Autogrill Group

Consolidated Half-Year Financial Report at 30 June 2019

(Translated from the original version issued in Italian)

Boards and officers

Board of Directors [1]

Chairman [2, 3]

Paolo Zannoni[12. E]

CEO [4]

Gianmario Tondato Da Ruos[E]

Directors

Alessandro Benetton
Franca Bertagnin Benetton
Ernesto Albanese[7, I]
Francesco Umile Chiappetta [6, 7, I]
Cristina De Benetti [6, I]
Massimo Di Fasanella D'Amore di Ruffano [5, 8, I, L]
Catherine GerardinVautrin[5, I]
Marco Patuano [13]
Maria Pierdicchi[8, I]
Elisabetta Ripa [5, 7, I]
Paolo Roverato [5,6]

Secretary

Paola Bottero

Board of Statutory Auditors [9]

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

Independent auditors [11]

Deloitte & Touche S.p.A.

[1] Appointed during the annual general meeting of 25 May 2017; in office until approval of the 2019 financial statements
[2] Coopted on 7 February 2019 to replace Gilberto Benetton; elected chairman of the board on the same date
[3] Powers of ordinary administration, with individual signing authority, per Board resolution of 7 February 2019
[4] Powers of ordinary administration, with individual signing authority, per Board resolution of 25 May 2017
[5] Member of the Strategies and Investments Committee
[6] Member of the Internal Control, Risks and Corporate Governance Committee
[7] Member of the Related Party Transactions Committee
[8] Member of the Human Resources Committee
[9] Elected by the annual general meeting of 24 May 2018; in office until approval of the 2020 financial statements
[10] Chartered accountant/auditor
[11] Assignment granted by the annual general meeting of 28 May 2015, to expire on approval of the 2023 financial statements
[12] Appointed at the Board of Directors meeting of 7 February 2019
[13] Member of the Strategies and Investments Committee through 24 June 2019, date on which his resignation from the Board of Directors was tendered
[E] Executive director
[I] Independent director as defined by the Corporate Governance Code for Listed Companies (version approved in July 2018 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

Comparability of figures, alternative performance measures and definitions

Comparability of figures

As described in the Notes to the condensed interim consolidated financial statements at 30 June 2019, to which reference is made, the estimate and evaluation criteria are the same as those used for the 2018 annual consolidated Financial Statements and the condensed interim consolidated Financial Statements at 30 June 2018, with the exception of the first time adoption of the accounting standard IFRS 16 "Leases".

IFRS 16 provides a comprehensive model for the accounting of lease arrangements which requires the lessee to recognize, on the assets side, the right of use of the leased asset ("right of use"), and on the liabilities side, the liability representing the financial obligation ("lease liability"), determined on the basis of the net present value of future minimum annual guaranteed lease payments ("net present asset"). Subsequently, asset depreciation is recognized, while financial expense is recognized for the lease liability.

The accounting model results in lower operating expense (leases and concessions installments), against an increase in the above mentioned depreciation and financial expense. Based on the standard, the variable component of leases and concessions is still recognized in operating expense in the reporting period.

In the statement of cash flows, the repayment of the financial liability is shown in the net cash flow used in financing activities resulting in an increase of net cash flow from operating activities of the same amount.

The way in which operating leases, which for the Group include mainly concession and sublease agreements, are represented is impacted significantly by the new standard, without any material impact on finance leases.

Autogrill Group opted to apply IFRS 16 using the modified retrospective approach which provides the possibility of measuring the right of use at 1 January 2019 at an amount equal to the residual financial liability at that date, without restating comparative figures for the previous year. Therefore, the balances shown in the condensed interim consolidated financial statements at 30 June 2019 are not comparable with the figures shown for the corresponding period closed on 30 June 2018 and the year closed on 31 December 2018.

In addition, more than half of the Group's operations are located in countries which use a non-euro currency, primarily the United States of America, Canada, Switzerland, and the countries in the International division. Due to the local nature of the business, in each country revenues are 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. Comparability could, therefore, also be affected by differences in exchange rates.

Alternative performance measures and definitions

The Directors' interim Report on operations and the condensed interim consolidated financial statements include the consolidated financial and economic measures used by Management to monitor the Autogrill Group's financial and economic performance. These measures are not defined or specified in the applicable regulations for financial reporting. As the composition of these measures is not regulated by applicable accounting standards, the criteria used by the Autogrill Group to determine them could be different from that used by other Groups and, consequently, the measures may not be comparable.

The Alternative Performance Measures are calculated solely based on the Group's historical financial figures and determined in accordance with the Guidelines for Alternative Performance Indicators issued by ESMA/2015/1415 as per CONSOB Communication n.92543 of 3 December 2015.

The following Alternative Performance Measures were used in this consolidated half-year financial report:

— First half 2019 excluding IFRS16 and 30/06/2019 excluding IFRS16: the Autogrill Group applied the accounting standard IFRS 16 as of 1 January 2019. With a view to better understand the operating performance and to better compare the data, the figures in the Group's condensed interim consolidated financial statements at 30 June 2019, determined using the new standard, were adjusted carving out the impact of IFRS 16 first time adoption (the preparation criteria for the comparative figures are described in the Group's consolidated financial statements at 31 December 2018 and the condensed interim consolidated financial statements at 30 June 2018, to which reference is made, and are unchanged with respect to the criteria used to prepare this consolidated half-year financial report, with the exception of IFRS 16). As of 2020 it will no longer be necessary to provide the historical figures excluding IFRS16 in order to neutralize the effects of IFRS16 application, as the figures will be directly comparable.

— Change "at constant exchange rates": in comparisons with comparative figures, the phrase "at constant exchange rates" may also be used, to identify the increase or decrease that would have occurred if the comparative figures of consolidated companies with functional currencies other than the euro had been calculated at the same exchange rates employed for the condensed interim consolidated financial statements at 30 June 2019.

— Change against 2018: measures the difference in absolute terms and/or as a percentage (at current and constant exchange rates) between the 2019 excluding IFRS16 and the same figure in the comparison period.

— Revenue: in the Directors' interim Report on operations this refers to operating revenues, 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."

— Organic revenue growth: this measures sales performance by adjusting sales for the two periods for the effect of acquisitions and disposals made in the period. The organic change in this figure is expressed at constant exchange rates.

— *Like for like* revenue growth: calculated by adjusting organic revenue growth for the impact of new store openings and the revenue generated in the comparison period by stores that are no longer in the portfolio, as well as calendar differences which are shown separately. This *like for like* change in revenue is expressed at constant exchange rates.

— EBITDA: this is the sum of "Operating profit", "Depreciation and amortization" and "Impairment losses on property, plant and equipment, intangible assets and right of use assets" and can be gleaned directly from the consolidated income statement, as supplemented by the notes thereto.

— EBITDA *margin:* EBITDA expressed as a percentage of revenue.

— EBIT (earnings before interest and tax): the "Operating profit" gleaned directly from the consolidated income statement.

— Alternative Performance Measures underlying: period results and their comparison with other periods may include elements that are unusual or unrelated to normal operations which significantly impact the Group's results over time in an inconsistent and systemic way. This could hinder a correct interpretation of the Group's normalized profit when comparing it to a normalized figure in the same period of the prior year, which would limit the value of the information provided in the Group's comparative condensed consolidated income statement and the comparative consolidated income statement prepared in accordance with IAS 1. These elements include the following:

- capital gains and losses from the sale of the Group's businesses, as well as the relative ancillary expenses;
- the costs incurred for successful acquisitions, which are treated as an ancillary expense that does not penalize consolidated results;
- the costs for the stock-based management incentive plans (Stock Option plans) both Phantom Stock Options and Performance Share Units. The estimated cost of the "Phantom Stock Option" plan is heavily impacted by the performance of Autogrill shares and their fluctuation;
- the costs for strategic, non-recurring corporate reorganization and efficiency projects which temporarily penalize the performance measures gleaned from the consolidated income statement prepared in accordance with IAS 1.

These elements are identified separately and described in specific statements of reconciliation and result in the determination of the following alternative performance measures underlying:

- EBITDA underlying: determined by excluding the impact of the above mentioned unusual or unrelated elements from EBITDA. These elements are identified separately and described in specific statements of reconciliation;
- EBITDA margin underlying: EBITDA underlying expressed as a percentage of revenue;
- Operating Profit (EBIT) underlying: determined by excluding the impact of the above mentioned unusual or unrelated elements from EBIT. These elements are identified separately and described in specific statements of reconciliation;
- Net Profit underlying: determined by excluding the impact of the above mentioned unusual or unrelated elements from net profit. These elements are identified separately and described in specific statements of reconciliation;
- Earnings per Share underlying: net profit underlying per share.

Therefore, in the Directors' interim Report on operations the following definitions are also used:

- Capital expenditure: include the investments referred to in the notes "Property, plant and equipment" and "Other intangible assets" found in the condensed interim consolidated financial statements and the annual consolidated financial statements.
- Total Net Financial Position: the sum of net debt, determined in accordance with CONSOB Communication of 28 July 2006 and the ESMA/2011/81 Guidelines, non-current "Finance

lease receivables" and "Other financial reveivables", excluding "Guarantee deposits" and "Interest-bearing sums with third parties".

- Net Financial Position: the Total Net Financial Position net of non-current and current finance lease assets and liabilities recognized following the introduction of IFRS16.
- Symbols: unless otherwise specified, amounts in the Directors' interim Report on operations are expressed in millions of euros (€m) or millions of US dollars ($m).

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

Contents

1 Directors' interim Report on operations

1.1 The Autogrill Group

Autogrill is the world's largest provider of food & beverage services for travelers and is the recognized leader of the North American and Italian markets.
Present in 31 countries with a workforce of more than 60,000, it manages about 4,000 establishments in approximately 1,000 locations. It operates mainly through concessions and subconcessions: at airports, along motorways and in railway stations, as well as on high streets and at shopping centers, trade fairs and cultural attractions.
The Group manages a portfolio of over 300 brands, both international and local, and offers a highly varied selection including proprietary brands and concepts (such as Ciao, Bistrot, Puro Gusto, Motta, Bubbles, Beaudevin, Burger Federation and Le CroBag) and others owned by third parties. The latter include international household names (Starbucks Coffee, Burger King, Prêt à Manger) as well as emerging national brands (Shake Shack, Chick-fil-A, Panera, Leon, Panda Express).

1.2 Organic growth

In the first half 2019 the Group was granted renewals and new awards for total estimated revenues of around €1.5 billion. Below are the details by geographical area:

New awards and renewals

(€m)	New	Renewed
North America	202	533
International	238	72
Europe	19	397
Total	**459**	**1,002**

The focus of organic growth was on the channel that is strategically most important for the Group: more than 77% of the renewals and new awards in the first half 2019 relate to the airport channel.
In May 2019, the subsidiary HMSHost Corporation announced that it had signed an agreement with American Airlines to act as the exclusive food&beverage service supplier in all the airlines' airport lounges in North America, for a total of 51 lounges in 25 airports (24 in the US and n 1 in Canada). Revenue of around $17m was recorded in the period, which was included in "Other operating income".

1.3 Changes in the scope of consolidation

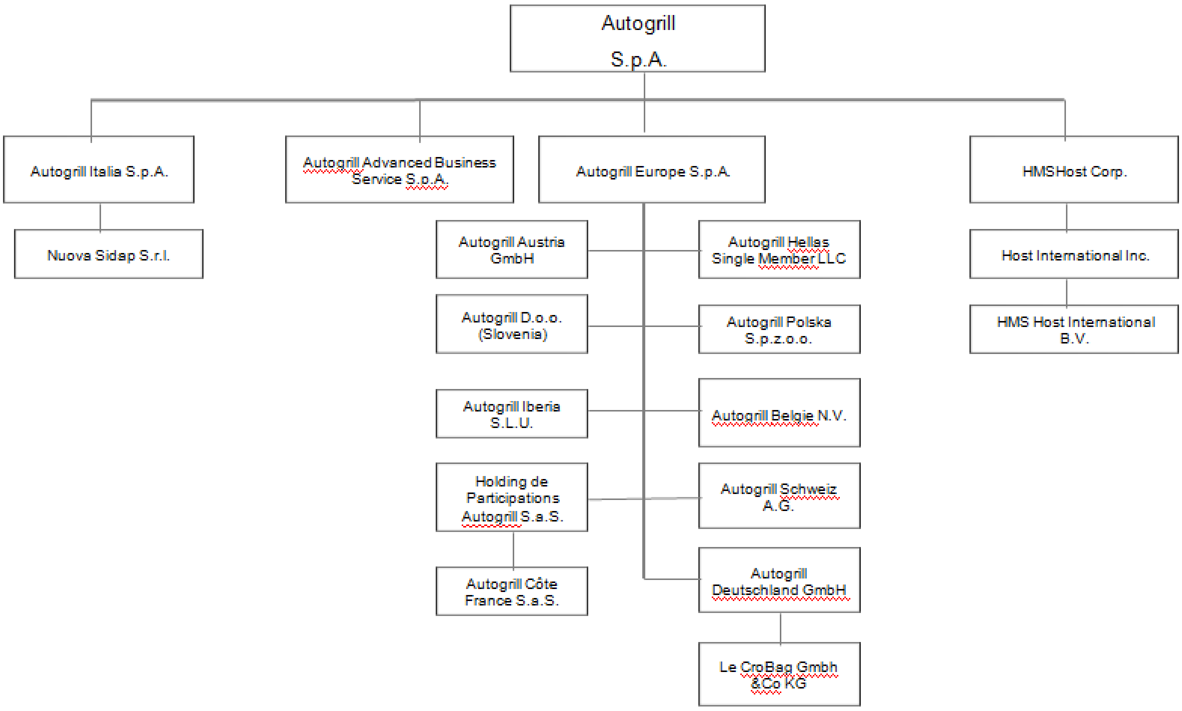
In May 2019, in order to expand its presence in the airport convenience retail sector, the Group finalized the purchase of the Pacific Gateway Concessions Group, with 51 shops in 10 US airports. The acquisition calls for a cash out of $35.8m (€32.1m), subject to contractually predefined adjustments, and a commitment to the buyer to make investments of $16.2m (€14.2m) which the seller was already bound by contract to make. The acquisition contributed €1.9m to revenue in the first half 2019. The company acquired has estimated yearly revenue of approximately $ 86m.

In May 2019, the Group sold all its Canadian motorway operations by disposing of the interests held in the Canadian companies HMSHost Motorways Inc. and HMSHost Motorways L.P., along with the three travel centers wholly owned and managed by SMSI Travel Centres, Inc.. The sale consideration amounts to $182.6m (€ 163.2m). Up until the time of the sale, these businesses contributed $ 34.3m to the Group's revenues in the first half 2019 versus $ 40.2m for the full six months period 2018. Annual revenues amounted to approximately $ 103m in 2018.

Lastly, in May 2019 the Group sold its interest in Autogrill Czech S.r.o., a company that operates in the two railroad stations in Prague and in an outlet in the Czech Republic. The disposal, motivated by the limited growth opportunities the Group expected to see in the country moving forward, was made for €9m. The activities sold contributed to the Group's result for 5 months in 2019 (generating revenue of €3.1m) compared to 6 months in 2018 (with revenue of €3.7m).

Finally, for completeness, it is to be recalled that in 2018 the Group acquired Avila Retail Development & Management LLC (in the second half of 2018) and Le CroBag (in February 2018) which further differentiates the 2019 perimeter from the comparison period.

Simplified corporate structure[1]



[1] Where not otherwise specified, all companies are wholly owned. See the annexes to the consolidated financial statements for a complete list of equity investments .

1.4 Group performance

Revenue rose 7.9% in the first half (+4.3% at constant exchange rates), with *like for like* growth in sales of 3.0%, driven by the performance at airports the Group's primary business channel.

The result of the period benefitted noticeably from the capital gains generated by the disposals of the Group's motorway activities in Canada and the businesses managed in the Czech Republic which totaled, net of ancillary expenses, €162.9m, of which €125.5m attributable to the capital gains on the sale of operating activities and €37.4m to gains on the sale of interests valued at equity.

In terms of current operations, in the first half 2019 the Group recorded a good performance in North American airports and a sizeable improvement in profitability in Europe, above all in Italy, where the favorable sales mix explained by a drop in the sale of complementary products and an increase in the sale of food products with higher margins, as well as constant cost control, more than offset the relatively weak revenue of the motorway channel, the country's largest channel. During the half International was faced with a certain inertia in the traffic at European airports and the start-up phase of the recently awarded concessions.

As mentioned in the section "Comparability of figures, alternative performance measures and definitions", the results for the first half 2019 were impacted by the accounting standard IFRS16 which went into effect. The first time adoption of the standard using the modified retrospective approach does not allow for the immediate comparison of the figures for the first half 2019 with the figures for the half closed on 30 June 2018 and the year closed on 31 December 2018. A column has, therefore, been added to the statement of financial position as well as in the income statement in this Interim Report on Operations which shows the Group's results excluding the effects stemming from application of the new accounting standard in order to provide a clearer representation of the effects that the new standard had on the Group's results and, at the same time, an easier comparison of the same with the comparison period.

Group condensed income statement [2]

	First Half 2019		First Half 2019 excluding IFRS16 (*)		First Half 2018		Change 2018	
(€m)		*% of revenues*		*% of revenues*		*% of revenues*	*at current exchange rates*	*at costant exchange rates*
Revenue	2,271.6	100.0%	2,271.6	100.0%	2,105.8	100.0%	7.9%	4.3%
Other operating income	92.2	4.1%	81.0	3.6%	56.5	2.7%	43.4%	43.0%
Total revenue and other operating income	**2,363.9**	**104.1%**	**2,352.6**	**103.6%**	**2,162.3**	**102.7%**	**8.8%**	**5.3%**
Raw materials, supplies and goods	(696.1)	30.6%	(696.1)	30.6%	(656.4)	31.2%	6.1%	3.2%
Personnel expense	(782.3)	34.4%	(782.3)	34.4%	(729.2)	34.6%	7.3%	3.7%
Leases, rentals, concessions and royalties	(263.2)	11.6%	(429.7)	18.9%	(391.4)	18.6%	9.8%	6.3%
Other operating expense	(293.4)	12.9%	(292.9)	12.9%	(258.4)	12.3%	13.3%	9.9%
Gains on operating activity disposal (**)	125.5	5.5%	125.5	5.5%	-	-	-	-
EBITDA	**454.3**	**20.0%**	**277.1**	**12.2%**	**126.9**	**6.0%**	**118.4%**	**107.1%**
Depreciation, amortisation and impairment losses	(287.1)	12.6%	(121.8)	5.4%	(102.6)	4.9%	18.7%	14.7%
EBIT	**167.2**	**7.4%**	**155.2**	**6.8%**	**24.2**	**1.2%**	**540.8%**	**464.2%**
Net financial expense	(47.5)	2.1%	(13.6)	0.6%	(12.7)	0.6%	7.0%	1.2%
Income (expenses) from investments	37.5	1.7%	37.5	1.7%	0.2	0.0%	n.s.	n.s.
Pre-tax Profit	**157.2**	**6.9%**	**179.2**	**7.9%**	**11.7**	**0.6%**	**1430.0%**	**1153.4%**
Income tax	(34.4)	1.5%	(40.0)	1.8%	(9.0)	0.4%	342.8%	311.1%
Net result attributable to:	**122.8**	**5.4%**	**139.2**	**6.1%**	**2.7**	**0.1%**	**5096.4%**	**2948.6%**
- owners of the parent	115.0	5.1%	130.2	5.7%	(3.4)	0.2%	n.s.	n.s.
- non-controlling interests	7.8	0.3%	9.0	0.4%	6.1	0.3%	47.5%	38.1%
Earnings per share (€/cents.)								
- basic	45.3		51.2		(1.3)			
- diluted	45.3		51.2		(1.3)			

(*) The adjustment consists in the elimination from the first half 2019 results of the effects linked to IFRS 16 application and, more in detail: a decrease in "Other operating income" of €11.2m, an increase in "Leases, rentals, concessions and royalties" of €166.5m; an increase in "Other operating expense" of €0.5m; a decrease in "Depreciation, amortization and impairment losses" of €165,3m; a decrease in "Net Financial expense" of €33.9m; and increase in un "Income tax" of €5.6m, which impacted the portion of net profit attributable to owners of the parent by €15.2m and the portion attributable to non-controlling interests of €1.2m.
(**) "Gains on operating activity disposal" is shown net of the €1.3m in ancillary expense.

[2] "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated income statement primarily because they do not include revenue from the sale of fuel and the related cost, the net value of which is classified as "Other operating income" in accordance with Group protocol for the analysis of figures. This revenue came to €191.6m in the first half 2019 (€197.7m in the first half 2018) and the cost to €181.9m in the first half 2019 (€188.3m in the first half 2018).

Revenue

The Group earned consolidated revenue of € 2,271.6m in the first six months of 2019, an increase of 4.3% at constant exchange rates (+7.9% at current exchange rates) on the revenue of € 2,105.8m posted in the first half 2018.

(€m)	1H2019	1H2018	FX	Organic growth: Like for like		Organic growth: Openings	Organic growth: Closings	Acquisitions	Disposals
North America (*)	1,167.5	1,034.2	68.6	47.4	4.8%	112.0	-107.6	18.1	-5.2
International	301.0	267.8	-0.2	10.4	4.1%	38.8	-15.8		
Europe	803.1	803.9	2.6	2.6	0.3%	21.7	-34.4	7.1	-0.4
of which									
Italy	474.4	481.8		-0.6	-0.1%	11.2	-18.0		
Other European Countries	328.6	322.0	2.6	3.2	1.0%	10.5	-16.5	7.1	-0.4
Total Group	**2,271.6**	**2,105.8**	**71.0**	**60.4**	**3.0%**	**172.5**	**-157.8**	**25.2**	**-5.6**
(*) North America - m$	*1,319.1*	*1,251.8*	*-5.8*	*53.6*	*4.8%*	*126.6*	*-121.5*	*20.4*	*-5.9*

Most of the revenue increase was driven by solid *like for like* growth (+3.0%). Like for like growth was very positive above all for the airport channel (+5.0%), while the motorway channel recorded modest like for like growth (+0.2%). This different dynamic in channels influenced the revenue growth recorded by geographic area with North America and International more active in the airport channel, posting like for like growth of more than 4%, while Europe more exposed to motorway traffic, recorded a like for like increase of 0.3%.

