercial equipment	832,529	(654,101)	**178,428**	854,791	(669,333)	**185,458**	**(7,030)**
Assets to be transferred free of charge	338,982	(276,182)	**62,800**	343,582	(280,057)	**63,525**	**(725)**
Other	52,110	(47,438)	**4,672**	52,473	(47,592)	**4,881**	**(209)**
Assets under construction and payments on account	121,903	-	**121,903**	133,336	-	**133,336**	**(11,433)**
Total	**2,836,747**	**(1,970,500)**	**866,247**	**2,918,848**	**(2,022,315)**	**896,533**	**(30,286)**

Capital expenditure in the first half 2017 amounted to € 102,603k, while the net carrying amount of disposals was € 2,373k. The disposals generated net gains of € 1,033k. The directors' report on operations contains a more detailed analysis of capital expenditure.

In addition to depreciation of € 88,297k, impairment testing of individual locations resulted in net impairment losses of € 558k, including the reversal of losses charged in previous years (up to historical amortized cost as of the reversal date) where the reasons for impairment no longer exist. Consistently with the method followed in the 2016 financial statements, impairment testing was based on the estimated future cash flows for each location (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country.

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

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

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

	30.06.2017			31.12.2016		
(€k)	Gross amount	Accumulated depreciation and impairment losses	Carrying amount	Gross amount	Accumulated depreciation and impairment losses	Carrying amount
Land and buildings	5,536	(3,747)	**1,789**	5,536	(3,706)	**1,830**
Assets to be transferred free of charge	5,108	(3,633)	**1,475**	5,108	(3,541)	**1,567**
Industrial and commercial equipment	700	(524)	**176**	660	(455)	**205**
Total	**11,344**	**(7,904)**	**3,440**	**11,304**	**(7,702)**	**3,602**

The financial payable for leased goods amounts to € 4,803k and is included under "Other financial liabilities" (current) for € 466k (€ 551k at the end of 2016) and "Other financial liabilities" (non-current) for € 4,337k (€ 4,484k the previous year) (Notes XVII and XX). Future lease payments due after 30 June 2017 amount to € 7,356k (€ 7,773k at the end of 2016).

VIII. Goodwill

At 30 June 2017 goodwill amounted to € 826,814k, compared with € 869,318k the previous year. The cash-generating units (CGUs) were identified on the basis of business segment, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes.

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

(€k)	30.06.2017	31.12.2016	change
North America	443,188	479,412	**(36,224)**
International	59,979	63,886	**(3,907)**
Italy	83,631	83,631	**0**
Switzerland	133,397	135,770	**(2,373)**
Belgium	47,136	47,136	**0**
France	52,616	52,616	**0**
Other	6,867	6,867	**0**
Total	**826,814**	**869,318**	**(42,504)**

The change for the period is attributable only to exchange differences.

The economic and financial patterns noted during the first half and the updated forecasts of future macroeconomic trends are consistent with the assumptions used to test the recoverability of goodwill upon preparation of the annual report at 31 December 2016. Therefore, no indicators of potential impairment were identified during the preparation of the consolidated half-year financial report and early impairment tests were not run.

IX. Other intangible assets

	30.06.2017			31.12.2016			
(€k)	Gross carrying amount	Accumulated depreciation and impair.	Carrying amoun	Gross carrying amount	Accumulated depreciation and impair.	Carrying amoun	change
Concessions, licenses, trademarks and similar rights	163,687	(111,649)	**52,038**	172,430	(110,689)	**61,741**	**(9,703)**
Other	93,812	(75,744)	**18,068**	82,219	(69,244)	**12,975**	**5,093**
Assets under development and payments on account	4,283	0	**4,283**	6,573	0	**6,573**	**(2,290)**
Total	**261,782**	**(187,393)**	**74,389**	**261,222**	**(179,933)**	**81,289**	**(6,900)**

In the first half 2017 capital expenditure came to € 7,463k, mostly for software, while amortization amounted to € 10,566k.

All "Other intangible assets" have finite useful lives.

Following the verification if impairment losses exist at store level, no impairment losses on intangible assets were recognized for the period.

X. Investments

This item is mainly comprised of associates and joint ventures, measured using the equity method. The increase for the year is therefore explained by the exchange effect and the Group's share of net profit.

Any surplus of an investment's carrying amount over pro rata equity represents future profitability inherent in the investment.

For the sake of thoroughness, we report that implementation of the equity method evaluation has lead to a recognition of a positive € 381k profit in the income statement under "Adjustments to the value of financial assets" while a positive € 177k for exchange gains was recorded in the statement of other comprehensive income.

XI. Other financial assets

(€k)	30.06.2017	31.12.2016	change
Interests-bearing sums with third parties	3,796	2,860	**936**
Guarantee deposits	13,080	7,811	**5,269**
Other financial receivables from third parties	11,968	7,654	**4,314**
Fair value of interest rate hedging derivatives	1,135	-	**1,135**
Total	**29,979**	**18,325**	**11,654**

The item "Interests-bearing sums with third parties" refers to interest-bearing deposits.

The increase in the item "Guarantee deposits" is mainly related to deposits made in connection with new contractual awards.

"Other financial receivables from third parties" consist primarily of amounts due from the non-controlling shareholders of some North American subsidiaries for capital advances, taking account of their ability to pay the sums back with future earnings.

The item "Fair value of interest rate hedging derivatives" includes the non-current fair value of interest rate risk hedging transactions at June 30, 2017 for total notional amounts of $ 100m. The current portion is reflected in current financial assets (Note II).

XII. Deferred tax assets and liabilities

Deferred tax assets, shown net of offsettable deferred tax liabilities, amount to € 39,094k (€ 41,644k at 31 December 2016). At 30 June 2017, "Deferred tax liabilities" not offsettable against deferred tax assets amounted to € 30,956k (€ 34,342k the previous year).

Deferred tax assets, shown net of offsettable deferred tax liabilities, refer mainly to the different amortization and depreciation periods and to the recognition of fiscal losses carried forward. In the period deferred tax assets due to defined benefit plan changed for €336k (Note XXIV).

The value of tax losses that have not been recognized for deferred tax assets, due to expected business trends or the presence of exempted income that imply that a not adequate taxable income is generated to enable them to be used, amounts to € 221,231k. The corresponding unrecognized tax benefit would be € 61,168k.

Deferred tax liabilities refer mainly to the different amortization and depreciation periods.

XIII. Other receivables

Most of the other non-current receivables of € 11,244k (€ 11,063k at 31 December 2016) consist of rent paid in advance.

Current liabilities

XIV. Trade payables

Trade payables at 30 June 2017 came to € 326,699k. The decrease with respect to the previous year's balance of € 359,832k is due primarily to the timing of payments to suppliers and the different seasonal pattern, as well as a different calendar of rent payments in Italy.

XV. Tax liabilities

These amounts to € 18,219k, increased by € 9,600k and refer to taxes accrued during the year net of offsettable receivables. The income tax balance of the Italian companies participating in the domestic tax consolidation scheme of the ultimate parent, Edizione S.r.l., is recognized under "Other receivables" in current assets. The increase in the item is related to the dynamics of maturing debt for taxes and payments of advances that may not be matched at half-year.

XVI. Other payables

(€k)	30.06.2017	31.12.2016	change
Personnel expense	132,987	150,176	**(17,189)**
Due to suppliers for additions of capital expenditure	65,259	91,644	**(26,385)**
Social security and defined contribution plans	40,524	42,521	**(1,997)**
Indirect taxes	28,568	29,892	**(1,324)**
Withholding taxes	9,662	12,775	**(3,113)**
Other	31,719	29,720	**1,999**
Total	**308,719**	**356,728**	**(48,009)**

The change in the item "Personnel" is mainly due to the payment of incentives for the year 2016 and the payments for the exercise of Wave 1 of the Phantom Stock Option 2014 plan (paragraph 2.2.12). In addition, the item includes Wave 2 debt for the Phantom Stock Option 2014 plan, with the vesting period ended on July 15, 2017.

"Due to suppliers for additions of capital expenditure" went up mainly because of an increase in investments and their different distribution over the course of the year.

The item "Social security and defined contribution plans" refers chiefly to the amount due to local social security institutions and for liabilities under defined contribution programs.

