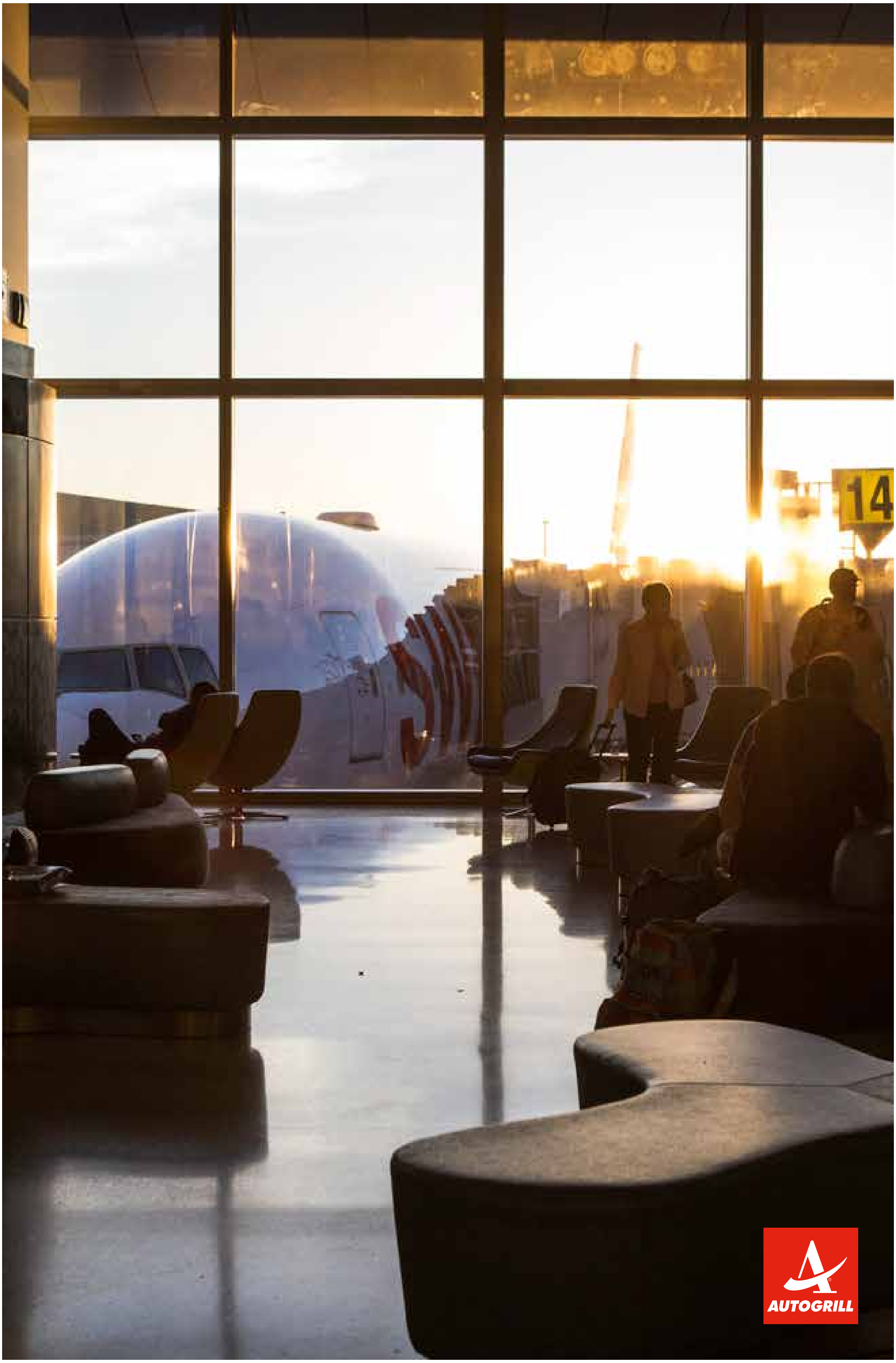
Annual Report



Autogrill Group

2016

Autogrill Group

2016 Annual Report

(Translated from the original version issued in Italian)

LETTER TO SHAREHOLDERS

Dear Shareholders,

2016 was a very positive year that propelled us – excited and determined to achieve even better results in terms of growth and profitability - into this, the Group's 40th year in business.

Over the year we improved all our main economic indicators and we're particularly satisfied with our growth in revenues, which topped € 4.5 billion, and the more than 50% leap in profits compared to the previous year.

Growth continues to be a crucial and a priority for us: we're particularly proud of what we've done to grow our concessions portfolio and of our results in terms of new contracts won and numerous contracts renewed. In North America for example, where we are the market leaders, we renewed key concessions at Charlotte Douglas and Orlando International airports.

We also secured new airport contracts in Northern Europe, in Bergen and Rotterdam, in the Middle East, in Abu Dhabi and Doha, and in Asia in Beijing. While in Italy we were satisfied with our results in the still ongoing motorway contract renewals campaign.

Other significant developments over the year include the acquisitions of US companies Stellar Partners and CMS, which we are confident will be rapidly integrated thanks to our leadership position in North America.

Such an impressive number of concessions, worth over € 34 billion and with an average duration of over 7 years, is matched by an equally prestigious brand portfolio. Over 300 brands are operated or developed in-house, a sure sign of excellent strategic and operating capabilities, enabling us to satisfy both the toughest commercial requirements of our landlords and the increasingly sophisticated demand for high quality products on the part of our customers.

Our distinct skills, our consolidated industry leadership and long-term vision of our portfolio, have enabled us to set ourselves ambitious growth targets for the coming years ahead.

In the 2016-2019 period in fact, we expect to see an annual compound growth rate of between 5% and 7% and a 15% growth in earnings per share. We expect all our divisions - North America, International and Europe – to actively contribute to achieving these results.

We also decided on a shareholder remuneration policy based on an annual pay-out ratio of between 40% and 50% of consolidated net profits. This level of remuneration will enable us to ensure profitable and sustainable growth over the years, whilst maintaining a sustainable balance between dividends and investments.

Inspired by our results in a 2016 full of successes, we intend to go on consolidating our leadership by strengthening our core businesses and persevering with our selective growth strategy.

Gilberto Benetton	**Gianmario Tondato Da Ruos**
Chairman	CEO

Boards and officers

BOARD OF DIRECTORS [1]

