Autogrill Group

Interim Report
at 30 September 2008

CONTENTS

Note: This Interim Report at 30 September 2008 has been translated into English from the original Italian version. Where differences exist, the Italian version shall prevail over the English version.

Governing Bodies

BOARD OF DIRECTORS [1]

Chairman [2], [3]	Gilberto BENETTON
Managing Director [2], [3], [4]	Gianmario TONDATO DA RUOS [E]
Director	Alessandro BENETTON
	Giorgio BRUNETTI[5] [L] [I-1]
	Antonio BULGHERONI[6] [I-1] [I-2]
	Arnaldo CAMUFFO[6] [I-1] [I-2]
	Claudio COSTAMAGNA[6] [I-1] [I-2]
	Francesco GIAVAZZI[I-1] [I-2]
	Alfredo MALGUZZI[5] [6] [I-1]
	Gianni MION[6]
	Javier GOMEZ-NAVARRO
	Paolo ROVERATO[5]
Company Secretary	Pietro Minaudo [7]

BOARD OF STATUTORY AUDITORS [8]

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

INDEPENDENT AUDITORS [9]

KPMG S.p.A.

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

E. Executive Director.

I-1. Independent Director in accordance with the Corporate Governance Code as adopted by the Board of Directors on 12 December 2007.

I-2. Independent Director under the arrangement prescribed by article 147-ter and 148 paragraph 3, Law 58/98.

L. Lead Independent Director.

Report on Operations

Introduction

This unaudited Interim Report at 30 September 2008 has been drawn up in accordance with paragraph154-*ter* Law 58/1998 ("TUF").

Data regarding profit and loss, capitalisation and finance was prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission following the coming into force of European Directive 1606 dated 19 July 2002. Profit and loss data are for the first nine months ("M9") of 2008 and 2007. Balance-sheet data refer to 30 September 2008 and 31 December 2007. The accounting principles and consolidation criteria adopted are the same as those used for the preparation of the 2007 consolidated accounts, to which reference should be made for a detailed description, except for the method of accounting for actuarial gains and losses on defined-benefit pension funds. The Group, which previously took these to profit and loss, actuarial gains and losses being recognised immediately, has adopted the corridor method. Comparative data have therefore been appropriately adjusted.

The interim financial statements contain estimates and assumptions which affect the values of the assets and liabilities and the information relating to potential assets and liabilities at the reporting date. The actual outturns may differ from these estimates. Estimates are used to determine allowances for credit risk and inventory obsolescence, depreciation and amortisation, impairment losses on assets, employee benefits, tax, rebuilding provision and other provisions and reserves. Estimates and assumptions are regularly reviewed and the effects of any changes made are reflected immediately in the Income Statement.

The data in this Interim Report are disclosed in a perspective of business continuity using the euro as the disclosure currency. All values are in millions of euros unless otherwise indicated.

Since 31 December 2007 World Duty Free Europe Ltd. (as to 100%) and Air Czech Catering A.S. (as to 100%) have been included in the scope of consolidation. On 14 April 2008 a 49.95% stake in Aldeasa S.A., held by Altadis S.A. was acquired, such that Aldeasa S.A. is now exclusively controlled by Autogrill where previously it was under joint control with Altadis S.A.

Since 30 September 2007 the perimeter of consolidation also changed following the acquisition of a CBR Inc. business, finalised on 17 December 2007.

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

	2008			2007			
	current at 30 September	average of first 9 months	average of Q3	current at 30 September	average of first 9 months	average of Q3	current at 31 December
US Dollar	1.4303	1.5217	1.5050	1.4179	1.3444	1.3738	1.4721
Canadian Dollar	1.4961	1.5487	1.5650	1.4122	1.4835	1.4374	1.4449
Swiss Franc	1.5774	1.6082	1.6115	1.6601	1.6372	1.6473	1.6547
Pound Sterling	0.7903	0.7820	0.7950	0.6968	0.6759	0.6800	0.7334

Definition of Terms

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

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

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

Changes in average exchange rates in the period and spot rates at 30 September were significant and therefore had a notable impact on consolidated results and financial condition.

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

Organic growth indicates like-for-like growth at constant exchange rates in respect of the actual period of consolidation for significant acquisitions. Profit and loss figures do not include rebuilding costs.

EBITDA: As shown in the condensed consolidated income statement, this is the operating result plus depreciation, amortisation and write-downs. This indicator is not defined in the IFRS and therefore may not be identical and thus not comparable with that of other groups.

Capital Expenditure does not include investments in non-current financial assets and equity investments.

Unless otherwise stated, figures given in the Interim Report on Operations are in millions of euros (abbreviated as €m), US dollars (abbreviated as $m) or pounds sterling (abbreviated as £m).

Figures are in million and therefore there might be rounding defects. Changes and ratios have been calculated using figures in thousands and not the figures rounded to the nearest million as shown.

1. Results at 30 September 2008

Highlights

(€m)	First 9 months 2008	First 9 months 2007	Change at current exch. rate	Change at costant exch. rate
Revenue	4,238.4	3,516.8	20.5%	28.1%
EBITDA	459.6	440.0	4.5%	11.2%
EBITDA margin	*10.8%*	*12.5%*		
EBIT	277.9	297.8	(6.7%)	(0.6%)
EBIT margin	*6.6%*	*8.5%*		
Profit attr. to the Shareholders of the Parent	111.9	140.0	(20.1%)	(14.6%)
% of Revenue	*2.6%*	*4.0%*		
Capital Expenditure	237.4	180.1	31.8%	32.9%
Earnings per share (€ cents)				
basic	44.0	55.0		
diluted	43.6	54.5		

1.1 Profit and Loss

Condensed Consolidated Income Statement

(€m)	First 9 months 2008	% of Revenue	First 9 months 2007 [1]	% of Revenue	Change at current exch. rate	Change at costant exch. rate
Revenue	4,238.4	100.0%	3,516.8	100.0%	20.5%	28.1%
Other operating income	85.9	2.0%	73.4	2.1%	17.1%	17.1%
Total revenue and income	**4,324.4**	102.0%	**3,590.3**	102.1%	**20.4%**	**27.9%**
Cost of raw materials, consumables and supplies	(1,640.4)	38.7%	(1,308.6)	37.2%	25.4%	32.1%
Personnel expense	(1,065.9)	25.1%	(938.1)	26.7%	13.6%	21.2%
Leases, rents, concessions and royalties	(724.9)	17.1%	(533.0)	15.2%	36.0%	45.5%
Other operating costs	(433.4)	10.2%	(370.5)	10.5%	17.0%	24.0%
EBITDA	**459.6**	10.8%	**440.0**	12.5%	**4.5%**	**11.2%**
Depreciation, amortisation and impairment losses	(181.8)	4.3%	(142.3)	4.0%	27.8%	35.8%
EBIT	**277.9**	6.6%	**297.8**	8.5%	**(6.7%)**	**(0.6%)**
Net financial expense	(78.1)	1.8%	(43.0)	1.2%	81.8%	94.5%
Net reversals of impairment losses on financial assets	(0.9)	0.0%	0.2	0.0%	n.s.	n.s.
Profit before tax	**198.9**	4.7%	**255.1**	7.3%	**(22.0%)**	**(16.9%)**
Tax	(74.3)	1.8%	(103.3)	2.9%	(28.1%)	(24.1%)
PROFIT FOR THE PERIOD	**124.6**	2.9%	**151.7**	4.3%	**(17.9%)**	**(12.0%)**
- attributable to the shareholders of the Parent	111.9	2.6%	140.0	4.0%	(20.1%)	(14.6%)
- minority interests	12.7	0.3%	11.7	0.3%	8.8%	20.8%

[1] Some data have been restated since the 2007 Third Quarter Report to take account of the change in the accounting policy for actuarial gains and losses on defined-benefit plans.

Consolidated Revenue

The Autogrill Group's consolidated revenue in M9 2008 sharply increased by 20.5% (28.1% at constant exchange rates) over M9 2007 to €4,238.4m.

Of this result €793.5m was due to changes in the perimeter of consolidation, principally the consolidation for the whole period of Alpha Group (consolidated from 1 June in 2007) and the acquisition of exclusive control of Aldeasa S.A. (consolidated proportionately as to 50% until 31

March 2008) and World Duty Free Europe, consolidated since May 2008. Organic growth was 4.1% in M9 2008.