The new openings made in North America (namely at the Dallas Fort Worth, La Guardia, Charlotte, Denver and Orlando airports) and Europe (Netherlands and Norway) and Asia (Vietnam, India and China) contributed to the first half result. Closures reflect the Group's ongoing rationalization in Europe, above all in Italy.

Acquisitions and disposals resulted in a net positive contribution of €19.6m to revenue growth in the first half 2019 broken down as follows:

- North America: higher revenue of €18.1m, generated by Avila Retail Development & Management, LLC (purchased in the second half 2018) and Pacific Gateway Concessions, LLC (purchased in May 2019). The higher revenue more than offset the negative impact of stemming from the sale (end of May 2019) of the motorway activities in Canada of €5.2m;
- Europe: higher revenue of €7.1m explained by the consolidation for the entire first half 2019 of LeCroBag, versus four months in the first half 2018. The higher revenue more than offset the negative impact stemming from the sale (since May 2019) of the operations managed by the Group in the Czech Republic of €0.4m.

Revenue by channel

(€m)	First Half 2019	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
Airports	1,383.0	1,221.7	13.2%	8.0%
Motorways	697.2	711.1	-2.0%	-3.4%
Other Channels	191.4	173.0	10.6%	9.9%
Total Revenue	**2,271.6**	**2,105.8**	**7.9%**	**4.3%**

				Organic growth					
(€m)	1H2019	1H2018	FX	Like for like		Openings	Closings	Acquisitions	Disposals
Airports	1,383.0	1,221.7	59.2	58.7	5.0%	137.6	-112.3	18.1	
Motorways	697.2	711.1	10.7	1.4	0.2%	15.9	-36.6		-5.2
Other Channels	191.4	173.0	1.1	0.5	0.3%	19.0	-8.8	7.1	-0.4
Total Group	**2,271.6**	**2,105.8**	**71.0**	**60.4**	**3.0%**	**172.5**	**-157.8**	**25.2**	**-5.6**

In the **airport channel,** revenue was up by 8.0% at constant exchange rates (+13.2% at current exchange rates), thanks to the positive contribution made by all of the regions served. The like for like growth was boosted by the new openings, above all in International.

In the **motorway channel** revenue dipped by 3.4% (-2.0% at current exchange rates) caused by widespread weakness in motorway traffic in all the regions, the narrower perimeter as a result of selective renewals in Europe and the initial effects stemming from the disposal of the Canadian motorway businesses.

Revenue in **other channels** increased by 9.9% (+10.6% at constant exchange rates), due above all to new openings at railways in the Netherlands and the acquisition of Le CroBag.

EBITDA

EBITDA amounted to €454.3m or 20% of revenue.

The first time adoption of IFRS16 as of 1 January 2019, limits the significance of this alternative performance measure as the fixed portion of the leases and concessions is no longer included in operating expense. More in detail, as better described in the Notes, as a result of IFRS16 application in the first half 2019 the Group did not recognize the fixed portion of leases and concessions of € 177.7m[3] as operating expense, but, rather, recognized €165.3m in depreciation for the leased right of use assets, other operating expense of € 0.5m and implicit interest on the leased right of use assets of € 33.9m in financial expense.

EBITDA excluding IFRS16 in the first half 2019 amounted to €277.1m, compared to €126.9m in the first half 2018, and came to 12.2% of revenue compared to 6% in the prior period. The result for the first half 2019 was strongly impacted by the significant capital gains generated by the sales of the Group's Canadian motorway business and the activities in the Czech Republic which totaled €125.5m, net of the ancillary expenses.

[3] The change in the item "Leases, rentals, concessions and royalties" between the first half 2019 and the first half 2019 excluding IFRS 16 is € 166.5m, due to € 177.7m for lower costs recorded on the fixed components of the lease and concession fees partially offset by € 11.2m of higher operating income for sub-lease contracts included in the item "Other operating income"."

The first half 2019 and the comparison period were affected by the following unusual or unrelated items:

- in both periods, the costs for the stock-based management incentive plans (Stock Option plans), both the Phantom Stock Options and the Performance Share Units;
- in first half 2019, the capital gains, net of ancillary expenses, generated by the sales of the motorway business in Canada and all the operations managed by the Group in the Czech Republic;
- the costs incurred for the acquisition of the Pacific Gateway Concessions Group (in the first half 2019) and of Le CroBag (in the first half 2018);
- in first half 2018, the early retirement costs and the other charges linked to the “intergenerational pact” in Italy[4].

The impact of the unusual or unrelated items is broken down by business segment below:

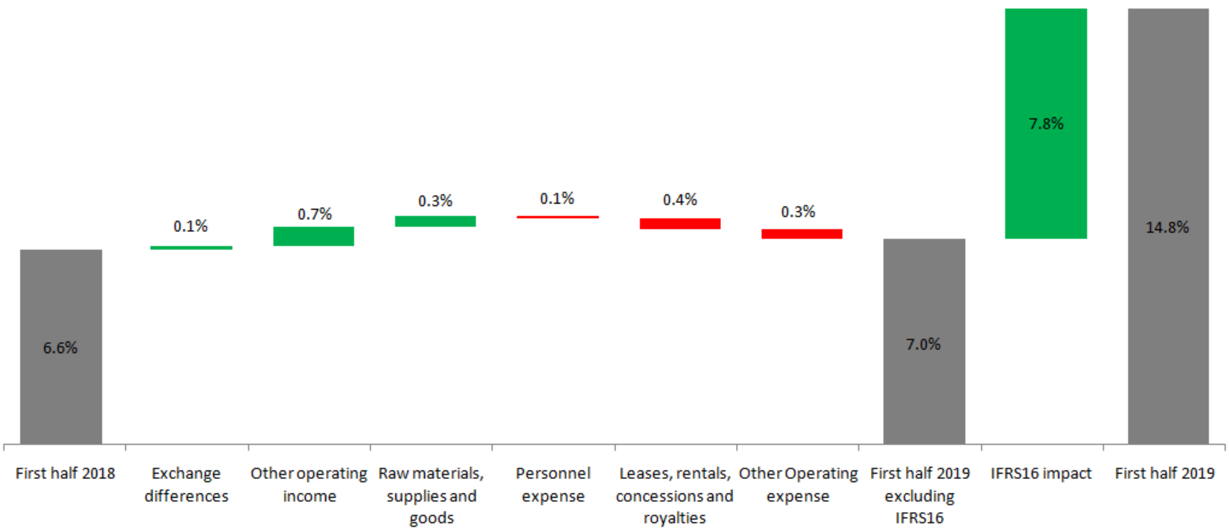
(€m)	First Half 2019	First Half 2019 excluding IFRS16	First Half 2018
North America:	**115.1**	**115.1**	**(0.5)**
Stock-based management incentive plans	(1.6)	(1.6)	(0.5)
Gain on operating activity disposal net of transaction costs	117.5	117.5	-
Acquisition costs	(0.8)	(0.8)	-
International	**(0.8)**	**(0.8)**	**(0.5)**
Stock-based management incentive plans	(0.8)	(0.8)	(0.5)
Europe:	**7.1**	**7.1**	**(10.4)**
Stock-based management incentive plans	(0.8)	(0.8)	(0.5)
Gain on operating activity disposal net of transaction costs	7.9	7.9	-
Acquisition costs	-	-	(0.9)
Cross-generational deal	-	-	(9.0)
Corporate:	**(3.1)**	**(3.1)**	**(1.2)**
Stock-based management incentive plans	(3.1)	(3.1)	(1.2)
Total non-recurring items	**118.4**	**118.4**	**(12.7)**

Excluding the above items, EBITDA excluding IFRS16 underlying amounted to €158.7m compared to €139.5m in the first half 2018, in increase of 8.4% at constant exchange rates (+13.8% at current exchange rates), and came to 7.0% of revenue compared to 6.6% in the first half 2018. The improvement was primarily attributable to the higher margins seen in Europe and the good performance of airports in North America.

[4] The purpose of this initiative was to provide older employees with a bridge to retirement while, at the same time, keeping the commercial push high including by hiring young resources.

(€m)	First Half 2019	First Half 2019 excluding IFRS16	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
EBITDA	**454.3**	**277.1**	**126.9**	**118.4%**	**107.1%**
EBITDA margin	**20.0%**	**12.2%**	**6.0%**		
Stock-based management incentive plans	6.3	6.3	2.7		
Gain on operating activity disposal net of transaction costs	(125.5)	(125.5)	0.0		
Acquisition costs	0.8	0.8	0.9		
Cross-generational deal	0.0	0.0	9.0		
Total non-recurring items	**(118.4)**	**(118.4)**	**12.7**		
EBITDA underlying	**335.9**	**158.7**	**139.5**	**13.8%**	**8.4%**
EBITDA margin underlying	**14.8%**	**7.0%**	**6.6%**		

Change in the EBITDA margin underlying



The increase in "Other operating income" includes the revenues generated in the first half of 2019 by the new contract for the supply of food&beverage services to American Airlines' lounges in North American airports.

Depreciation, amortization and impairment losses

These came to €287.1m in the first half 2019, of which €165.3m for depreciation of leased right of use assets following the first time adoption of IFRS16.

Depreciation, amortization and impairment losses came to €121.8m in the first half 2019 excluding IFRS16, in increase of 14.7% at constant exchange rates (18.7% at current exchange rates) compared to €102.6m in the first half 2018; the net increase reflects the increase in capital expenditures during the second half 2018 and the first half 2019. The impairment losses in the first half 2019 came to €1.9m (not present in the first half 2018) and are explained primarily by impairment losses of stores in some Chinese shopping centers.

EBIT

EBIT amounted to € 167.2m or 7.4% of revenue in the first half 2019.

EBIT amounted to €155.2m in the first half 2019 excluding IFRS16, compared to €24.2m in the first half 2018, reaching 6.8% of revenue versus 1.2% in the prior year, and was impacted significantly by the above mentioned disposal of operating activities.

EBIT excluding IFRS16 underlying amounted to €36.9m in the first half 2019, in line with the first half 2018, down 8.2% at constant exchange rates and basically unchanged as a percentage of revenue at around 1.6%.

(€m)	First Half 2019	First Half 2019 excluding IFRS16	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
Operating profit (EBIT)	**167.2**	**155.2**	**24.2**	**540.8%**	**464.2%**
Stock-based management incentive plans	6.3	6.3	2.7		
Gain on operating activity disposal net of transaction costs	(125.5)	(125.5)	0.0		
Acquisition costs	0.8	0.8	0.9		
Cross-generational deal	0.0	0.0	9.0		
Operating profit (EBIT) underlying	**48.8**	**36.9**	**36.9**	**-0.0%**	**-8.2%**

Net financial expense and income from equity investments

Net financial expense in the first half 2019 came to €47.5m, including the €33.9m in implicit interest on leased right of use assets stemming from the first time adoption of IFRS16.

Net financial expense in the first half 2019 excluding IFRS16 came to €13.6m, in increase compared to €12.7m in the first half 2018 due to an increase in the average cost of debt (3.1% in the first half 2018 and 3.4% in the first half 2019), as a result of higher rates in the dollar zone.

In the first half 2019 income from equity investments includes the €37.4m stemming from the disposal of the interests in the joint ventures sold as part of the disposal of the Canadian motorway business.

Income tax

Tax came to € 34.4m in the first half 2019, compared to €9.0m in the first half 2018. The first half 2019 figure includes provisions of €31.2m for the tax due on the capital gain generated by the sale of the Canadian motorway business.

The first time adoption of IFRS16 resulted in the recognition in the first half 2019 of €5.6m in deferred tax assets.

Group net profit

The profit attributable to the owners of the parent amounted to €115.0m in the first half 2019. Non controlling interests come to €7.8m (€6.1m in the first half 2018).

The first time adoption of the new IFRS 16 caused a decrease in net profit of €16.4m compared to the result that would have been obtained by applying the standard in effect the prior year, explained by higher depreciation relating to right of use and financial expense implicit in lease liabilities which are greater than the fixed payments that would have been recognized in the period based on the previous standard.

The profit attributable to the owners of the parent amounted to €130.2m in the first half 2019 excluding IFRS16, compared to a loss of €3.4m in the first half 2018. The net profit recorded in the period was influenced considerably by the capital gains generated by the sale of the motorway business in Canada and the business in the Czech Republic, but also by the improved operating performances, above all in Europe.

The profit attributable to the owners of the parent underlying amounted to €4.9m in the first half 2019 excluding IFRS16, compared to €7.0m in the first half 2018, in decrease of 42.1% at constant exchange rates and of 30.0% at current exchange rates.

(€m)	First Half 2019	First Half 2019 excluding IFRS16	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
Net profit (attributable to shareholders of the parent)	**115.0**	**130.2**	**(3.4)**	**n.s.**	**n.s.**
Stock-based management incentive plans	6.3	6.3	2.7		
Gains on operating activity disposal net of transaction costs	(125.5)	(125.5)	-		
Acquisition costs	0.8	0.8	0.9		
Cross-generational deal	-	-	9.0		
Gain on interest in Canadian JV sold (*)	(37.4)	(37.4)	-		
Tax effect (**)	30.5	30.5	(2.2)		
Net profit underlying (attributable to shareholders of the parent)	**(10.2)**	**4.9**	**7.0**	**-30.0%**	**-42.1%**
Earnings per share - basic (€/cent.)	**45.3**	**51.2**	**(1.3)**		
Earnings per share underlying - basic (€/cent.)	**(4.0)**	**1.9**	**2.8**		

(*) It refers to the sale of Canadian motorway business , only for investments valued with the equity method.

(**) The tax effect was not calculated for the non-recurring items relating to Italian companies due to the presence of tax losses.

Financial position

Reclassified consolidated statement of financial position [5]

Comments on changes in the consolidated statement of financial position can be found in the Notes to the financial statements.

In particular, the changes reflect the impact of IFRS16 application as shown in the table below, as well as the impact of the acquisitions and disposals as shown below in the statement of cash flows.

(€m)	30/06/2019	30/06/2019 excluding IFRS16 (*)	31/12/2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
Intangible assets	979.0	979.0	960.9	18.1	13.1
Property, plant and equipment	1,034.1	1,035.9	982.7	53.2	49.3
Right of use	2,461.7	0.0	0.0	0.0	0.0
Financial assets	31.3	31.3	29.4	1.9	1.9
A) Non-current assets	**4,506.1**	**2,046.2**	**1,972.9**	**73.3**	**64.3**
Inventories	130.6	130.6	121.6	9.0	8.7
Trade receivables	68.5	68.3	48.0	20.4	20.7
Other receivables	148.4	154.3	166.6	(12.3)	(12.2)
Trade payables	(354.2)	(359.0)	(376.5)	17.4	18.5
Other payables	(388.0)	(381.9)	(390.4)	8.5	9.6
B) Working capital	**(394.7)**	**(387.7)**	**(430.7)**	**43.0**	**45.3**
Invested capital (A+B)	**4,111.4**	**1,658.5**	**1,542.2**	**116.3**	**109.6**
C) Other non-current non-financial assets and liabilities	(120.3)	(128.4)	(130.1)	1.8	2.6
D) Net invested capital from continuing operation (A+B+C)	3,991.2	1,530.1	1,412.1	118.0	112.2
Assets available for sale	1.8	1.8	-	1.8	1.8
E) Discontinued operations	**1.8**	**1.8**	**(0.0)**	**1.8**	**1.8**
F) Net invested capital (A+B+C+E)	**3,992.9**	**1,531.9**	**1,412.1**	**119.8**	**114.0**
Equity attributable to owners of the parent	751.6	766.7	685.9	80.8	79.1
Equity attributable to non-controlling interests	64.5	65.7	55.2	10.5	10.3
G) Equity	**816.1**	**832.4**	**741.0**	**91.4**	**89.4**
Non-current financial liabilities	3,097.3	962.6	860.4	102.2	97.7
Non-current financial assets	(42.9)	(9.7)	(15.5)	5.8	5.9
H) Non-current financial indebtedness	**3,054.5**	**952.9**	**844.9**	**108.0**	**103.7**
Current financial liabilities	532.2	142.0	77.3	64.8	64.9
Cash and cash equivalents and current financial assets	(409.9)	(395.5)	(251.1)	(144.3)	(144.0)
I) Current net financial indebtedness	**122.3**	**(253.4)**	**(173.9)**	**(79.6)**	**(79.1)**
Total Net Financial Position (H+I)	**3,176.8**	**699.5**	**671.1**	**28.4**	**24.6**
Net Finance Lease Liabilities	**(2,477.3)**	**-**	**-**	**-**	**-**
Net Financial Position	**699.5**	**699.5**	**671.1**	**28.4**	**24.6**
L) Total (G+H+I), as in F)	**3,992.9**	**1,531.9**	**1,412.1**	**119.8**	**114.0**

(*) The adjustment consists in the recognition in the first half 2019 of the effects stemming from application of IFRS16. More in detail: a decrease in "Right of use" of €2,461.7m, an increase in "Other receivables" of €5.9m; an increase in "Trade payables" of €4.8m; a decrease in "Other payables" of €6,1m; an increase in "Other non-current non-financial assets and liabilities" of €8.1m; a decrease in "Non-current financial liabilities" of €2,134, 8m; a decrease in "Non-current financial assets" of €33.2m; a decrease in "Current financial liabilities" of €390.2; a decrease in "Cash and cash equivalents and current financial assets" of €14.4m.

As discussed in greater detail in the Notes, the first time adoption of IFRS 16 resulted in the recognition of a new asset in the financial statements, namely the right of use of the goods leased under leases and concession agreements. This new asset, which amounted to €2,461.7m at 30 June 2019, was determined for the first time on 1 January 2019 based on the present value of

[5] 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" (€ 7.8m) classified as non-current financial receivables in the net financial position and included in other financial assets (non-current) in the consolidated statement of financial position.

lease payments, fixed or substantially fixed, to be paid in accordance with the existing leases and concession agreements and updated in the half to reflect the new contracts awarded.

The Group also signed a few sub-lease agreements, primarily in North America, based on which some of the above right to use assets were transferred to third parties and recognized in ""Cash and cash equivalents and current financial assets" (€14.4m) and "Non-current financial assets" (€33.2m).

Application of IFRS16 also resulted in the recognition of €390.2m in "Current financial liabilities" and €2,134.8m in "Non-current financial liabilities".

Net cash flow

(€m)	First Half 2019	First Half 2019 excluding IFRS16	First Half 2018	Change
EBITDA	454.3	277.1	126.9	150.2
Gain on operating activity disposal net of transaction costs	(125.5)	(125.5)	-	(125.5)
Change in net working capital	(65.9)	(68.3)	(33.2)	(35.1)
Principal repayment of lease liabilities	(147.2)	-	-	-
Other	(2.8)	(4.4)	(4.1)	(0.3)
Cash flow from operating activities	**113.0**	**78.9**	**89.6**	**(10.7)**
Taxes paid	(9.0)	(9.0)	(13.0)	4.1
Interest paid	(11.8)	(11.8)	(10.8)	(1.0)
Implicit interest in lease liabilities	(34.1)	-	-	-
Net cash flow from operating activities	**58.1**	**58.1**	**65.8**	**(7.6)**
Net investment	(161.9)	(161.9)	(130.3)	(31.6)
Net cash flow after investment	**(103.8)**	**(103.8)**	**(64.6)**	**(39.3)**
Disposal of Canadian Motorway Business	162.8	162.8	-	162.8
Disposal of operation in Czech Republic	7.0	7.0	-	7.0
Acquisition of Pacific Gateway Concession Group	(32.1)	(32.1)	-	(32.1)
Acquisition Le CroBag	(5.9)	(5.9)	(59.0)	53.1
Free operating cash flow pre dividend	**27.9**	**27.9**	**(123.6)**	**151.5**
Dividend Payment (*)	(49.3)	(49.3)	(53.1)	3.8
Free operating cash flow	**(21.4)**	**(21.4)**	**(176.6)**	**155.2**

(*) Includes divided paid to minority shareholders in subsidiaries, net of capital increase

Cash flow from operating activities fell by €10.7m, due to a negative change in net working capital of €35.1m, which more than offset the improvement in the business's cash flow generation. The main changes in working capital which resulted in greater cash absorption in the first half 2019 than in the comparison period were in North America and, above all, Italy: in North America higher trade receivables were recorded in relation to the new contract awarded for the exclusive supply of food&beverage services in the North American lounges of American Airlines, while in Italy a large part of the cash flow absorption was attributable to the payments made under the "intergenerational pact" for which provisions had been made in the first half 2018, but which had yet to be paid to the beneficiaries.

Net cash flow after capital expenditure decreased by €39.3m as a result of higher expenditures in connection with the expansion of the contracts portfolio.

The net balance between gains on disposals and outlays for acquisitions was positive in the first half 2019 (+€ 131.7m), due above all to the disposal of the Canadian motorway business, versus a negative net balance of €59.0m in the comparison period as a result of the Le CroBag acquisition.

The combined effect of the above mentioned items resulted in the Group posting a positive net cash flow, before dividends, of €27.9m in the first half 2019 compared to net absorption of €123.6m in the comparison period.

In June 2019 the Group paid a dividend to the shareholders of Autogrill S.p.A. of €50.8m (€48.3m in the first half 2018). In the first half 2019 the net balance between capital increases subscribed by minority shareholders and the dividends paid to them by consolidated companies was positive for €1.5m (versus a negative balance of €4.8m in the first half 2018).

Net financial position

The Total Net Financial Position came to €3,176.8m at 30 June 2019, including €2,477.3m in payables for leased goods net of the receivables for sub-leasing.