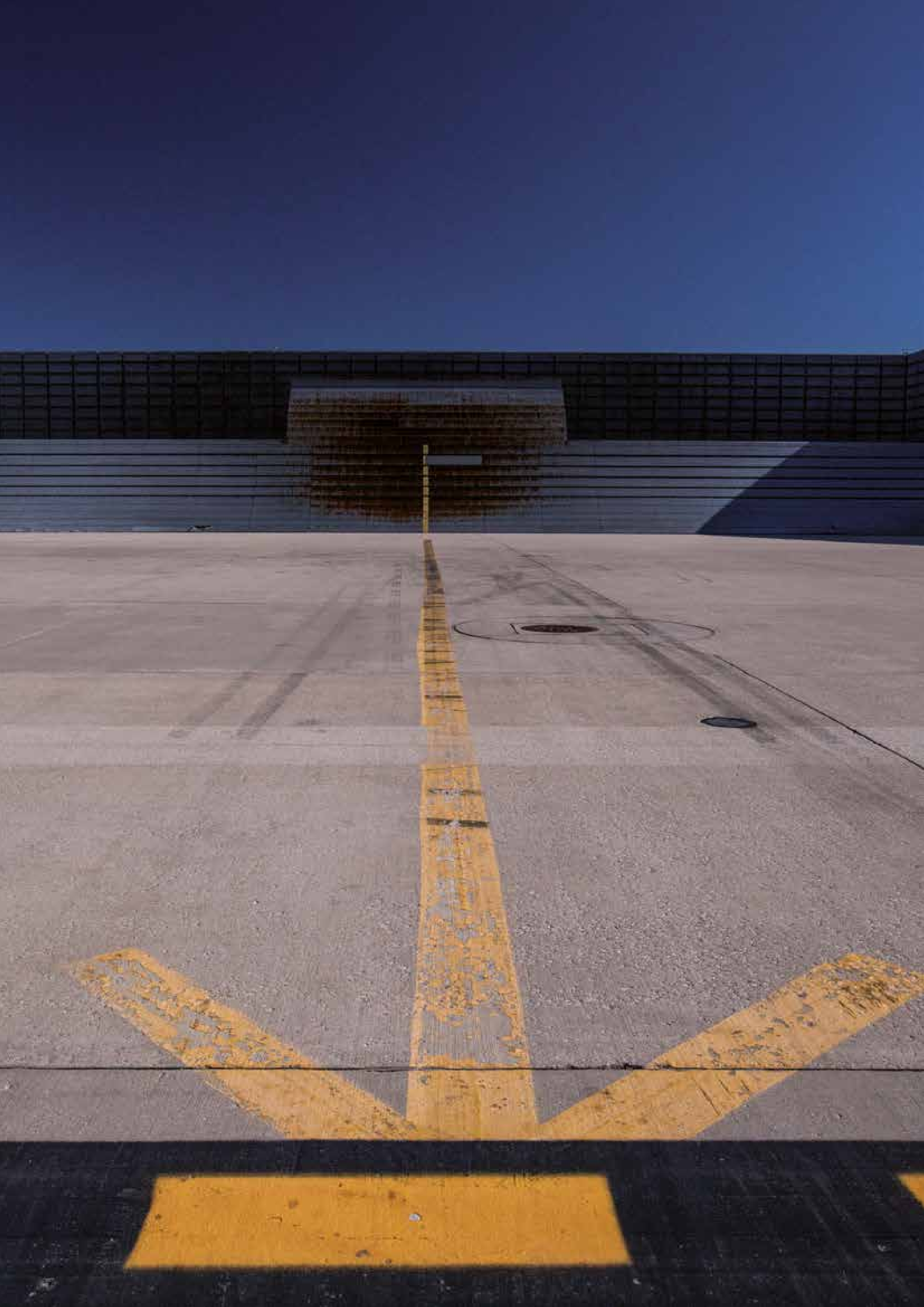
Chairman [2, 3]	Gilberto Benetton
CEO [2, 3, 4]	Gianmario Tondato Da Ruos [E]
Directors	Ernesto Albanese [I] Tommaso Barracco [5, I] Alessandro Benetton Francesco Umile Chiappetta [6, I] Carolyn Dittmeier [6, 7, I] Massimo Fasanella d'Amore di Ruffano [5, 8, I] Giorgina Gallo [5, 7, I] Stefano Orlando [7, 8, I, L] Marco Patuano [5, 12] Paolo Roverato [6, 8] Neriman Ülsever [I]
Secretary	Paola Bottero

BOARD OF STATUTORY AUDITORS [9]

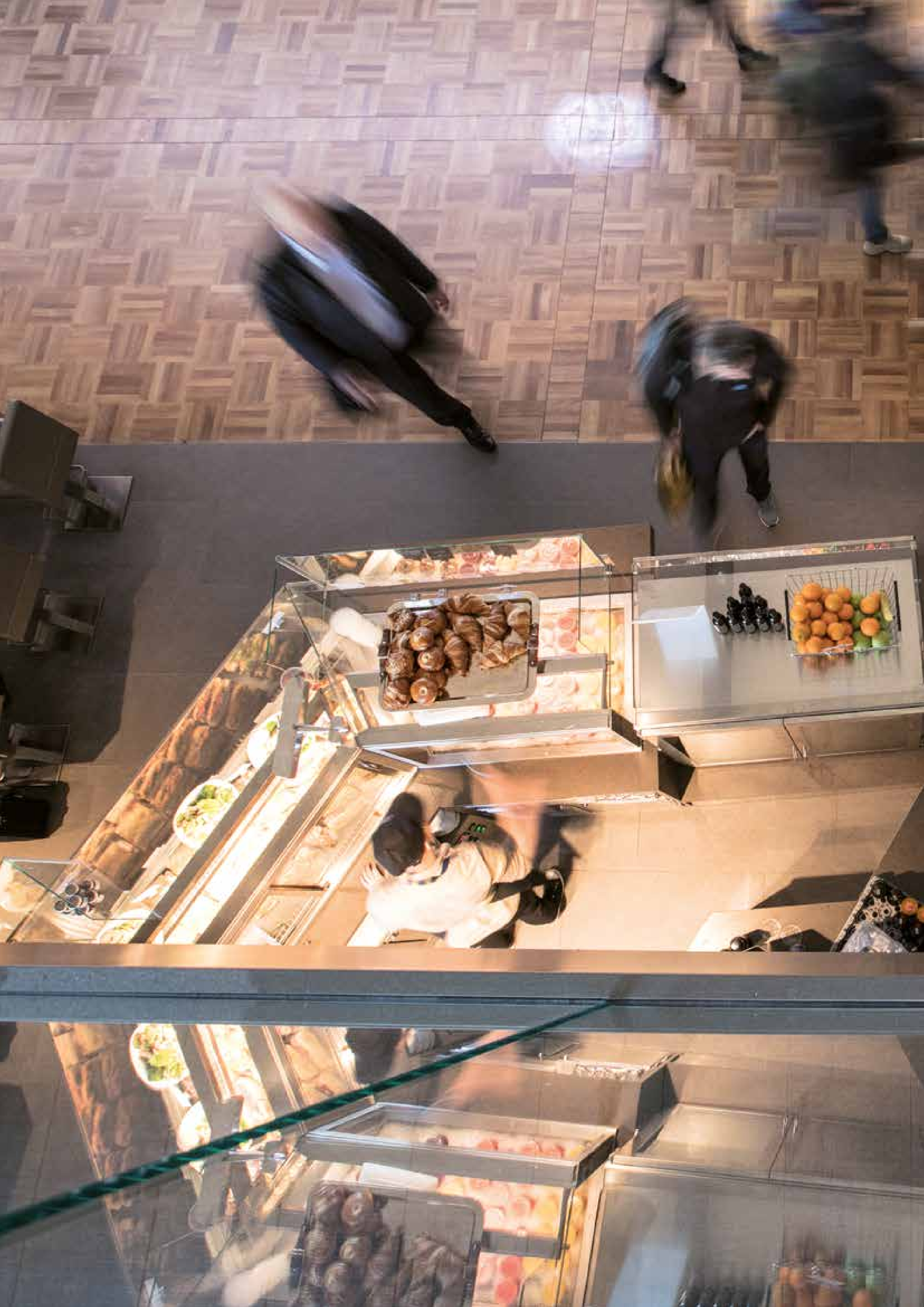
Chairman	Marco Rigotti [10]
Standing auditor	Antonella Carù [10]
Standing auditor	Eugenio Colucci [10]
Alternate auditor	Giuseppe Angiolini [10]
Alternate auditor	Pierumberto Spanò [10]
Independent auditors [11]	Deloitte & Touche S.p.A.

1. Elected by the annual general meeting of 28 May 2014; in office until approval of the 2016 financial statements
2. Appointed at the Board of Directors meeting of 28 May 2014
3. Powers assigned by law and the company's by-laws, particularly legal representation with individual signing authority
4. Powers of ordinary administration, with individual signing authority, per Board resolution of 28 May 2014
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 28 May 2015; in office until approval of the 2017 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. Coopted on 26 January 2017 to replace outgoing director Gianni Mion

E. Executive director
I. Independent director as defined by the Corporate Governance Code for Listed Companies (version approved in July 2015 by the Corporate Governance Committee and endorsed by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria) and pursuant to Arts. 147-*ter* (4) and 148 (3) of Legislative Decree 58/1998
L. Lead Independent Director



Contents




PIER ZERO


ROCK STAR
ROCK STAR
614
TEXAS
TEXAS
SILVER STAR
500
Braves
BENGALS
Steelers
CLIPPERS
Ucla
Peter
EARL
HUGH

SAVE WATER DRINK BEER
Jose
RAMONES
ROCK STAR
GOT BEER?
Hal
Ken
RAMONES
BOSTON RED SOX
GOT BEER?
ELECTRICIAN
Eric
ELECTRICIAN
COUNTRY
Eric
RAMONES
FALCONS
Sonny
GIANTS
OPEN HERE
Edgar
COLT REVOLVERS
Wally
SAVE WATER DRINK BEER
TED
Anthony
Cliff
MASONS
Carl
U.S.A.
GOT BEER?
HUGH
LIONS
DENVER

1

Directors’ Report on operations

DEFINITIONS AND SYMBOLS

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

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

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

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

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

Symbols: unless otherwise specified, amounts in the directors' report on operations are expressed in millions of euros (€m) or millions of US dollars ($m). In the notes to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k and $k).
Where figures have been rounded to the nearest million, sums, changes and ratios are calculated using figures extended to thousands for the sake of greater accuracy.