In the third quarter (Q3) 2008 turnover increased by 14.3% (21.2% at constant exchange rates), to €1,694m, over the Q3 2007 figure of €1,482.4m. Organic growth was -0.1%, due to a contraction in airport traffic which was especially evident in Spain from July on and in the US from August, and a reduction of motorway traffic in Italy. The fall in airport traffic was thus seen earlier than the cuts in flights that many airlines had announced to start in the fourth quarter.

Revenue Changes by Region/Organisation

(€m)	First 9 months 2008	First 9 months 2007	Change at current exch. rate	Change at costant exch. rate
North America and the Pacific Area	1,294.3	1,371.8	(5.6%)	6.8%
Italy	1,001.6	959.8	4.4%	4.4%
Rest of Europe	533.2	504.3	5.7%	5.4%
Aldeasa	556.3	313.8	77.3%	77.3%
Alpha Group	594.8	367.3	61.9%	87.4%
World Duty Free	258.4	-	-	-
Totale	4,238.4	3,516.8	20.5%	28.1%

Despite the adverse macro-economic situation, all our business areas increased their sales, which were depressed by euro conversion rates in the dollar and sterling areas.

As well as fulfilling strategic and business objectives, the significant acquisitions made between mid-2007 and the early months of 2008 also brought about a change in the geographical balance of the Group's turnover, reducing the share of North America and Italy to 31% and 24% respectively, from 39% and 27% in M9 2007.

Revenue Changes by Business Segment

(€m)	First 9 months 2008	First 9 months 2007	Change at current exch. rate	Change at costant exch. rate
Motorways	1,336.1	1,353.3	(1.3%)	0.8%
Airports	2,265.9	1,710.3	32.5%	45.2%
In-flight	340.5	200.0	70.3%	97.0%
Railway stations	93.1	71.5	30.1%	29.9%
Other	202.9	181.8	11.6%	13.9%
Total	4,238.4	3,516.8	20.5%	28.1%

Revenue growth was concentrated in the airport segment, where it was 32.5% at current exchange rates and 45.2% at constant exchange rates, mainly thanks to the acquisitions, which occurred chiefly in this segment. Organic growth was 5.1%, due to the US airports' 6.6% as well as the Rest of Europe airports, in particular Copenhagen, Arlanda and Shannon, where the start-up stage initiated in H1 2007 was completed.

The motorway segment's revenues grew by 0.8% at constant exchange rates (-1.3% at current exchange rates) the result of positive growth in Europe (in particular of 1.5% in Italy) and a 3.4% contraction in North America (in local currency).

The railway station and ports segment increased its sales by 30.1% or 29.9% at constant exchange rates, not least due to the completion of the rebuilding work at some French railway stations and the positive impact on Spanish traffic of the opening of new high-speed lines, as well as business development in Italy and Belgium.

The sharp increase in the in-flight segment was chiefly due to the different consolidation period, since this business was acquired in June 2007, and to the acquisition of Air Czech Catering. A like-with-like comparison of M9 2008 data with those of M9 2007 shows that the in-flight segment actually grew by 2% (in local currency terms), *inter alia* due to a pruning of the number of concessions.

In Q3 2008 the airport segment generated revenue of €930.6m, up by 33.1% or 43.8% at constant exchange rates, as against €699m in Q3 2007. Reduced traffic continued to affect the motorway segment, which was impacted by the negative trend in North America persisting since the start of the year: the segment's Q3 revenue was €526.1m, down by 2.2% or 0.4% at constant exchange rates, as against €538.1m in Q3 2007. The railway station and ports segment's revenue grew by 42.5% or 42.2% at constant exchange rates in Q3 2008, with sales of €36.3m as against €25.4m in Q3 2007.

Revenue Changes by Sector

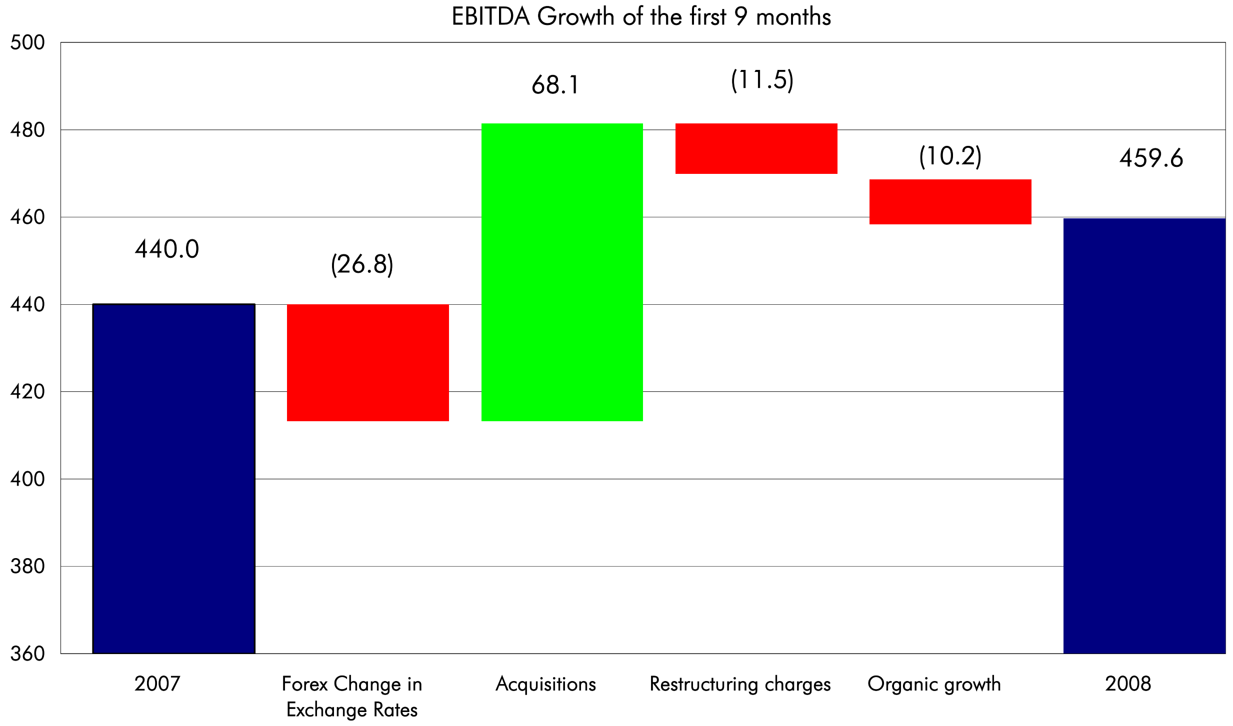
(€m)	First 9 months 2008	First 9 months 2007	Change at current exch. rate	Change at costant exch. rate
Food & beverage	2,122.4	2,127.0	(0.2%)	6.7%
Retail & duty-free	1,710.8	1,126.5	51.9%	57.9%
In-flight	340.5	200.0	70.3%	97.0%
Other	64.7	63.3	2.2%	2.1%
Total	4,238.4	3,516.8	20.5%	28.1%

Retail & duty-free was the sector that recorded the fastest growth, reaching sales of €1,710.8m as against €1,126.5m in Q3 2007 (up by 51.9% at current exchange rates and 57.9% at constant exchange rates), mainly due to acquisitions. Organic growth in this sector was 1.6%.

The food & beverage sector reported revenue of €2,122.4m, a 6.7% increase at constant exchange rates and a 0.2% decrease at current exchange rates. Organic growth in food & beverage was 5.9% in M9 2008.

In Q3 2008 the retail & duty-free sector reported revenue of €739.7m, up by 51.1% or 58.5% at constant exchange rates, as against €489.5m in Q3 2007, mainly due to acquisitions. Food & beverage revenue was 797.9m€, down by 2.3% or up by 2.8% at constant exchange rates, as against €816.4m in Q3 2007, slower growth reflecting the adverse traffic trends. In-flight contributed €132.3m to consolidated revenue as against €153.2m in Q3 2007 (down by13.6% at current exchange rates, but up by 0.1% at constant exchange rates), mainly due to the mentioned rationalisation of the concession portfolio, as well as certain client companies' financial difficulties.