Most of the change in "Indirect taxes" concerns mainly indirect taxes.

The item "Other" includes amounts due to directors and statutory auditors as well as deferred promotional contributions from suppliers and accrued liabilities for insurance, utilities, and maintenance pertaining to the period.

XVII. Other financial liabilities

(€k)	30.06.2017	31.12.2016	change
Accrued expense and deferred income for interest on loans	5,911	9,237	**(3,326)**
Lease payments due to others (note VII)	466	551	**(85)**
Fair value of exchange rate hedging derivatives	580	1,925	**(1,345)**
Other financial accrued expense and deferred income	9	3	**6**
Total	**6,966**	**11,716**	**(4,750)**

The item "Accruals expenses and deferred income for interest on loans" is mainly due to the repayment of the bond issue maturing in May 2017 of 150m $ and with a half-year coupon at a fixed rate of 5.73% per annum.

“Fair value of exchange rate hedging derivatives” refers to the fair value measurement of the derivatives entered into to hedge currency risk at 30 June 2017, in particular to the forward sale and/or purchase of currency, in connection with intercompany loans and dividends.

Non-current liabilities

XVIII. Other payables

These amount to € 35,527k (€ 38,980k at 31 December 2016) and include mainly the liability to personnel for long-term incentives and for defined contribution plans.

XIX. Loans

(€k)	30.06.2017	31.12.2016	change
Current account overdrafts	57,207	30,046	**27,161**
Unsecured bank loans (current)	139,185	78,000	**61,185**
Total current	**196,392**	**108,046**	**88,346**
Unsecured bank loans (non-current)	323,915	185,000	**138,915**
Commissions on loans	(2,427)	(3,011)	**584**
Total non-current	**321,488**	**181,989**	**139,499**
Total	**517,880**	**290,035**	**227,845**

The breakdown of “Unsecured bank loans” at 30 June 2017 and at 31 December 2016 is shown below:

	Expiry	30.06.2017 Amount (€k)	30.06.2017 Drawdowns in €k (1)	31.12.2016 Amount (€k)	31.12.2016 Drawdowns in €k (1)
Revolving Facility Agreement - HMS Host Corporation (2)	March 2020	262,881	113,915	284,603	-
2013 Line		**262,881**	**113,915**	**284,603**	**-**
Multicurrency Revolving Facility - Autogrill S.p.A. (Term Amortizing)	March 2020	170,000	170,000	200,000	200,000
Multicurrency Revolving Facility - Autogrill S.p.A. (Revolving)	March 2020	400,000	100,000	400,000	45,000
2015 Syndicated lines		**570,000**	**270,000**	**600,000**	**245,000**
Total		**832,881**	**383,915**	**884,603**	**245,000**
of which current portion		**60,000**	**60,000**	**60,000**	**60,000**
Total lines of credit net of current portion		**772,881**	**323,915**	**824,603**	**185,000**

(1) Drawdowns in currency are measured based on exchange rates at 30 June 2017 and 31 December 2016

(2) Original line of $ 300m, reduced to $ 250m as per term agreement. On March 2015 the loan maturity was extended from March 2016 to March 2020

At 30 June 2017 the Group's committed credit facilities had been drawn down by about 46%.

In 2015, the Parent Company had obtained a new line of credit of € 600m (Term and Revolving Facilities Agreement), expiring in March 2020, which can only be used by Autogrill S.p.A. This loan is divided into a “term amortizing line” and a “Revolving line”, for a value of € 200m and € 400m respectively. The "term amortizing" line provides for a six-monthly repayment, starting from June 2017, of € 30m and the expiration of the residual capital of € 50m. It should be noted that in June 2017 it was reimbursed as provided by contract, a 30m € instalment in the Term Loan signed in March 2015.

The contract for the € 600m credit facility taken out by Autogrill S.p.A. requires it to fulfill certain financial ratios: a leverage ratio (net debt/EBITDA) of 3.5 or less and an interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring to the Group as a whole.

The contract for the $ 300m facility contracted by HMSHost requires it to uphold a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring solely to the companies headed up by HMSHost Corporation.

For the calculation of these ratios, net and gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, the final ratios are not readily apparent from the financial statements.

At 30 June 2017 all of the above covenants were satisfied. Projections confirm that they will continue to be met over the next 12 months.

XX. Other financial liabilities

(€k)	30.06.2017	31.12.2016	change
Lease payments due to others (note VII)	4,337	4,484	**(147)**
Fair value of interest rate hedging derivatives	-	752	**(752)**
Liabilities due to others	1,025	2,367	**(1,342)**
Total	**5,362**	**7,603**	**(2,241)**

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

XXI. Bonds

(€k)	30.06.2017	31.12.2016	change
Bonds (current)	-	143,252	**(143,252)**
Commissions on bond issues	-	(75)	**75**
Total current	**-**	**143,177**	**- 143,177**
Bonds (non-current)	308,368	331,900	**(23,532)**
Commissions on bond issues	(1,335)	(1,519)	**184**
Total non-current	**307,033**	**330,381**	**(23,348)**
Total	**307,033**	**473,558**	**(166,525)**

"Bonds" refer to private placements issued by HMSHost Corporation:

- in January 2013 for a total of $ 150m, maturing in January 2023 and paying interest half-yearly at a fixed annual rate of 5.12%;

- in March 2013 for a total of $ 200m, paying interest half-yearly and split into tranches as summarized in the table below:

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

At 30 June 2017 bonds amounted to € 307,033k, compared with € 473,558k at the end of 2016. The change is due essentially to the reimbursement of the bond issued in 2007 for a total of $ 150m, maturing in May 2017, through the use of long-term credit lines available, as well as the depreciation of the US dollar.

In December 2014, the Group negotiated interest rate swaps with maturities matched with those of the bonds issued in 2013, for a notional value of $ 100m. At 30 June 2017 there was a loss on the hedged item of € 1,895k ($ 2,052k) and a gain of a similar amount on the hedge, so the effect on the income statement was essentially nil (Note XXXII).

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

The regulations for these bonds require the fulfillment of certain financial ratios: a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, calculated solely with respect to HMSHost Corporation and its subgroup. For the calculation of these ratios, gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, they are not readily apparent from the financial statements. At 30 June 2017 these contractual requirements were satisfied. Projections confirm that they will continue to be met over the next 12 months.

XXII. Defined benefit plans

At 30 June 2017 this item amounted to € 85,951k (€ 90,835k at the close of the previous year).

The valuation of assets/liabilities connected to defined benefit plans is done regularly, at the end of each year unless specific indicators suggest the need to update estimates earlier; during the period under examination the need to update the discount rate applied to defined benefit plan assets/liabilities in a few European countries materialized; the discount rate was, therefore, adjusted, as a result of which an decrease of €717k, net of the tax effect of €336k (Note XII).

XXIII. Provisions for risks and charges

The change is due to normal recognition of provision and utilizations for the period, and to the release of provisions as described below.

(€k)	30.06.2017	31.12.2016	change
Provision for taxes	3,318	3,294	24
Other provisions	10,717	11,384	(667)
Provision for legal disputes	1,253	2,090	(837)
Total provisions for current risks and charges	**15,288**	**16,768**	**(1,480)**
Other provisions	28,601	30,341	(1,740)
Provision for legal disputes	2,135	2,376	(241)
Provision for the refurbishment of third party assets	6,841	7,348	(507)
Onerous contracts provision	1,088	2,858	(1,770)
Total provisions for non-current risks and charges	**38,665**	**42,922**	**(4,258)**

Provision for taxes

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

Other provisions

These refer almost entirely to a United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans, settled on an annual basis. In the first half of 2017, € 6,729k was allocated to this provision on the basis of track records and forecasts regarding accidents, while settlements for the period came to € 6,274k (including € 1,821k from the non-current portion).

Provision for legal disputes

This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments, in line with forecasts. Allocations for the period amounted to € 840k.

Provision for the refurbishment of third party assets

This represents the estimated liability for ensuring that leased assets are returned in the contractually agreed condition.

Onerous contracts provision

This refers to long-term leases or concession agreements on commercial stores that are not profitable enough to cover the rent. It has been updated using profitability projections as of 30 June 2017.

XXIV. Equity

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

Share capital

At 30 June 2017 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to € 68,688k and consists of 254,400,000 ordinary shares.