D12

1.1 The Autogrill Group

Operations

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

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

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

The contracts portfolio at the end of 2016 was worth € 34bn, with an average duration of 7.3 years. During the year, contracts worth approximately € 6.3bn were renewed and new ones were acquired in the amount of € 1.6bn.

Strategy

The Group's strategy is to ensure steady growth in value through expansion and diversification into different geographical areas and channels, constant product and concept innovation, and the improvement of service with a view to increasing the satisfaction of customers and concession grantors.

In the airport and railway station channel, the Group plans to expand in countries where it is already active, as well as in new ones with good potential for an increase in traffic. In the motorway channel, efforts are more selective, given the limited growth potential in developed countries and the extensive investments needed to penetrate new markets.

Menus are kept up-to-date through the development of new concepts and the ongoing review of brands, so that the most innovative and attractive brands the market has to offer are always in the Group's portfolio.

The Group judges how well it is achieving its objectives by monitoring customer satisfaction and the growth of sales, profit and cash generation, these latter pursued through the acquisition and management of a broad, diversified portfolio of concessions and subconcessions with strategically balanced durations.

The Autogrill Group is active in 31 countries around the globe:

Australia, Austria, Belgium, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Greece, India, Indonesia, Ireland, Italy, Malaysia, Norway,

New Zealand, The Netherlands, Poland, Qatar, Russia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States of America, Vietnam

in the world

955

locations

Locations by channel

Channel of activity	North America	International	Europe	Total
Airports	87	41	22	150
Motorways	107	-	581	688
Railway stations	-	5	43	48
Others	3	-	66	69
Total	197	46	712	955

EUROPE

581

MOTORWAY STATIONS

Proprietary brands

- Puro Gusto
- beaudevin
- Délice Maison Bakery & Cafe
- A café
- Spizzico
- Two Tigers
- Asia Street Cooking
- Ciao
- Pork & Pickle
- Territori d'Italia
- Motta
- Amo
- PZA
- Umaizushi
- The Burger Federation
- Ice
- Bubbles
- Storie di Caffè
- Bistrot
- La Tapenade Café Méditerranéen
- Grab&Fly

Licensed brands

- Blaze Pizza
- Wolfgang Puck
- Tim Hortons
- Tortas Frontera
- Burger King
- Dunkin' Donuts
- Eataly
- LongHorn Steakhouse
- Starbucks
- La Place
- Brioche Dorée
- California Pizza Kitchen
- McDonald's
- Crystal Jade
- Pizza Hut
- smashburger

Simplified Group structure[1,2]

Autogrill S.p.A.

- Nuova Sidap S.r.l.
- Autogrill D.o.o. (Slovenia)
- Autogrill Belgie N.V.
- Autogrill Schweiz A.G.
- Autogrill Hellas E.P.E.
- Holding de Participations Autogrill S.a.S.
  - Autogrill Côte France S.a.S.
- Autogrill Austria A.G.
- Autogrill Iberia S.L.U.
- Autogrill Czech S.r.o.
- Autogrill Polska Sp.zo.o.
- Autogrill Deutschland GmbH
- HMSHost Corp.
  - Host International, Inc.
    - HMSHost International B.V.

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
2. Company names are up-to-date as of March 2017

Organizational structure

The Group is structured in business units, which manage operational levers according to objectives and guidelines defined by the Corporate divisions of Autogrill S.p.A.

BOARD OF DIRECTORS

- Group Chief Internal Audit & CSR Officer

GROUP CHIEF EXECUTIVE OFFICER

- Group Chief Financial Officer (Financial reporting Officer Law 262)
- Group General Counsel
- Group Chief Marketing Officer
- Group Chief Engineering & Procurement Officer
- Group Strategy & Investment Control Director
- Group Public Affairs Director
- Group Corporate Communications Manager
- Group HR and Organization Director

- CEO North America[3]
- CEO International[4]
- CEO Europe[5]

3. United states, Canada
4. It includes North Europe: Denmark, Finland, Ireland, Norway, The Netherlands, United Kingdom, Sweden and Rest of the world (Australia, China, United Arab Emirates, India, Indonesia, Malaysia, New Zealand, Qatar, Russia, Turkey, Vietnam)
5. Italy and Other European countries: Austria, Belgium, France, Germany, Greece, Poland, Czech Republic, Slovenia, Spain, Switzerland

1.2 Group performance

1.2.1 GENERAL BUSINESS CONTEXT

1.2.1.1 The air transport industry and the trend in airport traffic [6]

Airports are Autogrill's primary business channel, accounting for more than 56% of total revenue, with Group locations on all continents except Africa and South America.

In 2016, passengers in North America increased by 3.9% on the previous year. More specifically, domestic traffic was up by 3.6%, and international traffic by 5.9%. In the United States, traffic in the first 11 months of the year increased by 3.6% [7].

In Europe there was a 5% increase in passengers compared to 2015. Asia-Pacific saw traffic expand by 9%, while growth in the Middle East came to 9.4%.

1.2.1.2 The trend in motorway traffic

In North America, although it is most active in the airport channel, the Group also operates along motorways with a significant presence in the Eastern U.S. and in Canada. In the United States, traffic showed an increase of 5.7% compared to 2015 [8].

In Europe the Group mainly serves the motorway channel, with a strong presence in Italy, France, Belgium, Germany, Switzerland and Spain. In Italy, the Group's largest motorway market, traffic in the first nine months saw an overall increase of 3.7% [9] thanks to the improved domestic economy and reduced cost of fuel, at least during the first half of the year. The growth was driven by both light traffic (+3.5%) and heavy vehicles (+4.0%).

In the rest of the world, the Group is most active in the airport channel.

6. Source: Airports Council International (ACI) – 22 February 2017
7. Source: Bureau of Transportation Statistics – cumulative figures to November 2016
8. Source: Autogrill estimates on official figures
9. Source: AISCAT - January-September 2016 (provisional data, not adjusted for leap year)

1.2.2 ACQUISITIONS AND DISPOSALS

During the year the Group pursued its strategy of expansion in the North American airport channel and selective management of European operations. This entailed the following acquisitions and disposals.

North America

In August 2016, in order to expand its presence at two major international airports (Los Angeles and Las Vegas), the Group finalized the purchase, for $ 37.9m, of the assets of Concession Management Services, Inc. (CMS) which operates 16 food & beverage outlets. CMS's results are included for approximately four months in 2016 and contributed revenue of $ 16.9m.

In October 2016, in an attempt to penetrate the U.S. Convenience Retail market, the Group finalized the purchase for $ 16.2m ($ 2.3m to be paid in instalments) of Stellar Partners, Inc., which operates 38 convenience retail outlets at 10 United States airports. Stellar Partner's results are included for approximately three months in 2016 and contributed revenue of $ 9.2m.

Europe

In early June 2016 the Group sold the company Autogrill Restauration Services S.a.s, operative in the French railway stations, given the lack of significant growth opportunities for the next several years. The assets were sold for € 27.5m[10]. These operations were included in the Group's results for five months in 2016 (contributing revenue of € 26.4m), compared with 12 months in 2015 (revenue of € 62m).