Consolidated EBITDA



In M9 2008 consolidated EBITDA was €459.6m, up by 4.5% at current exchange rates or 11.2% at constant exchange rates. As against the H1 2008 figure, when EBITDA increased by 6.4% at current exchange rates and 14.3% at constant exchange rates, the year-to-date figure at 30 September 2008 was affected by rebuilding costs, integration costs for the retail subsidiaries, and food & beverage sector corporate and local centre reorganisation expense, recognised in Q3 2008. Net of these costs EBITDA growth would have been 7.1% at current exchange rates.

Organic growth in M9 was -2.5% and -3.1% in Q3 2008 due to cost inflation, which was only partly offset by increasing prices, adapting the offering and achieving efficiency gains.

EBITDA Changes by Region/Organisation[1]

(€m)	First 9 months 2008	First 9 months 2007	Change at current exch. Rate	Change at costant exch. Rate
North America and the Pacific Area	161.5	189.6	(14.8%)	(3.6%)
EBITDA margin	*12.5%*	*13.8%*		
Italy	141.4	140.4	0.7%	0.7%
EBITDA margin	*14.1%*	*14.6%*		
Rest of Europe	53.8	57.6	(6.6%)	(6.9%)
EBITDA margin	*10.1%*	*11.4%*		
Aldeasa	52.1	30.1	73.2%	73.2%
EBITDA margin	*9.4%*	*9.6%*		
Alpha Group	48.8	35.3	38.2%	59.9%
EBITDA margin	*8.2%*	*9.6%*		
WDFE	26.8	-	-	-
EBITDA margin	*10.4%*	-		
Non-allocated [2]	(24.8)	(13.0)	90.8%	90.2%
Consolidated	459.6	440.0	4.5%	11.2%
EBITDA margin	*10.8%*	*12.5%*		

Please see the following sections for specific commentary on the results achieved by each Region/Organisation. The increase of €11.8m in the "Not Allocated" item was due, as to €8,5m, to income received in 2007 (€6.4m relating to the new rules on discounting T.F.R., the Italian severance pay scheme, and €2.1m being capital gains on property disposals by Aldeasa) and, as to €1m, to reorganisation of corporate centre structures in the period. The remainder was mainly due to the strengthening of some corporate centre structures, which became necessary in order to manage the increasing complexity of the Group and the large-scale integration programmes that were launched.

Total one-off costs borne in M9 2008 for the reorganisation programme were €11.5m, allocated as follows: €6.2m in North America, €1.3m in Italy, €1.4m in the Rest of Europe, €0.9m in Aldeasa, €0.7m in Alpha Group and €1m in the corporate centre.

In M9 2008 the EBITDA Margin fell from 12.5% to 10.8%. This dilution was partly due to acquisitions, most of which operate in businesses with lower margins than the average for the Group.

The increase in the cost of sales was mainly due to the sectoral composition of sales, i.e., the larger share of business being carried on by retail & duty-free. Sharp rises in foodstuff prices were recorded for most of the period under review in both North America and Europe; they were effectively managed by the Group overall by extending the offering and increasing the efficiency of the logistics chain, transferring the remainder of the procurement cost increase to prices.

The rise in payroll was mainly due to salary increases and lower productivity, associated with the contraction of traffic in some segments and regions, chiefly North American motorways and some European motorways.

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[1] The segments commented on are identified according to a strictly organisational criterion.

[2] The *Non Allocated* item includes Group Headquarters corporate centre function costs and non-characteristic cost and income component not allocated to a region/organisation.

The increased weight of rents and royalties was connected with the greater share of the retail sector, which has structurally higher rents than those usual in food & beverage, and the relatively livelier business trends in the airport segment as opposed to motorways in food & beverage.

In Q3 2008 EBITDA was €226.6m, a rise of 2.6% at current exchange rates and 8.2% at constant exchange rates. Excluding reorganisation costs, which were €9.8m, this increase would have been 7% at current exchange rates. Non-allocated costs were €7.8m as against €5.2m in Q3 2007, when however they included a €2.1m capital gain on disposals of property by Aldeasa.

The EBITDA margin fell from 14.9% to 13.4%, for the reasons outlined above. Excluding one-off reorganisation and integration costs, the EBITDA margin would have been 14% in Q3 2008.

EBIT

Group EBIT was €277.9m, down by 6.7% at current exchange rates or 0.6% at constant exchange rates, as against €297.8m in M9 2007, due *inter alia* to increased depreciation and amortisation relating to the sharp rise in capex since 2006 and the extension of the Group's consolidation perimeter. Total depreciation and amortisation increased from €142.3m to €181.8m, including €10.7m relating to intangible assets, in which part of the price paid for exclusive control of Aldeasa was recognised. This item has not yet been so recognised in relation to World Duty Free Europe and therefore had no effect on M9 2008 figures.

The contribution of acquisitions was €36m and the organic growth of EBIT in M9 2008 was -9.3%.

In Q3 2008 EBIT was €161.8m as against €169.6m in the comparable period of 2007, with organic growth of -7.4%, an improvement over Q1 2008, when it was -12.4%.

Finance Cost

At 30 September 2008 net finance cost had risen from the M9 2007 figure of €43m to €78.1m, mainly due to the cost of financing the acquisition of the Alpha Group, which in M9 2007 had only a marginal effect on finance cost, of 49.95% of Aldeasa and of 100% of World Duty Free Europe. In Q3 2008 net finance cost was €31.1m as against €15.7m in the comparable period of 2007.

The change in the currency make-up of the Group's debt given the sterling financing of a large part of the investment in Alpha Group and World Duty Free Europe, the increase in leverage and the generalised increase in market short-term interest rates (US dollar Libor, GBP Libor and Euribor) contributed to a rise in the average cost. This increase was however contained at around 0.40%; thus the average cost of debt rose to 5.55% as against 5.15% in M9 2007.

Interest rate swaps had a marginally positive effect in that the differential between the contractual fixed rate and the market floating rate was effectively zero in the case of the euro and the US dollar and favourable in the case of sterling.

At 30 September 2008, after hedging the currency risk, 36% of net debt was in euros, 28% in US dollars and 36% in sterling.

Fixed-rate debt was 60% of the Group's net debt: 65% of borrowings in US dollars, 66% of borrowings in sterling and 44% of euro-denominated debt.

Tax

The average tax rate fell from 40.5% to 37.4%. This change was due to the fact that a larger portion of profit was realised in countries with an ordinary tax rate lower than that of the two countries which in the past were the Group's main markets, - the US, where the average total tax rate is 39.5%, and Italy, where the aggregate of IRES (corporate tax) and IRAP (regional tax on production) is only nominally 31.4%, but actually much higher for businesses with high labour content like those of Autogrill – as well as the tax rate cuts of 2007 and 2008 in many countries like Italy (from 37.25% to 31.4%) and Spain (from 32.5% to 30%).

Net Profit

Net profit attributable to the Group for M9 2008 was €111.9m. Compared to the M9 2007 figure of €140m it suffered from a conversion effect of negative €9m.

In Q3 2008 net profit attributable to the Group was €78m, as against €90,4m in the comparable period of 2007 (a reduction of 13.7% at current exchange rates or 8.6% at constant exchange rates).