The Group's Net Financial Position at the same date amounted to €699.5m compared to €671.1m at 31 December 2018.

At 30 June 2019 46% of the Net Financal Position was in US dollars (compared to 63% at 31 December 2018) and the residual in Euros. Fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 31% of the total compared to 33% at 31 December 2018.

The fair value of interest rate hedging derivatives at 30 June 2019 was positive €1.8m (negative for €1.7m at 31 December 2018).

Debt consists primarily of committed non-current credit lines from banks and of long-term bonds (private placements). Loans have an average remaining life of about three years and two months at 30 June 2019, compared with around three years and eight months at 31 December 2018.

1.5 Business segments

Revenue by geographical area

(€m)	First Half 2019	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
North America	1,167.5	1,034.2	12.9%	5.8%
International	301.0	267.8	12.4%	12.5%
Italy	474.4	481.8	-1.5%	-1.5%
Other European countries	328.6	322.0	2.0%	1.2%
Total Europe	803.1	803.9	-0.1%	-0.4%
Total Revenue	**2,271.6**	**2,105.8**	**7.9%**	**4.3%**

EBITDA by geographical area

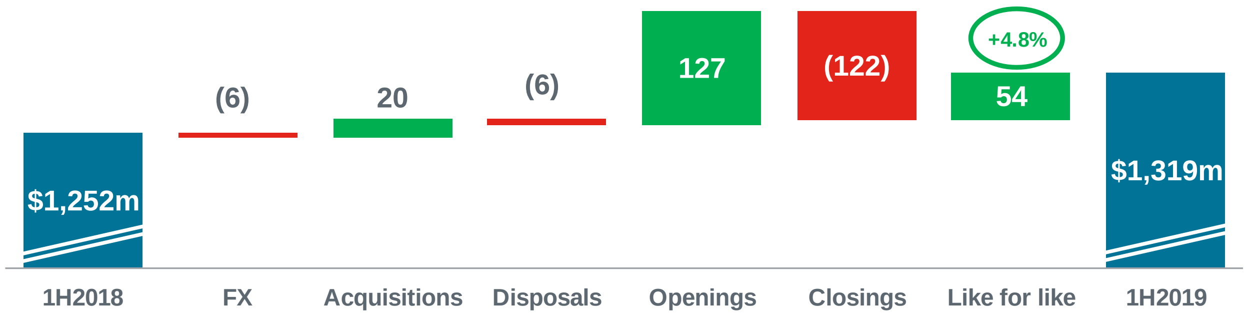
(€m)	First Half 2019	*% of revenue*	First Half 2019 excluding IFRS16	*% of revenue*	First Half 2018	*% of revenue*	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
North America	304.6	26.1%	227.9	19.5%	97.2	9.4%	134.6%	119.4%
International	41.4	13.8%	20.6	6.8%	23.3	8.7%	-11.8%	-11.6%
Europe	123.9	15.4%	44.2	5.5%	18.4	2.3%	140.4%	137.2%
Corporate costs	(15.6)	-	(15.6)	-	(12.0)	-	-29.8%	-29.8%
Total EBITDA	**454.3**	**20.0%**	**277.1**	**12.2%**	**126.9**	**6.0%**	**118.4%**	**107.1%**

Capital expenditure by geographical area

(€m)	First Half 2019	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
North America	101.7	59.9	69.8%	59.0%
International	16.6	20.0	-17.3%	-18.0%
Total Europe	38.1	45.5	-16.3%	-16.6%
Corporate	0.8	0.3	132.4%	132.4%
Total Capital expenditure	**157.1**	**125.7**	**25.0%**	**20.7%**

North America[6]

Revenue



Revenue in North America came to $1,319.1m in the first half 2019, an increase of 5.8% at constant exchange rates (+5.4% at the current Canadian/US dollar exchange rate[7]) compared to $1,251.8m in the first half 2018.

Revenue growth in North America was driven by good like for like sales growth (+4.8%), attributable above all to the airport channel.

New openings, including at Dallas Fort Worth, La Guardia, Charlotte, Denver and Orlando airports, made up for closures caused by normal contract turnover.

The changes in the perimeter of operations had a relatively limited impact in the first half, considering that the disposal of the motorway business in Canada and the purchase of the Pacific Gateway Concessions Group, an airport convenience retail operator, both took effect in May 2019. The increase is, therefore, explained by the consolidation of Avila Retail Development & Management, LLC, an airport convenience retail operator acquired in the second half 2018, for the entire first half 2019.

Revenue by geography

($m)	First Half 2019	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
US	1,194.7	1,119.7	6.7%	6.7%
Canada	124.3	132.0	-5.8%	-1.7%
Total Revenue	**1,319.1**	**1,251.8**	**5.4%**	**5.8%**

[6] This division includes operations in the United States and Canada .
[7] The change at current exchange rates reflects the strengthening of the US dollar against the Canadian dollar.

Revenue in the **United States** increased by 6.7% due primarily to the solid performance of the airport channel. The drop in revenue recorded in **Canada** (-1.7% at constant exchange rates) reflects the initial effects of the disposal of this country's motorway business in May 2019.

Revenue by channel

($m)	First Half 2019	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
Airports	1,132.1	1,052.4	7.6%	8.0%
Motorways	178.3	190.5	-6.4%	-5.6%
Other Channels	8.7	8.8	-1.3%	-1.3%
Total Revenue	**1,319.1**	**1,251.8**	**5.4%**	**5.8%**

Revenue at **airports** increased by 8.0% at constant exchange rates (+7.6% at current exchange rates), sustained by like for like revenue growth of 5.6%. The constant fine tuning of the offer and the increase of the average ticket made it possible for the Group's main channel in North America to record a solid performance.

Conversely, revenue for the **motorway** channel fell by 5.6% at constant exchange rates (-6.4% at current exchange rates), as a result of weak traffic and a more dated offer, due also to the longer duration of contracts compared to the airport channel. The channel's performance reflects the initial effects of the Canadian motorway business sale completed in May 2019.

EBITDA

($m)	First Half 2019	First Half 2019 excluding IFRS16	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
EBITDA	**344.1**	**257.5**	**117.6**	**118.9%**	**119.4%**
% on revenue	*26.1%*	*19.5%*	*9.4%*		
EBITDA underlying	**214.1**	**127.5**	**118.3**	**7.8%**	**8.1%**
% on revenue	*16.2%*	*9.7%*	*9.4%*		

EBITDA in North America came to $344.1m or 26.1% of revenue in the first half 2019.

EBITDA amounted to $257.5m in the first half 2019 excluding IFRS16. EBITDA excluding IFRS16 as a percentage of revenue went from 9.4% in the first half 2018 to 19.5%. The result was strongly impacted by the sale of the Canadian motorway business which generated a capital gain, net of ancillary expenses, of $132.8m.

EBITDA underlying excluding IFRS16 came to $127.5m in the first half 2019 compared to $118.3m in the first half 2018, an increase of 8.1% at constant exchange rates (+7.8% at current exchange rates), and went from 9.4% of revenue in the first half 2018 to 9.7%. Higher airport sales contributed to the improved EBITDA margin, despite the persistent upward pressure on wages.

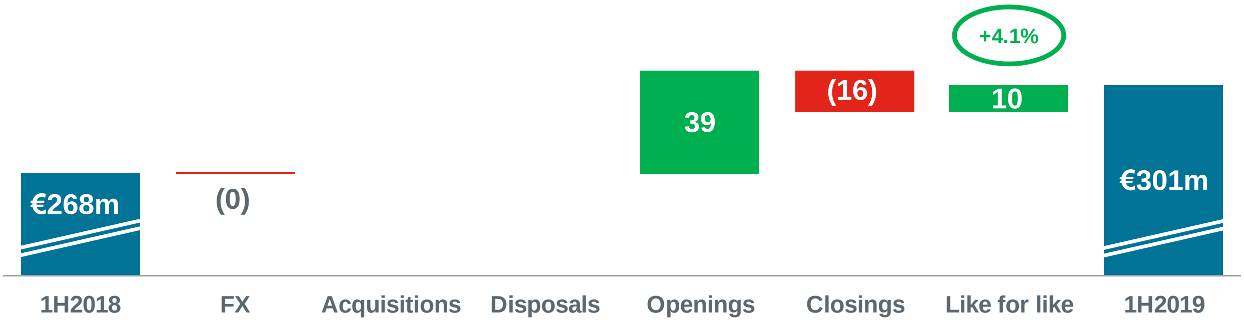
Capital expenditure

($m)	First Half 2019	First Half 2018	Change 2018	
			at current exchange rates	at constant exchange rates
CAPEX	**114.9**	**72.5**	**58.5%**	**59.0%**
% on revenue	*8.7%*	*5.8%*		

Capital expenditure amounted to $114.9m in the first half 2019, a sharp increase compared to the same period of the prior year. A large part of this increase is explained by renovation works done on locations along the New Jersey Turnpike and the Garden State Parkway. Other capital expenditure was made at the airports in New Orleans, Minneapolis, Seattle, Boston and Fort Lauderdale.

International[8]

Revenue



Revenue totaled €301.0m in the first half 2019, an increase of 12.5% at constant exchange rates (+12.4% at current exchange rates) compared with €267.8m the first half 2018.

The performance in this area reflects like for like growth of 4.1% and the net positive balance from openings and closures of around €23m in incremental sales. Particularly noteworthy were the openings at airports in Norway (Oslo, Stavanger and Bodo), Vietnam (Cam Ranh), New Delhi and Beijing, as well at the Dutch railway stations.

Revenue by geography

(€m)	First Half 2019	First Half 2018	Change 2018	
			at current exchange rates	at constant exchange rates
Northern Europe	209.8	188.2	11.5%	11.8%
Rest of the world	91.2	79.6	14.6%	14.2%
Total Revenue	**301.0**	**267.8**	**12.4%**	**12.5%**

The breakdown of revenue by geography shows that double-digit growth was recorded in both Northern Europe and the Rest of the World.

[8] This area covers locations in Northern Europe (the Netherlands, the United Kingdom, Ireland, Sweden, Denmark, Finland and Norway) and the Rest of the World (United Arab Emirates, Turkey, Russia, India, Indonesia, Maldives, Malaysia, Vietnam, Australia, New Zealand and China).

Revenue by channel				
			Change 2018	
(€m)	First Half 2019	First Half 2018	at current exchange rates	at constant exchange rates
Airports	254.0	235.7	7.8%	7.9%
Other Channels	47.0	32.0	46.7%	46.2%
Total Revenue	**301.0**	**267.8**	**12.4%**	**12.5%**

Revenue in the **airport channel** increased by 7.9% at constant exchange rates (+7.8% at current exchange rates), thanks to strong growth in Vietnam and India, which offset the less dynamic revenue at the European airports operated in this area.

In the **Other Channels**, revenue growth was driven by the new openings made at Dutch railway stations and the improved performance of outlets in Netherlands.

EBITDA

				Change 2018	
(€m)	First Half 2019	First Half 2019 excluding IFRS16	First Half 2018	at current exchange rates	at constant exchange rates
EBITDA	**41.4**	**20.6**	**23.3**	**-11.8%**	**-11.6%**
% on revenue	*13.8%*	*6.8%*	*8.7%*		
EBITDA underlying	**42.2**	**21.4**	**23.8**	**-10.2%**	**-10.1%**
% on revenue	*14.0%*	*7.1%*	*8.9%*		

EBITDA for this region came to €41.4m or 13.8% of revenue.

EBITDA in the first half 2019 excluding IFRS16 came to €20.6m, a drop of 11.6% at constant exchange rates (-11.8% at current exchange rates) compared to €23.3m in the first half 2018, due to the costs incurred for start-up operations in various countries new to the Group. As a percentage of revenue, EBITDA went from 8.7% to 6.8%.

EBITDA underlying in the first half 2019 excluding IFRS16 came to €21.4m in the first half 2019 compared to €23.8m in the first half 2018, a decline of 10.1% at constant exchange rates (-10.2% at current exchange rates), and 7.1% of revenue versus 8.9% in the first half 2018.

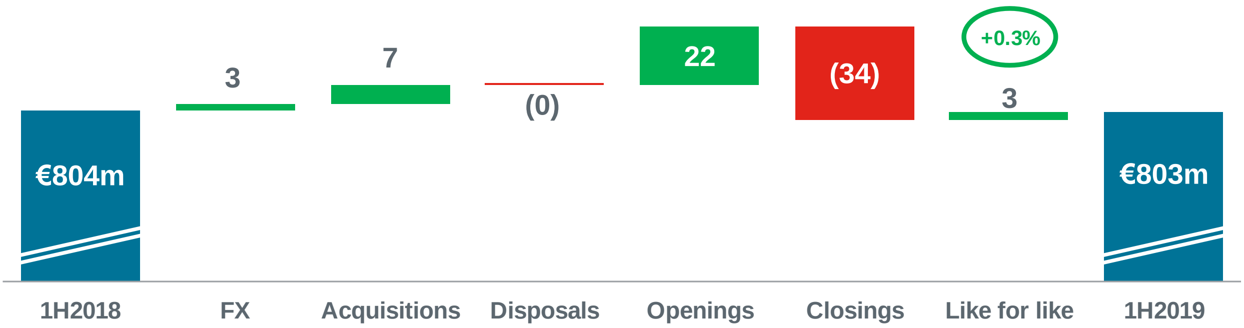
Capital expenditure

(€m)	First Half 2019	First Half 2018	Change 2018	
			at current exchange rates	at constant exchange rates
CAPEX	**16.6**	**20.0**	**-17.3%**	**-18.0%**
% on revenue	*5.5%*	*7.5%*		

Most capital expenditures made in this region went to airport locations in Beijing, relating to recent awards, in Istanbul (Sabiha Gokcen), to complete an investment begun last year, in Indian and Dubai airports, as well as the new openings in the Dutch railway stations.

Europe

Revenue



Revenue in Europe amounted to €803.1m, basically in line with the €803.9m recorded in the first half 2018 (-0.1% at constant exchange rates and -0.4% at current exchange rates).

Like for like revenue rose 0.3% and reflects the combined effect of a slightly negative Italy (-0.1%) and the growth posted in the other European countries (+1.0%).

The net balance from openings and closures caused revenue to drop by €12m against the same period of the prior year explained mainly by the Group's decision to reduce its presence in low margin businesses (in particular, the exit from the motorway channel in Germany).

The change in the scope of consolidation had a positive impact of around €7m linked to the consolidation of Le CroBag's revenue for the full first half 2019, versus just 4 months in the first half 2018. Conversely, the decrease in the scope of consolidation stemming from the sale of the Group's Czech Republic business in May 2019 had a very limited impact on the revenue recorded in the half.

Revenue by geography

			Change 2018	
(€m)	**First Half 2019**	**First Half 2018**	**at current exchange rates**	**at constant exchange rates**
Italy	474.4	481.8	-1.5%	-1.5%
Other European countries	328.6	322.0	2.0%	1.2%
Total Revenue	**803.1**	**803.9**	**-0.1%**	**-0.4%**

The drop in revenue posted in **Italy** reflects motorway sales that were basically flat, a good performance in airports and a decrease in the perimeter of operations. The trend in the sales mix was noticeably positive, with an increase in food and a decrease in complementary sales, which contributed to a significant increase in the country's profitability.

In **Other European countries,** the 1.2% (+2.0% at current exchange rates) increase in revenue was concentrated in Spain where the recently opened locations in the Barcelona and Grand Canaria airports are gradually beginning to run at capacity. The consolidation of Le CroBag for the entire half, along with the positive performance recorded in the German airports, helps to offset the exit from the German motorway channel.

Revenue by channel

(€m)	First Half 2019	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
Motorways	539.4	553.7	-2.6%	-2.8%
Airports	126.9	116.5	9.0%	8.1%
Other Channels	136.7	133.7	2.3%	1.9%
Total Revenue	**803.1**	**803.9**	**-0.1%**	**-0.4%**

The drop in **Motorways** revenue reflects a stable performance in Italy, a positive performance in Switzerland and Spain, the exit from the channel in Germany and a negative performance in France, attributable in part also to the work underway at recently renovated locations.

The good performance by **Airports** is attributable to the revenue growth recorded at the airports in Germany, Spain and Athens.

Revenue in **Other channels** was up by 1.9% at constant exchange rates (+2.3% at current exchange rates), thanks primarily to the acquisition of Le CroBag which offset the smaller perimeter in Italy.

EBITDA

(€m)	First Half 2019	First Half 2019 excluding IFRS16	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
EBITDA	**123.9**	**44.2**	**18.4**	**140.4%**	**137.2%**
% of revenue	*15.4%*	*5.5%*	*2.3%*		
EBITDA underlying	**116.6**	**36.9**	**28.8**	**28.3%**	**27.2%**
% sui ricavi	*14.5%*	*4.6%*	*3.6%*		

EBITDA in Europe came to €123.9m or 15.4% of revenue in the first half 2019.

EBITDA excluding IFRS16 amounted to €44.2m in the first half 2019. The capital gain generated by the sale of the Group's business in the Czech Republic contributed €7.9m to this result. In the same half of the prior year EBITDA was negatively impacted for €9.0m in costs related to the "intergenerational pact" implemented in Italy.

However, even without the impact of these non-recurring events, EBITDA showed strong growth in Europe, above all in Italy, thanks to a significant improvement in the cost of goods sold stemming from a positive sales mix and strong control of labor productivity. Profitability also increased in other European countries thanks above all to the performance of the airport channel and the contribution of Le CroBag for the entire half.

The EBITDA excluding IFRS16 underlying, consequently, reached €36.9m in the first half 2019, an increase of 27.2% at constant exchange rates (+28.3% at current exchange rates) against €28.8m in the first half 2018. EBITDA underlying also increased significantly as a percentage of revenue, rising from 3.6% the first half 2018 to 4.6% in the first half 2019.

Capital expenditure

(€m)	First Half 2019	First Half 2018	Change 2018 at current exchange rates	Change 2018 at constant exchange rates
CAPEX	**38.1**	**45.5**	**-16.3%**	**-16.6%**
% of revenue	*4.7%*	*5.7%*		

Capital expenditure was primarily towards airports in Zurich, the railway station in North Brussels and a few service areas along Italian and French motorways following new awards.

Corporate costs

Corporate costs came to €15.6m in the first half 2019, 29.8% higher than the €12.0m reported in the comparison period, explained by the strengthening of the Group's governance division.

Corporate costs underlying amounted to €12.4m in the first half 2019 versus €10.8m in the first half 2018.

1.6 Related party transactions

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

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

1.7 Subsequent events

Since 30 June 2019, no events have occurred that would have entailed an adjustment to the figures reported in the condensed interim consolidated financial statements or required additional disclosures in the related Notes.

1.8 Outlook[9]

Following the results reached in the first half 2019, the Group expects to fully achieve the results foreseen for the current year, confirming the guidance disclosed during the Capital Markets Day held on 4 June 2019 for revenue and EBITDA and increasing it for *reported* earnings per share given the better than expected contribution of disposals.

The Group's targets for the current year[10] were, therefore, updated as follows:

- Revenue of €5.0 billion (unchanged with respect to the guidance disclosed during Capital Markets Day)
- EBITDA underlying of € 450m - € 470m (unchanged)
- Reported earnings per share of € 0.90 - € 0.95 (compared with the guidance disclosed during Capital Markets Day of € 0.88 - € 0.93).

1.9 Atypical or unusual transactions

In the first half of 2019 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

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

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

[9] This section includes forecasts and estimates that reflect management's current thinking (forward-looking statements), especially as regards future performance, capital expenditure, cash flow, and changes in the financial structure. By nature, forward-looking statements have an element of risk and uncertainty because they depend on the occurrence of future events. Actual results may differ, even significantly, as a result of various factors such as travel trends in the countries and channels served; the outcome of concession contract renewals and bids for new concessions; how the competition develops; the trend in exchange rates against the euro, especially of the US dollar and British pound; the trend in interest rates on those currencies; future demand; the price of oil and food raw materials; general macroeconomic conditions; geopolitical factors and regulatory changes in the countries served; and other changes in business conditions. The Group's business volumes correlate with travel trends.

[10] The 2019 guidance was determined based on an average €/US$ exchange rate of 1.15 and 2019 figures excluding IFRS16, namely excluding the impact of the new accounting standard IFRS 16.

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

See the 2018 Annual Report for a description of the main risks to which the Group is exposed.

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

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

2. Condensed interim consolidated financial statements

2.1 Consolidated financial statements

2.1.1 Statement of financial position

Note	(€k)	30.06.2019*	*Of which related parties*	31.12.2018	*Of which related parties*
ASSETS					
	Current assets	**757,424**		**587,290**	
I	Cash and cash equivalents	327,261		214,699	
XII	Finance lease receivables	14,446		-	
II	Other financial assets	68,192	*7,358*	36,424	
III	Tax assets	2,567		19,572	
IV	Other receivables	145,866	*19,199*	147,013	*18,405*
V	Trade receivables	68,523	*934*	47,971	*1,526*
VI	Inventories	130,569		121,611	
	Non current assets	**4,600,460**		**2,049,337**	
VII	Property, plant and equipment	1,034,070		982,682	
VIII	Right of use assets	2,461,725		-	
IX	Goodwill	844,505		839,666	
X	Other intangible assets	134,524		121,221	
XI	Investments	788		1,891	
XII	Finance lease receivables	33,152		-	
XIII	Other financial assets	40,224		42,949	*7,272*
XIV	Deferred tax assets	50,254		51,050	
XV	Other receivables	1,218		9,878	
XVI	**Assets available for sale**	**1,782**		**-**	
	TOTAL ASSETS	**5,359,666**		**2,636,627**	
LIABILITIES AND EQUITY					
	LIABILITIES	**4,543,545**		**1,895,592**	
	Current liabilities	**1,274,440**		**844,130**	
XVII	Trade payables	354,180	*15,630*	376,460	*32,043*
XVIII	Tax liabilities	18,026		4,726	
XIX	Other payables	352,094	*999*	369,425	*4,567*
XXII	Bank loans and borrowings	132,126		68,968	
XX	Finance lease liabilities	390,418	*50,089*	303	
XXIV	Other financial liabilities	9,698		7,991	
XXVII	Provision for risks and charges	17,898		16,257	
	Non-current liabilities	**3,269,105**		**1,051,462**	
XV	Tax liabilities	8,593		8,541	
XXI	Other payables	15,932		29,495	
XXII	Loans, net of current portion	649,383		549,912	
XXIII	Finance lease liabilities	2,138,554	*245,455*	4,069	
XXIV	Other financial liabilities	893		3,409	
XXV	Bonds	308,512		303,026	
XIV	Deferred tax liabilities	39,300		43,728	
XXVI	Defined benefit plans	71,562		71,036	
XXVII	Provision for risks and charges	36,376		38,246	
	Liabilities available for sale	-		-	
XXVIII	**EQUITY**	**816,121**		**741,035**	
	- attributable to owners of the parent	751,623		685,876	
	- attributable to non-controlling interests	64,498		55,159	
	TOTAL LIABILITIES AND EQUITY	**5,359,666**		**2,636,627**	

* Refer to Note 2.2.1 "New accounting standard IFRS 16" for the information on impacts of the first application of the new accounting standard IFRS 16.