In early November 2016 the Group finalized the disposal of Autogrill Nederland B.V. and its subsidiaries, operative in the Dutch motorways, which had generated € 33m in revenues in 2015, for € 22.6m[11]. This marked the Group's departure from a business with a sizeable hotel component, which enjoyed little synergy with its other operations in the region and brought in limited cash flow and profits.

10. The operations sold did not constitute a cash generating unit, so IFRS 5 ("Non-current assets held for sale and discontinued operations") did not apply
11. These operations constitute a cash generating unit. In accordance with IFRS 5 ("Non-current assets held for sale and discontinued operations"), the effects on profit/loss and on the statement of financial position have been classified separately for both 2015 and 2016

1.2.3 HIGHLIGHTS

In early November 2016 the Group finalized the disposal of Dutch motorway operations, which constitute a cash generating unit. In accordance with IFRS 5 ("Non-current assets held for sale and discontinued operations"), the effects on profit/loss and on the statement of financial position have been classified separately for both 2015 and 2016.

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
Revenue	**4,519.1**	**4,336.3**	**4.2%**	**4.6%**
EBITDA	**411.6**	**373.5**	**10.2%**	**10.5%**
EBITDA margin	*9.1%*	*8.6%*		
EBIT	**201.0**	**151.9**	**32.3%**	**32.5%**
EBIT margin	*4.4%*	*3.5%*		
Result from discontinued operations	**(1.2)**	**(0.3)**	**368.0%**	**368.0%**
Profit attributable to the owners of the parent	**98.2**	**64.2**	**53.1%**	**53.9%**
Earnings per share (€ cents) (*)				
– basic	38.7	25.3		
– diluted	38.7	25.3		
Net cash flows from operating activities	**318.4**	**293.9**		
Free operating cash flows pre dividends	**103.9**	**75.9**		
Net investment	**227.1**	**210.6**	**7.8%**	**8.8%**
% of net sales	*5.0%*	*4.9%*		

			Change	
(€m)	31.12.2016	31.12.2015	2015	At constant exchange rates
Net invested capital	1,265.6	1,228.9	36.6	14.2
Net financial position	578.0	629.0	(51.0)	(60.0)

* Includes Net profit from discontinued operations

Condensed consolidated income statement [12]

(€m)	Full Year 2016	% of revenue	Full Year 2015	% of revenue	Change 2015	Change At constant exchange rates
Revenue	4,519.1	100.0%	4,336.3	100.0%	4.2%	4.6%
Other operating income	123.6	2.7%	123.7	2.9%	-0.1%	0.2%
Total revenue and other operating income	**4,642.6**	**102.7%**	**4,460.1**	**102.9%**	**4.1%**	**4.5%**
Raw materials, supplies and goods	(1,410.3)	31.2%	(1,379.0)	31.8%	2.3%	2.6%
Personnel expense	(1,495.7)	33.1%	(1,423.9)	32.8%	5.0%	5.4%
Leases, rentals, concessions and royalties	(796.1)	17.6%	(751.4)	17.3%	6.0%	6.4%
Other operating expense	(543.5)	12.0%	(532.3)	12.3%	2.1%	2.5%
Gain on operating activity disposal	14.7	0.3%	-	-	-	-
EBITDA	**411.6**	**9.1%**	**373.5**	**8.6%**	**10.2%**	**10.5%**
Depreciation, amortisation and impairment losses	(210.6)	4.7%	(221.6)	5.1%	-5.0%	-4.6%
EBIT	**201.0**	**4.4%**	**151.9**	**3.5%**	**32.3%**	**32.5%**
Net financial expense	(31.6)	0.7%	(37.6)	0.9%	-16.0%	-16.1%
Income (expenses) from investments	0.9	0.0%	(1.0)	0.0%	n.s.	n.s.
Pre-tax profit	**170.3**	**3.8%**	**113.3**	**2.6%**	**50.3%**	**50.6%**
Income tax	(54.6)	1.2%	(34.5)	0.8%	58.1%	57.7%
Result from continuing operations	**115.8**	**2.6%**	**78.8**	**1.8%**	**46.9%**	**47.4%**
Result from discontinued operations	(1.2)	0.0%	(0.3)	0.0%	368.0%	368.0%
Result attributable to:	**114.5**	**2.5%**	**78.5**	**1.8%**	**45.8%**	**46.3%**
– owners of the parent	98.2	2.2%	64.2	1.5%	53.1%	53.9%
– non-controlling interests	16.3	0.4%	14.4	0.3%	13.2%	13.0%

Revenue

The Group earned consolidated revenue of € 4,519.1m in 2016, an increase of 4.2% (+4.6% at constant exchange rates) on the previous year's revenue of € 4,336.3m.

	Full Year 2016	Full Year 2015	Actual FX	FX	Organic growth: Like-for-like growth	Organic growth: Net contract gains/(losses)	Organic growth: Calendar	Acquisitions/(disposals)
North America	2,357.6	2,232.4	5.6%	-0.2%	4.6%	0.7%		0.5%
North America ($)	*2,609.6*	*2,476.8*	*5.4%*	*-0.4%*	*4.6%*	*0.7%*		*0.5%*
International	437.0	347.0	25.9%	-3.2%	9.6%	17.0%	2.4%	
Europe	1,724.4	1,756.9	-1.8%	-0.2%	-0.1%	0.2%	0.2%	-2.0%
of which Italy	*1,042.0*	*1,057.4*	*-1.5%*		*-0.3%*	*-1.4%*	*0.2%*	
of which Other European countries	*682.5*	*699.5*	*-2.4%*	*-0.4%*	*0.2%*	*2.6%*	*0.2%*	*-5.2%*
Total Group	**4,519.1**	**4,336.3**	**4.2%**	**-0.4%**	**3.1%**	**1.6%**	**0.2%**	**-0.4%**

Acquisitions include CMS and Stellar Partners in the United States, both in 2016, while disposals consist of the sale to World Duty Free Group (WDFG) of the US Retail division in 2015 and of operations at French railway stations, completed in 2016[13].

12. "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated income statement primarily because they do not include revenue and costs from fuel sales, the net amount of which is classified as "Other operating income" in accordance with management's protocol for the analysis of Group figures. This revenue came to € 421.9m in 2016 (€ 469.6m in 2015) and the cost to € 399.1m (€ 447.9m the previous year)
13. The disposal of the Dutch motorway business is not included because it is reported separately under discontinued operations

Revenue by channel

(€m)	Full Year 2016	Full Year 2015	Change 2015	Change At constant exchange rates
Airports	2.537,2	2.347,2	8,1%	8,5%
Motorways	1.653,3	1.645,1	0,5%	0,7%
Other	328,6	344,0	-4,5%	-3,8%
Total Revenue	**4.519,1**	**4.336,3**	**4,2%**	**4,6%**

In the **airport channel** sales increased by 8.1% (+8.5% at constant exchange rates), driven by positive traffic trends at the airports served, an increase in the number of outlets managed, and the acquisitions in the United States.