At 30 June 2017 Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

Legal reserve

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

Translation reserve

Translation differences are generated by the translation into euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the equity method, net of the fair value of instruments designated as net investment hedges. Of the decrease, € 26,637k concerns exchange rate gains from the translation of financial statements in foreign currencies and € 177k the portion of comprehensive income for investments valued using the equity method (Note X), partially offset by the decrease in the fair value of instruments designated as net investment hedges, net of the tax effect (€ 118k).

Other reserves and retained earnings

These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the stock option plans.

Other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement defined benefit plan assets and liabilities.

The change in this item was caused mainly by the allocation to reserves of the 2016 profit on the basis of the shareholders' meeting resolution of 25 May 2017 and by the payment of € 40,675k in dividends.

Treasury shares

The annual general meeting of 25 May 2017, pursuant to arts. 2357 *et seq.* of the Italian Civil Code and after revoking the authorization granted previously, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 30 June 2017 the parent owned 181,641 treasury shares (365,212 at the end of 2016) with a carrying amount of € 720k and an average carrying amount of € 3.96 per share. During the first half of 2017, shares n.183,571 were sold following the exercise of the options by the beneficiaries of the 2010 Stock Option Plan.

Non-controlling interests

Non-controlling interests amount to € 47,120k, compared with € 43,997k at 31 December 2016. Most of the increase is due to the profit the year (€ 7,217k) and capital injections (€ 11,094k), net of dividends paid (€ 12,656k).

Other comprehensive income

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

	First half 2017			First half 2016		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Remeasurements of the defined benefit (liabilities)/assets	717	(336)	381	(3,753)	964	(2,789)
Items that will never be reclassified to profit or loss	**717**	**(336)**	**381**	**(3,753)**	**964**	**(2,789)**
Equity-accounted investee - share of other comprehensive income	(177)	-	(177)	285	-	285
Foreign currency translation differences for foreign operations	(29,982)	-	(29,982)	294	-	294
Gain/(loss) on net investment hedge	(157)	39	(118)	163	(39)	124
Items that may be subsequently reclassified to profit or loss	**(30,316)**	**39**	**(30,277)**	**742**	**(39)**	**703**
Total other comprehensive income	**(29,599)**	**(297)**	**(29,896)**	**(3,011)**	**925**	**(2,086)**

2.2.4 Notes to the income statement

XXV. Revenue

Revenue for the first half 2017 was made up as follows:

(€k)	First Half 2017	First Half 2016	change
Food & Beverage sales	2,129,067	2,040,536	**88,531**
Oil sales	195,292	199,844	**(4,552)**
Total	**2,324,359**	**2,240,380**	**83,979**

The change reflects higher business volumes, specifically in North America and in various countries covered by HMSHost International.

The sale of fuel takes place mainly at rest stops in Italy and Switzerland.

For details of the trend in revenue, see section 2.2.8 (Segment reporting) and the Directors' Report on operations.

XXVI. Other operating income

(€k)	First Half 2017	First Half 2016	change
Bonus from suppliers	20,373	20,085	**288**
Income from business leases	3,739	3,460	**279**
Affiliation fees	1,009	1,201	**(192)**
Gain on sales of property, plant and equipment	1,236	63	**1,173**
Other revenue	16,855	17,976	**(1,121)**
Total	**43,212**	**42,785**	**427**

"Other revenue" includes € 9,703k (€ 9,021k the previous year) in commissions from the sale of goods and services for which the Group acts as an agent (mostly telephone cards, fuel and lottery tickets). It also includes income from services, reimbursements from third parties and insurance payments, including the insurance gain for the business interruption at Brussels airport following the attack in March 2016.

XXVII. Raw materials, supplies and goods

(€k)	First Half 2017	First Half 2016	change
Purchases	846,277	853,444	**(7,167)**
Change in inventories	(1,096)	(21,954)	**20,858**
Total	**845,181**	**831,490**	**13,691**

Most of the change in this item reflects the increase of the revenues of the Group.

XXVIII. Personnel expense

(€k)	First Half 2017	First Half 2016	change
Wages and salaries	561,547	539,198	**22,349**
Social security contribution	98,484	93,055	**5,429**
Employee benefits	17,385	13,349	**4,036**
Other costs	56,779	49,452	**7,327**
Total	**734,195**	**695,054**	**39,141**

The increase in personnel expense reflects the expansion of business and, specifically in the United States and in International area.

It should be noted that the item "Other costs" includes the portion of the period of the cost of the stock option plans (€ 10,401k) and the remuneration of the Directors accrued, as detailed in the following paragraph 2.2.12. The costs of Phantom Stock Option's plans also include adjusting the use of estimates compared to the amount already allocated at December 31, 2016 (€ 5.7 million) on the basis of up-to-date information on the performance of the Autogrill shares, which grew from € 8.6 per share at 31 December 2016 to € 10.6 per share as of June 30, 2017.

XXIX. Leases, rentals, concessions and royalties

(€k)	First Half 2017	First Half 2016	change
Leases, rentals and concessions	330,451	312,299	**18,152**
Royalties	52,929	50,183	**2,746**
Total	**383,380**	**362,482**	**20,898**

The increase in this item reflects the expansion of the Group's operations.

XXX. Other operating expense

(€k)	First Half 2017	First Half 2016	change
Utilities	42,224	43,361	**(1,137)**
Maintenance	39,279	38,407	**872**
Cleaning and disinfestations	25,718	24,001	**1,717**
Consulting and professional services	16,914	16,706	**208**
Commissions on credit card payments	25,204	21,954	**3,250**
Storage and transport	8,273	7,796	**477**
Advertising	6,317	6,444	**(127)**
Travel expenses	14,278	13,026	**1,252**
Telephone and postal charges	9,665	8,371	**1,294**
Equipment hire and lease	3,869	3,563	**306**
Insurance	2,651	2,613	**38**
Surveillance	1,449	1,581	**(132)**
Transport of valuables	2,256	2,233	**23**
Banking services	2,576	2,074	**502**
Sundry materials	16,993	16,767	**226**
Other services	17,600	18,367	**(767)**
Costs for materials and services	**235,266**	**227,264**	**8,002**
Impairment losses on receivables	**400**	**514**	**(114)**
For taxes	237	188	49
For legal disputes	840	641	199
For onerous contracts	(1,596)	(2)	(1,594)
For other risks	6,780	8,790	(2,010)
Allocation to provisions for risks	**6,261**	**9,617**	**(3,356)**
Indirect and local taxes	**13,368**	**12,527**	**841**
Other operating expense	**5,206**	**5,379**	**(173)**
Total	**260,501**	**255,301**	**5,200**

The increase in “Maintenance” was concentrated primarily in the United States.

Most of the change in "Commissions on credit card payments" results from the increased use of cards this year, especially in North America.

"Sundry materials" refer to the purchase of inexpensive equipment and to various consumables such as uniforms, office supplies, and advertising materials.

"Consulting services" were received primarily in Italy and the United States.

The item "Other services" includes miscellaneous items such as medical check-ups, public relations, general services, and personnel recruitment and training.

The increase in provisions "For other risks" refers mainly to the United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans.

XXXI. Depreciation, amortization and impairment losses

In detail by type of assets:

(€k)	First Half 2017	First Half 2016	change
Other intangible assets	10,565	7,910	**2,655**
Property, plant and equipment	80,988	75,967	**5,021**
Assets to be transferred free of charge	7,310	8,235	**(925)**
Total	**98,863**	**92,112**	**6,751**

Impairment losses (net of reversals) were recognized in the amount of € 558k (€ 1,166k at 30 June 2016), following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each cash generating unit.

XXXII. Capital gain from disposal of operating activities

This consists of the gain of € 14,856k from the sale of the French railway station business in June 2016.

XXXIII. Financial income and expense

(€k)	First Half 2017	First Half 2016	change
Interest income	441	391	50
Exchange rate income	508	-	508
Interest differential on exchange rate hedges	438	650	(212)
Other financial income	27	161	(134)
Total financial income	**1,414**	**1,202**	**212**

(€k)	First Half 2017	First Half 2016	change
Interest expense	13,566	13,856	(290)
Discounting of long-term liabilities	350	596	(246)
Exchange rate losses	-	1,478	(1,478)
Interest differential on exchange rate hedges	283	68	215
Fees paid on loans and bonds	45	69	(24)
Ineffective portion of hedging instruments	3	82	(79)
Other financial expense	152	721	(569)
Total financial expense	**14,399**	**16,870**	**(2,471)**
Total net financial expense	**(12,985)**	**(15,668)**	**2,683**

The decrease in net financial expenses reflect mainly the reduction in exchange rate differences arising on intragroup relationships.