1.2 Financial Position

Condensed Consolidated Balance Sheet

(€m)	30/09/2008	31/12/2007 [1]	Change at current exch. rate	Change at constant exch. rate
Intangible assets	2,433.1	1,414.6	1,018.5	1,023.4
Property, plant and equipment	1,064.8	908.1	156.7	151.2
Non-current financial assets	26.9	23.5	3.4	3.4
A) Total non-current assets	**3,524.8**	**2,346.1**	**1,178.7**	**1,178.0**
Inventories	288.3	196.8	91.5	93.5
Trade receivables	127.3	104.8	22.5	25.4
Other current assets	222.3	199.5	22.9	23.2
Trade payables	(722.7)	(529.3)	(193.4)	(195.1)
Other current liabilities	(453.9)	(332.2)	(121.7)	(121.2)
B) Working capital	**(538.7)**	**(360.4)**	**(178.3)**	**(174.1)**
C) Capital invested, less current liabilities	**2,986.1**	**1,985.7**	**1,000.4**	**1,003.9**
D) Other non-current non-financial assets and liabilities	**(206.2)**	**(204.5)**	**(1.7)**	**(5.5)**
E) Assets held for sale	**1.0**	**5.8**	**(4.8)**	**(4.8)**
F) Net capital invested	**2,780.9**	**1,787.0**	**993.8**	**993.5**
Equity attributable to the shareholders of the Parent	573.0	566.7	6.3	17.4
Minority interests	60.2	58.2	2.0	3.7
G) Equity	**633.2**	**624.8**	**8.4**	**21.2**
H) Convertible bonds	**40.8**	**40.2**	**0.6**	**0.6**
Non-current financial liabilities	2,144.7	1,206.3	938.4	925.6
Non-current financial assets	(6.5)	(4.5)	(2.0)	(1.9)
I) Net non-current financial position	**2,138.2**	**1,201.7**	**936.5**	**923.7**
Current financial liabilities	213.8	144.7	69.1	69.7
Cash and cash equivalents and non-current financial assets	(245.1)	(224.5)	(20.6)	(21.7)
L) Net current financial position	**(31.3)**	**(79.8)**	**48.5**	**48.1**
Net financial position (H+I+L)	**2,147.7**	**1,162.2**	**985.5**	**972.4**
M) Total, as in F)	**2,780.9**	**1,787.0**	**993.8**	**993.5**

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

Net capital invested increased by €993.8m (€993.5m at constant exchange rates), mainly due to the acquisitions made in the period, of which the initial total impact was €1,066.8m.

Net working capital, structurally negative for the Group, was €538.7m at 30 September 2008, an increase of €178.3m over 31 December 2007, which – as well as the usual seasonality that marks cash generation in the first nine months of every year – was accentuated by the changed scope of consolidation, and efficiency gains made in the management of circulating capital.

The financing of higher net assets was mainly achieved through borrowing, as the €985.5m increase in net debt (€972.4m at constant exchange rates) shows, such that net debt stood at €2,147.7m at 30 September 2008, as against €1,162.2m at 31 December 2007.

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

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

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

Cash Flow and Net Financial Position

(€m)	First nine months 2008	First nine months 2007
Net cash and cash equivalent - opening balance	**152.7**	**181.6**
Profit before tax and net financial expense for the period (including minority interests)	277.0	298.0
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	181.8	142.3
Impairement losses and (gains)/losses on disposal of financial assets	0.9	(0.2)
(Gains)/losses on disposal of non-current assets	(1.0)	(3.7)
Change in working capital [1]	97.0	(11.4)
Net change in non-current non-financial assets and liabilities	(20.7)	(0.9)
Cash flows from operations	**535.0**	**424.2**
Tax paid	(19.5)	(63.7)
Net interest paid	(78.1)	(43.9)
Net cash flows from operations	**437.4**	**316.6**
Expenditure on property, plant and equipment and intagible assets	(237.4)	(180.1)
Proceeds from disposal of non-current assets	10.7	18.0
Acquisition of consolidated equity investments	(980.2)	(299.5)
Net change in non-current fianancial assets	(1.7)	11.2
Cash flows used in investing activities	**(1,208.6)**	**(450.4)**
Bond issues	-	105.6
Increase in non-current loans	880.0	583.8
Repayments of non-current loans	(9.3)	(215.5)
Repayments of current loans net of new loans	34.7	(214.3)
Payment of dividends	(76.3)	(101.8)
Other cash flows [2]	(12.0)	(9.0)
Cash flows from financing activities	**817.0**	**148.8**
Cash flows for the period	**45.8**	**15.0**
Exchange rate gains and losses on net cash and cash equivalents	(3.5)	(2.3)
Net cash and cash equivalents - closing balance	**195.0**	**194.3**

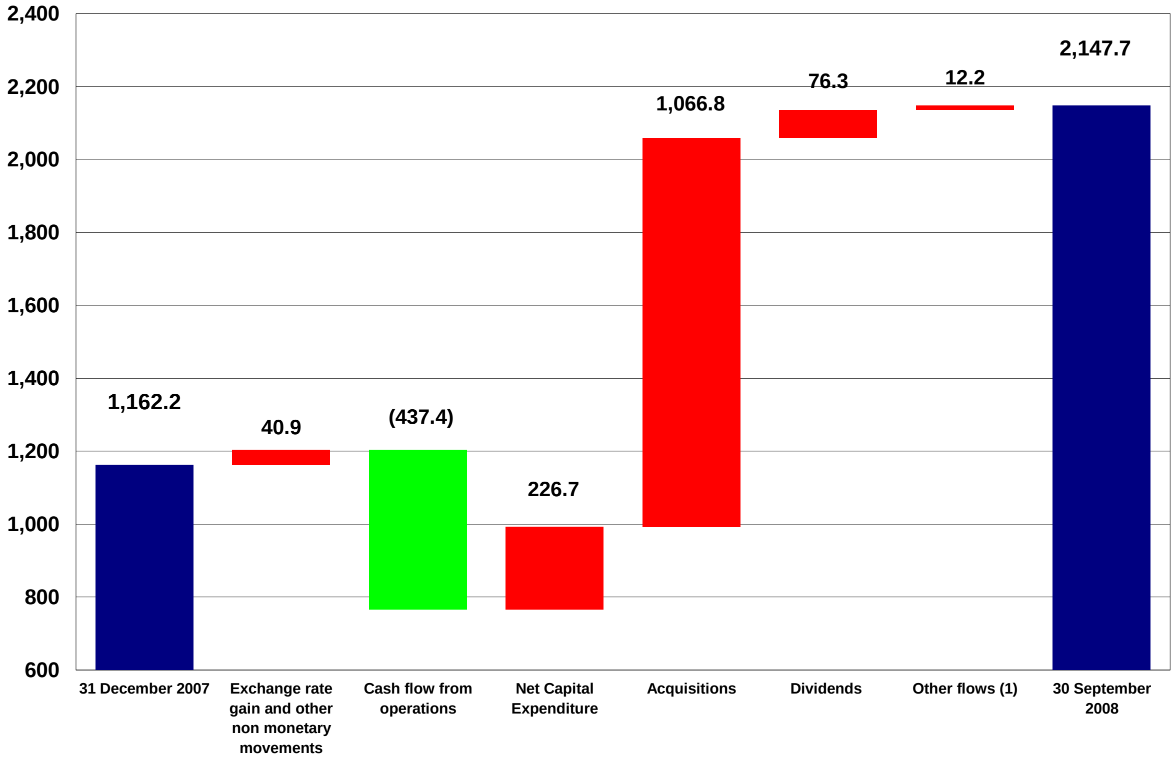
[1] Includes the exchange rate gains (losses) on income-forming items.

[2] Includes dividend paid to minority shareholders of subsidiaries.

Reconciliation of net cash and cash equivalents

(€m)		
Net cash and cash equivalents - opening balance at 31 December 2007 and at 31 December 2006	**152.7**	**181.6**
Cash and cash equivalents	202.0	216.8
Current account overdrafts	(49.3)	(35.2)
Net cash and cash equivalents - closing balance at 30 June 2008 and at 30 June 2007	**195.0**	**194.3**
Cash and cash equivalents	226.2	220.4
Current account overdrafts	(31.2)	(26.1)

The following chart shows how the net financial position changed in the period:



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

Net cash from operations reached €437.4m, a sharp increase over M9 2007, when net cash from operations was €316.6m. The recently-acquired retail businesses made a large contribution to this. Additionally, cash generation was reduced in 2007 by the payment of the 2004-2006 incentives and the start-up of the new tax consolidation scheme in Italy.

Increased cash flow from operations more than financed net capital expenditure, which amounted to €226.7m in M9 2008, and the payment of dividends totalling €76.3m, and partly covered the cost of acquisitions.

At 30 September 2008 net debt stood at €2,147.7m, after a negative conversion difference of €13.1m mainly due to the US dollar component and a €27.8m increase in the marked to market value of hedging instruments.