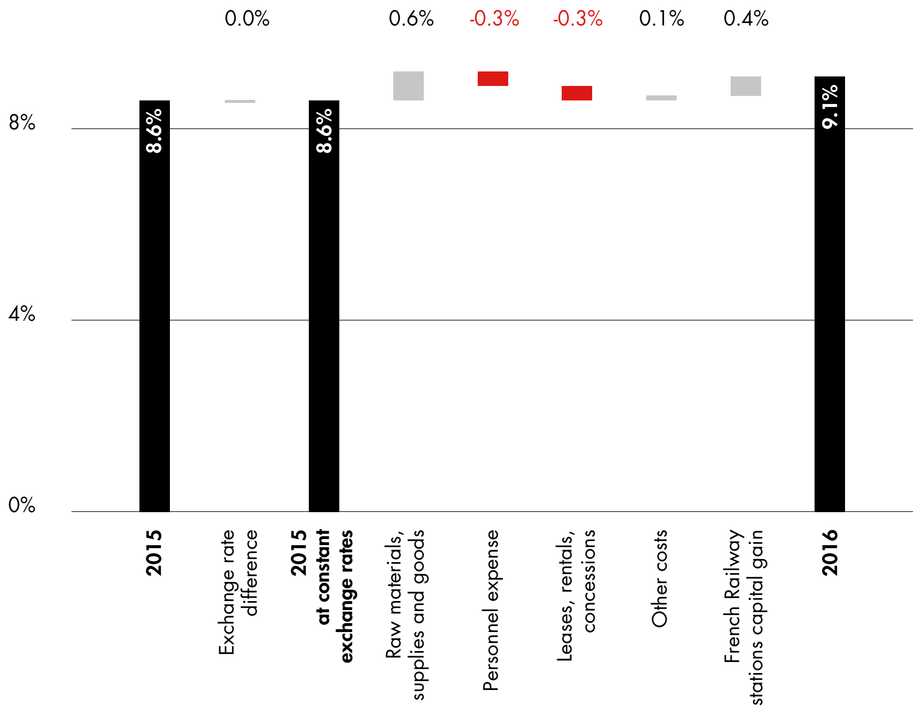
Revenue in the **motorway channel** was steady in comparison with 2015, rising by 0.5% (+0.7% at constant exchange rates). Growth in the United States offset a decrease in Italy, due to selective renewals during the 2016 bidding season.

The sales trend in **other channels** (-4.5%; -3.8% at constant exchange rates) reflects the disposal of the French railway station business and the closure of some unprofitable locations at shopping centers in Italy and the United States.

EBITDA

Consolidated EBITDA amounted to € 411.6m, with an increase of 10.2% (+10.5% at constant exchange rates) compared with the previous year's € 373.5m, and rose from 8.6% of revenue in 2015 to 9.1% this year. EBITDA benefited from the capital gain on the disposal of the French railway station business (€ 14.7m). Excluding that gain and the contribution of the business sold, EBITDA rose from 8.6% to 8.8% of revenue, thanks to the lower cost of goods sold which offset an increase in personnel expense.

Change in EBITDA margin



Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses came to € 210.6m in 2016, compared with € 221.6m the previous year (-5%, or -4.6% at constant exchange rates), due primarily to a reduction in impairment losses from € 12.7m to € 6.1m. Because the contracts for several locations in Italy reached their natural expiration dates at the end of 2015, the corresponding investments had been written off in full, leading to a temporary decrease in depreciation.

Net financial expense

Net financial expense in 2016 came to € 31.6m, down from € 37.6m the previous year, as a result of the decrease in debt. The average cost of debt went from 4.1% in 2015 to 4.0% this year.

Income tax

Tax increased from € 34.5m in 2015 to € 54.6m, reflecting the higher pre-tax profit. This item includes taxes charged on operating profit (IRAP in Italy and CVAE in France), amounting to € 3.4m (€ 2.9m in 2015).

The average tax rate, excluding IRAP and CVAE for both years as well as the capital gain realized in France, went from 28.5% in 2015 (including the benefit of deferred tax assets in Italy) to 32.9%.

Profit/loss from discontinued operations

The loss of € 1.2m is the sum of € 2.0m in net profit earned in the first 10 months of 2016 by the Dutch operations, the capital loss of € 2.9m on the disposal, and € 0.4m in disposal costs.

Profit for the year

The 2016 profit attributable to the owners of the parent amounted to € 98.2m, up from € 64.2m in 2015. The significant increase reflects improved operating profitability in all business segments and includes the capital gain of € 14.7m from the sale of the railway station business in France. Non-controlling interests came to € 16.3m (€ 14.4m the previous year).

1.2.4 FINANCIAL POSITION

Reclassified consolidated statement of financial position [14]

(€m)	31.12.2016	31.12.2015	Change 2015	Change At constant exchange rates
Intangible assets	950.6	921.2	29.4	11.2
Property, plant and equipment	896.5	842.4	54.2	39.3
Financial assets	15.3	17.3	(2.0)	(2.6)
A) Non-current assets	**1,862.4**	**1,780.9**	**81.5**	**47.9**
Inventories	119.5	136.1	(16.7)	(17.8)
Trade receivables	58.1	48.0	10.1	10.4
Other receivables	121.9	132.7	(10.8)	(9.5)
Trade payables	(359.8)	(396.4)	36.6	39.2
Other payables	(382.1)	(348.6)	(33.5)	(27.7)
B) Working capital	**(442.5)**	**(428.2)**	**(14.3)**	**(5.4)**
Invested capital (A + B)	**1,419.9**	**1,352.7**	**67.2**	**42.5**
C) Other non-current non-financial assets and liabilities	**(154.4)**	**(147.5)**	**(6.9)**	**(4.6)**
D) Net invested capital from continuing operation (A + B + C)	**1,265.6**	**1,205.2**	**60.4**	**37.9**
E) Discontinued operations (Dutch motorways)	**(0.0)**	**23.7**	**(23.7)**	**(23.7)**
F) Net invested capital (A + B + C + E)	**1,265.6**	**1,228.9**	**36.6**	**14.2**
Equity attributable to owners of the parent	643.6	559.6	84.0	70.6
Equity attributable to non-controlling interests	44.0	40.4	3.6	3.6
G) Equity	**687.6**	**600.0**	**87.6**	**74.2**
Non-current financial liabilities	520.0	743.4	(223.4)	(238.5)
Non-current financial assets	(7.7)	(4.7)	(2.9)	(2.8)
H) Non-current financial indebtedness	**512.3**	**738.6**	**(226.3)**	**(241.3)**
Current financial liabilities	262.9	97.3	165.7	164.8
Cash and cash equivalents and current financial assets	(197.3)	(206.9)	9.6	16.5
I) Current net financial indebtedness	**65.6**	**(109.7)**	**175.3**	**181.3**
Net financial position (H + I)	**578.0**	**629.0**	**(51.0)**	**(60.0)**
L) Total (G + H + I), as in F)	**1,265.6**	**1,228.9**	**36.6**	**14.2**

Net invested capital at 31 December 2016 came to € 1,265.6m, up from € 1,228.9m the previous year for an increase of € 36.6m, due mainly to the appreciation of the US dollar against the euro.

The acquisitions of CMS and Stellar Partners increased concessions, classified as intangible assets, by € 28.8m while the disposal of the French railway station business decreased goodwill (also listed under intangible assets) by € 12.7m.

14. 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" (€ 7.7m) 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

Cash flow

(€m)	Full Year 2016	Full Year 2015	Change
EBITDA net of France Railway Stations disposal*	396.9	373.5	23.4
Change in net working capital	(1.4)	12.3	(13.7)
Other non cash items	(3.6)	(4.9)	1.3
Cash flows from operating activities	**391.9**	**380.9**	**11.0**
Tax paid	(45.4)	(51.6)	6.2
Net interest paid	(28.1)	(35.5)	7.4
Net cash flows from operating activities	**318.4**	**293.9**	**24.6**
Net Capex	(214.5)	(217.9)	3.4
Net cash flows after investment	**103.9**	**75.9**	**28.0**
Acquisitions	(43.8)	-	(43.8)
Disposals	48.4	23.4	25.1
Free operating cash flows pre dividend	**108.5**	**99.3**	**9.2**
Dividend payment	(43.4)	(2.7)	(40.7)
Free operating cash flows	**65.1**	**96.6**	**(31.5)**

* The France Railway Stations disposal is related only to 2016

Net cash flow from operating activities after capital expenditure increased by € 28m thanks to the improved operating profit and the decrease in net interest paid, reflecting the reduction in debt, and despite the absorption of net working capital due to a different procurement pattern compared to the previous year.

The 2016 figure includes cash flow from extraordinary operations performed during the year [15]; specifically, the outlays for the acquisition of CMS ($ 37.7m or € 33.3m) and Stellar Partners ($ 11.7m or € 10.6m) in the United States, and the proceeds of the sale of the railway station business in France (€ 27.5m) and the motorway operations in the Netherlands (€ 20.9m). The previous year included $ 25.5m (€ 23.4m) for the sale to the World Duty Free Group of the last four Travel Retail contracts in the United States.