2.1.2 Income statement

Note	(€k)	1st half 2019	*Of which related parties*	1st half 2018	*Of which related parties*
XXIX	Revenue	2,463,242	*1*	2,303,458	*16*
XXX	Other operating income	82,548	*1,001*	47,083	*736*
	Total revenue and other operating income	**2,545,790**		**2,350,541**	
XXXI	Raw materials, supplies and goods	878,004	*80*	844,630	*85*
XXXII	Personnel expense	783,490	*3,323*	729,160	*2,576*
XXXIII	Leases, rentals, concessions and royalties	263,207	*16,536*	391,439	*37,529*
XXXIV	Other operating expense	293,624	*5,784*	258,442	*1,509*
XXXV	Depreciation and amortization	285,209		102,645	
XXXV	Impairment losses on property, plant and equipment, intangible assets and right of use assets	1,894		-	
XXXVI	Gains on operating activities disposal	126,803		-	
	Operating profit	**167,165**		**24,225**	
XXXVII	Financial income	2,025	*57*	1,000	*45*
XXXVII	Financial expense	(49,533)	*(3,518)*	(13,715)	*-*
	Income (expense) from investments	37,536		201	
	Pre-tax profit	**157,193**		**11,711**	
XXXVIII	Income tax	(34,393)		(9,032)	
XXXIX	**Profit for the period**	**122,800**		**2,679**	
	Profit for the period attributable to:				
	- owners of the parent	115,042		(3,407)	
	- non-controlling interests	7,758		6,086	

2.1.3 Statement of comprehensive income

Note	(€k)	First-half 2019	First-half 2018
	Profit for the period	**122,800**	**2,679**
	Items that will never be reclassified to profit or loss		
XXIV	Remeasurements of the defined benefit (liabilities)/asset	(2,371)	189
XXIV	Tax effect on items that will never be reclassified to profit or loss	569	(45)
		(1,802)	**144**
	Items that may be subsequently reclassified to profit or loss		
XXIV	Equity-accounted investee - share of other comprehensive income	24	28
XXIV	Foreign currency translation differences for foreign operations	1,614	7,878
XXIV	Gain/(loss) on net investment hedge	71	354
XXIV	Tax effect on items that may be subsequently reclassified to profit or loss	(18)	(89)
		1,691	**8,171**
	Total other comprehensive income for the period	**122,689**	**10,994**
	- attributable to owners of the parent	115,384	2,885
	- attributable to non-controlling interests	7,305	8,109

2.1.4 Statement of changes in equity

(Note XXVIII)

(€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
31.12.2018	**68,688**	**13,738**	**35,662**	**499,848**	**(720)**	**68,660**	**685,876**	**55,159**
Total other comprehensive income for the period								
Profit for the period	-	-	-	-	-	115,042	**115,042**	**7,758**
Foreign currency translation differences for foreign operations	-	-	2,067	-	-	-	**2,067**	**(453)**
Gain/(loss) on net investment hedge, net of the tax effect	-	-	53	-	-	-	**53**	**-**
Equity-accounted investee - share of other comprehensive income	-	-	24	-	-	-	**24**	**-**
Remeasurements of the defined benefit (liabilities)/asset, net of the tax effect	-	-	-	(1,802)	-	-	**(1,802)**	**-**
Total other comprehensive income for the period	**-**	**-**	**2,144**	**(1,802)**	**-**	**115,042**	**115,384**	**7,305**
Transaction with owners of the parent, recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Contributions by and distributions to owners of the parent	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Stock options	-	-	-	1,207	-	-	1,207	**-**
Allocation of 2018 profit to reserves	-	-	-	68,660	-	(68,660)	**-**	**-**
Capital increase	-	-	-	-	-	-	**-**	**18,895**
Dividend distribution	-	-	-	(50,844)	-	-	**(50,844)**	**(17,357)**
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**19,023**	**-**	**(68,660)**	**(49,637)**	**1,538**
	-	-	-	-	-	-	**-**	**-**
Sale of non-controlling interests	-	-	-	-	-	-	**-**	**496**
Total transactions with owners of the parent	**-**	**-**	**-**	**19,023**	**-**	**(68,660)**	**(49,637)**	**2,034**
30.06.2019	**68,688**	**13,738**	**37,806**	**517,069**	**(720)**	**115,042**	**751,623**	**64,498**

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

2.1.5 Statement of cash flows

(€k)	First Half 2019	First Half 2018
Opening net cash and cash equivalents	**166,315.3**	**141,692.8**
Pre-tax profit and net financial expense for the period	204,701.1	24,425.9
Amortisation, depreciation and impairment losses on non-current assets, net of reversals (nota XXXV)	287,103.3	102,644.9
Adjustment and gains on disposal of financial assets	(37,536.2)	(201.3)
Gain on disposal of Czech Republic (Note XXXVI)	(7,949.7)	-
Gain on disposal of Canadian Motorway Business (Note XXXVI)	(118,853.0)	-
Gain on disposal of non-current assets (Note VII)	(2,853.7)	(4,338.6)
Other non monetary items	1,418.6	241.9
Change in working capital	(61,518.9)	(25,629.0)
Net change in non-current non-financial assets and liabilities	(4,337.1)	(7,566.7)
Cash flow from operating activities	**260,174.5**	**89,577.0**
Taxes paid	(8,965.4)	(13,022.2)
Interest paid	(11,838.8)	(10,804.1)
Implicit interest in lease liabilities	(34,096.9)	-
Net cash flow from operating activities	**205,273.4**	**65,750.7**
Acquisition of property, plant and equipment and intangible assets paid	(166,318.5)	(138,491.6)
Proceeds from sale of non-current assets	4,468.0	8,169.6
Acquisition of consolidated equity investments	(199.1)	(206.5)
Acquisition Le CroBag	(5,940.0)	(59,026.1)
Disposal of operation in Czech Republic (**)	6,955.9	-
Disposal of Canadian Motorway Business (**)	162,756.5	-
Acquisition of Pacific Gateway Concession Group (***)	(32,063.6)	-
Net change in non-current financial assets	(2,467.3)	(3,107.7)
Net cash flow used in investing activities	**(32,808.1)**	**(192,663.3)**
Utilisations of non-current credit lines	98,037.7	65,597.4
Issue of new non-current loans	-	229,072.4
Repayments of non-current loans	-	(160,102.5)
Issue of new current loans, net of repayments	35,884.0	16,603.7
Principal repayment of lease liabilities	(147,200.9)	-
Dividends paid	(50,844.1)	(48,299.5)
Other cash flows[1]	1,532.5	(3,136.8)
Net cash flow used in financing activities	**(62,590.8)**	**99,733.7**
Cash flow for the period	**109,874.5**	**(27,177.9)**
Effect of exchange on net cash and cash equivalents	(1,145.8)	1,764.4
Closing net cash and cash equivalents	**275,044.0**	**116,279.0**

Reconciliation of net cash and cash equivalents

(€k)		
Opening - net cash and cash equivalents - balance as of 1st January 2019 and as of 1st January 2018	**166,315.3**	**141,693.0**
Cash and cash equivalents	214,699.2	169,590.0
Current account overdrafts	(48,383.8)	(27,897.0)
Closing - net cash and cash equivalents - balance as of 30 June 2019 and as of 30 June 2018	**275,044.0**	**116,279.0**
Cash and cash equivalents	327,260.7	170,850.0
Current account overdrafts	(52,216.7)	(54,571.0)

(*) Includes dividend paid to minority shareholders in subsidiaries, net of capital increase

(**) See section 2.2.4 Disposals

(***) See section 2.2.3 Acquisitions

2.2 Notes to the condensed interim consolidated financial statements

Group operations

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

2.2.1 New accounting standard IFRS 16

Premise

In January 2016, the IASB issued the new accounting principle IFRS 16 – Leases that will replace the previous standard IAS 17 - Leases, as well as the interpretations IFRIC 4 - Determining whether an arrangement contains a lease, SIC 15 - Operating leases - Incentives and SIC 27 – Evaluating the substance of the transactions involving the legal form of a lease.

The new standard has introduced a new definition of lease based on the right to use an identified asset substantially obtaining all the economic benefits from the control and the direction of the use of the underlying asset, for a period of time in exchange for consideration. Therefore, IFRS 16 is not applicable to service contracts, but only to lease contracts or contracts including lease components (for the Group, mainly concession contracts).

The new standard provides a comprehensive model for the accounting of lease arrangements which requires the lessee to recognize, on the assets side, the right of use of the lease assets ("Right of use assets"), and on the liabilities side, the liability representing the financial obligation ("Finance lease liabilities"), determined on the basis of the net present value of future minimum annual guaranteed lease payments, thus eliminating the accounting distinction between operating and financial leases (from the lessee's side) as previously required under IAS 17. Therefore, application of the new standard does not impact those arrangements previously classified as finance leases, nor it entail significant changes for the lessor.

The new standard IFRS 16 is effective for annual periods beginning on or after 1 January 2019.

The Group has opted to apply IFRS 16 using the modified retrospective approach. Therefore, on first-time application, Autogrill has reported the cumulative effect of applying the new standard to equity at 1 January 2019, without restating comparative figures for the previous year.

Accounting model for the lessee

As lessee, the Group classified its leases as operating leases or finance leases depending if the risk and rewards related to the ownership.

According to IFRS 16, the Group recognizes in its statement of financial position the right of use assets and the lease liabilities for almost all lease contracts. However the Group has elected not to recognize the right of use and the lease liability to leases on "low-value" assets, namely those with an underlying assets worth than € 10,000 when new. Therefore, for those contracts the Group will continue to recognize the lease instalments in profit or loss on a straight line basis over the lease term.

At the commencement date, the Group shall recognize a right-of-use asset and a lease liability. The right of use is initially measured at cost and subsequently at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate can be readily determined, the Group shall use the lessee's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as discount rate.

The lease liability is subsequently increased for the accrual of interest and reduced to reflect the lease payments made and it is remeasured to reflect any reassessment or lease modification due to changes in an index or rates, in case of modification in the amount expected to be paid as residual value guarantee or when the Group changes its assessment on the exercise of a termination, renewal or purchase option.

Accounting model for the lessor

The Group has third party sub-leases (most of them in effect in the United States) with a residual life equal to the head lease has deducted from the right of use.

The Group's accounting models are essentially unchanged from IAS 17. However, when the Group acts as intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease not the underlying assets. For this reason, considering the recognition of a right of use as a result of IFRS 16 and that the subleasing typically have a duration equal to the head lease, the Group has reduced the amount of right of use as counterparty of a "Finance lease receivable", classified under current and non-current financial assets.

First time adoption at the transition date (1st January 2019)

At the transition date, for leases classified as operating under IAS 17, the finance lease liabilities have been measured at the present value of lease payment not yet paid at that date (mainly represented by future minimum annual guaranteed lease payments), discounted with the Group incremental borrowing rate at 1st January 2019 (as described below). The right of use assets have been initially set as equal to the lease liabilities, adjusted for any lease payments made at or before the commencement date ("Una tantum") and any deferred charges already included in the statement of financial position at 31st December 2018, as well as any lease incentives already obtained before 1st January 2019.

At the transition date, the Group decided to make use of some of the practical expedients envisaged under the transitional provisions of the new standard. Specifically:

- the contractual perimeter falling within the scope of IFRS 16 (lease contracts or contracts containing lease components) was identified based on the conclusions the Group reached in the past, pursuant to IFRIC 4 and IAS 17; therefore the definition of lease included in IFRS16 has been applied only on new or revised contracts signed on 1st January 2019 or at a subsequent date;
- for the purposes of onerous contracts accounting, and as alternative to the impairment test activity to be carried out on the line item "Right of use assets" at 1 January 2019, the assessment was based on the rules envisaged in IAS 37 - Provisions, contingent liabilities and contingent assets, thus already adjusting the line item "Right of use assets" by any provision for onerous contracts outstanding at 31 December 2018;
- the Group has elected to exclude from IFRS 16 perimeter, in addition to leases on "low-value" assets, also to the "short-term" leases, namely those expiring within 12 months from the transition date (31 December 2019); therefore, for those contracts the Group will continue to recognize the lease instalments in profit or loss on a straight line basis over the lease term.
- the Group elected to exclude its initial direct costs (consulting, legal expenses, "key money," etc.) from "Right of use assets", therefore no reclassifications were made on first time application.

The transition to IFRS 16 required certain professional judgements to be made, including the definition of some accounting policies and the use of assumptions and estimates. In this regard, the Group decided the following:

- to not apply IFRS 16 to leases that have as underlying an intangible assets;
- not to apply IFRS 16 to some contracts related where Autogrill Italia S.p.A. has the ownership of the land and buildings along the motorway and negotiates access rights with the motorway Company with the commitment to sell fuel and lubricants and/or food and beverages to motorway users;

- to use the information available at the transition date to determine the lease term of leases with renewal and early termination options;
- as the implicit interest rate is not available for all the Group's leases, to determine the lease liabilities by applying to future minimum lease payments a discount rate, equal to the risk-free rate of each country where the leases were drawn up, with maturities in line with the duration of the leases plus a country-specific credit spread. The average weighted discounted rate applied to the lease liabilities as of 1st January 2019 is 2.98%.

Impacts of first time adoption of IFRS 16

The Group has completed its assessment of the impact of first time adoption of the standard at the transition date (1 January 2019), through an in-depth analysis of the contracts potentially eligible as leases (area concessions, business leases and commercial leases) and the clauses contained therein, in order to understand the main clauses relevant for the purposes of IFRS 16. It has also completed the implementation and integration of local accounting and reporting systems to be used to determine the impact on the Group's consolidated financial statement as of 1 January 2019, and the updating of the administrative and control processes used to oversee critical areas within the scope of the new IFRS 16.

In line with the assumptions set out above, the Group's statement of financial position at 1st January 2019 has shown an increase in non-current assets ("Right of use assets") against an increase in financial liabilities ("Finance lease liabilities"). The amount of any third party sub-leases (most of them in effect in the United States) with a residual life equal to the head lease has been deducted from the line item "Right of use assets", which is also adjusted to reflect the use of the practical expedients mentioned above:

(€k)		Transition impacts (1st January 2019)
	<u>ASSETS</u>	
	Current assets	**2,907**
XII	Finance lease receivables	7,010
IV	Other receivables	(4,103)
	Non current assets	**2,497,962**
VIII	Right of use assets	2,466,364
XII	Finance lease receivables	40,309
XV	Other receivables	(8,711)
	TOTAL ASSETS	**2,500,869**
	<u>LIABILITIES AND EQUITY</u>	
	LIABILITIES	**2,500,869**
	Current Liabilities	**189,763**
XXIII	Finance lease liabilities	189,763
	Non current liabilities	**2,311,106**
XXI	Other payables	(9,760)
XXIII	Finance lease liabilities	2,321,852
XXVII	Provision for risks and charges	(986)
XXVIII	**EQUITY**	-
	- attributable to owners of the parent	-
	- attributable to non-non controlling interests	-
	TOTAL LIABILITIES AND EQUITY	**2,500,869**

The difference between the “Finance lease liabilities” arising from IFRS 16 adoption at 1 January 2019 and the operating lease commitments pursuant to IAS 17 as reported in note 2.2.11 of the Notes to the financial statement at 31st December 2018 (equal to € 2,891m) is mainly attributable to the effect of discounting these commitments, as well as to the exclusion of short-term leases (with a residual duration of less than 12 months) and low-value leases as permitted by the practical expedients mentioned above, and to “Other changes” mainly due to the access rights not included in the perimeter falling within the scope of the new standard, as mentioned above:

(€k)	**Future minimum lease payment reconciliation**
Net future minimum lease payment as of 31 December 2018 (*)	**2,980,903**
Finance lease liabilities for "short term" leases	(33,064)
Other changes	(28,427)
Finance lease liabilities not discounted as of 1st January 2019	**2,919,412**
Discount effect	(455,115)
Net finance lease liabilities as of 1st January 2019 (*)	**2,464,296**

(*) It includes the portion related to subleases, mainly in North America and in Italy, according to the contracts with the landlords

On going impacts

After the first time adoption of IFRS 16, the Group has recognized the right of use, the finance lease receivables and the finance lease liabilities, of € 2,461,725k, € 47,598k and € 2,528,972k, respectively, at 30 June 2019.

In addition, for leases recognized according to IFRS 16, the Group has recognized depreciation and interests instead of cost for operating leases. In particular, in the first half 2019 the Group has recognized depreciation and interest, of € 165,311k and € 34,097k, respectively, and deferred tax asset of € 5,602k.
For information on IFRS 16 impacts on segment information, refer to paragraph 2.2.10 of these Notes to the financial statements.

As it could be understood from what described so far, with the application of the new principle, the comparability of the half-yearly condensed interim consolidated financial statements as of 30 June 2019 with the data included in the consolidated financial statement as of 31 December 2018 and in the income statement of the first half 2018, is strongly impacted due to the significant changes to Group statement of financial position and income statement, both in terms of quantification of items and in term of their presentation. Therefore, for a better understanding of the Group performance and for a better comparability of the data, in the Directors' interim Report on operations it was deemed appropriate to adjust the impacts deriving from the first time adoption of the IFRS 16 in force in the condensed interim consolidated financial statements at 30 June 2019 in order to make them consistent with the criteria for the preparation of comparative data.

Lastly, as agreed with lenders, the adoption of this standard will not affect the calculation of existing covenants on loans.

2.2.2 Accounting policies and basis of consolidation

General standards
The condensed interim consolidated financial statements at 30 June 2019 have been prepared in accordance with Art. 154-ter of Legislative Decree 58 of 24 February 1998 (Italy's Consolidated Finance Act), as amended, and with IAS 34 "Interim financial reporting". They do not include all disclosures required by IFRS in the annual financial statements, and should therefore be read jointly with the consolidated financial statements for the year ended 31 December 2018.

In the condensed interim consolidated financial statements, the accounting standards and consolidation methods are the same, except as indicated below and in particular for the adoption of the new standard IFRS 16 as disclosed in the previous paragraph 2.2.1, as those used in the 2018 annual consolidated financial statements, which should be consulted for further description and those used in the condensed interim consolidated financial statements at 30 June 2018.

The preparation of the condensed interim consolidated financial statements and the relative notes require the Directors to make estimates and assumptions on the values of revenues, costs, assets and liabilities in the interim consolidated financial statement report and on the disclosures relating to the assets and contingent liabilities at 30 June 2019. 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. Furthermore, also the valuation process to determine the existence on any loss in value of the new item “Right of use assets”, arisen from the adoption of the new standard IFRS 16, will be performed at year end, as there were no specific impairment indicator on that item at half year 2019 closing.

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 2019 the need to update the discount rate applied to defined benefit plan assets/liabilities materialized; the estimates were, therefore adjusted to reflect the applicable discount rates and adjustments to liabilities were recognized directly in equity (Note XXVIII).

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 2019. With reference to the calculation of the tax effect deriving from the adoption of IFRS16, it should be noted that, in Italy, pending the promulgation of regulatory clarifications, the tax effect was calculated considering the tax regulations in force at 31 December 2018 (Note 2.2.1).

In the condensed interim consolidated financial statements, income statement and statement of cash flow for the first half 2019 are compared with those for the first half of the previous year. Net financial position and statement of financial position at 30 June 2019 are compared with the figures at 31 December 2018.

The condensed interim consolidated financial statements as of 30 June 2019 are prepared on a going-concern basis using the Euro as the presentation currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (€k).

Below are the accounting standards issued by the IASB and approved by the European Union to be mandatory in the financial statements for the years beginning 1st January 2019 (other than IFRS 16 – Leases, already disclosed in paragraph 2.2.1):

- IFRIC 23: Uncertainty over Income Tax Treatments;
- Amendments to IFRS 9: Prepayment Features with Negative Compensation;
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures;
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement;
- Annual Improvements to IFRS Standards 2015-2017 Cycle.

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

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

	2019		2018		
	Rate on 30 June	**Average rate for the period**	**Rate on 30 June**	**Average rate for the period**	**Rate on 31 December**
US Dollar	1.1380	1.1298	1.1658	1.2104	1.1450
Canadian Dollar	1.4902	1.5063	1.5442	1.5457	1.5605
Swiss Franc	1.1105	1.1295	1.1569	1.1697	1.1269

Basis of consolidation

There have been no significant changes in the scope of consolidation since 31 December 2018, except for the disposal of some Canadian entities and Czech Republic and the acquisition of Pacific Gateway Concession Group (“PGC”), occurred in May 2019.

For more detail related to the above mentioned operation, refer to the following paragraphs 2.2.3 Acquisitions and 2.2.4 Disposals.