1.3 Capital Expenditure and Business Development

1.3.1 Capital Expenditure

(€m)	First 9 months 2008					First 9 months 2007				
	Development and Renovation	Maintenance	ICT & Other	Total	*Percentage*	Development and Renovation	Maintenance	ICT & Other	Total	*Percentage*
Motorways	52.5	14.2	0.6	**67.4**	*28.4%*	42.5	12.6	1.6	**56.7**	*31.5%*
Airports	121.7	8.9	0.6	**131.3**	*55.3%*	64.2	12.6	0.9	**77.6**	*43.1%*
Railway stations	4.5	0.7	0.2	**5.5**	*2.3%*	4.8	0.4	0.0	**5.2**	*2.9%*
In-flight	6.5	-	-	**6.5**	*2.7%*	-	-	-	**-**	*-*
Other Businesses	8.8	1.7	0.0	**10.5**	*4.4%*	12.8	0.7	0.2	**13.7**	*7.6%*
Non-allocated	3.5	1.5	11.2	**16.3**	*6.9%*	4.2	5.8	16.9	**26.9**	*14.9%*
Total	197.7	27.0	12.7	237.4		128.4	32.1	19.6	180.1	
Percentage	*83.3%*	*11.4%*	*5.4%*			*71.3%*	*17.8%*	*10.9%*		

In M9 2008 the Group continued with its capex programmes following the numerous new concession awards of the past two years: from €180.1m in the comparable period of 2007, capex increased by 31.8% (32.9% at constant exchange rates) to €237.4m, living a 5.6% ratio to sales (5.1% in M9 2007). Organic growth was 17.7%.

In Q3 2008 capex was €80.2m, an increase over Q3 2007 of 24.4% for the whole business and of 11.3% in organic-growth terms.

A break down of capex by purpose illustrates the trend: expenditure for business development absorbed some 83% of resources (as against 71% in M9 2007), and increased by nearly 54% or 38% on an organic-growth basis. IT expenditure fell following the gradual completion of the development begun in 2006 principally in respect of the development of management applications for the US businesses.

Airports were the segment in which most capex was undertaken, involving almost a doubling of the allotted resources, from €77.6m to €131.3m, up by 43% in organic growth terms. In North America capex was aimed at up-grading the offering in locations that had been recently awarded (e.g., Sacramento) or renewed (Honolulu, New York JFK and Tampa), and this region also undertook expenditure in Asia with the opening of Bangalore and Singapore and completion of the stores in Hyderabad.
In the European airports, too, capex followed the award of new concessions (e.g., Shannon e Copenhagen) or renewals (Brussels and Manchester). Aldeasa invested both in its domestic airports – in the old terminals of Madrid airport at the same time the infrastructure was being rebuilt and in certain holiday destinations – and in its international locations, with the completion of its stores in Vancouver and Atlanta airports in North America.

Motorway capex increased to €67.4m, an overall increase of 18.9%, in relation to the continuation of up-grading along the Pennsylvania Turnpike and the New York Thruway and work on the Italian motorway network.

1.3.2 Business Development

In M9 2008 Autogrill won the following concessions:

Country	Date	New or Renewed	Business Segment	Sector	Life	Projected cumulative sales
Singapore	January	New	Airports	Food & Beverage	Variable (1-3 years)	$16m
USA – New York Empire State Building	January	Renewal	Cities	Retail	12 years	$190m
Italy – Grandi Navi Veloci	February	New	Ports	Food & Beverage + Retail	5 years	€100m
UK - Belfast	February	New	Airports	Food & Beverage	10 years	£30m
USA – Tampa	April	Renewal	Airports	Food & Beverage + Retail	7 years	$670m
USA – Miami	April	Renewal	Airports	Food & Beverage + Retail	3 years	$75m
USA Little Rock	April	Renewal	Airports	Food & Beverage + Retail	10 years	$115m
Egitto – Il Cairo	June	New	Airports	Food & Beverage	5 years	$18m
USA – St. Louis	July	Renewal	Airports	Food & Beverage	12 years	$585m
USA – Indianapolis	July	New	Airports	Food & Beverage + Retail	10 years	$145m
USA - Atlanta	July	New	Airports	Retail	7 years	$270m
USA – San José	July	New	Airports	Food & Beverage + Retail	11 years	$330m
USA – Delaware Turnpike	September	Renewal	Motorways	Food & Beverage + Retail	35 years	$1.2bn
USA – Phoenix	September	Renewal	Airports	Food & Beverage	2 years	$180m

Additionally, Autogrill renewed 45 concessions in Italy in the *Autostrade per l'Italia* network, with an average life of 8.8 years and projected cumulative sales of €1.75bn.

1.4 Results by Region/Organisation

North America and the Pacific Area

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

($m)	First 9 months 2008	First 9 months 2007	Change
Revenue	1,969.5	1,844.2	6.8%
Motorways	322.1	333.3	(3.4%)
Airports	1,582.1	1,466.1	7.9%
Shopping malls	65.3	44.8	45.7%
EBITDA	245.7	254.9	(3.6%)
EBITDA margin	*12.5%*	*13.8%*	
Capital Expenditure	151.2	118.8	27.3%
% of Revenue	*7.7%*	*6.4%*	

Revenue

In North America sales increased by 6.8% (5.8% net of the contribution of CBR), to $1,969.5m as against $1,844.2m in M9 2007.
In Q3 2008, the region's businesses generated revenue of $710.5m, up by 2.1% (1.1% net of the contribution of CBR) as against $696m in Q3 2007.

Results by business segment:

- *Airports*: This segment increased its revenue by 7.9% in M9 2008 (6.6% with the same perimeter and 4.9% on a like-for-like basis[1]), despite a 3.3% contraction in passenger traffic according to the ATA[2], due to the measures taken by the airlines to meet the rise in fuel prices.

  This was especially the case in Q3 2008, when there was a 6% drop in passenger traffic according to the ATA, and revenue was up by 3.8% (1.2% on a like-for-like basis) at $549m, as against $528.9m in Q3 2007.

- *Motorways*: Increased fuel prices and the continuation of rebuilding work in the renewed concessions affected the revenue of the motorway segment, which fell by 3.4%, or 1.3% on a like-for-like basis, to $322.1m, as against $333.3m in M9 2007.

  The third quarter continued to be affected by the sharp fall in traffic, especially holiday traffic: revenue was $143.9m, a fall of 4.3% (or 2.8% on a like-for-like basis) as against $137.7m in Q3 2007.

- *Shopping Malls:* sales increased by 45.7% ($65.3m in M9 2008 as against $44.8m in M9 2007) mainly due to the contribution of the businesses acquired from FoodBrand LLC, which in 2007 were consolidated for only three months.

[1] Like-for-like comparison refers to stores operating both in the period and in the previous comparable period with the same offering.
[2] Airport Transport Association.

EBITDA

In M9 2008 EBITDA was \$245.7m, a fall of 3.6% from \$254.9m in M9 2007 (CBR contributing \$3.3m). The EBITDA margin was 12.5% (of which 0.1% contributed by CBR) as against 13.8% in M9 2007, mainly due to \$9.4m rebuilding costs, which accounted for a 0.5% reduction in the EBITDA margin.

There was also an increase in the ratio of payroll to sales, both to ensure high standards of service and as a result of inflationary pressure during the period. Part of the increases in foodstuff prices was passed on to consumer prices and this, together with the redesign of the offering, contained the ratio of the cost of sales to revenue. Operating and general expense also rose, the former mainly due to higher energy costs, the latter partly connected to the realisation of a new operating base in Asia.

Rebuilding costs, entirely borne in Q3 2008, caused a fall in EBITDA to \$100.2m from \$110.7m in Q3 2007, while the EBITDA margin also declined from 15.9% to 14.1%. Without these costs, price increases and other operational measures would have maintained the margin in line with the comparable period of 2007.

Capital Expenditure

The sharp rise in capex was due to the rebuilding of stores along the Pennsylvania Turnpike and the New York Thruway, two of the Group's largest motorway locations in North America. In the airport segment resources were used to up-grade the offering in newly-won (e.g., Sacramento) or renewed concessions (the latter including Honolulu, New York JFK and Tampa). Capital expenditure in Asia for the opening of stores in Bangalore and Singapore and the completion of the outlets in Hyderabad airport should also be mentioned.