In June 2016 the Group paid a dividend to the shareholders of € 30.5m (no dividend was paid in 2015). Dividends were also paid to the non-controlling shareholders of consolidated companies [16] in the amount of € 12.9m (€ 2.7m the previous year).

15. Net of cash acquired or transferred
16. Shown net of capital increases

Net financial position

For the sake of clarity, receivables from credit card companies are listed as current financial assets at 31 December 2016 are therefore included in the net financial position. Net debt at 31 December 2015 has been adjusted accordingly, from € 644.4m to € 629m.

Net debt at 31 December 2016 amounted to € 578m (€ 629m a year earlier), of which 74% is in U.S. dollars (70% At 31 December 2015) and the remaining part in euros. Fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 62% of the total compared with 55% at the end of 2015. The fair value of interest rate hedging derivatives at 31 December 2016 was € 0.3m (€ 1.7m at 31 December 2015).

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 six months, compared with four years and six months at 31 December 2015.

1.3 Business segments

REVENUE BY GEOGRAPHICAL AREA

(€m)	Full Year 2016	Full Year 2015	Change 2015	Change At constant exchange rates
North America	2,357.6	2,232.4	5.6%	5.8%
International	437.0	347.0	25.9%	29.1%
Italy	*1,042.0*	*1,057.4*	*-1.5%*	*-1.5%*
Other European countries	*682.5*	*699.5*	*-2.4%*	*-2.0%*
Europe	1,724.4	1,756.9	-1.8%	-1.7%
Total revenue	**4,519.1**	**4,336.3**	**4.2%**	**4.6%**

EBITDA BY GEOGRAPHICAL AREA

(€m)	Full Year 2016	% of revenue	Full Year 2015	% of revenue	Change 2015	Change At constant exchange rates
North America	266.5	11.3%	254.1	11.4%	4.9%	4.9%
International	51.0	11.7%	42.4	12.2%	20.3%	22.5%
Europe	121.4	7.0%	102.6	5.8%	18.3%	18.6%
Corporate costs	(27.3)	-	(25.7)	-	-6.6%	-6.6%
Total EBITDA	**411.6**	**9.1%**	**373.5**	**8.6%**	**10.2%**	**10.5%**

CAPITAL EXPENDITURE [17] BY GEOGRAPHICAL AREA

(€m)	Full Year 2016	Full Year 2015	Change 2015	Change At constant exchange rates
North America	121.8	112.3	8.5%	9.1%
International	27.8	31.5	-11.9%	-8.9%
Europe	77.4	66.8	15.8%	16.1%
Total	**227.1**	**210.6**	**7.8%**	**8.8%**

17. Net capital expenditure equals gross investments recognized for the year (€ 232.7m) net of proceeds from the sale of assets (€ 5.6m)

North America [18]

In 2016 revenue grew swiftly in North America, making up entirely for the steep trend in personnel expense. The contracts portfolio continued to expand, with some important renewals (Charlotte-Douglas and Orlando, among others) and new concessions. A pair of acquisitions during the year enabled the Group to expand its presence in two of the largest airports in the United States (Los Angeles and Las Vegas) and to enter the airport Convenience Retail business.

Revenue in North America came to $ 2,609.6m, an increase of 5.8% at constant exchange rates (+5.4% at current exchange rates) compared with the previous year's $ 2,476.8m.

					Organic growth		
	Full Year 2016	Full Year 2015	Actual FX	FX	Like-for-like growth	Net contract gains/(losses)	Acquisitions/ (disposals)
North America	2,609.6	2,476.8	5.4%	-0.4%	4.6%	0.7%	0.5%

Acquisitions include CMS and Stellar Partners, both in 2016, while disposals refer to the sale of the US Retail division to WDFG in 2015.

Revenue by geographical area

			Change	
($m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
USA	2,328.3	2,198.0	5.9%	5.9%
Canada	281.3	278.9	0.9%	4.5%
Total	**2,609.6**	**2,476.8**	**5.4%**	**5.8%**

Revenue by channel

			Change	
($m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
Airports	2,111.9	1,986.3	6.3%	6.7%
Motorways	465.9	455.6	2.3%	3.0%
Other	31.7	34.9	-9.2%	-9.2%
Total	**2,609.6**	**2,476.8**	**5.4%**	**5.8%**

18. This division includes operations in the United States and Canada
19. The difference using current exchange rates reflects the appreciation of the US dollar against the Canadian dollar ($ 9.8m)

Sales in the **Airport** channel rose by 6.7% (+6.3% at current exchange rates). The growth reflects the good performance of U.S. airports [20] in terms of both average purchase per customer and number of transactions. CMS and Stellar Partners contributed $ 26m to the total. Sales at Canadian airports were slightly higher than in 2015, despite the still weak economy and the impact of construction work at some of the airports served.

Revenue in the **Motorway** channel was up by 3.0% (+2.3% at current exchange rates) thanks to the increase in average purchase per customer in the United States and the opening of a new rest area on the Ontario Turnpike in Canada.

Other channels, namely shopping centers, saw a decrease of 9.2% as a result of various closures.

($m)	Full Year 2016	Full Year 2015	Change 2015	Change At constant exchange rates
EBITDA	**295.0**	**281.9**	**4.6%**	**4.9%**
% on revenue	*11.3%*	*11.4%*		

EBITDA in North America came to $ 295.0m, up from $ 281.9m the previous year (+4.9% or +4.6% at current exchange rates). This amounts to 11.3% of revenue, in line with the previous year's margin of 11.4%. The improvement in the cost of goods sold, due to lower raw material prices and various measures taken by the Group, offset the sizeable increase in the hourly cost of labour and related indirect expenses that affected the entire US food & beverage industry.

($m)	Full Year 2016	Full Year 2015	Change 2015	Change At constant exchange rates
Capex	**134.8**	**124.6**	**8.2%**	**9.1%**
% on revenue	*5.2%*	*5.0%*		

Capital expenditure concerned the airports Houston/George Bush, Tampa, Los Angeles, Montreal and Orlando, and rest stops on the Massachusetts Turnpike, the Indiana Turnpike and the Ontario Turnpike.

20. Accounting for around 90% of the channel's revenue

International [21]

In 2016 these operations showed significant revenue growth driven by the performance of major airports served and by new openings. Profitability remains high, despite the start-up costs of the Dutch railway station locations. The Group continues to acquire new airport contracts in Northern Europe (Bergen and Rotterdam), the Middle East (Abu Dhabi and Doha) and Asia (Beijing).

Revenue totalled € 437m, an increase of 29.1% (+25.9% at current exchange rates) compared with € 347.0m the previous year.

					Organic growth			
	Full Year 2016	Full Year 2015	Actual FX	FX	Like-for-like growth	Net contract gains/(losses)	Calendar	Acquisitions/ (disposals)
International	437.0	347.0	25.9%	-3.2%	9.6%	17.0%	2.4%	

Revenue by geographical area

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
Northern Europe	314.2	244.6	28.4%	31.5%
Rest of the world	122.8	102.4	20.0%	23.3%
Total Revenue	**437.0**	**347.0**	**25.9%**	**29.1%**

Revenue by channel

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
Airports	391.1	331.7	17.9%	20.4%
Other	45.9	15.4	198.3%	236.4%
Total revenue	**437.0**	**347.0**	**25.9%**	**29.1%**

In the **airport channel**, sales were up by 20.4% (+17.9% at current exchange rates) thanks to excellent performance in the Netherlands (Schiphol), Vietnam and India, expanded operations in the United Kingdom and Finland, and the fledgling business in Beijing, China.

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

In the **Other** channel, growth was driven by new operations at railway stations in the Netherlands, which account for roughly 7% of all business in the International area.