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 2019 cover the period 29 December 2018 to 14 June 2019, while the previous year's accounts covered the period 30 December 2017 to 15 June 2018. This practice has no significant impact on the statement of financial position at 30 June 2019 and on the profit/ (loss) for the period.

2.2.3 Acquisitions

Pacific Gateway Concessions Group

As mentioned above in section 2.2.2, as part of its strategy to expand its presence in the airport convenience retail sector in North America on 31 May 2019 the Group, through its indirect subsidiary Stellar Partners Inc. (already active in airport retail), finalized the acquisition of the Pacific Gateway Concessions Group (also active in airport retail).

The acquisition called for a cash out of \$35.8m (€32.1m), subject to contractually predefined adjustments, and a commitment to make investments of \$16.2m (€14.2m) which the seller was already bound by contract to make.

At the time of the acquisition PGC had 51 shops in 10 US airports. The assets and liabilities of PGC acquired as a result of the acquisition, the fair value of which was determined using valuation methods generally used for acquisitions, caused an increase in concessions of €22.1m (\$24.6m). Based on the revised IFRS 3, newly identified items may be recognized within 12 months from the acquisition date, therefore, the figures shown below should be temporary and may e subject to adjustments.

The impact of the acquisition on consolidated assets and liabilities is shown below:

$m	PGC	Purchase Price Allocation adjustments	PGC Adjusted
Other intangible assets		24.6	24.6
Property, plant and equipment	25.5		25.5
Right of use assets	64.6		64.6
A) Non current assets	**90.1**	**24.6**	**114.7**
Inventory	3.3		3.3
Trade receivables	0.1		0.1
Other receivables	0.3		0.3
Trade payables	(3.5)		(3.5)
Other payables	(9.3)		(9.3)
B) Working capital	**(9.2)**	**-**	**(9.2)**
C) Other non-current non-financial assets and liabilities	-		-
D) Net invested capital from continuing operation (A+B+C)	**80.9**	**24.6**	**105.5**
Equity attributable to owners of the parent	11.1	24.6	35.8
Equity attributable to non-controlling interests	5.2		5.2
E) Equity	**16.3**	**24.6**	**40.9**
Non-current net financial indebtedness	53.2	-	53.2
Current net financial indebtedness	11.4	-	11.4
F) Net financial indebtedness	**64.6**	**-**	**64.6**
G) Total as D)	**80.9**	**24.6**	**105.5**
Acquisition costs			35.8
Goodwill			-

In the first month of operation after the acquisition, revenue of $1.9m (€1.7m) was generated.

2.2.4 Disposals

Canadian motorway business

On 26 May 2019, Autogrill S.p.A., through its US subsidiary HMSHost Corporation ("HMSHost"), completed the disposal of all its Canadian motorway business, comprised of the interests in three partnerships held in the Canadian subsidiaries HMSHost Motorways Inc. and HMSHost Motorways L.P., along with the concessions at the three service areas owned and operated by SMSI Travel Centres Inc., an indirect subsidiary of HMSHost Corporation. At the same time KD Infrastructure L.P. ("KDLP"), HMSHost's partner in the three partnerships, sold its interests.

The purchaser, a consortium led by Arjun Infrastructure Partners Ltd. and Fengate Capital Management Ltd., has acquired HMSHost's portion of the concessions in 23 service areas which expire in 2060 for $182.6m (€163.2m). The total capital gain generated, net of ancillary transaction expense, comes to $176.6m (€156.3m) and is recognized in the income statement in "Gains on operating activities disposal" for $134.3m (€118.9m) and in "Income (expense) from equity investments" for $42.3m (€37.4m). The latter stems from the disposal of the interests in the Canadian companies, that managed part of the concessions sold, which was previously valued at equity.

In the first five months of 2019 the business sold recorded revenue of $34.3 (€30.4m).

Operating activities in the Czech Republic

On 31 May 2019 Autogrill S.p.A., through its subsidiary Autogrill Europe S.p.A., sold its entire interest in Autogrill Czech Sro., which operates the food&beverage activities along motorways and in railway stations, to the Lagardère Group for €9m which generated a capital gain of €7.9m recognized in the income statement in "Gains on operating activities disposal". In the first five months of 2019 the business sold recorded revenue of €3.1m.

2.2.5 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

(€k)	30.06.2019	31.12.2018	change
Bank and post office deposits	274,223	161,390	**112,833**
Cash and equivalents on hand	53,038	53,309	**(271)**
Total	**327,261**	**214,699**	**112,562**

"Cash and equivalents on hand" includes 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 huge increase in "Bank and post office deposits" is due to the cash in from Canadian motorway disposal.
The statement of cash flows presents the alternative sources and uses of cash that contributed to the change in this item, along with the balance of current account overdrafts.

II. Other financial assets

(€k)	30.06.2019	31.12.2018	change
Financial receivables from third parties	41,999	24,513	**17,486**
Receivables from credit card companies	26,016	11,471	**14,545**
Fair value of interest rate hedging derivatives	36	-	**36**
Fair value of exchange rate hedging derivatives	141	440	**(299)**
Total	**68,192**	**36,424**	**31,768**

"Financial receivables from third parties" consists primarily of amounts due from the non-controlling shareholders of some North American subsidiaries and some non-subsidiary companies for capital advances, taking account of their ability to pay the sums back with future earnings. The increase is explained almost entirely to an amount due from a non-controlling shareholder of an International Business Unit, reclassified from the line item "Other financial assets" of non current assets.
The net increase in "Receivables from credit card companies" is explained by the different concentration of settlements for credit card payments at the end of the first half 2019 compared to the prior year, due also to seasonality.
"Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 30 June 2019 and 31 December 2018, with a combined notional value of $ 100m.
"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 2019, in particular to the forward purchase and/or sale of currency, in connection with loans and the payment of dividends.

III. Tax assets

This item amounts to € 2,567k (€ 19,572k at 31 December 2018) and refers to income tax advances and credits for tax assets, mainly due to European entities. The decrease is mainly due to the tax advances paid in the United States during the year 2018, used in the course of 2019 to offset current tax payables.

IV. Other receivables

(€k)	30.06.2019	31.12.2018	change
Suppliers	44,187	55,224	**(11,037)**
Lease/concession and royalties advance payments	8,953	20,975	**(12,022)**
Inland revenue and government agencies	29,378	16,914	**12,464**
Receivables from grantors for investments	6,821	2,591	**4,230**
Sub-concessionaires	5,162	3,458	**1,704**
Receivables from the parent for tax consolidation	12,437	12,437	**-**
Personnel	824	1,127	**(303)**
Other	38,104	34,287	**3,817**
Total	**145,866**	**147,013**	**(1,147)**

"Suppliers" refers to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received. The decrease is mainly due to the operations in Italy and North America.

"Lease/concession and royalties advance payments" consists of lease instalments paid in advance, as required by contract. The decrease in this item is mainly due to the first time adoption of the new standard IFRS 16 that requires to adjust the “Right of use assets” for any lease payments made at or before the commencement date (“Una tantum”) related to minimum annual guaranteed payments, as disclosed in the paragraph 2.2.1 of these Note.

The line item “Inland revenue and government agencies” is related mostly to indirect taxes. The significant increase is mainly due to VAT receivable in Italy.

"Receivables from grantors for investments" relates to commercial investments made on behalf of concession grantors in North America in accordance with the terms of contracts.

Amounts due from “Sub-concessionaires” refer to businesses licensed to third parties and consist mainly of rent receivable for contracts with variable rents.

"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 2.2.13 Other Information – Related Parties).

"Other" consists mainly of prepayments for maintenance and insurance policies and advances on local taxes and are related mainly to operation in North America.

V. Trade receivables

(€k)	30.06.2019	31.12.2018	change
Third parties	74,823	53,679	**21,144**
Allowance for impairment	(6,300)	(5,708)	**(592)**
Total	**68,523**	**47,971**	**20,552**

"Third parties" refer mainly to catering service agreements and accounts with affiliated companies. As required by IFRS 9 (effective as of 1 January 2018), the default risk of receivables has already been estimated, as in previous years, on the basis of the general default risk of receivables not yet due on the reporting date as inferred from past performance; provisions, net of releases, amounted to €521k. The increase is primarily attributable to the expanded operating activities in the United States.

VI. Inventories

Inventories, totalling € 130,569k at 30 June 2019, with a significant increase from € 121,611k in the previous year due to the seasonality, are shown net of the write-down provision of € 1,903k (€

1,527k at 31 December 2018), determined considering the revised recoverability estimates based on disposal strategies for slow-moving goods. Inventories are concentrated mostly in Italy, where the Group uses centralized warehouses to handle logistics, and the United States, and consist chiefly of food raw materials, drinks, packaged products, and goods sold under government monopoly.

Non Current assets

VII. Property, plant and equipment

(€k)	30.06.2019 Gross carrying amount	30.06.2019 Accumulated depreciation and impair. losses	30.06.2019 Carrying amount	31.12.2018 Gross carrying amount	31.12.2018 Accumulated depreciation and impair. losses	31.12.2018 Carrying amount	change
Land and buildings	103,636	(56,328)	**47,308**	116,489	(67,293)	**49,196**	**(1,888)**
Leasehold improvements	1,309,846	(818,006)	**491,840**	1,273,778	(811,954)	**461,824**	**30,016**
Plant and machinery	199,850	(161,222)	**38,628**	209,262	(169,021)	**40,241**	**(1,613)**
Industrial and commercial equipment	972,016	(753,348)	**218,668**	956,657	(741,325)	**215,332**	**3,336**
Assets to be transferred free of charge	342,712	(268,079)	**74,633**	337,340	(262,839)	**74,501**	**132**
Other	54,696	(50,450)	**4,246**	54,611	(49,793)	**4,818**	**(572)**
Assets under construction and payments on account	158,824	(77)	**158,747**	136,847	(77)	**136,770**	**21,977**
Total	**3,141,580**	**(2,107,510)**	**1,034,070**	**3,084,984**	**(2,102,302)**	**982,682**	**51,388**

Capital expenditure in the first half 2019 amounted to €152,107k, in addition to the increase stemming from the PGC acquisition, while the net carrying amount of disposals was €1,507k. The disposals produced capital gains of €2,854k, mostly for the sale of a hotel in Switzerland completed in the first half 2019 (for further details see Note XVI – Assets available for sale). The analysis of the type of capital expenditure made by channel and location is provided in the Directors' interim Report on operations.

Amortization and depreciation amounted to €106,434k in the period (€91,350k in the first half 2018).

Impairment testing of individual locations resulted in net impairment losses of €1,805k, 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 2018 consolidated 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. No impairment losses or reversal of losses were recognized in the first half 2018.

“Leasehold improvements” and “Assets to be transferred free of charge” refer to expenses incurred to set up or adapt leased premises and concessions. These include costs for the development of locations managed at airports, at shopping centers 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 the consolidated financial statements at 31 December 2018, this item included the contractual value of property, plant and equipment held under finance leases, in accordance with IAS 17, in effect through 31 December 2018. Starting from 1 January 2019, in accordance with the first time adoption of IFRS 16, the amounts at 31 December 2018 shown in the following table, were reclassified to “Right of use assets”:

	31.12.2018		
(€k)	Gross amount	Accumulated depreciation and impairment losses	Carrying amount
Land and buildings	5,536	(3,872)	**1,664**
Industrial and commercial equipment	816	(567)	**249**
Total	**6,352**	**(4,439)**	**1,913**

Similarly, also the finance lease liability at 31 December 2018 (€ 4,372k), related to the assets held under finance leases and previously included in the line items "Other financial liabilities" (current) for €303k and “Other financial liabilities” (non-current) for € 4,069k, was reclassified in “Finance lease liabilities” respectively for the current and non-current portions (Note XXIII).

VIII. Right of use assets

(€k)	Buildings	Other	Total
Gross carrying amount			
Balance at 1 January 2019	**2,462,600**	**3,764**	**2,466,364**
Acquisitions	57,179	-	57,179
Disposals	(1,144)	-	(1,144)
Exchange rate gains (losses)	4,251	(16)	4,235
Increase	103,235	180	103,415
Decrease	(4,990)	-	(4,990)
Other movements	5,536	713	6,249
Balance at 30 June 2019	**2,626,667**	**4,641**	**2,631,308**
Depreciation/Impairment losses			
Balance at 1 January 2019	**-**	**-**	**-**
Change in consolidation scope	-	-	-
Disposals	257	-	257
Exchange rate gains (losses)	(165)	11	(154)
Increase	(164,431)	(880)	(165,311)
Impairment losses	-	-	-
Decrease	-	-	-
Other movements	(3,870)	(505)	(4,375)
Balance at 30 June 2019	**(168,209)**	**(1,374)**	**(169,583)**
Carrying amount			
1 January 2019	**2,462,600**	**3,764**	**2,466,364**
30 June 2019	**2,458,458**	**3,267**	**2,461,725**

The first time adoption of the new standard IFRS 16 required the recognition of a new asset that represents the right of use of assets leased through concession and lease contracts. "Right of use assets", equal to € 2,461,725k at 30 June 2019, has been determined for the first time at 1st January 2019 based on the net present value of future minimum lease payments, fixed or in-substance fixed to be paid for concession and lease contracts existing at that date and updated due to the new contracts for € 103,415k, as well as the acquisition of Pacific Gateway Concessions Group (€ 57,179k). The disposals on this item is related to the portion of Canadian motorway disposal, limited to one concession that foresaw future minimum guaranteed lease payments. All other concessions part of the Canadian motorway disposal foresaw only variable lease payments.

Depreciation in the first half 2019 amounted to € 165,311k.

The category "Buildings" is mainly related to area concessions, leasing of a business and commercial leases, while "Other" mainly includes car leasing.

In particular:

- Area concessions are contracts in which the infrastructure operator (motorway or airport) grants a concession to a specialized entity to arrange and provide food & beverage and/or fuel services, authorizing it (i) to build and install, on land owned by the grantor, buildings, plant, furnishings and fittings designed for the sale of food and drink, complementary products and groceries and/or for the distribution of fuel, and (ii) to carry on this business against payment of a fee based on turnover, with certain stipulations regarding the means and continuity of service provision during the business hours established by the grantor. It frequently occurs that the subconcession for all the services of an entire motorway service area or airport terminal is assigned to a single entity, which then sub-assigns each individual service to a number of additional specialized firms. Usually, on expiry of the contract, the assets built for the provision of motorway services must be transferred free of charge to the grantor, while this is almost never the case for airport terminals.
- Leasing a business or business branches allows an operator to use rights and/or buildings, equipment etc. organized to serve food and beverage products. In some cases the business consists of an authorization to operate and of administrative licenses, in which case the operator incurs the necessary capital expenditure and provides the service. In other cases, a firm leases a company consisting of both the authorization and the necessary buildings and equipment. Leasing a company in the concession business entails the obligation to ensure continuity of service and payment of a fee; for primary concession contracts between a petrol company and a motorway operator, it also entails reimbursement of the royalties due by the petrol company.
- In a commercial lease, the operator uses buildings for business activity against payment of rent. The premises are equipped and furnished according to the specifications and at the expense of the operator, who must clear the premises when the lease expires.

The last two kinds of concession above mentioned are common (i) along motorways, where there are area or service sub-concessions assigned to a petrol company, which then turns to a caterer, and (ii) in cities, railway stations and shopping centers, according to the business objectives of the owner of the property.

IX. Goodwill

At 30 June 2019 goodwill amounts to € 844,505k, compared with € 839,666k at 31 December 2018. The cash-generating units (CGUs) are identified on the basis of business segments, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes.

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

(€k)	30.06.2019	31.12.2018	change
North America	444,104	441,025	**3,079**
International	59,605	59,755	**(150)**
Europe			
Italy	83,631	83,631	**-**
Other european countries	257,165	255,255	**1,910**
Total	**844,505**	**839,666**	**4,839**

The change for the period is attributable exclusively to exchange rate 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 2018. Therefore, no indicators of potential impairment were identified during the preparation of the Directors' interim Report on operations and early impairment tests were not run.

X. Other intangible assets

(€k)	30.06.2019 Gross carrying amount	30.06.2019 Accumulated depreciation and impair. losses	30.06.2019 Carrying amount	31.12.2018 Gross carrying amount	31.12.2018 Accumulated depreciation and impair. losses	31.12.2018 Carrying amount	change
Concessions, licenses, trademarks and similar rights	239,416	(129,561)	**109,855**	217,296	(124,310)	**92,986**	**16,869**
Other intangible assets	117,525	(94,817)	**22,708**	110,155	(90,070)	**20,085**	**2,623**
Assets under development and payments on account	1,961	-	**1,961**	8,150	-	**8,150**	**(6,189)**
Total	**358,902**	**(224,378)**	**134,524**	**335,601**	**(214,380)**	**121,221**	**13,303**

Capital expenditure in the first half 2019 came to €4,995k, mostly for business software and concession rights, while amortization totalled €13,464k.

The additional increase in "Concessions, licenses, trademarks and similar rights" in the first half 2019 stems mainly from the difference between the consideration paid and the fair value of the net assets recognized as a result of the Pacific Gateway Concessions Group acquisition, of €22,093k, as detailed in paragraph 2.2.3 "Acquisitions" in line with the accounting standard IFRS 3.

Impairment testing of individual locations, carried out in conjunction with the property, plant and equipment testing mentioned in Note VII, led to the recognition in the first half 2019 of net impairment losses of €89k.

XI. Investments

"Investments" is mainly comprised of associates and joint ventures, measured using the equity method.
The decrease for the period is therefore explained by the exchange effect and dividend distribution.
Any surplus of an investment's carrying amount over pro-rata equity represents future profitability inherent in the investment.
For the sake of thoroughness, we report that implementation of the equity method evaluation has lead to a recognition of a positive € 37.536k profit in the income statement under "Income (expense) from investments" (€ 201k in the first half of 2018) while a positive € 24k for exchange gains was recorded in the Statement of other comprehensive income (€ 28k in the first half 2018).
The positive entry in the income statement of €37,536k is explained primarily by the capital gain generated by the sale of the Canadian joint ventures of €37,440k (Note 2.2.4).

XII. Finance lease receivables

(€k)	30.06.2019	31.12.2018	change
Finance lease receivables - current	14,446	-	**14,446**
Finance lease receivables - non current	33,152	-	**33,152**
Totale	**47,598**	**-**	**47,598**

The recognition of "Finance lease receivables" arises exclusively from the first time adoption of new standard IFRS 16 and it represents the transfer of some right of use to third party through sub-leases (most of them in effect in the United States). At the transition date the item was equal to € 7,010k as current assets and € 40,309k as non-current assets, therefore the amount has not changed significantly over the first half 2019. For more details, refer to paragraph 2.2.1 of these Notes.

XIII. Other financial assets

(€k)	30.06.2019	31.12.2018	change
Interests-bearing sums with third parties	9,256	7,177	**2,079**
Guarantee deposits	21,254	20,284	**970**
Other financial receivables from third parties	7,821	15,488	**(7,667)**
Fair value of interest rate hedging derivatives	1,893	-	**1,893**
Total	**40,224**	**42,949**	**(2,725)**

The item "Interests-bearing sums with third parties" refers to interest-bearing deposits.
The net increase in the item "Guarantee deposits" is due to the acquisition of Pacific Gateway Concession Group during the first half 2019.
“Other financial receivables from third parties” consists primarily of amounts due from the non-controlling shareholders of some North American subsidiaries and some non-subsidiary companies for capital advances, taking account of their ability to pay the sums back with future earnings. The decrease is explained by an amount due from a non-controlling shareholder of an International Business Unit, reclassified in the line item “Other financial assets” in current assets.
"Fair value of interest rate hedging derivatives" includes the non-current portion of the fair value measurement of derivatives outstanding at 30 June 2019 and 31 December 2018, with a combined notional value of $ 100m.

XIV. Deferred tax assets and liabilities

The “deferred tax assets” not offsettable amount to € 50,254k as of 30 June 2019 (€ 51,050k at 31 December 2018). It includes the deferred tax assets arising from the first time adoption of the new accounting standard IFRS 16, whose effects are not relevant under certain tax regulation systems where the Group operates (for more detail refer to paragraph 2.2.2 of these Notes).
At 30 June 2019, "Deferred tax liabilities" not offsettable against deferred tax assets amounted to € 39,300k (€ 43,728k at 31 December 2019).

XV. Other receivables

“Other receivables” in non-current assets at 30 June 2019 amount to € 1,218k (€ 9,878k at 31 December 2018) and the decrease compared to the comparative period is mainly related to the reclassification of lease payments paid in advance as counterpart in the “Right of use assets” due to the first time adoption of the new accounting standard IFRS 16.

XVI. Assets available for sale

“Assets available for sale” amounts to €1,782k at 30 June 2019 (€0k at 31 December 2018) and reflects the reclassification of the net carrying amount of a hotel in Switzerland which was irrevocably sold in the first half 2019; the procedures needed to transfer title to the property, which will take place by 30 September 2019, are currently underway.

Current liabilities

XVII. Trade payables

"Trade payables" at 30 June 2019 amounted to € 354,180k. The huge decrease compared to 31 December 2018 (€ 376,460k) is mainly due to the suppliers' payments dynamics and to the different seasonal purchasing strategies.

XVIII. Tax liabilities

Current tax liabilities amount to €18,026k (€4,726k at 31 December 2018) and refer to taxes accrued during the year net of offsettable tax assets. The increase is primarily attributable to the sale of the Canadian motorway business for which a current tax liability of €31,156k was recognized. In the first half 2019 current tax liabilities were also offset by the estimated tax payments made in the prior year in the United States.
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 (Note IV).

The non-current portion of € 8,593k (€8,541k at 31 December 2018) refers to the income tax liability accrued by the U.S. subsidiary as a result of the tax reform. It is basically unchanged with respect to the prior year and is explained by the recalculation, on the basis of the final tax law published in 2018, of the one-time tax on profits earned outside the United States by the subsidiaries of HMSHost Corp. since 1986.