XXXIV. Income tax

The balance of € 19,099k (€ 22,175k in the first half 2016) includes € 18,588k in current taxes (€ 19,224k the previous period) and € 330k in net deferred tax assets (€ 1,818k in the first half 2016).

IRAP, which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense for fixed-term labour, came to € 457k in 2017 (€ 316k the previous period).

CVAE, charged on French operations and calculated on the basis of revenue and value added, amounted to € 639k (€ 817k in the first half 2016).

Below is a reconciliation between the tax charge recognized in the consolidated financial statements and the theoretical tax charge. The latter was determined by applying the theoretical tax rate to the gross income earned in each jurisdiction.

(€k)	First Half 2017	First Half 2016
Theoretical income tax	**16,898**	**20,121**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(2,783)	(2,216)
Net effect of unrecognised tax losses, of utilization of unrecognised prior-year tax losses and the revision of estimates on the taxability/deductibility of temporary differences	8,679	8,231
Gain on operating activity disposal no-taxable	-	(4,952)
Permanent differences	(3,877)	(142)
Income tax, excluding IRAP and CVAE	**18,917**	**21,042**
IRAP and CVAE	182	1,133
Recognised income tax	**19,099**	**22,175**

Si segnala che sono iniziate, nel corso del primo semestre 2017, delle verifiche fiscali in Italia e Francia.

XXXV. Profit/loss from discontinued operations

The loss of € 96k is the net profit earned in the first 6 months of 2016 by the Dutch operations sold on November 2016.

XXXVI. Basic and diluted earnings per share

Basic earnings per share is calculated as the Group's share of net profit divided by the weighted average number of ordinary Autogrill S.p.A. shares outstanding during the year; treasury shares held by the Group are therefore excluded from the denominator.

Diluted earnings per share takes account of dilutive potential shares deriving from stock option plans when determining the number of shares outstanding.

Below is the calculation of basic earnings (or loss) per share:

	First Half 2017	First Half 2016
Profit for the period attributable to owners of the parent (€k)	5,973	16,832
Weighted average no. of outstanding shares (no./000)	254,057	254,035
Basic earning per share (€/cent.)	**2.4**	**6.6**

	First Half 2017	First Half 2016
Profit for the period attributable to owners of the parent (€k)	5,973	16,832
Weighted average no. of outstanding shares (no./000)	254,057	254,035
Dilution effect of shares included in stock option plans (no./000)	(0)	82
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,057	254,117
Diluted earning per share (€/cent.)	**2.4**	**6.6**

2.2.5 Net financial position

Details of the net financial position at 30 June 2017 and 31 December 2016 are as follows:

Note	(€m)	30.06.2017	31.12.2016	change
I	A) Cash on hand	44.1	50.8	**(6.7)**
I	B) Cash equivalents	97.1	107.9	**(10.9)**
	C) Securities held for trading	-	-	**-**
	D) Cash and cash equivalent (A)+(B)+(C)	**141.2**	**158.8**	**(17.6)**
II	**E) Current financial assets**	**38.6**	**38.6**	**0.1**
XIX	F) Bank loans and borrowings, current	(196.4)	(108.0)	**(88.3)**
XXI	G) Bond issued	(0.0)	(143.2)	**143.2**
XVII	H) Other financial liabilities	(7.0)	(11.7)	**4.8**
	I) Current financial indebtedness (F+G+H)	**(203.4)**	**(262.9)**	**59.6**
	J) Net current financial indebtedness (I+E+D)	**(23.5)**	**(65.6)**	**42.1**
XIX	K) Bank loans and borrowings, net of current portion	(321.5)	(182.0)	**(139.5)**
XXI	L) Bond issued	(307.0)	(330.4)	**23.3**
XX	M) Due to others	(5.4)	(7.6)	**2.2**
	N) Non-current financial indebtedness (K+L+M)	**(633.9)**	**(520.0)**	**(113.9)**
	O) Net financial indebtedness (J+N)[(1)]	**(657.4)**	**(585.6)**	**(71.8)**
XI	**P) Non-current financial assets**	**13.1**	**7.7**	**5.5**
	Net financial position - total	**(644.3)**	**(578.0)**	**(66.4)**

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

For further commentary, see the notes indicated for each item. The change was caused by strong cash generation in the period net of investment and the payment of dividends of € 40.7m.

At 30 June 2017 and 31 December 2016, there were financial assets from related parties (see paragraph '2.2.12 Other Information').

2.2.6 Financial instruments - fair value and risk management

The objectives, policies, and procedures of financial risk management did not changed during the first half of the year. They are described in the 2016 Annual Report. In addition, there were no changes in the fair value hierarchy used in measuring of financial instruments compared with the most recent annual consolidated financial statements, and the methods used in measuring level fair value are consistent with those used in the in the 2016 Annual Report.

2.2.7 Disclosure of non-controlling interests

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

At 30 June 2017, these companies had net assets of $ 157.9m ($ 129.6m at 31 December 2016), revenue of $ 366.2m ($ 322.5m in the first half 2016) and profit for the period of $ 40.9m ($ 34.1m in the first half 2016). The equity attributable to non-controlling interests amount to $ 36.2m ($ 30m at 31 December 2016) and the profit to $ 8.3m ($ 7.3m in the previous period).

2.2.8 Segment reporting

The Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, serving a local and international clientele. The business is conducted in Europe by Autogrill S.p.A. (directly in Italy and through subsidiaries in other European countries), and in North America, Scandinavia, the Middle East and Asia by HMSHost Corporation and its subsidiaries. The Group serves its own proprietary brands as well as third-party brands under license. The operational levers are typically assigned to local organizations and coordinated, at the European level, by central facilities.

Performance is monitored separately for each business unit: Europe, North America, and International (the latter covering Northern Europe, Middle East and Asia). Since previous reports, the areas "Italy" and "Other European countries” have been merged to reflect the Group's organizational and managerial structure. The area also includes costs for European Support.

Costs are shown separately for "Corporate" functions, which include the centralized units in charge of administration, finance and control, investor relations, strategic planning, legal and corporate affairs, enterprise risk management, communications, human resources and organization for the Group as a whole.

Key information on operating segments is presented below. The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

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

30.06.2017 (€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	443,187	59,979	323,648	-	**826,814**
Other intangible assets	33,888	9,143	29,690	1,668	**74,389**
Property, plant and equipment	473,027	83,620	309,304	296	**866,247**
Financial assets	5,970	8,892	5,590	-	**20,452**
Non-current assets	**956,072**	**161,634**	**668,232**	**1,963**	**1,787,901**
Net working capital	**(193,962)**	**(47,751)**	**(120,885)**	**(13,070)**	**(375,667)**
Other non-current non financial assets and liabilities	(72,040)	(1,026)	(65,051)	(2,645)	(140,761)
Net invested capital	**690,070**	**112,857**	**482,297**	**(13,751)**	**1,271,473**

First Half 2016 (€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	**1,027,885**	**196,259**	**1,059,021**	**-**	**2,283,165**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(46,018)	(11,815)	(35,368)	(76)	**(93,278)**
Operating profit/(loss)	**62,199**	**6,538**	**3,683**	**(12,004)**	**60,416**
Net financial expense					**(15,668)**
Adjustment to the value of financial assets					**388**
Pre-tax profit					**45,136**
Income tax					**(22,175)**
Result for discontinued operations					**(96)**
Profit for the period - continuing operations					**22,865**

31.12.2016 (€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	479,413	63,886	326,019	-	**869,318**
Other intangible assets	38,426	10,847	31,609	407	**81,289**
Property, plant and equipment	515,164	77,939	303,196	233	**896,533**
Financial assets	6,829	2,999	5,455	-	**15,283**
Non-current assets	**1,039,832**	**155,671**	**666,279**	**640**	**1,862,423**
Net working capital	**(275,681)**	**(32,410)**	**(172,348)**	**37,944**	**(442,496)**
Other non-current non financial assets and liabilities	(78,036)	(2,031)	(71,028)	(3,276)	(154,371)
Net invested capital	**686,115**	**121,230**	**422,903**	**35,308**	**1,265,556**

The motorway operations in the Netherlands constitute a major line of business or geographical area for the Group as defined by IFRS 8; the disposal is therefore subject to the rules of IFRS 5 – Non-current assets held for sale and discontinued operations.