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
EBITDA	51.0	42.4	20.3%	22.5%
% on revenue	*11.7%*	*12.2%*		

EBITDA for this area came to € 51.0m, up from € 42.4m in 2015, increasing by 22.5% (20.3% at current exchange rates) thanks to the rapid growth of sales. Net profit for the year reflects the start-up phase of the new Dutch railway station activities, which caused the profit to decrease from 12.2% of revenue in 2015 to 11.7% this year.

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
Capex	27.8	31.5	-11.9%	-8.9%
% on revenue	*6.3%*	*9.1%*		

In the **International** area, most capital expenditure concerned the Netherlands (Schiphol airport), Vietnam, the United Kingdom and Finland.

Europe

Since previous financial communications, the areas "Italy" and "Other European countries" have been merged to reflect the Group's organizational and managerial structure. The area also includes costs for European Support.

During the year the Group continued its policy of selective contract renewal, especially in Italy, and of leaving channels and countries of minor importance and/or limited growth opportunities. The careful management of personnel expense and procurement costs drove EBITDA upwards, including as a percentage of sales, despite the decrease in revenue related to the deliberately narrowed focus strategy.

Revenue in Europe totalled € 1,724.4m, compared with € 1,756.9m in 2015, showing a decrease of 1.7% at constant exchange rates (1.8% at current exchange rates).

					Organic growth			
	Full Year 2016	Full Year 2015	Actual FX	FX	Like-for-like growth	Net contract gains/ (losses)	Calendar	Acquisitions/ (disposals)
Europa	1,724.4	1,756.9	-1.8%	-0.2%	-0.1%	0.2%	0.2%	-2.0%
of which								
Italy	*1,042.0*	*1,057.4*	*-1.5%*		*-0.3%*	*-1.4%*	*0.2%*	
Other European countries	*682.5*	*699.5*	*-2.4%*	*-0.4%*	*0.2%*	*2.6%*	*0.2%*	*-5.2%*

Disposals include all operations at railway stations in France.

Revenue by geographical area

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
Italy	1,042.0	1,057.4	-1.5%	-1.5%
Other European countries	682.5	699.5	-2.4%	-2.0%
Total Revenue	**1,724.4**	**1,756.9**	**-1.8%**	**-1.7%**

Revenue by channel

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
Motorways	1,214.3	1,216.7	-0.2%	-0.1%
Airports	238.1	225.3	5.7%	6.1%
Other	271.9	314.8	-13.6%	-13.4%
Total revenue	**1,724.4**	**1,756.9**	**-1.8%**	**-1.7%**

In the **Motorway** channel, revenue was essentially unchanged at € 1,214.3m (€ 1,216.7m in 2015). Strong sales in France, Spain and Switzerland offset the slight decline in Italy (-0.8% to € 818.4m), caused by reduced operations as a result of the selective renewal of contracts during the bidding season.

Sales at **Airports** grew by 6.1%, from € 225.3m in 2015 to € 238.1m. The positive trend was driven by new openings at Geneva and Munich airports and by the excellent performances of Düsseldorf, Athens, and Palma de Mallorca. Brussels airport suffered a decline in sales due to the terrorist attack in March.

In **Other** locations, namely railway stations, high streets, commercial centers and trade fairs, revenue dropped by 13.4% as a result of the disposal of locations in France. On a like-for-like basis, sales in this channel were down by just 2.6% due to the reduced operations in Italy.

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
EBITDA	**121.4**	**102.6**	**18.3%**	**18.6%**
% on revenue	*7.0%*	*5.8%*		

EBITDA in Europe came to € 121.4m (€ 102.6m in 2015), increasing by 18.6% or 18.3% at current exchange rates. Net of the capital gain from the sale of the French railway station locations (€ 14.7m) and the contribution of that business, EBITDA amounts to € 103.9m, showing an increase of 10.0% on the previous year and rising from 5.6% to 6.1% of sales. The greater profitability reflects improvements made by the Group in terms of the cost of goods sold, personnel expense and operating costs. More specifically, personnel expense was reduced thanks to the agreement reached in 2015 for the new supplementary in-house contract in Italy.

Capital expenditure in **Europe** went mainly towards operations in Italy (Fiorenzuola d'Arda and Secchia rest stops and the new terminal at Fiumicino), France (Blois Villerboin and Nemours/Darvault rest stops), Switzerland (Geneva airport) and Germany (Frankfurt airport).

			Change	
(€m)	Full Year 2016	Full Year 2015	2015	At constant exchange rates
Capex	**77.4**	**66.8**	**15.8%**	**16.1%**
% on revenue	*4.5%*	*3.7%*		

Corporate costs

Corporate costs increased from € 25.7m in 2015 to € 27.3m, due chiefly to higher personnel and consulting costs.

1.4 Outlook [22]

In 2017 the Group expects to see solid revenue growth in North America, fueled in part by the full impact of the acquisitions made in 2016. The Group will maintain a sharp focus on profitability, given the persistent upward pressure on labour costs.

Sales in the International area continue to grow swiftly, especially with the completion of openings under contracts the Group acquired over the past two years, which will help increase absolute margins.

In Europe, Autogrill will maintain its strategy of selective renewals and greater efficiency, which has helped margins gain ground for the past two years and counting.

The Group is confident that over the next three years (2017-2019) can reach an average growth rate for sales between 5% and 7% and an average growth rate of 15% for EPS ("Earning Per Share"), on the basis of existing contracts and their duration, the quality of proprietary and third-party brands and concepts, and its competitive positioning in the main areas served.

SUBSEQUENT EVENTS

Since 31 December 2016, no events have occurred that would have entailed an adjustment to the figures reported or required additional disclosures.

22. This press release contains forecasts and estimates that reflect the opinions of the management ("forward-looking statements"), especially regarding future business performance, new investments and developments in the cash flow and financial situation. Such forward-looking statements have by their very nature an element of risk and uncertainty as they depend on the occurrence of future events. Actual results may differ significantly from the forecast figures and for a number of reasons, including by way of example: traffic trends in the countries and business channels where the Group operates; the outcome of procedures for the renewal of existing concession contracts and for the award of new concessions; changes in the competitive scenario; exchange rates between the main currencies and the euro, esp. the US dollar and UK sterling; interest rate movements; future developments in demand; changing oil and other raw material (food) prices; general global economic conditions; geopolitical factors and new legislation in the countries where the Group operates and other changes in business conditions. The Group's business is correlated to traffic flows
23. Assuming organic growth only and a euro/dollar exchange rate of 1.06 and calculating the both parameters on the basis of the figures for 2016 adjusted to exclude the effects of the disposals made in 2016

Baggage hall
Arrivals Exit
First aid
Eerste hulp
Airline lounges 25-52
By invitation only
B C
Gates
Transfer T2-3
GLASSES
Toilets

1.5 Other information

1.5.1 CORPORATE SOCIAL RESPONSIBILITY

In 2016 the Afuture Roadmap 2016-2018 took the place of the first Roadmap launched in 2011, setting new sustainability objectives to be reached over the next three years. The new plan was drafted in consideration of the topics relevant to Autogrill's business, the external context, and the internationally accepted themes covered by United Nations guidelines in its Sustainable Development Goals.

The Group's commitment to corporate social responsibility began in 2005 with the publication of its first Sustainability Report, which laid the foundations for projects aimed at building innovative Autogrill locations that would be both environmentally friendly and economically efficient. The Afuture project, established in 2007, was designed as an international breeding ground for ideas and was later transformed into a brand representing the Group's philosophy of sustainable, responsible business. In 2011, after a period of growth that allowed Autogrill to achieve ever greater awareness of CSR, it approved the Afuture Roadmap 2012-2015 that set the Group's sustainability goals for the period. In 2014, with the active participation of Management, the Group developed an internal method for the materiality analysis of sustainability issues, aimed at determining aspects significant for the sustainability of the business and for its stakeholders. The analysis is based on a matrix whose horizontal axis maps the importance of each aspect in terms of business success, while the vertical axis represents the point of view of the stakeholders. The issues found to be material were the quality of worker relations, human resource development and skills appraisal (APeople); product quality and safety, accessibility and quality of services, product information and communication, and supply chain management (AProduct); and waste management (APlanet).