XIX. Other payables

(€k)	30.06.2019	31.12.2018	change
Personnel expense	143,781	154,422	**(10,641)**
Due to suppliers for additions of capital expenditure	79,896	81,163	**(1,267)**
Social security and defined contribution plans	41,706	44,190	**(2,484)**
Indirect taxes	35,685	32,269	**3,416**
Withholding taxes	9,585	13,459	**(3,874)**
Other	41,441	43,922	**(2,481)**
Total	**352,094**	**369,425**	**(17,331)**

Most of the decrease in "Personnel expense" reflects the amount due for management incentives in 2018, as well as early retirement benefits and the "intergenerational pact" implemented in Italy in the prior year, partially offset by the increases stemming from the amounts payable in the first half 2019.
The change in amounts "Due to suppliers for additions of capital expenditure" reflects the seasonal pattern of capital expenditure, which for the Group are typically concentrated in the fourth quarter of the year.
The item "Social security and defined contribution plans" refers chiefly to the amount due to local social security institutions and payments due under defined contribution programs.
Most of the change in the line "Indirect taxes" concerns value added tax.
The line item "Other" includes amounts due to directors and statutory auditors, as well as deferred promotional contributions from suppliers and accrued liabilities for maintenance pertaining to the half.

XX. Other financial liabilities

(€k)	30.06.2019	31.12.2018	change
Fair value of interest rate hedging derivatives	141	310	**(169)**
Accrued expense and deferred income for interest on loans	8,237	7,271	**966**
Due to others	1,174	-	**1,174**
Fair value of exchange rate hedging derivatives	136	410	**(274)**
Other financial accrued expense and deferred income	10	-	**10**
Total	**9,698**	**7,991**	**1,707**

The "Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 30 June 2019, with a combined notional value of $100m.
"Accrued expenses and deferred income for interest on loans" consists mainly of interest on the American bond loan contracted by the subsidiary HMSHost Corporation.
Liabilities "Due to others" refer mainly to financial payables to the non-controlling shareholders of a few subsidiaries.
The "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 2019, in particular to the forward sale and/or purchase of currency, in connection with intercompany loans and dividends.

Non-current liabilities

XXI. Other payables

"Other payables" amount to € 15,935k (€ 29,495k at 31 December 2017) and include the liabilities to personnel for long-term incentives and for defined contribution plans. Due to the first time adoption of the new standard IFRS 16, any lease incentives already obtained before 1st January 2019 have been reclassified to reduce the item "Right of use assets" (€ 9,760k).

XXII. Loans

(€k)	30.06.2019	31.12.2018	change
Current account overdrafts	52,217	48,384	**3,833**
Unsecured bank loans	79,909	20,584	**59,325**
Total current	**132,126**	**68,968**	**63,158**
Unsecured bank loans	650,896	551,672	**99,224**
Commissions on loans	(1,513)	(1,760)	**247**
Total non-current	**649,383**	**549,912**	**99,471**
Total	**781,509**	**618,880**	**162,629**

The breakdown of "Unsecured bank loans" at 30 June 2019 and at 31 December 2018 is shown below:

		30.06.2019		31.12.2018	
	Expiry	Amount (€k)	Drawdowns in €k (1)	Amount (€k)	Drawdowns in €k (1)
Term Amortizing Facility - HMS Host Corporation (2)	January 2023	175,747	175,747	174,672	174,672
Revolving Amortizing Facility - HMS Host Corporation (2)	January 2023	175,746	35,149	174,672	-
2018 Line		**351,493**	**210,896**	**349,344**	**174,672**
Term Amortizing Facility - Autogrill S.p.A. (3)	January 2023	100,000	100,000	100,000	100,000
Revolving Amortizing Facility - Autogrill S.p.A. (3)	January 2023	200,000	90,000	200,000	52,000
2018 Line		**300,000**	**190,000**	**300,000**	**152,000**
Revolving Facility - Autogrill S.p.A. (3)	January 2023	100,000	100,000	100,000	75,000
2018 Line		**100,000**	**100,000**	**100,000**	**75,000**
Term Loan Facility - Autogrill S.p.A.	August 2021	150,000	150,000	150,000	150,000
2017 lines		**150,000**	**150,000**	**150,000**	**150,000**
Total		**901,493**	**650,896**	**899,344**	**551,672**
of which current portion		**-**	**-**	**-**	**-**
Total lines of credit net of current portion		**901,493**	**650,896**	**899,344**	**551,672**

(1) Drawdowns in currency are measured based on exchange rates at 31 December 2018 and 31 December 2017
(2) On 26 June 2018 HMSHost Corp. obtained a new credit facility of $400m used to repay the loan of $300m, with original deadline of March 2020
(3) Credit line, obtained in January 2018 and used to repay in advance the Revolving Facility of € 400m.

At 30 June 2018 the Group's committed credit facilities had been drawn down by about 72%.

In August 2017, the Company obtained a new credit line (Term loan) for € 150m expiring in August 2021, used to settle the partially used Term Amortizing line in advance, with a nominal € 200m, maturing in 2020.

It should be noted that in January 2018 the Parent Company obtained two new credit lines:

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

The two lines were used to pay in advance, in February 2018, the Revolving loan of nominal € 400m, partially used, with original maturity in March 2020.

The € 150m loan agreement (obtained in August 2017) and the new loan contracts for a total of € 400m (obtained in January 2018), provide for the retention of the same indicators envisaged for the € 400m loan contract within pre-established values.

The aforesaid contracts provide for the fulfillment of the following covenants within pre-established values: a Leverage Ratio (Net Financial Debt / EBITDA) not higher than 3.5 and an Interest Cover Ratio (EBITDA / Net Financial Charges) of not less than 4.5. The contract takes as reference, in the calculation of the covenants, the data of the entire Group. At 30 June 2019 all the covenants mentioned above are met. The forecast data confirm compliance with the covenants also over the next 12 months.

Furthermore, on 26 June 2018, the subsidiary HMSHost Corp. obtained a new loan with a final maturity of June 2023, divided into a Term Loan line and a Revolving Credit Facility line, both of $200m. The "Term Loan" line provides for the annual repayment, starting from June 2020, of a $ 50m installment and the extinction upon maturity of the remaining capital of $ 50m. The two lines were used to pay off the Revolving nominal $ 300m, used for $ 200m.

The new loan agreement signed by HMSHost Corporation provides for the fulfillment of the following covenants within pre-established values: a Leverage Ratio (Gross Financial Debt / EBITDA) not higher than 3.5 and an Interest Cover Ratio (EBITDA / Net Financial Charges)) not less than 4.5. This contract requires that the covenants to be met are determined solely on the company perimeter of HMSHost Corporation. At 30 June 2019 all the parameters mentioned above are met. The forecast data confirm compliance with the aforementioned covenants also over the next 12 months.

For the determination of the Leverage Ratio and the Interest Cover Ratio, the loan contracts refer to contractual definitions of net and gross financial indebtedness, EBITDA and financial charges that differ from the balances resulting from the balance sheet items or their aggregations and therefore the final levels of these ratios cannot be immediately deduced from the reading of the financial statements.

Lastly, as agreed with lenders, the first time adoption of IFRS 16 will not affect the calculation of existing covenants on loans that have been determined excluding the impacts due to this new standard.

XXIII. Finance lease liabilities

(€k)	30.06.2019	31.12.2018	change
Finance lease liabilities - current	390,418	303	**390,115**
Finance lease liabilities - non current	2,138,554	4,069	**2,134,485**
Total current	**2,528,972**	**4,372**	**2,524,600**

The increase of “Finance lease liabilities” is exclusively due to the first time adoption of new standard IFRS 16 that required a recognition of a financial liability equal to € 2,511,615k determined as net present value of future minimum lease payments at 1st January 2019. In the first half 2019 the changes of the items are due to new contracts (€ 110,829k), accrual of implicit interests (€ 34,768k) and lease payments (€ 189,349k). For more details, refer to paragraph 2.2.1 of these Notes.

XXIV. Other financial liabilities

(€k)	30.06.2019	31.12.2018	change
Fair value of interest rate hedging derivatives	-	1,367	**(1,367)**
Liabilities due to others	893	2,042	**(1,149)**
Total	**893**	**3,409**	**(2,516)**

"Fair value of interest rate hedging derivatives" includes the non-current portion of the fair value measurement of derivatives outstanding at 30 June 2019 and 31 December 2018, with a combined notional value of $ 100m. The current portion is included under “Other financial liabilities” (current) for € 141k (Note XX).
"Liabilities due to others" refer mainly to financial payables to the non-controlling shareholders of certain subsidiaries.

XXV. Bonds

(€k)	30.06.2019	31.12.2018	change
Bonds (non-current)	309,471	304,055	**5,416**
Commissions on bond issues	(959)	(1,029)	**70**
Total non-current	**308,512**	**303,026**	**5,486**
Total	**308,512**	**303,026**	**5,486**

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

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

At 30 June 2019 bonds amounted to € 308,512k, compared to € 303,026k at the end of 2018, with a net increase of € 5,486k, which include € 1,838k due to exchange difference.
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 2019 there was a loss on the hedged item of € 3,571k and a gain of a similar amount on the hedge, so the effect on the income statement was essentially nil (Note XXXVII).
The fair value of the bonds outstanding is measured using valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy (as defined by IFRS 7), with no change on the previous year.
The regulations for these bonds require the fulfillment of certain covenants: a Leverage Ratio (Gross Financial Debt/EBITDA) not higher than 3.5 and an Interest Cover Ratio (EBITDA/Net Financial Charges) not less then 4.5, calculated solely with respect to HMSHost Corporation and its subgroup. For the calculation of these covenants, gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, they are not readily apparent from the financial statements. At 30 June 2019 these contractual requirements are satisfied. The forecast data confirm compliance with the aforementioned covenants also over the next 12 months.

Lastly, as agreed with lenders, the first time adoption of IFRS 16 will not affect the calculation of existing covenants on loans that have been determined excluding the impacts due to this new standard.

XXVI. Defined benefit plan

At 30 June 2019 this item amounts to € 71,562k (€ 71,036k at 31 December 2018).
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; the estimates for Italy at 30 June 2019 were adjusted based on updated discount rates and, as a result, there was a drop of €2,371k in the defined benefit plan liability recognized in comprehensive income, net of the tax effect of €569k (Note XXVIII); the significant change is attributable to the lower discount rate applied at 30 June 2019.

XXVII. Provision for risks and charges

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

(€k)	30.06.2019	31.12.2018	change
Provision for taxes	3,308	3,051	257
Other provisions	10,545	10,483	62
Provision for legal disputes	3,860	2,723	1,137
Provision for the refurbishment of third party assets	185	-	185
Total provisions for current risks and charges	**17,898**	**16,257**	**1,641**
Other provisions	27,264	26,975	289
Provision for legal disputes	1,938	1,836	102
Provision for the refurbishment of third party assets	7,174	8,238	(1,064)
Onerous contracts provision	-	1,197	(1,197)
Total provisions for non-current risks and charges	**36,376**	**38,246**	**(1,870)**

Provision for taxes
The current portion relates primarily to disputes over US companies' direct and indirect tax obligations and reflect the advice of the Group's tax advisors (Note XXXIV). In the first half 2019 the allocations came to € 123k.

Other provisions
This item includes mainly the United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans, settled on an annual basis. In the first half 2019, € 6,791k was allocated to this provision on the basis of track records and forecasts regarding accidents, while settlements for the period came to € 4,907k.

Provision for legal disputes
This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments, in line with forecasts. Allocations for the period, net of amounts released due to changed estimates of existing risks, came to € 682k.

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
As of 31 December 2018 it referred to long-term leases or concession agreements on commercial units that were not profitable enough to cover the rent. At 30 June 2019, the item is nil due to the reclassification at 1st January 2019, as counterpart of "Right of use assets" due to the first time adoption of the new standard IFRS 16. In the first half 2019 there were no instances of future losses on long term contracts.

XXVIII. Equity

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

Share capital
At 30 June 2019 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 2019 Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

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

Translation reserve
Translation differences are generated by the translation into euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the equity method, net of the fair value of instruments designated as "net investment hedges". Of the increase, € 2,067k concerns exchange rate differences from the translation of financial statements in foreign currencies, € 24k the portion of comprehensive income for investments valued using the equity method (Note XI), and € 53k the change in the fair value of instruments designated as "net investment hedges", net of the tax effect.

Other reserves and retained earnings
These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the stock option plans.
Other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement defined benefit plan assets and liabilities.
The change in this item was caused mainly by the allocation to reserves of the 2018 profit on the basis of the shareholders' meeting resolution of 23 May 2019 and by the payment of € 50,844k in dividends, as well as the previously commented change in assets and liabilities related to defined benefit plans (Note XXVI).

Treasury shares
The annual shareholders' meeting of 24 May 2018, pursuant to arts. 2357 *et seq.* of the Italian Civil Code and after revoking the authorization granted at 25 May 2017, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.
At 30 June 2019 the Parent Company owned 181,641 treasury shares with a carrying amount of € 720k and an average carrying amount of € 3.96 per share.

Non-controlling interests
Non-controlling interests amount to € 64,498k, compared with € 55,159k at 31 December 2018. Most of the increase is due to the profit of the period (€ 7,758k) and capital injections (€ 18,895k) made chiefly by the non-controlling shareholders of the US companies, net of dividends paid (€ 17,357k).

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

	First-half 2019			First-half 2018		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Remeasurements of the defined benefit (liabilities)/asset	(2,371)	569	(1,802)	189	(45)	144
Items that will never be reclassified to profit or loss	**(2,371)**	**569**	**(1,802)**	**189**	**(45)**	**144**
Equity-accounted investee - share of other comprehensive income	24	-	24	28	-	28
Foreign currency translation differences for foreign operations	1,614	-	1,614	7,878	-	7,878
Gain/(loss) on net investment hedge	71	(18)	53	354	(89)	265
Items that may be subsequently reclassified to profit or loss	**1,709**	**(18)**	**1,691**	**8,260**	**(89)**	**8,171**
Total other comprehensive income	**(662)**	**551**	**(111)**	**8,449**	**(134)**	**8,315**

The change in the item “Remeasurement of the defined benefit (liabilities)/asset” is due to significant reduction of discount rates applicable at 30 June 2019 (Note XXVI).

2.2.6 Notes to the income statement

XXIX. Revenue

Revenue for first half 2019 was made up as follows:

(€k)	First-half 2019	First-half 2018	change
Food & Beverage sales	2,271,619	2,105,793	**165,826**
Oil sales	191,623	197,665	**(6,042)**
Total	**2,463,242**	**2,303,458**	**159,784**

The increase reflects higher business volumes, specifically in North America and in some countries in Northern Europe and Asia.
The oil sales take place mainly at rest stops in Italy and Switzerland and the decrease is due to a reduction in motorways traffic in all regions.

For details of the trend in revenue, see section 2.2.10 “Segment reporting” in these Notes and the Directors' interim Report on operations.

XXX. Other operating income

(€k)	First-half 2019	First-half 2018	change
Bonus from suppliers	20,252	19,444	**808**
Income from business leases	19,385	4,240	**15,145**
Affiliation fees	2,402	1,941	**461**
Gains on sales of property, plant and equipment	3,379	4,443	**(1,064)**
Other revenue	37,130	17,015	**20,115**
Total	**82,548**	**47,083**	**35,465**

The “Affiliation fees” are explained primarily by Le Crobag and its franchised locations.
“Income from business leases” refers to leased assets at variable rates and previously shown net of the costs related to “leases, rentals and concessions” (€20,592k in the comparison period).
The increase in “Gains on sales of property, plant and equipment” reflects mainly the sale of a hotel in Switzerland (€2,390k). See Note XVI – Assets available for sale for more information.

The increase in “Other revenue” is explained primarily by the supply of food&beverage services to the American Airlines airport lounges (€15,035k) for which, as of May 2019, the Group, through its subsidiary HMSHost Corporation, will be the exclusive supplier for 5 years.
"Other revenue" also includes €9,183m (€10,724k m 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, recharges of costs to third parties and insurance reimbursements.

XXXI. Raw materials, supplies and goods

(€k)	First-half 2019	First-half 2018	change
Purchases	885,455	852,149	**33,306**
Change in inventories	(7,451)	(7,519)	**68**
Total	**878,004**	**844,630**	**33,374**

The increase of this item is mainly due to the growth of the Group revenue.

XXXII. Personnel expense

(€k)	First-half 2019	First-half 2018	change
Wages and social security contribution	706,151	651,230	**54,921**
Employee benefits	18,625	18,769	**(144)**
Other costs	58,714	59,161	**(447)**
Total	**783,490**	**729,160**	**54,330**

The increase in personnel expense mainly reflects the expansion of business and inflationary pressure on labor cost, specifically in the United States.
"Other costs" include the portion of the stock-based management incentive plans (stock option) pertaining to the period and the accrued remuneration of the Directors, as detailed in Section 2.2.13 below.

XXXIII. Leases, rentals, concessions and royalties

(€k)	First-half 2019	First-half 2018	change
Leases, rentals and concessions	204,679	339,003	**(134,324)**
Royalties	58,528	52,436	**6,092**
Total	**263,207**	**391,439**	**(128,232)**

The balance at 30 June 2019 mainly includes variable rent (€ 160,861k), as well as lease payments on short-term leases (€ 37,739k), lease payments on low-value assets (€ 3,678k) and lease payments on access concession (€ 2,442k). The significant decrease is mainly due to the effects of the first time adoption of IFRS 16 that has required the exclusion of fixed component of lease payments from this item starting from 1st January 2019. Starting from 1st January 2019 this fixed component is represented by the depreciation on right of use assets and implicit financial charges on finance lease liabilities. For more details, refer to paragraph 2.2.1 of these Notes.

The increase in “Royalties” reflects the expansion of the Group’s operations, in particular in the United States and in the Business Unit International.

XXXIV. Other operating expense

(€k)	First-half 2019	First-half 2018	change
Utilities	44,194	41,785	**2,409**
Maintenance	44,936	38,435	**6,501**
Cleaning and disinfestations	25,507	26,034	**(527)**
Consulting and professional services	19,670	17,233	**2,437**
Commissions on credit card payments	28,794	24,710	**4,084**
Storage and transport	9,716	8,606	**1,110**
Advertising	9,280	7,801	**1,479**
Travel expenses	15,945	14,388	**1,557**
Telephone and postal charges	8,701	8,117	**584**
Insurance	2,983	2,763	**220**
Surveillance	1,670	1,448	**222**
Transport of valuables	2,214	2,292	**(78)**
Banking services	2,855	2,298	**557**
Sundry materials	19,777	18,295	**1,482**
Other services	30,161	18,130	**12,031**
Costs for materials and services	**266,403**	**232,335**	**34,068**
Impairment losses on receivables (Note V)	**661**	**172**	**489**
For taxes	123	(298)	421
For legal disputes	682	1,758	(1,076)
For onerous contracts	(210)	(10)	(200)
For other risks	6,696	6,101	595
Allocation to provisions for risks (Note XXVII)	**7,291**	**7,551**	**(260)**
Indirect and local taxes	**14,000**	**11,919**	**2,081**
Other operating expense	**5,269**	**6,465**	**(1,196)**
Total	**293,624**	**258,442**	**35,182**

In general the increase in this item is linked to the expansion of the Group's operations.
“Advertising” increases due to the more actions to support the sales.
"Consulting and professional services" were received primarily in the United States, including € 1m in acquisitions and disposals consulting.
“Maintenance” refers to costs related to the stores managed through concession or rental contracts.
"Sundry materials" refer to the purchase of inexpensive equipment and to various consumables such as uniforms, office supplies, and advertising materials.
“Other services” includes miscellaneous items such as medical check-ups, public relations, general services, personnel recruitment and training.

XXXV. Depreciation, amortization and impairment losses on property, plant and equipment, intangible assets and right of use assets

In detail by asset type:

(€k)	First-half 2019	First-half 2018	change
Other intangible assets	13,464	11,295	**2,169**
Property, plant and equipment	98,408	83,866	**14,542**
Assets to be transferred free of charge	8,026	7,484	**542**
Right of use assets	165,311	-	**165,311**
Total	**285,209**	**102,645**	**182,564**

The increase of the item is mainly due to the first time adoption of the new standard IFRS 16 that requires the recognition of the depreciation on the line item "Right of use assets". For more details, refer to paragraph 2.2.1 of these Notes.

In detail, the depreciation on right of use assets by asset type:

(€k)	First-half 2019
Buildings	164,431
Other	880
Total	**165,311**

The increase in "Property, plant and equipment" reflects the higher capital expenditure during the second half 2018 and first half 2019.
In addition, in the first half 2019 impairment losses, net of reversal, were recognized in the amount of € 1,894k (nil in the first half 2018), following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each cash generating unit. Those losses were concentrated in outlet mall in China.

XXXVI. Gains on operating activities disposal

"Gains on operating activities disposal" refers to the disposal of the Canadian motorway business for €118,853k and the disposal of the entire interest in Autogrill Czech Sro, for €7,950k. For more information refer to section 2.2.4 of these Notes.

XXXVII. Financial income and expense

(€k)	First-half 2019	First-half 2018	change
Interest income	493	456	37
Exchange rate income	327	-	327
Ineffective portion of hedging instruments	-	2	(2)
Interest income on finance lease receivables	671	-	671
Other financial income	534	542	(8)
Total financial income	**2,025**	**1,000**	**1,025**

(€k)	First-half 2019	First-half 2018	change
Interest expense	13,582	11,365	2,217
Interest expense on finance lease liabilities	34,768	186	34,582
Discounting of long-term liabilities	609	363	246
Exchange rate losses	-	1,014	(1,014)
Interest differential on exchange rate hedges	338	454	(116)
Fees paid on loans and bonds	47	139	(92)
Ineffective portion of hedging instruments	1	-	1
Other financial expense	188	194	(6)
Total financial expense	**49,533**	**13,715**	**35,818**
Total net financial expense	**(47,508)**	**(12,715)**	**(34,793)**

The increase of net financial expenses is mainly due to the first time adoption of the new standard IFRS 16 that requires the recognition of implicit interest expenses on lease liabilities, previously recognized in the item “Leases, rentals, concessions and royalties”. For more details, refer to paragraph 2.2.1 of these Notes.