Italy

(€m)	First 9 months 2008	First 9 months 2007	Change
Revenue	1,001.6	959.8	4.4%
Motorways	790.4	778.6	1.5%
Airports	60.8	51.7	17.6%
Railway stations and Ports	29.5	14.9	97.6%
Other	120.9	114.6	5.5%
EBITDA	141.4	140.4	0.7%
EBITDA margin	*14.1%*	*14.6%*	
Capital Expenditure	49.5	53.3	(7.2%)
% of Revenue	*4.9%*	*5.6%*	

Revenue

In the first nine months of 2008 the Group generated revenue of €1,001.6m in Italy, an increase of 4.4% over the M9 2007 figure of €959.8m, thanks to positive results in all business segments.

In Q3 2008 sales reached €375.1m, up by 4.4% over the Q3 2007 figure of €359.3m.

Results by business segment:

- *Motorways:* A 1.5% increase in revenue (1.1% on a same-store basis) was achieved despite a 0.4% fall in traffic according to internal estimates. The most recent AISCAT figure indicated a contraction of 0.1% in July 2008. Reduced propensity to spend shifted demand to lower-ticket products (from self-service and pizza to the snack-bar). The Group therefore extended its offering in this segment and launched promotions designed to push the most disadvantaged products. In Q3 2008 the motorway business segment achieved revenue of €297.2m, up by 1.3% (0.8% on a same-store basis) over the Q3 2007 figure of €293.3m;
- *Airports:* The airport segment increased its revenue by 17.6% in M9 2008 to €60.8m as against €51.7m in M9 2007. This result includes the contribution of former Alpha Group retail & duty-free business in Roma Fiumicino airport, which had been transferred to Italian management under the Group's integration programme. Net of this business the increase would have been 7.1%, with traffic growth of 1% according to Assaeroporti.

  In Q3 2008 sales were €23.5m, up by 12.3% (or 3% net of the contribution of the former Alpha Group stores in Fiumicino airport) as against €21m in Q3 2007. By contrast, airport traffic declined by 2.5% according to internal estimates based on Assaeroporti data, not least due to the reduction of Alitalia flights in the quarter.
- *Railway Stations and Ports:* This segment's sales grew by 97.6% to €29.5m as against €14.9m in M9 2007, thanks to food & beverage business on board *Grandi Navi Veloci* vessels (net of this contribution there would have been a reduction of 11.6%).

  In Q3 2008 sales increased from €5.8m to €14.6m (which would have been an increase of 1% net of *Grandi Navi Veloci*).
- *Other Segments (shopping centres, towns and cities and trade fairs):* These segments achieved M9 2008 revenue of €120.9m, up by 5,5% from the M9 2007 figure of €114.6m, thanks to the contribution of the businesses of Trentuno S.p.A. (which in 2007 was

consolidated starting in May); net of this acquisition sales data would have been more or less unchanged.

In Q3 2008 sales were €39.7m as against the Q3 2007 figure of €39.2m.

EBITDA

EBITDA was €141.4m, up by 0.7% over the M9 2007 figure of €140.4m, and the EBITDA margin was 14.1% (14.6% in M9 2007). Continual improvements to the offering (e.g., introducing snack products with a higher average ticket) and changes in the sales mix in favour of food & beverage products as opposed to retail & duty-free, enabled the segment to reduce the ratio of the cost of sales to revenue, offsetting rises in labour costs (following application of the new collective labour contract) and operating costs due to rises in utilities costs.

In Q3 2008 EBITDA was €64.1m, down by 0.7% from the Q3 2007 figure of €64.6m, while the EBITDA margin was 17.1% having been 18% in Q3 2007. This area recorded one-off reorganisation costs of €1.1m in this quarter.

Capital Expenditure

In M9 2008 capex was €49.5m as against €53.3m in the comparable period of 2007. This reduction was a consequence of works being rescheduled in light of market conditions and a smaller number of new openings in the motorway segment. Stores being renovated included Brembo, Viverone Nord and Viverone Sud, where the Group's first geothermal energy production plant was installed.

Rest of Europe

(€m)	First 9 months 2008	First 9 months 2007	Change at current exch. Rate	Change at costant exch. Rate
Revenue	533.2	504.3	5.7%	5.4%
Motorways	334.0	326.8	2.2%	2.0%
Airports	105.5	94.0	12.2%	12.0%
Railway stations	63.6	56.6	12.3%	12.1%
Other	30.2	27.0	12.1%	11.0%
EBITDA	53.8	57.6	(6.6%)	(6.9%)
EBITDA margin	*10.1%*	*11.4%*		
Capital Expenditure	35.8	26.6	34.4%	34.2%
% of Revenue	*6.7%*	*5.3%*		

Revenue

In M9 2008 the Group generated revenue of 533.2m€ in the Rest of Europe region, an increase of 5.7% at current exchange rates and of 5.4% at constant exchange rates over the M9 2007 figure of €504.3m, achieving positive results in all business segments.

In Q3 2008 revenue was virtually unchanged at €208.4m compared to the Q3 2007 figure of €206.9m (up by 0.7% at current exchange rates and 0.4% at constant exchange rates), the fall-off in motorway traffic being offset by the positive result in the railway-station, airport and shopping-centre segments.

Results by business segment:

- *Motorways*: This segment's sales reached €334m as against €326.8m in M9 2007. This 2.2% increase at current exchange rates (2% at constant exchange rates) was achieved in a less favourable market than that of the comparable period of 2007, due to a fall-off of traffic, in turn caused by oil price increases, and the general weakening of the economies of the countries in which the Group operates. Revenue in Spain (a reduction of 8.7%) was affected by the country's macro-economic situation and the closure of a number of locations along the non-toll motorways which occurred in 2007, while that of France (down by just 0.2%) was almost unchanged. By contrast Benelux grew by 13.2%, thanks not least to the business of petroleum retail. Switzerland grew by 20.4% in local currency terms and benefited from the completion of rebuilding work in the Pratteln service area.

  In Q3 2008 this segment had sales of €137.7m, down by 1.2% from the Q3 2007 figure of €139.4m, and the trend in each country was similar (Spain down by10.3%, France down by 2.5%, Benelux up by 8% and Switzerland up by 19.3% in local currency.

- *Airports*: Revenue in the airport segment was €105.5m, as against €94m in M9 2007. Growth of 12.2% at current exchange rates (12% at constant exchange rates) was due to the good performance of already operational locations (e.g., Athens, Geneva, Zurich and Basel) and enlargement in certain airports, including Copenhagen and Shannon.

  In Q3 2008 this segment's sales reached €39.6m, up by 2.1% at current exchange rates (1.9% at constant exchange rates) over the Q3 2007 figure of €38.7m.

- *Railway Stations*: in M9 2008 this segment recorded revenue of €63.6m, an increase of 12.3% at current exchange rates (12.1% at constant exchange rates) over the M9 2007 figure of €56.6m, with positive results in all countries of operation. The French railway stations advanced by over 8%, benefiting from the completion of rebuilding work, in particular those at Paris Est. Spanish stations grew by over 14% thanks to the opening of the new Madrid-Malaga and Madrid-Barcelona high-speed lines, as well as the renovation of a number of stores in Madrid's Atocha station. The Swiss and Belgian stations also returned good results, benefiting from the opening of new stores.

In Q3 2008 this segment's sales reached 21.6m€, a 10.1% increase at current exchange rates (9.8% at constant exchange rates) over the Q3 2007 figure of €19.7m.

- *Other Segments*: Sales increased by 12.1% at current exchange rates (11% at constant exchange rates) in M9 2008 to €30.2m as against €27m in M9 2007, mainly due to the food & beverage business at the Telefónica office complex. This location's summer break affected the results of Q3 2008, which had revenue of €9.5m, up by 4.5% at current exchange rates (3.3% at constant exchange rates) over the Q3 2007 figure of €9.1m.

EBITDA

In M9 2008 EBITDA was €53.8m as against €57.8m in M9 2007 – a reduction of 6.6% at current exchange rates or 6.9% at constant exchange rates – and the EBITDA margin was 10.1% as against 11.4% in M9 2007. The EBITDA margin was affected by €1.4m rebuilding costs – without which EBITDA would have been €55.2m, and the margin 10.4% - as well as the new businesses' start-up costs (mainly in North European airports) and raw materials and utilities prices.