As such, the results relating to that business for 2016 (up to the sale date) are recognized under "Profit/loss from discontinued operations." The income statement published by the Autogrill Group for the first half 2016 has been restated accordingly.

Again, with reference to comparative data, it should be noted that the French railway station channel did not represent, according to IFRS 8, a "major line of business" or "geographical area" for the Group; as a consequence, IFRS 5 - Non-current assets held for sale and discontinued operations have not been applied to the sale in the first half of 2016. The net invested capital pertaining to the activities of the French railway stations at the date of sale was € 14.6m, including € 12.7m of goodwill.

2.2.9 Seasonal patterns

The Group's volumes are closely related to the flow of travellers, which is highly seasonal in some businesses, and this in turn affects consolidated results. A breakdown of 2016 results by quarter shows that volumes are concentrated in the second half of the year, and particularly in the third quarter, when business is at a peak due to summer holidays.

	2016			
€m	**First quarter**	**First half**	**First nine months**	**Full year**
Revenue	955.2	2,040.5	3,281.5	4,519.1
% of full year	*21.1%*	*45.2%*	*72.6%*	*100.0%*
Operating profit/(loss)	(9.9)	60.4	179.3	201.0
% of full year	*n.s.*	*30.1%*	*89.2%*	*100.0%*
Pre-tax profit/(loss)	(17.7)	45.1	158.6	170.3
% of full year	*n.s.*	*n.s.*	*93.1%*	*100.0%*
Profit/(loss) attributable to owners of the parent	(22.3)	16.8	97.6	98.2
% of full year	*n.s.*	*n.s.*	*99.4%*	*100.0%*

Notes:

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

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

2.2.10 Guarantees given, commitments and contingent liabilities

At 30 June 2017 the guarantees given by the Autogrill Group amounted to € 322,382k (€341,554k at the close of 2016) are primarily attributable to sureties and other personal guarantees issued in favour of grantors in Italy.

Wtih regard to commitments, there are no significant changes with respect to 31 December 2016.

At 30 June 2017, there were no contingent liabilities as described in IAS 37.

2.2.11 Operating leases

The table below gives details by due date of the Group's future minimum operating lease payments at 30 June 2017:

(€k)

Year	Total future minimum lease payments	Future minimum sub-lease payment [1]	Net future minimum lease payments
2° half 2017	202,948	10,174	192,774
2018	391,020	19,131	371,889
2019	347,209	17,344	329,865
2020	310,527	15,870	294,657
2021	266,266	12,745	253,521
After 2021	982,536	20,931	961,605
Total	**2,500,506**	**96,195**	**2,404,311**

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

In the first half year 2017, the fees recognized in the income statement amount to € 330,451k (Note XXIX) for operating leases (including € 210,638k in guaranteed minimums), net of € 20,508k for sub-leases (including € 9,784k in guaranteed minimums).

The new accounting principle on the recognition of lease agreements (IFRS 16) provides a new lease definition and introduces a criterion based on the right of use of an asset to distinguish leasing contracts from service contracts and establishes a model recognition and evaluation of leasing contracts, which provides, for the lessee, the inclusion of the asset that is also leased to operating assets with a counterpart in a financial debt. The new principle will have an impact on the exposure of the aforementioned contracts only from 1 January 2019; The Group has put in place a specific road map for determining the accounting impacts related to the implementation of the principle, through an in-depth analysis of the contracts and the clauses contained therein.

2.2.12 Other information

Related party transactions

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

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

In the first half year 2017 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.p.A.

Income statement	Revenue		Other operating income		Raw materials, supplies and goods		Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense) /income	
€k	**First Half 2017**	**First Half 2016**	**First Half 2017**	**First Half 2016**	**First Half 2017**	**First Half 2016**	**First Half 2017**	**First Half 2016**	**First Half 2017**	**First Half 2016**	**First Half 2017**	**First Half 2016**	**First Half 2017**	**First Half 2016**
Parent:														
Edizione S.r.l.	-	-	13	13	-	-	-	-	4	65	58	55	-	-
Other related parties:														
Atlantia Group	22	19	57	58	53	50	37,038	37,082	1,530	1,594	-	-	-	(478)
Benetton Group S.r.l.	-	-	129	196	-	-	-	-	-	-	-	-	-	-
Verde Sport S.p.A	3	5	-	6	-	-	-	-	45	23	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	2	3	-	-	-	-	-	-	-	-
Edizione Property S.p.a	-	-	-	4	-	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	(591)	(593)	(991)	(945)	-	-	47	3
Other related parties (*)	-	-	-	-	-	-	-	-	89	89	2,517	2,362	-	-
Total Related parties	**25**	**24**	**198**	**277**	**55**	**53**	**36,446**	**36,489**	**677**	**827**	**2,575**	**2,417**	**47**	**(475)**
Total Group	**2,324,359**	**2,240,380**	**43,212**	**42,785**	**845,181**	**831,490**	**383,380**	**362,482**	**260,501**	**255,301**	**734,195**	**695,054**	**(12,985)**	**(15,668)**
Incidence	**0.0%**	**0.0%**	**0.5%**	**0.6%**	**0.0%**	**0.0%**	**9.5%**	**10.1%**	**0.3%**	**0.3%**	**0.4%**	**0.3%**	**-0.4%**	**3.0%**

Statement of financial position	Trade receivables		Other receivables		Trade payables		Other payables		Financial receivables	
€k	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Parent:										
Edizione S.r.l.	-	-	12,457	12,460	0	-	58	107	-	-
Other related parties:										
Atlantia Group	1,717	1,600	1,390	1,594	7,788	31,528	902	-	-	-
Benetton Group S.r.l.	7	7	-	-	-	-	-	-	-	-
Verde Sport S.p.A	2	1	-	-	-	-	27	-	-	-
Olimpias Group S.r.l.	-	-	-	-	2	-	-	-	-	-
Edizione Property S.p.a	9	8	-	-	-	-	-	-	-	-
Equity investments	-	-	1,619	1,425	-	-	5	5	6,461	3,792
Other related parties (*)	-	-	-	-	-	-	422	2,009	-	-
Total Related parties	**1,735**	**1,616**	**15,466**	**15,479**	**7,791**	**31,528**	**1,415**	**2,121**	**6,461**	**3,792**
Total Group	**45,832**	**58,105**	**128,723**	**118,625**	**326,699**	**359,832**	**308,719**	**356,728**	**29,979**	**18,325**
Incidence	**3.8%**	**2.8%**	**12.0%**	**13.0%**	**2.4%**	**8.8%**	**0.5%**	**0.6%**	**21.6%**	**20.7%**

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

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

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

"Other receivables" consist of:

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

- € 19k for taxes withheld in 2014 and transferred to the consolidating company Edizione S.r.l. In accordance with the regulations, the amount will be reimbursed after their use.

Atlantia group: “Other operating income” refers mainly to co-marketing fees for customer discounts and promotions and to commissions on sales of Viacards (automatic toll collection cards). "Other operating expense" refers chiefly to the management of motorway locations.

"Leases, rentals, concessions and royalties" refer to concession fees and accessory costs pertaining to the year.

"Other receivables" consist primarily of fees for cleaning services at rest stops and the co-marketing fees described above. "Trade payables" originate from the same transactions.

Benetton Group S.r.l.: "Other operating income" refers to rent and related charges for the sublet of premises in Milan, expired in April 2017.

Olimpias Group S.r.l.: costs refer to the purchase of uniforms for sales personnel and the purchase of sundry materials.

Verde Sport S.p.A.: "Other operating expense" concerns the commercial sponsorship of youth sports at the facilities housed at "La Ghirada - Città dello Sport."

"Revenue" refers to the sale of products relating to the commercial affiliation contract for the operation of an outlet at those facilities.