XXXVIII. Income tax

The balance of € 34,393k (€ 9,032k in the first half 2018) includes € 37,149k in current taxes (€ 16,576k in the first half 2018) and € 4,259k in net deferred tax assets (€ 8,177k in the first half 2018).

Moreover, this line item at 30 June 2019 includes IRAP amounting to € 885k (€ 51k in the first half 2018), which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense for fixed-term labor, and CVAE amounting to € 619k (€ 582k in the first half 2018) charged on French operations and calculated on the basis of revenue and value added.

Following the U.S. tax reform enacted at the end of 2017, tax for the first half 2018 was determined based on the new tax rate and way of calculating taxable income resulting in a tax burden that is lower than the comparison period.

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

(€k)	First-half 2019	First-half 2018
Theoretical income tax	**32,645**	**2,273**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(1,631)	(1,496)
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	3,808	8,648
Tax concession on the labour cost in the United States	(4,150)	(3,653)
Permanent differences	2,217	2,628
Income tax, excluding IRAP and CVAE	**32,890**	**8,400**
IRAP and CVAE	1,504	632
Recognised income tax	**34,393**	**9,032**

The figure for the first half 2019 includes provisions of €31,156k for the tax owed on the gain generated by the sale of the Canadian motorway business.

Furthermore, due to the adoption of the new standard IFRS 16, in the first half 2019 the Group recorded deferred tax asset for € 5,600k.

XXXIX. 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 period; 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. The new Performance Share Units plan launched in 2018 does not entail the issue of new shares and will therefore have no dilutive effect.
Below is the calculation of basic and diluted earnings per share.

	First-half 2019	First-half 2018
Profit/(loss) for the period attributable to owners of the parent (€k)	115,042	(3,407)
Weighted average no. of outstanding shares (no./000)	254,218	254,218
Basic earnings per share (€/cents.)	**45.3**	**(1.3)**

	First-half 2019	First-half 2018
Profit/(loss) for the period attributable to owners of the parent (€k)	115,042	(3,407)
Weighted average no. of outstanding shares (no./000)	254,218	254,218
Dilution effect of shares included in stock option plans (no./000)	-	182
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,218	254,400
Diluted earnings per share (€/cents.)	**45.3**	**(1.3)**

2.2.7 Net financial position

Details of the Net Financial Position at 30 June 2019 and 31 December 2018 are as follows:

Note	(€m)	30.06.2019	31.12.2018	change
I	A) Cash on hand	53.0	53.3	**(0.3)**
I	B) Cash equivalents	274.2	161.4	**112.8**
	C) Securities held for trading	-	-	**-**
	D) Cash and cash equivalent (A)+(B)+(C)	**327.3**	**214.7**	**112.6**
(*)	**E) Current financial assets**	**82.6**	**36.4**	**46.2**
XXII	F) Bank loans and borrowings, current	(132.1)	(69.0)	**(63.2)**
XXV	G) Bond issued	-	-	**-**
(**)	H) Other financial liabilities	(400.1)	(8.3)	**(391.8)**
	I) Current financial indebtedness (F+G+H)	**(532.2)**	**(77.3)**	**(455.0)**
	J) Net current financial indebtedness (I+E+D)	**(122.3)**	**173.9**	**(296.2)**
XXII	K) Bank loans and borrowings, net of current portion	(649.4)	(549.9)	**(99.5)**
XXV	L) Bond issued	(308.5)	(303.0)	**(5.5)**
(***)	M) Due to others	(2,139.4)	(7.5)	**(2,132.0)**
	N) Non-current financial indebtedness (K+L+M)	**(3,097.3)**	**(860.4)**	**(2,236.9)**
	O) Net financial indebtedness (J+N)[1]	**(3,219.7)**	**(686.6)**	**(2,533.1)**
(****)	**P) Non-current financial assets**	**42.9**	**15.5**	**27.4**
	Total Net financial position	**(3,176.8)**	**(671.1)**	**(2,505.8)**

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

(*) It includes the following current assets lines: Note "XII - Finance lease receivables" for 14.4m€ and Note "II - Other financial assets" for 68.2m€.

(**) It includes the following current liabilities lines: Note "XXII - Finance lease liabilities" for 390.4m€ and Note "XIX - Other financial liabilities" for 9.7m€.

(***) It includes the following non current liabilities lines: Note "XXII - Finance lease liabilities" for 2.138.6m€ and Note "XXIII - Other financial liabilities" for 0.9m€.

(****) It includes the following non current assets lines: Note "XII - Finance lease receivables" for 33.2m€ and Note "XIII - Other financial assets" for 9,7m€.

The first time adoption of the new accounting standard IFRS16, and, therefore, the recognition of a right of use assets and a lease liability, significantly increased the Total Net Financial Position and compromised the comparability of the balances shown at 30 June 2019 with the prior year. Therefore, for the sake of better comparability, the Total Net Financial Position at 30 June 2019 has been netted of the impact of IFRS16 first time adoption, as shown below:

Note	(€m)	30.06.2019	31.12.2018	change
	Total Net financial position (a)	**(3,176.8)**	**(671.1)**	**(2,505.8)**
XII	Finance lease receivables - current	(14.4)	-	**(14.4)**
XII	Finance lease receivables - non current	(33.2)	-	**(33.2)**
	Finance lease receivables (b)	**(47.6)**	**-**	**(47.6)**
XXIII	Finance lease liabilities - current	390.1	-	**390.1**
XXIII	Finance lease liabilities - non current	2,134.8	-	**2,134.8**
	Finance lease liabilities (c)	**2,524.9**	**-**	**2,524.9**
	Net financial position (a) + (b) + (c)	**(699.5)**	**(671.1)**	**(28.5)**

Most of the increase in the Net Financial Position reflects dividend payments and the cash-out of the PGC acquisition, which were offset by the cash flow generated by disposals made in the period, as well as net cash flow from operating activities, net of capital expenditure.

For further commentary, see the notes indicated for the items comprising the Total Net Financial Position.

At 30 June 2019 and at 31 December 2018 there were financial receivables due from related parties (see section 2.2.13 of these Notes for details).

2.2.8 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 2018 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 2018 Annual Report.

2.2.9 Disclosure of non-controlling interests

Non-controlling interests refer mainly to investments in US subsidiaries held by Accredited Disadvantaged Business Enterprises (ADBE), 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 2019, these companies had net assets of $ 261m ($ 206m at 31 December 2018), revenue of $ 516.7m ($ 420.8m in the first half 2018) and profit for the period of $ 44.6m ($ 29.2m in the first half 2018). The equity attributable to non-controlling interests amount to $ 67.2m ($ 19.1m at 31 December 2018) and the profit to $ 10.2m ($ 8.7m in the first half 2018).

2.2.10 Segment reporting

The Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, serving a local and international customer base. The business is conducted in Europe by Autogrill S.p.A., directly in Italy and through subsidiaries in other European countries; in North America, the Netherlands, UK and Ireland, Scandinavian countries, the Middle East and Asia by HMSHost Corporation and its subsidiaries. The Group serves its own proprietary brands as well as third-party brands under license. The operational leverages are typically assigned to local organizations and coordinated, at the European level, by central facilities.
Performance is monitored separately for each business unit: Europe, North America, and International (the latter covering Northern Europe, Middle East and Asia). “Europe” consists of the “Italy” and “Other European countries” cash generating units, as well as 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.
The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

Information relating to the operating segments is provided below. With a view to better understanding the operating performance and facilitating comparison of the figures from the prior period, it was deemed opportune to show the figures reported in the condensed interim consolidated financial statements at 30 June 2019 determined using the new IFRS16, as well the adjusted figures excluding IFRS16 forst time adoption (the preparation criteria for the comparative figures are described in the Group’s consolidated financial statements at 31 December 2018 and the condensed interim consolidated financial statements at 30 June 2018, to which reference is made). As of 2020 it will no longer be necessary to provide the adjusted figures in order to neutralize the effects of first time adoption IFRS16, as the figures will be directly comparable.

Profit & Loss - First half 2019

(€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	1,196,734	305,295	1,043,734	28	**2,545,790**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(131,341)	(37,472)	(117,431)	(859)	**(287,103)**
Operating profit/(loss)	**173,228**	**3,937**	**6,423**	**(16,423)**	**167,165**
Net financial expense					**(47,508)**
Adjustment to the value of financial assets					**37,536**
Pre-tax profit					**157,193**
Income tax					**(34,393)**
Result for the period					**122,800**

Profit & Loss excluding IFRS 16 - First half 2019

(€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	1,184,925	305,127	1,044,463	28	**2,534,542**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(62,947)	(17,874)	(40,420)	(603)	**(121,844)**
Operating profit/(loss)	**164,957**	**2,682**	**3,757**	**(16,156)**	**155,240**
Net financial expense					**(13,599)**
Adjustment to the value of financial assets					**37,536**
Pre-tax profit					**179,177**
Income tax					**(39,995)**
Result for the period					**139,181**

Profit & Loss - First half 2018

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

Net invested capital at 30.06.2019					
(€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	444,104	59,605	340,796	-	**844,505**
Other intangible assets	55,451	16,593	60,071	2,410	**134,524**
Property, plant and equipment	590,690	90,656	347,610	5,114	**1,034,070**
Right of use assets	1,183,735	251,918	1,021,692	4,380	**2,461,725**
Financial assets	9,479	12,624	8,329	866	**31,299**
Assets available for sale	-	-	1,782	-	**1,782**
Non-current assets	**2,283,459**	**431,396**	**1,780,281**	**12,770**	**4,507,905**
Net working capital	**(234,676)**	**(45,009)**	**(145,438)**	**30,449**	**(394,674)**
Other non-current non financial assets and liabilities	**(72,128)**	**3,029**	**(58,800)**	**7,606**	**(120,293)**
Net invested capital	**1,976,654**	**389,417**	**1,576,042**	**50,825**	**3,992,939**

Net invested capital excluding IFRS 16 at 30.06.2019					
(€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	444,104	59,605	340,796	-	**844,505**
Other intangible assets	55,451	16,593	60,071	2,410	**134,524**
Property, plant and equipment	590,690	90,813	349,274	5,114	**1,035,891**
Right of use assets	-	-	0	-	**0**
Financial assets	9,479	12,624	8,329	866	**31,299**
Assets available for sale	-	-	1,782	-	**1,782**
Non-current assets	**1,099,724**	**179,635**	**760,253**	**8,390**	**2,048,001**
Net working capital	**(228,813)**	**(42,750)**	**(147,174)**	**30,998**	**(387,738)**
Other non-current non financial assets and liabilities	**(85,453)**	**2,654**	**(53,168)**	**7,606**	**(128,361)**
Net invested capital	**785,458**	**139,540**	**559,910**	**46,994**	**1,531,902**

Net invested capital at 31.12.2018					
(€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	433,850	59,199	332,622	-	**825,671**
Other intangible assets	28,738	16,620	64,078	1,066	**110,501**
Property, plant and equipment	492,805	95,754	332,234	3,528	**924,322**
Right of use assets	-	-	-	-	**-**
Financial assets	8,388	12,043	8,624	871	**29,925**
Assets available for sale	-	-	-	-	**-**
Non-current assets	**963,781**	**183,616**	**737,558**	**5,465**	**1,890,420**
Net working capital	**(182,149)**	**(56,955)**	**(161,683)**	**15,106**	**(385,680)**
Other non-current non financial assets and liabilities	**(63,163)**	**2,088**	**(63,551)**	**7,732**	**(116,894)**
Net invested capital	**718,470**	**128,749**	**512,324**	**28,303**	**1,387,845**

2.2.11 Seasonal patterns

The Group's volumes are closely related to the flow of travellers, which is highly seasonal in some businesses, and this affects consolidated results. A breakdown of 2018 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.

	2018			
€m	**First quarter**	**First half**	**Third quarter**	**Full year**
Revenue(*)	961.3	2,105.8	3,402.4	4,695.3
% of full year	*20.5%*	*44.8%*	*72.5%*	*100.0%*
Operating profit/(loss)	(20.9)	24.2	129.4	150.0
% of full year	*n.s.*	*16.1%*	*86.2%*	*100.0%*
Pre-tax profit/(loss)	(27.0)	11.7	109.5	121.0
% of full year	*n.s.*	*9.7%*	*90.5%*	*100.0%*
Profit/(loss) attributable to owners of the parent	(28.2)	(3.4)	69.9	68.7
% of full year	*n.s.*	*n.s.*	*101.8%*	*100.0%*

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

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

2.2.12 Guarantees given, commitments and contingent liabilities

Guarantees
At 30 June 2018 the guarantees given by the Autogrill Group amount to € 433,246k (€ 434,138k at 31 December 2018) and refer to performance bonds and other personal guarantees issued in favor of grantors, business counterparties and financial institutions.

Commitments
"Finance lease liabilities" current and non-current arise from the first time adoption of the new standard IFRS 16, that required the recognition of € 295,544k as net present value of future minimum lease payments at 30 June 2019.
With the first time adoption of IFRS16, as of the first half 2019 the present value of future minimum lease payments are reported in "Finance lease liabilities" and, therefore, are no longer included in this section (see section 2.2.1 of these Notes for details).
Commitments outstanding amounted to €105,904k at 30 June 2019 and concern €71,771k for long-term service contracts, €19,884k for access rights and €14,236k for investments relating to the Pacific Gateway Concessions Group acquisition.
It should be reminded that an access concession exists when ownership of the land and buildings along the motorway is in the hands of a private firm (like Autogrill), which negotiates access rights with the motorway Company with the commitment to sell fuel and lubrificants and/or food and beverages to motorway users. The firm accepts the obligation to pay rent to the motorway as well as certain stipulations regarding the way the services are to be provided and the hours of operation.

Contingent liabilities
At 30 June 2019, there were no contingent liabilities as described in IAS 37.

2.2.13 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 2019 Autogrill S.p.A. and its subsidiaries had no transactions with its direct parent Schematrentaquattro S.p.A..

Income statement	Revenue		Other operating income		Raw materials, supplies and goods	
€k	First-half 2019	First-half 2018	First-half 2019	First-half 2018	First-half 2019	First-half 2018
Parent:						
Edizione S.r.l.	-	-	13	13	-	-
Other related parties:						
Atlantia Group	1	15	303	43	80	85
Benetton Group S.r.l.	-	-	0	-	-	-
Verde Sport S.p.A	-	1	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	-	-
Edizione Property S.p.a	-	-	(0)	-	-	-
Equity investments	-	-	686	680	-	-
Other related parties (*)	-	-	-	-	-	-
Total Related parties	**1**	**16**	**1,001**	**736**	**80**	**85**
Total Group	**2,463,242**	**2,303,458**	**82,548**	**47,083**	**878,004**	**844,630**
Incidence	**0.0%**	**0.0%**	**1.2%**	**1.6%**	**0.0%**	**0.0%**

Income statement	Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense) /income	
€k	First-half 2019	First-half 2018	First-half 2019	First-half 2018	First-half 2019	First-half 2018	First-half 2019	First-half 2018
Parent:								
Edizione S.r.l.	-	-	9	4	50	50	-	-
Other related parties:								
Atlantia Group	17,180	38,122	5,783	1,585	-	-	(3,518)	-
Benetton Group S.r.l.	-	-	8	-	-	-	-	-
Verde Sport S.p.A	-	-	45	45	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	-	-	-	-
Edizione Property S.p.a	-	-	10	-	-	-	-	-
Equity investments	(644)	(593)	(238)	(241)	-	-	57	45
Other related parties (*)	-	-	167	117	3,273	2,526	-	-
Total Related parties	**16,536**	**37,529**	**5,784**	**1,509**	**3,323**	**2,576**	**(3,462)**	**45**
Total Group	**263,207**	**391,439**	**293,624**	**258,442**	**783,490**	**729,160**	**(47,508)**	**(12,715)**
Incidence	**6.3%**	**9.6%**	**2.0%**	**0.6%**	**0.4%**	**0.4%**	**7.3%**	**-0.4%**

Statement of financial position	Trade receivables		Other receivables		Trade payables		Other payables	
€k	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Parent:								
Edizione S.r.l.	0	5	12,439	12,437	1	5	52	104
Other related parties:								
Atlantia Group	934	1,502	5,029	4,035	15,607	32,038	196	915
Benetton Group S.r.l.	-	8	-	-	-	-	-	-
Verde Sport S.p.A	-	-	-	-	23	-	-	-
Olimpias Group S.r.l.	-	-	-	-	-	0	-	-
Edizione Property S.p.a	-	11	-	-	-	-	-	-
Equity investments	-	-	1,731	1,933	-	-	-	-
Other related parties (*)	-	-	-	-	-	-	751	3,549
Total Related parties	**934**	**1,526**	**19,199**	**18,405**	**15,630**	**32,043**	**999**	**4,567**
Total Group	**68,523**	**47,971**	**145,866**	**147,013**	**354,180**	**376,460**	**352,094**	**369,425**
Incidence	**1.4%**	**3.2%**	**13.2%**	**12.5%**	**4.4%**	**8.5%**	**0.3%**	**1.2%**

Statement of financial position	Other financial assets - Current		Other financial assets - Non current		Finance lease liabilities - Current		Finance lease liabilities - Non current	
€k	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Parent:								
Edizione S.r.l.	-	-	-	-	-	-	-	-
Other related parties:								
Atlantia Group	-	-	-	-	50,089	-	245,455	-
Benetton Group S.r.l.	-	-	-	-	-	-	-	-
Verde Sport S.p.A	-	-	-	-	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	-	-	-	-
Edizione Property S.p.a	-	-	-	-	-	-	-	-
Equity investments	7,358	-	-	7,272	-	-	-	-
Other related parties (*)	-	-	-	-	-	-	-	-
Total Related parties	**7,358**	**-**	**-**	**7,272**	**50,089**	**-**	**245,455**	**-**
Total Group	**68,192**	**36,424**	**40,224**	**42,949**	**390,418**	**303**	**2,138,554**	**4,069**
Incidence	**10.8%**	**0.0%**	**0.0%**	**16.9%**	**12.8%**	**0.0%**	**11.5%**	**0.0%**

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

Edizione S.r.l.:

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

“Personnel expense" refers to fees earned by a director of Autogrill S.p.A. as of 30 June 2019 and paid back to Edizione S.r.l. where he serves as executive manager.

“Other payables" mostly originate from the same transactions.

"Other receivables" is related to IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l., on behalf of Autogrill S.p.A. for € 12,423k 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).

Atlantia Group:

“Other operating income” refers to income for the management of Bormida point of sale and 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 variable concession fees and accessory costs pertaining to the year. The huge decrease is mainly due to the first time adoption of the new standard IFRS 16 that required the elimination of future minimum lease payments, fixed or in-substance fixed, to be paid for concession contracts starting from 1st January 2019.

“Financial (expenses) / income” refers to the first time adoption of the new standard IFRS 16 that required the recognition of implicit interest expenses on lease lieabilites, previously recognized in the item “Leases, rentals, concessions and royalties”.

“Trade receivables” and “Trade payables” originate from the same transactions.

“Finance lease liabilities” current and non-current arise from the first time adoption of the new standard IFRS 16, that required the recognition of € 295,544k as net present value of future minimum lease payments, fixed or in-substance fixed, at 30 June 2019.

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

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”.

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 2019 are the following:

Name (€)	Office held	Term of office	Remuneration	Bonus and other incentives	Non-monetary benefits	Other fees
Paolo Zannoni	Chairman	from 07/02/2019	23,671			173,589
Gianmario Tondato da Ruos	CEO	2017/2019	260,000		2,402	202,198
Alessandro Benetton	Director	2017/2019	30,000			
Paolo Roverato	Director	2017/2019	50,000			
Massimo Fasanella D'Amore di Ruffano(*)	Director	2017/2019	50,000			12,500
Francesco Chiappetta	Director	2017/2019	45,000			
Ernesto Albanese	Director	2017/2019	35,000			
Marco Patuano	Director	from 26/01/2017 to 2019	38,356			
Franca Bertagnin Benetton	Director	from 25/5/2017 to 2019	30,000			
Cristina De Benetti	Director	from 25/5/2017 to 2019	41,600			
Catherine Gerardin Vautrin	Director	from 25/5/2017 to 2019	40,000			
Maria Pierdicchi	Director	from 25/5/2017 to 2019	40,000			
Elisabetta Ripa(*)	Director	from 25/5/2017 to 2019	45,000			12,500
Total directors			**728,627**	**-**	**2,402**	**400,787**
Key managers with strategic responsibilities			50,000	465,000	149,774	1,587,616
Total			**778,627**	**465,000**	**152,177**	**1,988,403**

(*) Other remuneration relates to the office of director respectively in Autogrill Europe S.p.A. and Autogrill Italia S.p.A., from 15/01/2018

On 7 February 2019, on the advice of the Human Resources Committee and with input from the Board of Statutory Auditors, the Board of Directors decided to recognize Paolo Zannoni - Chairman of the Board of Directors, co-opted after the death of Gilberto Benetton and later elected chairman—a set fee for this position in addition to the annual remuneration he is due as a member of the Board of Directors.

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

Under the 2014 Phantom Stock Option plan described below, the CEO received 883,495 options in Wave 1, 565,217 options in Wave 2 and 505,556 options in Wave 3. In 2018 he exercised all of his Wave 1 and Wave 2 options and 395,652 of the Wave 3 options granted under that plan. During the first half 2019 there are no further exercises related to Wave 3 options.

Under the 2016 Phantom Stock Option plan described below, the CEO has been assigned 679,104 options in Wave 1. During the first half 2019 there are no further exercises related to Wave 1 options.

Under the 2018 Performance Share Units plan described below, the CEO received 136,701 options in Wave 1 and 122,830 options in Wave 2.

A significant portion of the variable compensation received by the CEO and by the seven 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 executives with strategic responsibilities 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.