In Q3 2008 EBITDA was €34.3m as against €38.8m in Q3 2007, a reduction of 11.7% at current exchange rates and 11.8% at constant exchange rates, and the EBITDA margin was 16.4% as against 18.8% in Q3 2007. Net of rebuilding costs, EBITDA would have been €35.5m, and the EBITDA margin 17%.

Capital Expenditure

The significant rise in the resources allocated to the Rest of Europe, viz. €35.8m as against €26.6m in M9 2007 – an increase of 34.4% at current exchange rates or 34.2% at constant exchange rates – was due to the numerous projects launched following the award of new concessions and prior-year renewals. These included new stores in Shannon and Copenhagen airports and the extension of the business carried on in Brussels airport, the rebuilding work carried out in the French station Paris Est, the rebuilding of the Stroe and Weer service stations in the Netherlands and Austria respectively, as well as the opening of three new motorway service areas along the *Cofiroute* in France. In Q3 2008 capex amounted to €11.9m, a 26.6% increase over the Q3 2007 figure of €9.4m. This increase was due in particular to the continuing up-grading project in Brussels airport.

Aldeasa

Aldeasa and its subsidiaries have been fully consolidated since 1 April 2008 following the acquisition of exclusive control on 14 April 2008. In previous years they were proportionately consolidated as to 50%. To facilitate understanding of its performance in the period, the data disclosed and commented on below refer to the entire Aldeasa group.

(€m)	First 9 months 2008	First 9 months 2007	Change
Revenue	641.9	627.5	2.3%
Airports	631.2	613.2	2.9%
Palaces and Museums	10.7	14.3	(25.2%)
EBITDA	55.8	60.2	(7.3%)
EBITDA margin	*8.7%*	*9.6%*	
Capital Expenditure	26.1	19.3	35.0%
% of Revenue	*4.1%*	*3.1%*	

Revenue

In M9 2008 Aldeasa generated revenue of €641.9m, up by 2.3% over the M9 2007 figure of €627.5m. The international airport operations offset a domestic downturn in Spanish locations, which were affected by the local economy's difficulties, by sterling depreciation and the competition of high-speed trains.

The sharp fall in airport traffic affected Q3 2008 revenue, which was €251m, down by1% from Q3 2007.

Results by business segment:

- *Airports:* The 2.9% increase in sales in M9 2008 was the net result of contrasting trends: international business grew at a double-digit rate and offset domestic market difficulties. Non-Spanish airports' revenue grew by 23.7% (from €139.4m to €172.4m), thanks to good results, in particular in Mexico, Kuwait and Chile, as well as the build-up of business in Vancouver and Atlanta airports, which were opened during 2007 and are therefore not comparable. In Q3 2008 business in the international airports grew by 13.4%, to €61.7m from €54.4m in Q3 2007.

  By contrast, the domestic market – recording revenue of €458.8m, down by 3.2% from the M9 2007 figure of €473.9m – was affected by the property sector crisis and its effects on the real economy, which reduced the propensity to spend in general and reverse the air traffic trend, which was down by 0.3%, according to A.E.N.A.[1], having still been positive in June 2008, when it was up by 2.8%, again according to A.E.N.A. The launch of the Madrid-Malaga and Madrid-Barcelona high-speed train lines also reduced air traffic on the same routes, penalising the stores in those airports. In addition to these circumstances there was the depreciation of sterling against the euro, which discouraged spending by British passengers in the holiday destination airports. The fall in traffic, which was still slight according to the year-to-date figure in September, became significant in Q3 2008 when it

[1] Aeropuertos Españoles y Navegatión Aerea.

declined by 4.9%, according to A.E.N.A., and the quarter returned revenue of €185.5m, down by 5.5% from the Q3 2007 figure of €196.2m.

- *Palaces and Museums:* termination of business in the Museo del Prado following the museum's decision to manage its merchandising directly was the main reason for the reduction in sales.

EBITDA

In M9 2008 EBITDA was €55.8m, giving an 8.7% margin. This figure comprises €0.9m of integration costs following the acquisition of World Duty Free Europe: net of this cost EBITDA would have been €56.7m and the EBITDA margin would have been 8.8%. The actual figure was down by 5.8% from the M9 2007 figure of €60.2m and from the related EBITDA margin of 9.6%. As well as the weakness of domestic sales performance, EBITDA was affected by the business start-ups in North America, where the cost structure was particularly onerous and there was a decline in traffic in Vancouver. By contrast, the ratio of the cost of sales to revenue fell from the M9 2007 figure, mainly thanks to faster sales growth in the duty-free business, which has higher margins than duty paid/travel value.

In Q3 2008 EBITDA was €27.3m and the margin was 10.9%. Net of the rebuilding costs, all borne in Q3, EBITDA would have been €28.2m and the margin 11.2%, in line with Q3 2007 when revenue was €28.4m and the margin 11.2%.

Capital Expenditure

In M9 2008 capex totalled €26.1m, partly in connection with projects started in 2007 and partly relating to up-grading begun in 2008. The former included the completion of works in the Vancouver and Atlanta locations; the latter included rebuilding work in the old terminals in Madrid Barajas Airport and the revamping of the commercial offering in Palma de Mallorca Airport. The international business saw the beginning of up-grading of the operating structures in Jordan.

In Q3 2008 capex amounted to €8.5m, mainly devoted to the continuance of the work on the old terminals in Madrid, at the same time as the rebuilding being undertaken by the airport authority.

Alpha Group

Alpha Group and its subsidiaries have been consolidated since 1 June 2007. To facilitate an understanding of their performance in the period under review, data are given in millions of pounds sterling (£m) together with the data referring to the comparable period of 2007.

(£m)	First 9 months 2008	First 9 months 2007	Change
Revenue	465.2	473.3	(1.7%)
In-flight	266.3	261.2	2.0%
Airports	198.9	212.1	(6.2%)
EBITDA	38.2	29.6	29.2%
EBITDA margin	*8.2%*	*6.2%*	
Capital Expenditure	16.2	10.6	53.8%
% of Revenue	*3.5%*	*2.2%*	

Revenue

In M9 2008 Alpha Group reported revenue of £465.2m as against £473.3m in M9 2007. International business grew in both sectors, but total revenue was affected by the rationalisation of the concession portfolio which was initiated following acquisition.

Similarly, Q3 2008 sales declined by 5.1%, from the Q3 2007 figure of £190.6m to £180.8m.

Results by business segment:

- *In-flight*: Domestic sales fell by 19.6% from £194m to £156m, due to the 2007 termination of the easyJet contract, net of which domestic sales would have grown by some 3%. Significant sales growth in the international business, to £67.2m, an increase of 64.2% over the M9 2007 figure of £110.3m, was due to a good performance by existing businesses, which increased sales by some 48%, and an £11.3m contribution from Air Czech Catering which has been consolidated since 1 April 2008. The results of the Australian concern were especially gratifying, benefiting from the agreement with Emirates signed in the latter part of 2007, as were those achieved in Eastern Europe and the Middle East.

  In Q3 2008 domestic sales were £63.2m, down by 19.4% from Q3 2007. Net of the value in 2007 of the easyJet contract, these sales would have risen by 2%, despite the failure of certain low-cost and charter airlines served in the UK. International sales rose from £25.3m to £41.7m, up by 65.3% over Q3 2007 (this increase would have been 42.2% net of Air Czech Catering).

- *Airport Retail and Food & Beverage:* Domestic revenue was £151m, down by 8.7% from M9 2007, due to the disposal of the World News brand outlets, 13 of which were sold in Q4 2007 and the remaining 23 in Q2 2008. Net of this effect (partly offset by the consolidation of Restair and Bagel Street), revenue grew by 16%. This was achieved through operating improvements in the stores and the competitive effect of the depreciation of sterling vis-à-vis the euro. The performance of Manchester airport was especially good, with the launch of the new Biza concept, which successfully offset the 2.8% fall in traffic in this location in M9 2008. International sales grew by 2.4%, from £46.8m to £47.9m: the termination of business in Turkey and the transfer to Autogrill S.p.A. of the Italian businesses were more than offset by results achieved in India and Sri Lanka.

In Q3 2008 domestic sales fell by 15% to £57.4m, due to the disposal of the World News brand outlets. Net of this discontinuation sales rose by 11%. International sales were £18.5m, declining by 5.1%.