Remuneration of directors and executives with strategic responsibilities

The following remuneration accrued to members of the Board of Directors and to executives with strategic responsibilities in the first half year 2017:

Name (€)	Office held	Term of office	Remuneration	Non-monetary benefits	Other fees
Gilberto Benetton	Chairman	2017/2019	33,600		
Gianmario Tondato da Ruos	CEO	2017/2019	258,600	2,402	201,099
Alessandro Benetton	Director	2017/2019	33,000		
Paolo Roverato	Director	2017/2019	58,400		
Massimo Di Fasanella D'Amore di Ruffano	Director	2017/2019	56,600		
Francesco Chiappetta	Director	2017/2019	48,214		
Ernesto Albanese	Director	2017/2019	35,214		
Marco Patuano	Director	dal 26/01/2017 al 2019	30,444		
Franca Bertagnin Benetton	Director	dal 25/5/2017 al 2019	7,282		
Cristina De Benetti	Director	dal 25/5/2017 al 2019	9,909		
Catherine Gerardin Vautrin	Director	dal 25/5/2017 al 2019	9,309		
Maria Pierdicchi	Director	dal 25/5/2017 al 2019	9,909		
Elisabetta Ripa	Director	dal 25/5/2017 al 2019	10,923		
Tommaso Barracco	Director	dal 2014 al 25/5/2017	31,408		
Stefano Orlando	Director	dal 2014 al 25/5/2017	35,981		
Carolyn Dittmeier	Director	dal 2014 al 25/5/2017	36,581		
Neriman Ulsever	Director	dal 2014 al 25/5/2017	22,263		
Giorgina Gallo	Director	dal 2014 al 25/5/2017	35,381		
Total directors			**763,018**	**2,402**	**201,099**
Key managers with strategic responsibilities (8 people)				109,982	1,440,338
Total			**763,018**	**112,384**	**1,641,437**

The CEO's remuneration includes, among others, his executive salary from Autogrill S.p.A., which is shown under "Other fees." The CEO's contract, that is now under updating, states that if he resigns for cause or is dismissed by the Company without just cause, the Company will top up to €2m the standard indemnity in lieu of notice provided for in the national collective managers' contract for the commercial sector, when less than this amount.

Under the 2014 phantom stock option plan described below, he received 883,495 options in Wave 1, 565,217 options in Wave 2 and 505,556 options in Wave 3. Under Wave 1 of the plan, in January 2017 the CEO exercised 706,796 options. In addition, under the 2016 phantom stock option plan described below, he received 679,104 options in May 2016.

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

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

Statutory auditors' fees

The following fees accrued to members of the Board of Statutory Auditors in the first half year 2017:

Name (€)	**Office held**	**Term of office**	**Fees**
Marco Giuseppe Maria Rigotti	Chairman	01.01.2015-31.12.2017	39,000
Eugenio Colucci	Standing auditor	01.01.2015-31.12.2017	25,000
Antonella Carù	Standing auditor	28.05.2015-31.12.2017	25,000
Total Statutory Auditors			**89,000**

Incentive plans for directors and executives with strategic responsibilities

2010 Stock option plan

On 20 April 2010, the Annual General Meeting approved a stock option plan entitling executive directors and employees with strategic responsibilities of Autogrill S.p.A. and/or its subsidiaries to subscribe to or purchase ordinary Autogrill shares at the ratio of one share per option granted. The options are granted to beneficiaries free of charge and once the vesting period has elapsed, may be exercised between 20 April 2014 and 30 April 2015, at a strike price calculated as the average stock market price for the month preceding the grant date.

On 6 June 2013 the Annual General Meeting approved the proportional partial demerger of Autogrill S.p.A., and as a result made some changes to the stock option plan approved on 20 April 2010, including the entitlement to the beneficiaries of the Plan of Right to receive one ordinary Autogrill share and one ordinary World Duty Free S.p.A. share for every vested option and the extension of the exercise period of the options to April 30, 2018, from the original April 20, 2015, without altering the start date of 20 April 2014.

At December 31, 2016 there were no. 183,571 options that in the first half of 2017 were fully exercised by the beneficiaries.

	Autogrill shares	
	Number of options	Fair value existing options (€)
Options at 1 January 2017	**183,571**	**0.96**
Options exercized in 2017	**(183,571)**	**(0.96)**
Options at 30 June 2017	**-**	**-**

Thorough information on the 2010 stock option plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of CONSOB Regulation 11971/1999, which is available to the public at www.autogrill.com.

2014 Phantom stock option plan

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

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

On 16 July 2014, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. Under Wave 1 (vesting period from 16 July 2014 to 15 July 2016), a total of 3,268,995 options were assigned. Under Wave 2 (vesting period from 16 July 2014 to 15 July 2017), a total of 2,835,967 options were assigned. During the first half of 2017, 2,473,521 options were exercised.

Movements during the year 2016 and the first half 2017 are shown below:

	Options		
	WAVE 1	**WAVE 2**	**WAVE 3**
Options at 1 January 2016	**3,268,995**	**2,950,071**	**2,725,386**
Options cancelled in 2016	(177,094)	(103,139)	(107,945)
Options at 31 December 2016	**3,091,901**	**2,846,932**	**2,617,441**
Options exercized in the first half 2017	(2,473,521)	0	0
Options cancelled in the first half 2017	(37,700)	(123,495)	(113,149)
Options at 30 June 2017	**580,680**	**2,723,437**	**2,504,292**

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

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

<u>2016 Phantom stock option plan</u>

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

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

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

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

Movements during the year 2016 and the first half 2017 are shown below:

	Options
Options assigned in 2016	4,825,428
Options cancelled in 2016	(91,418)
Options at 31 December 2016	**4,734,010**
Options exercized in the first half 2017	0
Options cancelled in the first half 2017	(223,881)
Options at 30 June 2017	**4,510,129**

Thorough information on the 2016 phantom stock option plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of CONSOB Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).

The costs for the Phantom Stock Option 2014 and 2016 plans for the first half 2017 amount to € 10.4m and include, for Wave 2 and 3 of the 2014 Plan and Wave 1 of the 2016 Plan, also adjusting the use of estimates compared to the amount already allocated at December 31, 2016 (€ 5.7m) on the basis of information available on the performance of the Autogrill Stock Exchange, rising from € 8.6 per share as at 31 December 2016 to € 10.6 per share at 30 June 2017.

2.2.13 Significant non-recurring events and transactions

In the first half 2017, there were no significant non-recurring events or transactions as defined by CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.14 Atypical or unusual transactions

In the first half 2017, there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.15 Events after the reporting period

Since 30 June 2017, no events have occurred that if known in advance would have entailed an adjustment to the figures in the condensed interim consolidated financial statements or required additional disclosures in these notes.

2.2.17 Authorization for publication

The Board of Directors authorized the publication of these consolidated financial statements at its meeting of 28 July 2017.