Should the CEO leave office for any reason, he shall retain the right to variable remuneration under the incentive plans of which he is a beneficiary, subject to the achievement of the targets and the satisfaction of any other condition stated in each plan, regulation, or program and in an amount proportional to the service rendered during the relevant period of time.

In the first half 2019, one key management employee terminated his employment with Autogrill. Leaving indemnities were already included in the item "Bonuses and other incentives" at 31 December 2018.

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 2019:

Name (€)	Office held	Term of office	Remuneration	Other fees
Marco Giuseppe Maria Rigotti	Chairman	01.01.2018-31.12.2020	39,000	-
Eugenio Colucci (*)	Standing auditor	15.01.2018-31.12.2020	-	20,000
Massimo Catullo	Standing auditor	24.05.2018-31.12.2020	26,000	-
Antonella Carù	Standing auditor	01.01.2018-31.12.2020	25,000	-
Total Statutory Auditors			**90,000**	**20,000**

(*) Other remuneration refers to the office of chairman of the board of auditors in Autogrill Europe SpA and Autogrill Italia SpA

Incentive plans for Directors and executives with strategic responsibilities

2014 Phantom Stock Option plan

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

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

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

On 12 February 2015, under Wave 3 (vesting period from 12 February 2015 to 11 February 2018), a total of 2,752,656 options were assigned. Related to this Wave 3, a total of 1,886,549 option were exercised and 385,332 options were cancelled.

Under the 2014 Phantom Stock Option plan described, the CEO received 883,495 options in Wave 1, 565,217 options in Wave 2 and 505,556 options in Wave 3. In 2018 he exercised all of his Wave 1 and Wave 2 options and 395,652 of the Wave 3 options granted under that plan. During the first half 2019 there are no further exercises related to Wave 3 options.

Movements in options in 2018 and in the first half 2019 are shown below:

	Options		
	WAVE 1	WAVE 2	WAVE 3
Options at 31 December 2017	**37,700**	**924,150**	**2,474,594**
Options exercized in 2018	(37,700)	(924,150)	(1,849,038)
Options cancelled in 2018	-	-	(107,250)
Options at 31 December 2018	**-**	**-**	**518,286**
Options exercized in the first half 2019	-	-	(37,511)
Options cancelled in the first half 2019	-	-	-
Options at 30 June 2019	**-**	**-**	**480,775**

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

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

<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. In the first half 2019, 39,923 option were cancelled.

Under the 2016 Phantom Stock Option plan described, the CEO has been assigned 679,104 options in Wave 1. During the first half 2019 there are no further exercises related to Wave 1 options.
An independent external advisor has been hired to calculate the fair value of the phantom stock options, based on the value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

Movements in options in 2018 and in the first half 2019 are shown below:

	Options
Options at 31 December 2017	**4,402,903**
Options exercized in 2018	-
Options cancelled in 2018	(385,696)
Options at 31 December 2018	**4,017,207**
Options exercized in the first half 2019	-
Options cancelled in the first half 2019	(39,923)
Options at 30 June 2019	**3,977,284**

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 incurred in the first half 2019 for the 2014 and 2016 Phantom Stock Option plans amounted to € 2.6m (€2.5m in the first half 2018).

2018 Performance Share Units plan

On 24 May 2018, the general meeting of shareholders approved a new incentive plan referred to as the "2018 Performance Share Units plan". The 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.

The plan is split into cycles or “Waves” which grant each beneficiary the right to exchange options for Autogrill shares if the Group's stock market performance and financial results both satisfy given conditions.

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

Under the 2018 Performance Share Units plan described, the CEO received 136,701 options in Wave 1 and 122,830 options in Wave 2.

An independent external advisor has been hired to calculate the fair value of the 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 2018 Performance Share Units plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of CONSOB Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).

The costs associated with this plan came to € 0.5m in the first half 2019 (€ 0.2m in the first half 2018).

2.2.14 Significant non-recurring events and transactions

During the first half 2019 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.

2.2.15 Atypical or unusual transactions

During the first half 2019 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.16 Events after the reporting period

Since 30 June 2019, 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 condensed interim consolidated financial statements at its meeting of 1st August 2019.

Annexes

List of consolidated companies and other investments

Company	Registered office	Currency	Share capital	%held at 30.06.2019	Shareholders
Parent					
Autogrill S.p.A.	Novara	EUR	68,688,000	50.1000%	Schematrentaquattro S.p.A.
Companies consolidated line by line					
Nuova Sidap S.r.l.	Novara	EUR	100,000	100.0000%	Autogrill Italia S.p.A.
Autogrill Europe S.p.A.	Novara	EUR	50,000,000	100.0000%	Autogrill S.p.A.
Autogrill Italia S.p.A.	Novara	EUR	68,688,000	100.0000%	Autogrill S.p.A.
Autogrill Advanced Business Service S.p.A.	Novara	EUR	1,000,000	100.0000%	Autogrill S.p.A.
Autogrill Austria GmbH	Gottlesbrunn	EUR	7,500,000	100.0000%	Autogrill Europe S.p.A.
Autogrill D.o.o.	Lubiana	EUR	1,342,670	100.0000%	Autogrill Europe S.p.A.
Autogrill Hellas Single Member Limited Liability Company	Avlonas	EUR	3,696,330	100.0000%	Autogrill Europe S.p.A.
Autogrill Polska Sp. z.o.o.	Katowice	PLN	1,447,690	100.0000%	Autogrill Europe S.p.A.
Autogrill Iberia S.L.U.	Madrid	EUR	7,000,000	100.0000%	Autogrill Europe S.p.A.
Autogrill Deutschland GmbH	Monaco	EUR	205,000	100.0000%	Autogrill Europe S.p.A.
Le CroBag GmbH & Co KG	Amburgo	EUR	904,867	98.8700%	Autogrill Deutschland GmbH
				1.1300%	Le Fournil de Frédéric Neuhauser GmbH
Le CroBag Polska Sp. Z.o.o.	Varsavia	PLN	23,248	100.0000%	Le Crobag GmbH & Co KG
Le Fournil de Frédéric Neuhauser GmbH	Amburgo	EUR	25,565	100.0000%	Autogrill Deutschland GmbH
Autogrill Belgie N.V.	Anversa	EUR	6,700,000	99.9900%	Autogrill Europe S.p.A.
				0.0100%	Ac Restaurants & Hotels Beheer N.V.
Ac Restaurants & Hotels Beheer N.V.	Anversa	EUR	3,250,000	99.9900%	Autogrill Belgie NV
Autogrill Schweiz A.G.	Olten	CHF	23,183,000	100.0000%	Autogrill Europe S.p.A.
Restoroute de Bavois S.A.	Bavois	CHF	2,000,000	73.0000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont-en-Ogoz	CHF	1,500,000	54.3300%	Autogrill Schweiz A.G.
Holding de Participations Autogrill S.a.s.	Marsiglia	EUR	84,581,920	100.0000%	Autogrill Europe S.p.A.
Autogrill Coté France S.a.s.	Marsiglia	EUR	31,579,526	100.0000%	Holding de Participations Autogrill S.a.s.
Volcarest S.a.s.	Champs	EUR	1,050,144	50.0000%	Autogrill Coté France S.a.s.
Autogrill Restauration Carrousel S.a.s.	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.
HMSHost Corporation	Delaware	USD	-	100.0000%	Autogrill S.p.A.
HMSHost International, Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMSHost USA, LLC	Delaware	USD	-	100.0000%	HMSHost Corporation
Host International, Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMS Host Tollroads Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMS Airport Terminal Services, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
Host International of Maryland, Inc.	Maryland	USD	1,000	100.0000%	Host International, Inc.
Michigan Host, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
Host Services of New York, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
Host International of Kansas, Inc.	Kansas	USD	1,000	100.0000%	Host International, Inc.
Host Services Inc.	Texas	USD	-	100.0000%	Host International, Inc.
Anton Airfood of Cincinnati, Inc.	Kentucky	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood, Inc.	Delaware	USD	1,000	100.0000%	HMSHost Corporation
Anton Airfood of Newark, Inc.	New Jersey	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of JFK, Inc.	New York	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Minnesota, Inc.	Minnesota	USD	-	100.0000%	Anton Airfood, Inc.
Palm Springs AAI, Inc.	California	USD	-	100.0000%	Anton Airfood, Inc.
Fresno AAI, Inc.	California	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Seattle, Inc.	Washington	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Tulsa,Inc.	Oklahoma	USD	-	100.0000%	Anton Airfood, Inc.
Islip AAI, Inc.	New York	USD	-	100.0000%	Anton Airfood, Inc.
Stellar Partner Inc.	Florida	USD	25,500	100.0000%	Host International, Inc.
Host International (Poland) Sp.zo.o. (in liquidazione)	Warsaw	USD	-	100.0000%	Host International, Inc.
Shenzhen Host Catering Company, Ltd. (in liquidazione)	Shenzhen	USD	-	100.0000%	Host International, Inc.
Host Services Pty, Ltd.	North Cairns	AUD	11,289,360	100.0000%	Host International, Inc.
Host International of Canada, Ltd.	Vancouver	CAD	75,351,237	100.0000%	Host International, Inc.
Horeca Exploitatie Maatschappij Schiphol, B.V.	Haarlemmermeer	EUR	45,400	100.0000%	HMSHost International B.V.
Marriott Airport Concessions Pty, Ltd.	North Cairns	AUD	2,665,020	100.0000%	Host International, Inc.
HMSHost Services India Private, Ltd.	Balgalore	INR	668,441,680	99.0000%	Host International, Inc.
				1.0000%	HMSHost International, Inc.

Company	Registered office	Currency	Share capital	% held at 30.06.2019	Shareholders
HMSHost Singapore Private, Ltd.	Singapore	SGD	8,470,896	100.0000%	Host International, Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	MYR	2	100.0000%	Host International, Inc.
HMSHost New Zealand Ltd.	Auckland	NZD	1,520,048	100.0000%	Host International, Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co	Shanghai	CNY	-	100.0000%	Host International, Inc.
HMSHost International B.V.	Haarlemmermeer	EUR	18,090	100.0000%	Host International, Inc.
HMSHost Hospitality Services Bharath Private, Ltd.	Karnataka	INR	100,000,000	99.0000%	HMSHost Services India Private Ltd
				1.0000%	HMSHost International, Inc.
NAG B.V.	Haarlemmermeer	EUR	-	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.
HSI Kahului Joint Venture Company	Hawaii	USD	-	90.0000%	Host Services, Inc.
HSI Southwest Florida Airport Joint Venture	Florida	USD	-	78.0000%	Host Services, Inc.
HSI Honolulu Joint Venture Company	Hawaii	USD	-	90.0000%	Host Services, Inc.
HMS/Blue Ginger Joint Venture	Texas	USD	-	55.0000%	Host International, Inc.
Host/Java Star Joint Venture	Texas	USD	-	50.0100%	Host International, Inc.
Host-Chelsea Joint Venture #1	Texas	USD	-	65.0000%	Host International, Inc.
HSI-Tinsley Joint Venture	Florida	USD	-	84.0000%	Host Services, Inc.
HSI/Tarra Enterprises Joint Venture	Florida	USD	-	75.0000%	Host Services, Inc.
HSI D&D STL FB, LLC	Missouri	USD	-	75.0000%	Host Services, Inc.
HSI/LJA Joint Venture	Missouri	USD	-	85.0000%	Host Services, Inc.
Seattle Restaurant Associates	Olympia	USD	-	70.0000%	Host International, Inc.
Bay Area Restaurant Group	California	USD	-	49.0000%	Host International, Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	USD	-	60.0000%	Host International, Inc.
HSI Miami Airport FB Partners Joint Venture	Florida	USD	-	70.0000%	Host Services, Inc.
Host DEI Jacksonville Joint Venture	Florida	USD	-	51.0000%	Host International, Inc.
Host/JQ RDU Joint Venture	North Carolina	USD	-	75.0000%	Host International, Inc.
Host CTI Denver Airport Joint Venture	Colorado	USD	-	90.0000%	Host International, Inc.
Host -Chelsea Joint Venture #4	Texas	USD	-	63.0000%	Host International, Inc.
Host-CMS SAN F&B, LLC	Delaware	USD	-	100.0000%	Host International, Inc.
Host GRL LIH F&B, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host Fox PHX F&B, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host FDY ORF F&B, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
LTL ATL JV, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host ATLChefs JV 3, LLC	Delaware	USD	-	95.0000%	Host International, Inc.
Host ATLChefs JV 5, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host LGO PHX F&B, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host-Love Field Partners I, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host-True Flavors SAT Terminal A FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
HSI Havana LAX F&B, LLC	Delaware	USD	-	90.0000%	Host Services, 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.
HSI Havana LAX TBIT FB, LLC	Delaware	USD	-	70.0000%	Host Services, 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 International, Inc.
Host CMS LAX TBIT F&B, LLC	Delaware	USD	-	100.0000%	Host International, Inc.
Host JQE RDU Prime, LLC	Delaware	USD	-	85.0000%	Host Havana LAX F&B, LLC
Host Howell Terminal A F&B, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
HSI MCA FLL FB, LLC	Delaware	USD	-	76.0000%	Host Services, Inc.
Host MCA SRQ FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
HOST ECI ORD FB, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host Aranza Howell DFW B&E FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host MGV IAD FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MGV DCA FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host CTI DEN F&B STA, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host MGV DCA KT, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host MBA LAX SB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host H8 IAH FB I, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host BGV IAH FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
HSI TBL TPA FB, LLC	Delaware	USD	-	71.0000%	Host Services, 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 RSI 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.

Company	Registered office	Currency	Share capital	% held at 30.06.2019	Shareholders
Host SMI SFO FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host Ayala LAS FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Stellar Partners Tampa, LLC	Florida	USD	-	90.0000%	Stellar Partners, Inc.
Host LBL LAX T2 FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host BGI MHT FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host SCR SAV FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host Chen ANC FB LLC	Delaware	USD	-	88.0000%	Host International, Inc.
Host SCR SAN FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host SCR SNA FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Stellar LAM SAN, LLC	Florida	USD	-	80.0000%	Stellar Partners, Inc.
Host DII GRR FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host Java DFW MGO, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host SHI PHL FB LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host VDV DTW SB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
MCO Retail Partners, LLC	Delaware	USD	-	80.0000%	Stellar Partners, Inc.
Host VDV DTW 3 SB, LLC	Delaware	USD	-	79.0000%	Host International, Inc.
HMSHost Family Restaurants, Inc.	Maryland	USD	2,000	100.0000%	Host International, Inc.
HMSHost UK, Ltd.	Londra	GBP	217,065	100.0000%	HMSHost International B.V.
HMSHost Sweden A.B.	Stoccolma	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 Huicheng (Beijing) Catering Management Co., Ltd	Beijing	CNY	80,000,000	100.0000%	HMSHost International B.V.
HMSHost - UMOE F&B Company AS	Bærum	NOK	150,000	51.0000%	HMSHost International B.V.
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Jakarta	IDR	46,600,000,000	65.0000%	HMSHost International B.V.
SMSI Travel Centres, Inc.	Vancouver	CAD	10,800,100	100.0000%	Host International of Canada, Ltd.
Hms Host Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	TRL	35,271,734	100.0000%	HMSHost International B.V.
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	VND	104,462,000,000	70.0000%	HMSHost International B.V.
Limited Liability Company Autogrill Rus	San Pietroburgo	RUB	10,000	100.0000%	NAG B.V.
PT Autogrill Services Indonesia	Jakarta	IDR	32,317,805,500	99.0000%	HMSHost International B.V.
				1.0000%	HMSHost Nederland B.V.
HMSHost Vietnam Company Limited	Ho Chi Minh City	VND	1,134,205,500	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.
Stellar Retail Group ATL, LLC	Tampa	USD	-	59.0000%	Stellar Partners, Inc.
Host CEI KSL MSY, LLC	Delaware	USD	-	63.0000%	Host International, Inc.
Host MCA ATL FB, LLC	Delaware	USD	-	64.0000%	Host International, Inc.
Stellar RSH DFW, LLC	Tampa	USD	-	65.0000%	Stellar Partners, Inc.
Stellar Retail Partners DFW, LLC	Tampa	USD	-	65.0000%	Stellar Partners, Inc.
Host HTB DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host DSL DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host MCL DFW SB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MCL DFW Bar, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host DCG ATL SB, LLC	Delaware	USD	-	59.0000%	Host International, Inc.
Host MCA HLM ATL FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host TGI DEN GD FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host TGI DEN STA FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host D&D STL 3KG FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host JAVA DFW SBC-GAB, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host IBC MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host BGB ARG MSP, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HMSHost Maldives Pvt Ltd	Republic of Maldives	USD	1,184,208	99.0000%	HMSHost International B.V.
				1.0000%	HMSHost Nederland B.V.
HMSHost Rus Limited Liability Company	Russia	RUB	10,000	90.0000%	HMSHost International B.V.
				10.0000%	HMSHost Nederland B.V.
HMS Host (Shanghai) Catering Management Co., Ltd.	Cina	CNY	11,900,000	100.0000%	HMSHost International B.V.
Stellar DML GCG MCO, LLC	Delaware	USD	-	70.0000%	Stellar Partner Inc.
Host CEG KSL LGA FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host TRA BNA STA FB, LLC	Delaware	USD	-	84.0000%	Host International, Inc.
Host TRA BNA FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HSI BFF SEA FB, LLC	Delaware	USD	-	51.0000%	Host Services, Inc.
Stellar PHL, LLC	Delaware	USD	-	65.0000%	Stellar Partner Inc.
Stellar Retail Group PHX, LLC	Delaware	USD	-	55.0000%	Stellar Partner Inc.
Stellar LAM PHX, LLC	Tampa	USD	-	70.0000%	Stellar Partner Inc.
Host NMG EWR SB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 30.06.2019	Shareholders
Host PHE LDL MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host AAC SFO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
HSI MCA LBL LAX T6-TBIT, LLC	Delaware	USD	-	75.0000%	Host Services, Inc.
Host LDL MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host WSE SJC FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host LDL BWI FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Stellar DOC1 DCGG DEN, LLC	Delaware	USD	-	75.0000%	Stellar Partner Inc.
Host LPI SEA FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Stellar MGV BWI, LLC	Delaware	USD	-	60.0000%	Stellar Partner Inc.
HSI MCA MIA SB, LLC	Delaware	USD	-	51.0000%	Host Services, Inc.
HSI MCA BOS FB, LLC	Delaware	USD	-	80.0000%	Host Services, Inc.
Host DCG AUS FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host IBC PIE FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HSI HCL SEA FB, LLC	Delaware	USD	-	75.0000%	Host Services, Inc.
Stellar BDI PIE, LLC	Delaware	USD	-	90.0000%	Stellar Partner Inc.
Stellar DCA BNA, LLC	Delaware	USD	-	50.0100%	Stellar Partner Inc.
Stellar DCA SLA BNA, LLC	Delaware	USD	-	49.9900%	Stellar Partner Inc.
HSI KIND EDMV PHX T3, LLC	Delaware	USD	-	60.0000%	Host Services, Inc.
Host IAV EWR FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
HSI CEG ALB BK, LLC	Delaware	USD	-	80.0000%	Host Services, Inc.
Host ETL ORD FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host LB NMG MKE FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
PGC EWR Venture, LLC	California	USD	-	70.0000%	Stellar Partners, Inc.
Stellar St. Croix IAH - TLLC LLC	California	USD	-	90.0000%	Stellar Partners, Inc.
PGC-St. Croix IAH, LLC	California	USD	-	51.0000%	Stellar Partners, Inc.
PGC IAH Venture, LLC	California	USD	-	60.0000%	Stellar Partners, Inc.
Stellar AIR LAX I, LLC	California	USD	-	74.0000%	Stellar Partners, Inc.
PGC St. Croix LGA, LLC	Minnesota	USD	-	51.0000%	Stellar Partners, Inc.
PGC-SC MSP-305, LLC	Minnesota	USD	-	49.0000%	Stellar Partners, Inc.
PGC-SC MSP-G, LLC	Minnesota	USD	-	49.0000%	Stellar Partners, Inc.
PGC-SC MSP-304, LLC	Minnesota	USD	-	51.0000%	Stellar Partners, Inc.
PGC MSP Venture, LLC	Minnesota	USD	-	80.0000%	Stellar Partners, Inc.
Stellar HLL MSY Venture, LLC	Louisiana	USD	-	66.7000%	Stellar Partners, Inc.
Stellar Bambuza SEA, LLC	California	USD	-	85.0000%	Stellar Partners, Inc.
DLV-WSE, LLC	California	USD	-	49.0000%	Host International, Inc.
Stellar AIM VMW SFO, LLC	California	USD	-	70.0000%	Stellar Partners, Inc.
Host AJA EI DTW FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host SMI HPH LAX FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.

Companies consolidated using the equity method:

Company	Registered office	Currency	Share capital	% held at 30.06.2019	Shareholders
Caresquick N.V.	Brussels	EUR	1,020,000	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.
HMS Host and Lite Bite Pte. Ltd.	Bangalore	INR	-	51.000%	HMS Host Services India Private Limited
Arab Host Services LLC	Qatar	QAR	200,000	49.000%	Autogrill Middle East, LLC

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

STATEMENT

about the condensed interim consolidated financial statements

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

of 14 May 1999 (as amended)

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

- the adequacy of, in relation to the characteristics of the business; and
- due compliance with the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements during the course of the first half 2019.

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

3. We also confirm that:

3.1 the condensed interim consolidated financial statements:

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

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

Milan, 1 August 2019

Gianmario Tondato Da Ruos	Camillo Rossotto
Chief Executive Officer	Manager in charge of Financial Reporting

Auditors Report

Deloitte.

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REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Autogrill S.p.A.

Introduction

We have reviewed the accompanying 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, 2019, the income statement, statement of 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 interim financial statements under Resolution n° 10867 of July 31, 1997. A review of 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 condensed interim consolidated financial statements of the Autogrill Group as of June 30, 2019 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
August 1, 2019

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

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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