

# Letter from the Chairman

**Dear Shareholders,**

I am especially gratified by Autogrill's renewed achievements in 2005. The Group marks itself out in our industry by its ability to consistently obtain planned results and, among Italian businesses, by its leadership in international markets.

Continuing the work done in previous years, in 2005 we carried out an intensive strategic refocusing of our concession business. The most important corporate transaction was the investment in Aldeasa with our Franco-Spanish partners Altadis, which was done with a view to synergy and complementarity. It enabled us to add a new business model, retail and duty-free, thus giving the Group an opportunity to open a further route to growth, while maintaining its specialisation of providing services to travellers. There was one immediate result: we were awarded two new contracts, respectively in Canada and Kuwait. These extended Aldeasa's international footprint, since until now it has operated mainly in Spain.

At the same time the geographical expansion plan was further developed in the airport segment: we consolidated our presence in countries already covered - in Italy (Bergamo and Brescia), in Spain (Madrid and Palma de Mallorca), in Greece (Athens), and in Austria (Vienna) - and entered Northern European markets (the largest and most dynamic for our industry) for the first time, winning concessions in airports that until now had been exclusively run by other groups, viz. Frankfurt, Stockholm and Cork.

In the motorway segment the Group strengthened its business in North America - with the extension of the New York Thruway contract and the award of a new concession on the Indiana Turnpike - and began expanding into Eastern Europe, one of our strategic areas for future growth, by entering into significant contracts in Slovenia.

These achievements, taken together, increased the value of our concession portfolio in terms of both extension and duration, thanks not least to our investment in development, which has increased in the last four years from 60% to 80% of total capital expenditure. In particular we accelerated investment in areas in which we are strongest and most profitable by following a brand and location enhancement policy which is further improving our profitability.

Our 2005 profit figures continued the favourable trend: operating profit rose by more than 16% and our consolidated net profit for the year was 40% up on 2004.

Cash flow from operations grew by over 25%, and this made it possible to maintain expansion through acquisitions, without impairing the remuneration of our Shareholders.

In 2005 our main priorities - quality, innovation and pricing - were joined by greater attention to social responsibility and good governance.

Autogrill intends to maintain its strategy and performance by exploiting continuing growth in travel as well as its proven capabilities.

The future promises us solid growth and continuous refinement of our business models with their high return on capital invested.

**Gilberto Benetton**  
Chairman of Autogrill