Annexes

List of consolidated companies and other investments

Company	Registered office	Currency	Share/quota capital	% held at 30.06.2017	Shareholders/quota holders
Parent:					
Autogrill S.p.A.	Novara	EUR	68,688,000	*50.1000%*	Schematrentaquattro S.p.a.
Companies consolidated line-by-line:					
Nuova Sidap S.r.l.	Novara	EUR	100,000	100.0000%	Autogrill S.p.A.
GTA S.r.l.	Novara	EUR	50,000	100.0000%	Autogrill S.p.A.
Autogrill Austria A.G.	Gottlesbrunn	EUR	7,500,000	100.0000%	Autogrill S.p.A.
Autogrill Czech Sro	Prague	CZK	154,463,000	100.0000%	Autogrill S.p.A.
Autogrill D.o.o.	Ljubljana	EUR	1,342,670	100.0000%	Autogrill S.p.A.
Autogrill Hellas E.P.E.	Avlonas	EUR	3,696,330	100.0000%	Autogrill S.p.A.
Autogrill Polska Sp. z.o.o.	Katowice	PLN	1,405,000	100.0000%	Autogrill S.p.A.
Autogrill Iberia S.L.U.	Madrid	EUR	7,000,000	100.0000%	Autogrill S.p.A.
Autogrill Deutschland GmbH	Munich	EUR	205,000	100.0000%	Autogrill S.p.A.
Autogrill Belgie N.V.	Antwerp	EUR	6,700,000	99.9900%	Autogrill S.p.A.
				0.0100%	Ac Restaurants & Hotels Beheer N.V.
Ac Restaurants & Hotels Beheer N.V.	*Antwerp*	*EUR*	*3,250,000*	*99.9900%*	*Autogrill Belgie NV*
Autogrill Schweiz A.G.	Olten	CHF	23,183,000	100.0000%	Autogrill S.p.A.
Restoroute de Bavois S.A.	*Bavois*	*CHF*	*2,000,000*	*73.0000%*	*Autogrill Schweiz A.G.*
Restoroute de la Gruyère S.A.	*Pont-en-Ogoz*	*CHF*	*1,500,000*	*54.3300%*	*Autogrill Schweiz A.G.*
Holding de Participations Autogrill S.a.s.	*Marseille*	*EUR*	*84,581,920*	*100.0000%*	*Autogrill S.p.A.*
Autogrill Aéroports S.a.s.	*Marseille*	EUR	2,207,344	*100.0000%*	*Holding de Participations Autogrill S.a.s.*
Autogrill Coté France S.a.s.	*Marseille*	*EUR*	*31,579,526*	*100.0000%*	*Holding de Participations Autogrill S.a.s.*
Société Berrichonne de Restauration S.a.s. (Soberest)	*Marseille*	*EUR*	*288,000*	*50.0100%*	*Autogrill Coté France S.a.s.*
Société de Restauration de Bourgogne S.a.s. (Sorebo)	*Marseille*	EUR	*144,000*	*50.0000%*	*Autogrill Coté France S.a.s.*
Volcarest S.a.s.	*Champs*	*EUR*	*1,050,144*	*50.0000%*	*Autogrill Coté France S.a.s.*
Autogrill Restauration Carrousel S.a.s.	*Marsiglia*	*EUR*	*2,337,000*	*100.0000%*	*Holding de Participations Autogrill S.a.s.*
Société de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	Marsiglia	EUR	8,000	100.0000%	Autogrill Coté France S.a.s.
Autogrill FFH Autoroutes S.àr.l.	*Marsiglia*	*EUR*	*375,000*	*100.0000%*	*Autogrill Coté France S.a.s.*
Autogrill FFH Centres Villes S.àr.l.	*Marsiglia*	*EUR*	*375,000*	*100.0000%*	*Autogrill Restauration Carrousel S.a.s.*
Autogrill Restauration Loisirs SASU	*Marsiglia*	*EUR*	*3,000,000*	*100.0000%*	*Holding de Participations Autogrill S.a.s.*
HMSHost Corporation	*Delaware*	*USD*	*10*	*100.0000%*	*Autogrill SpA*
HMSHost International, Inc.	*Delaware*	*USD*	-	*100.0000%*	*HMSHost Corporation*
HMSHost USA, LLC	*Delaware*	*USD*	-	*100.0000%*	*HMSHost Corporation*
Host International, Inc.	*Delaware*	*USD*	-	*100.0000%*	*HMSHost Corporation*
HMS Host Tollroads Inc.	*Delaware*	*USD*	-	*100.0000%*	*HMSHost Corporation*
HMS Airport Terminal Services, Inc.	*Delaware*	*USD*	*1,000*	*100.0000%*	*Host International, Inc.*
Host International of Maryland, Inc.	*Maryland*	*USD*	*1,000*	*100.0000%*	*Host International, Inc.*
Michigan Host, Inc.	*Delaware*	*USD*	*1,000*	*100.0000%*	*Host International, Inc.*
Host Services of New York, Inc.	*Delaware*	*USD*	*1,000*	*100.0000%*	*Host International, Inc.*
Host International of Kansas, Inc.	*Kansas*	*USD*	*1,000*	*100.0000%*	*Host International, Inc.*
Host Services Inc.	*Texas*	*USD*	-	*100.0000%*	*Host International, Inc.*
Anton Airfood of Cincinnati, Inc.	*Kentucky*	*USD*	-	*100.0000%*	*Anton Airfood, Inc.*
Anton Airfood, Inc.	*Delaware*	*USD*	*1,000*	*100.0000%*	*HMSHost Corporation*
Anton Airfood of Texas, Inc.	*Texas*	*USD*	-	*100.0000%*	*Anton Airfood, Inc.*
Anton Airfood of Newark, Inc.	*New Jersey*	*USD*	-	*100.0000%*	*Anton Airfood, Inc.*
Anton Airfood of JFK, Inc.	*New York*	*USD*	-	*100.0000%*	*Anton Airfood, Inc.*
Anton Airfood of Minnesota, Inc.	*Minnesota*	*USD*	-	*100.0000%*	*Anton Airfood, Inc.*
Palm Springs AAI, Inc.	*California*	*USD*	-	*100.0000%*	*Anton Airfood, Inc.*
Fresno AAI, Inc.	*California*	*USD*	-	*100.0000%*	*Anton Airfood, Inc.*
Anton Airfood of Seattle, Inc.	*Washington*	*USD*	-	*100.0000%*	*Anton Airfood, Inc.*

Company	Registered office	Currency	Share/quota capital	% held at 30.06.2017	Shareholders/quota holders
Anton Airfood of Tulsa,Inc.	Oklahoma	USD	-	100.0000%	Anton Airfood, Inc.
Islip AAI, Inc.	New York	USD	-	100.0000%	Anton Airfood, Inc.
Host International (Poland) Sp.zo.o. (in liquidation)	Warsaw	USD	-	100.0000%	Host International, Inc.
Shenzhen Host Catering Company, Ltd. (in liquidation)	Shenzhen	USD	-	100.0000%	Host International, Inc.
Host Services Pty, Ltd.	North Cairns	AUD	6,252,872	100.0000%	Host International, Inc.
Host International of Canada, Ltd.	Vancouver	CAD	75,351,237	100.0000%	Host International, Inc.
Horeca Exploitatie Maatschappij Schiphol, B.V.	Haarlemmermeer	EUR	45,400	100.0000%	HMSHost International B.V.
Marriott Airport Concessions Pty, Ltd.	North Cairns	AUD	3,910,102	100.0000%	Host International, Inc.
HMSHost Services India Private, Ltd.	Balgalore	INR	668,441,680	99.0000%	Host International, Inc.
				1.0000%	HMSHost International, Inc.
HMSHost Singapore Private, Ltd.	Singapore	SGD	9,053,750	100.0000%	Host International, Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	MYR	2	100.0000%	Host International, Inc.
HMSHost New Zealand Ltd.	Auckland	NZD	1,520,048	100.0000%	Host International, Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co., Ltd. (in liquidation)	Shanghai	CNY	-	100.0000%	Host International, Inc.
HMSHost International B.V.	Haarlemmermeer	EUR	18,090	100.0000%	Host International, Inc.
HMSHost Hospitality Services Bharath Private, Ltd.	Karnataka	INR	500,000	99.0000%	HMSHost Services India Private Ltd
				1.0000%	Host International, Inc.
NAG B.V.	Haarlemmermeer	EUR	100	60.0000%	HMSHost International B.V.
HMSHost Finland Oy	Helsinki	EUR	2,500	100.0000%	HMSHost International B.V.
Host -Chelsea Joint Venture #3	Texas	USD	-	63.8000%	Host International, Inc.
Host Bush Lubbock Airport Joint Venture	Texas	USD	-	90.0000%	Host International, Inc.
Airside C F&B Joint Venture	Florida	USD	-	70.0000%	Host International, Inc.
Host of Kahului Joint Venture Company	Hawaii	USD	-	90.0000%	Host International, Inc.
Host/ Coffee Star Joint Venture	Texas	USD	-	50.0100%	Host International, Inc.
Southwest Florida Airport Joint Venture	Florida	USD	-	78.0000%	Host International, Inc.
Host Honolulu Joint Venture Company	Hawaii	USD	-	90.0000%	Host International, Inc.
HMS/Blue Ginger Joint Venture	Texas	USD	-	55.0000%	Host International, Inc.
Host/Java Star Joint Venture	Texas	USD	-	50.0100%	Host International, Inc.
Tinsley/Host - Tampa Joint Venture	Florida	USD	-	49.0000%	Host International, Inc.
Host-Chelsea Joint Venture #1	Texas	USD	-	65.0000%	Host International, Inc.
Host-Tinsley Joint Venture	Florida	USD	-	84.0000%	Host International, Inc.
Host/Tarra Enterprises Joint Venture	Florida	USD	-	75.0000%	Host International, Inc.
Host D&D STL FB, LLC	Missouri	USD	-	75.0000%	Host International, Inc.
Host/LJA Joint Venture	Missouri	USD	-	85.0000%	Host International, Inc.
Seattle Restaurant Associates	Olympia	USD	-	70.0000%	Host International, Inc.
Bay Area Restaurant Group	California	USD	-	49.0000%	Host International, Inc.
HMS Host Coffee Partners Joint Venture	Texas	USD	-	50.0100%	Host International, Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	USD	-	60.0000%	Host International, Inc.
Miami Airport FB Partners Joint Venture	Florida	USD	-	70.0000%	Host International, Inc.
Host DEI Jacksonville Joint Venture	Florida	USD	-	51.0000%	Host International, Inc.
Host/JQ RDU Joint Venture	North Carolina	USD	-	75.0000%	Host International, Inc.
Host CTI Denver Airport Joint Venture	Colorado	USD	-	90.0000%	Host International, Inc.
HMS - D/FW Airport Joint Venture	Texas	USD	-	65.0000%	Host International, Inc.
Host -Chelsea Joint Venture #4	Texas	USD	-	63.0000%	Host International, Inc.
Host-CMS SAN F&B, LLC	Delaware	USD	-	100.0000%	Host International, Inc.
Host GRL LIH F&B, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host Fox PHX F&B, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host FDY ORF F&B, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
LTL ATL JV, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host ATLChefs JV 3, LLC	Delaware	USD	-	95.0000%	Host International, Inc.
Host ATLChefs JV 5, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host LGO PHX F&B, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host H8 Terminal E F&B, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host-Love Field Partners I, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host-True Flavors SAT Terminal A FB	Delaware	USD	-	65.0000%	Host International, Inc.
Host Havana LAX F&B, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host-CTI DEN F&B II, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host Lee JAX FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host/DFW AF, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host Havana LAX TBIT FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host Houston 8 IAH Terminal B, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
HHL Cole's LAX F&B, LLC	Delaware	USD	-	80.0000%	Host Havana LAX F&B, LLC
Host CMS LAX TBIT F&B, LLC	Delaware	USD	-	100.0000%	Host International, Inc.
Host JQE RDU Prime, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host Howell Terminal A F&B, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MCA FLL FB, LLC	Delaware	USD	-	76.0000%	Host International, Inc.