EBITDA

EBITDA improved significantly in M9 2008, in terms of both amount, rising from £29.6m to £38.2m, and margin, which increased from 6.2% to 8.2%), due to progress made in both business sectors. The in-flight sector contributed with faster growth in its international business than that of its domestic activity and the termination of insufficiently profitable agreements. Retail & duty-free business, both at home and abroad, benefited from the closure or sale of unprofitable businesses. Domestic business also benefited from labour improvements. The contribution of the newly-acquired Air Czech Catering was £2.4m.

In Q3 2008, EBITDA rose from £18.5m to £19.9m, and the EBITDA margin was 11% as against 9.7% in Q3 2007). The contribution of Air Czech Catering was £1.4m.

Integration begun following the acquisition of World Duty Free Europe involved costs of £0.6m, which were entirely borne in Q3, and net of which year-to-date EBITDA would have amounted to £38.8m, with a margin of 8.3%.

Capital Expenditure

The most important project in 2008 was the opening of the new Biza concept retail & duty-free stores in Manchester Airport's Terminal 1 (a ten-year concession renewed in 2006), and Newcastle and East Midlands Airports: about half of capex for the period was devoted to this initiative, thus accounting for the overall increase in capex to £16.2m as against £10.6m in M9 2007.

The Starbucks Coffee development project also progressed with the opening of an outlet in Inverness airport, added to those that were opened in Dublin and Jersey in 2007.

In the in-flight sector capex was undertaken in support of new domestic business, under the agreement recently entered into with Thomas Cook, and of international business in Australia.

In Q3 2008 capex was £3.6m.

World Duty Free Europe

World Duty Free Europe has been consolidated since 1 May 2007. To facilitate an understanding of its performance in the period under review, data are given in millions of pounds sterling (£m) together with comparative data referring to 2007.

(£m)	First 9 months 2008	First 9 months 2007	Change
Revenue	329.9	305.1	8.1%
EBITDA	32.0	26.4	21.2%
EBITDA margin	*9.7%*	*8.7%*	
Capital Expenditure	7.9	12.9	(39.0%)
% of Revenue	*2.4%*	*4.2%*	

Revenue

In M9 2008 World Duty Free Europe's sales increased by 8.1% to £329.9m as against £305.1m in M9 2007, mainly due to the effects of the opening of the new Terminal 5 at Heathrow Airport, which offset the adverse trend in traffic in the other airports in which WDFE operates (down by 1.4% according to BAA)[1].

In Q3 2008 sales reached £125.8m, up by 7.3% over the Q3 2007 result, despite a 2.7% drop in traffic in the airports where WDFE operates according to internal estimates based on BAA data.

Results by airports:

- *Heathrow*: Revenue reached £176.5m, up by 11.2% over the M9 2007 figure of £158.8m. The first nine months of 2008 were marked by the opening of the new Terminal 5, which accommodates British Airways flights: this caused a redistribution of flights among the other terminals but there was no increase in international passenger traffic, which fell by 0.3% according to BAA. Indirect advantages arising from the opening of the new terminal were an improvement in the environment elsewhere – i.e., less crowded terminals and faster security controls *inter alia* – and these increased passengers' propensity to shop, especially in Terminals 2 and 3. This trend was also assisted by the weakness of sterling against the euro.

  In Q3 2008 sales were £64m, an increase of 12.5% over Q3 2007, in contrast to the 1.1% fall in traffic (internal estimate based on BAA figures).

- *Other Airports:* the revenue generated in aggregate by the other WDFE airports (London Gatwick, London Stansted, Southampton, Aberdeen, Edinburgh and Glasgow) recorded a 4.9% increase to £153.4m, as against £146.2m in M9 2007. In Gatwick, in particular, revenue grew by more than 6% to £88.6m.

  In Q3 2008 these locations totalled £61.7m, up by 2.3% over Q3 2007 despite the fall in traffic.

[1] British Airports Authority.

EBITDA

In M9 2008 EBITDA recorded growth of 21.2%, rising from £26.4m to £32m, and the EBITDA margin increased from 8.7% to 9.7%. This was mainly due to better leverage of fixed costs due to the rise in sales.

In Q3 2008 EBITDA grew by 26.5% to £13.4m as against £10.6m in Q3 2007.

Capital Expenditure

In M9 2008, World Duty Free Europe carried out expenditure of £7.9m as against £12.9m in the comparable period of 2007: the reduction was due to completion of the stores in Heathrow Terminal 5. The introduction of new cash registers, which began in 2007 and required substantial investments in information technology in that year, is also nearing completion. As well as the completion of the stores in Heathrow Terminal 5, the most important projects of M9 2008 were the up-grading of the two main stores in Stansted and Gatwick airports.

In Q3 2008 capex amounted to £2.2m.

2. Outlook

At the end of the 44th week of 2008, the Group reported a consolidated revenue increase of circa 19% at current exchange rates and of circa 26% at constant exchange rates, over the comparable period of 2007. Organic growth was 3%.

In North America and in Italy growth was over 4% (with good results respectively in the airport and motorway segments), despite adverse traffic trends. The Rest of Europe grew at a rate in excess of 6%. Aldeasa's revenue was in line with the comparable period of 2007 and Alpha Group's result was lower only because of the sale of low-profitability businesses. Sales increased by more than 7% in local currency terms at World Duty Free Europe[1].

Despite the drop in traffic seen in Q3 2008, which has continued into the early part of the fourth quarter, the Group – thanks also to the appreciation of the US dollar against the euro since September – confirms its 2008 consolidated revenue target of over €5.8bn and consolidated EBITDA of €600m[2]. Net profit attributable to the Group is expected to be in the region of €110m, giving earnings per share of €0.43. That reflects an amortisation change of €4.4m related to the accrued allocation of £103m of the price paid to acquire World Duty Free Europe to intangible assets amortised over 20 years.

In finance terms, with capital expenditure forecast at €340m for the full year, net debt will be practically unchanged at €2.2bn in round figures.

Subsequent Events since 30 September 2008

On 15 October 2008 the Boards of Directors of Autogrill S.p.A. and its wholly-owned subsidiary Autogrill International S.p.A. approved a plan to merge Autogrill International into Autogrill. This decision was taken under the plan to rationalise the shareholding structure of the Group. This transaction will leave the capital of Autogrill S.p.A. unchanged.

[1] May-November 2008 compared to May-November 2007.
[2] These projections assume that the average €/US$ exchange rate will be €1 = US$1.45.

Statement pursuant to article 36 Market Regulations regarding the conditions for admission to listing on the stock exchange of companies with subsidiaries incorporated and regulated under the laws of non-EU countries

Pursuant to article 36 and 39 Market Regulations as amended by CONSOB Resolution 16530 dated 25 June 2008, detailing the conditions subject to which companies with subsidiaries incorporated and regulated under the laws of non-EU countries and of material size in relation to their consolidated accounts, may be admitted to listing on the stock exchange, we hereby state that four Group companies come under article 36, viz. Autogrill Overseas Inc., Autogrill Group Inc., HMSHost Corp. and Host International Inc., and that appropriate procedures have been adopted to guarantee complete compliance with this regulation.

Declaration pursuant to article 154-*bis* paragraph 2 Legislative Decree 58/98 ("TUF")

The manager responsible for drawing up financial statements and corporate documents, Mario Zanini, Group Chief Administration Officer, hereby states, pursuant to Article 154-*bis* paragraph 2 TUF, that the financial information contained in this report corresponds to the Company's documentary records, books and accounting entries.

Autogrill S.p.A.

Registered office: *28100 Novara, Italy*
Via Luigi Giulietti, 9
Share capital: *€ 132,288,000 fully paid-in*
Tax number- Business Registry of Novara: *03091940266*
Chamber of Commerce of Novara: *188902 Economic Administrative Index*
VAT Number: *01630730032*

General Management and Head Office: *20089 Rozzano MI, Italy*
Centro Direzionale Milanofiori, Palazzo Z, Strada 5

External Relations: *Telephone (+39)0248263224*
Fax (+39)0248263614
Investor Relations: *Telephone (+39)0248263246*
Fax (+39)0248263557
Company Secretary (for copies): *Telephone (+39)0248263393*
Fax (+39)0248263464
Website: *www.autogrill.com*