Company	Registered office	Currency	Share/quota capital	% held at 30.06.2017	Shareholders/quota holders
Host MCA SRQ FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
HOST ECI ORD FB, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host Aranza Howell DFW B&E FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host MGV IAD FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MGV DCA FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host CTI DEN F&B STA, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host MGV DCA KT, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host MBA LAX SB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host H8 IAH FB I, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host BGV IAH FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host TBL TPA FB, LLC	Delaware	USD	-	71.0000%	Host International, Inc.
Host JQE CVG FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host MBA CMS LAX, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host VDV CMH FB LLC	Delaware	USD	-	85.0000%	Host International, Inc.
HOST OHM GSO FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host JQE LIT FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host JVI PDX FB, LLC	Delaware	USD	-	84.0000%	Host International, Inc.
Host TFC SDF FB, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host JQE RDU CONC D, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host SMI SFO FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host Ayala LAS FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Stellar Partner Inc.	Florida	USD	25,500	100.0000%	Host International, Inc.
Stellar Partners Tampa, LLC	Florida	USD	-	90.0000%	Stellar Partners, Inc.
Host LBL LAX T2 FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host BGI MHT FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host CEI KSL MSY, LLC	Delaware	USD	-	63.0000%	Host International, Inc.
Host Java DFW MGO, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host Chen ANC FB LLC	Delaware	USD	-	88.0000%	Host International, Inc.
Host MCA ATL FB, LLC	Delaware	USD	-	64.0000%	Host International, Inc.
HMSHost Family Restaurants, Inc.	Maryland	USD	2,000	100.0000%	Host International, Inc.
HMSHost UK, Ltd.	London	GBP	217,063	100.0000%	HMSHost International B.V.
HMSHost Sweden A.B.	Stockholm	SEK	2,500,000	100.0000%	HMSHost International B.V.
HMSHost Ireland Ltd.	Cork	EUR	13,600,000	100.0000%	HMSHost International B.V.
HMSHost Nederland B.V.	Haarlemmermeer	EUR	100	100.0000%	HMSHost International B.V.
HMSHost Huazhuo (Beijing) Catering Management Co., Ltd.	Beijing	CNY	26,000,000	100.0000%	HMSHost International B.V.
HMSHost - UMOE F&B Company AS	Bærum	NOK	60,000	51.0000%	HMSHost International B.V.
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Jakarta	IDR	5,000,000,000	65.0000%	HMSHost International B.V.
SMSI Travel Centres, Inc.	Vancouver	CAD	10,800,100	100.0000%	Host International of Canada, Ltd.
Hms Host Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	TRL	10,271,734	100.0000%	HMSHost International B.V.
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	USD	5,000,000	70.0000%	HMSHost International B.V.
Limited Liability Company Autogrill Rus	St. Petersburg	RUB	10,000	100.0000%	NAG B.V.
PT Autogrill Taurus Gemilang Indonesia	Jakarta	USD	1,000,000	100.0000%	HMSHost International B.V.
HMSHost Family Restaurants, LLC	Delaware	USD	-	100.0000%	HMSHost Family Restaurants, Inc.
HMSHost Motorways L.P.	Winnipeg	CAD	-	99.9999%	SMSI Travel Centres, Inc.
				0.0001%	HMSHost Motorways, Inc.
HMSHost Motorways, Inc.	Vancouver	CAD	-	100.0000%	SMSI Travel Centres, Inc.
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Antalya	TRL	2,140,000	51.0000%	Hms Host Yiyecek Ve Icecek Hizmetleri A.S.
HK Travel Centres GP, Inc.	Toronto	CAD	-	51.0000%	HMSHost Motorways, Inc.
HK Travel Centres L.P.	Winnipeg	CAD	-	50.9999%	HMSHost Motorways L.P.
Host SCR SAV FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host SCR SAN FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host SCR SNA FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Stellar LAM SAN, LLC	Florida	USD	-	80.0000%	Stellar Partner Inc.
Host DII GRR FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host SHI PHL FB LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host HTB DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host DSL DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host VDV DTW SB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.

Companies consolidated using the equity method:

Company	Registered office	Currency	Share/quota capital	% held at 30.06.2017	Shareholders/quota holders
Caresquick N.V.	Brussels	EUR	3,300,000	50.000%	Autogrill Belgie N.V.
Autogrill Middle East, LLC	Abu Dhabi	AED	100,000	50.000%	HMSHost International B.V.
Dewina Host Sdn. Bhd.	Kuala Lumpur	MYR	350,000	49.000%	Host International, Inc.
HKSC Opco L.P.	Winnipeg	CAD	-	49.000%	HMSHost Motorways LP
HKSC Developments L.P.	Winnipeg	CAD	-	49.000%	HMSHost Motorways LP
HMS Host and Lite Bite Pte. Ltd.	Bangalore	INR	100,000	51.000%	HMS Host Services India Private Limited
Arab Host Services LLC	Qatar	QAR	200,000	49.000%	Autogrill Middle East, LLC

Certification by the CEO and manager in charge of financial reporting

STATEMENT
about the condensed consolidated interim financial statements
pursuant to Art. 81 *ter* of Consob Regulation 11971
of 14 May 1999 (as amended)

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

- the adequacy in relation to the characteristics of the business; and
- the effective implementation of the administrative and accounting procedures for the preparation of the condensed consolidated interim financial statements during the first half of 2017.

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

3. We also confirm that:

3.1 the condensed consolidated interim financial statements:

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

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

Milan, 28 July 2017

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

Independent Auditors' Report

Deloitte.

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

To the Shareholders of
Autogrill S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed interim consolidated financial statements of Autogrill S.p.A. and subsidiaries (the "Autogrill Group"), which comprise the statement of financial position as of June 30, 2017, the income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended, and related notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed interim consolidated financial statements of the Autogrill Group as of June 30, 2017 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
July 28, 2017

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