For details of the analysis, see the 2016 Sustainability Report, published online at www.autogrill.com (Sustainability section).

Autogrill's policy for employees

Autogrill works on the assumption that a clear policy of responsibility toward its employees gives it a competitive edge, because employees are its human capital: the wealth of skills, competencies and qualifications that make the company stand out.

In the reality of the individual setting, where customers are greeted and served, each employee represents Autogrill and its values: the company's philosophy, its know-how and the way it treats the environment. Because a satisfied customer is the best advertisement a company can have, good management of the relationship between the Group and its employees is strategically vital. To make the most of the skills and expertise found in different countries, over the last few years a European organizational model has been developed, leading to the creation and integration of regional and international teams.

Dialogue and engagement

In an ongoing effort to encourage transparency and a sense of individual and collective responsibility in line with the Group's values, in May 2016 a European platform called "Open Line" was launched as an additional two-way channel of communication between Autogrill and its staff. Open Line is a natural extension of "Do You Feel Good?", the online survey conducted since 2012 to measure employee engagement. The survey involves countries in the European area, identifying issues in need of improvement and the most effective ways of getting employees more engaged in and satisfied with their work. After the results are read and discussed, management is involved first-hand in developing a plan of action to be implemented at headquarters and locally, for each issue requiring attention. Feedback is the norm in all countries where the Group operates, in the form of an open door policy where the relationship between parties at every level — locally and at headquarters — is open and encouraging.

Other feedback systems vary from country to country. In Italy, all staff members have two email accounts, one for *Social Accountability 8000* where they can address concerns relating to professional ethics, and one for reporting any stressful work situations.

This is a direct means of drawing attention to any conduct inconsistent with the Group's Code of Conduct, but also of signaling excellent behaviour, while ensuring the confidentiality of information and the privacy of individuals.

In North America, HMSHost provides a free 24/7 hotline that employees can call to discuss any topic of concern, as well as a web-based line for comments or complaints.

Work-life balance

A healthy relationship between company and staff is rooted in care for the individual and his or her wellbeing, both on and off the job. For Autogrill, this means working on two different planes: professional and individual growth, by way of work-life balance initiatives.

On the professional plane, the Autogrill Group focuses on selection processes based on aptitudes and skills, as well as international job rotation. To work on these aspects effectively and uniformly, Autogrill uses a single process and a single platform for appraising performance and skills throughout Europe. To support employee development at European locations, in 2014 Autogrill launched "Academy": a common training and development program with the course of study designed ad hoc on the basis of professional experience. For store employees, some countries have their own Academy Operations program, with course material differentiated by role.

As for the "life" part of the work-life balance, Autogrill provides its employees with a broad range of perks designed to increase leisure time and spending power, including discounts on products and services that differ from country to country (from insurance to online shopping).

Health and safety

Autogrill's commitment to the health and safety of all employees and consumers translates into prevention, technology, training, and day-to-day monitoring. Autogrill performs preventive assessments of workplace hazards so it can take the most suitable measures, such as new operating procedures or the purchase of individual protection devices that will eliminate or minimize risks. To make sure these measures are effective, the types of accidents that occur are constantly monitored, along with the steps taken to mitigate the hazards.

Autogrill and the environment

Environmental issues — climate change, access to clean water, waste disposal, etc. — concern people, organizations and institutions all over the world. Autogrill believes it is the personal contribution of each individual that makes the difference. Simple, everyday habits can help reduce energy consumption without sacrificing quality of life. Although Autogrill is a service provider and not a manufacturer, we feel a responsibility to reduce our consumption of energy and natural resources in favour of clean energies and recycled materials that are friendly to our Earth. We do this by designing green facilities, properly managing resources and processes, monitoring performance and, most importantly, enlisting the help of our employees.

Protecting the environment and the Earth's resources means, above all, consuming less. And consuming less energy and water while properly handling waste takes commitment from everyone, from those who design our buildings and their plants & systems to those who run our operations day by day. Given the different contexts in which it works, Autogrill conducts a wide variety of projects on various levels to ensure such efficiency.

Waste management

The Group's three business segments have a country-by-country program for monitoring the volume of waste, based on local laws and the characteristics of each location, including the collection and recycling system. Autogrill is working to reduce non-recycled waste by implementing collection and recycling systems at stores, and is also installing compactors and glass crushers in order to decrease overall volumes so that fewer pickups are required. Some examples: in France, at the Carrousel du Louvre location, clients are actively involved in recycling PET bottles and aluminium cans. The plastic parts of take-away packaging have been eliminated and all plastic bags for retail purchases have been replaced with biodegradable bags. In March 2016, Autogrill Iberia launched a project in collaboration with Fundación SEUR for the collection and recycling of plastic bottle caps. In 2015 HMSHost International began to collect plastic bottles to be recycled as chairs and T-shirts (80% recycled PET and 20% cotton). Initially tested at Schiphol airport in Amsterdam, the project has been extended to the other airports in Northern Europe. In Italy Autogrill has launched a project to recycle the organic waste of the rest stops at Villoresi Est, Brianza Nord and Brianza Sud, just outside Milan, to fertilize a vegetable garden at the Bosco di Vanzago WWF nature reserve.

Energy and water management

Autogrill is working hard to decrease its energy and water consumption by using new technologies and equipment, collaborating with partners, and getting employees involved. Systems to monitor consumption and prevent waste are in constant operation at the company's major locations.

Environmental certification

Autogrill's possession of environmental certification is a natural consequence of its commitment to the world around us; in recent years it has focused chiefly on LEED® New Construction for Retail.

Main certifications obtained

Certification	Applies to
LEED® Gold	Italy – Autogrill S.p.A.: Villoresi Est
LEED® Gold	Canada – HMSHost: 4 rest stops
LEED® Silver	Canada – HMSHost: 11 rest stops
LEED® Gold	USA – HMSHost: Bethesda HQ
LEED® Silver	USA – HMSHost: Delaware House Travel Plaza
ISO 50001 - Energy Management Systems	Italy – Autogrill S.p.A.: Villoresi Est
ISO 14001: 2015	Italy – Autogrill S.p.A.: HQ, Villoresi Est, Brianza Sud and locations at Caselle Airport in Turin; Nuova Sidap
EMAS	Italy – Autogrill S.p.A.: HQ, Villoresi Est, Brianza Sud
HQE (High Quality Environmental)	France – Autogrill Côté France: Canave, Ambrussum
BBC (Low Consumption Building)	France – Autogrill Côté France: Ambrussum
ISO 14001	Spain – Autogrill Iberia: Ciao at Telefonica (Madrid)
California Green Building Code - Level I and California Energy Standard - Title 24	USA – HMSHost: locations at Los Angeles International Airport
Energy Star	USA – HMSHost: Bethesda HQ

Keeping tabs through the Sustainability Report

The Autogrill Group's Sustainability Report is based on the Sustainability Reporting Standards defined in 2016 by the Global Reporting Initiative ("In accordance" – Core option). It is reviewed independently by Deloitte & Touche S.p.A.

The Sustainability Report is public and is made available each year to the stakeholders. Since 2008 it has been submitted annually to the Board of Directors. The information provided in the Corporate Social Responsibility section is further detailed in that report, which can be downloaded from the Sustainability section at www.autogrill.com.

1.5.2 MAIN RISKS AND UNCERTAINTIES FACED BY THE AUTOGRILL GROUP

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 Group Risk Management department ensures the uniform handling of risks across the different organizational units. Autogrill has developed a model based on the systematic identification, analysis and assessment of the risk areas that may hinder the achievement of strategic goals. The model helps evaluate the company's overall exposure to risks, guide the necessary mitigation efforts, and reduce the volatility of business objectives.

The main risk areas — strategic, operational and financial — are presented below.

Strategic risks

Mitigating factors

Business and market context

The Group's operations are influenced by exogenous (hence uncontrollable) factors that may affect traffic flows and travellers' attitude to consume. These include:

- the general economic situation and its contributing trends: consumer confidence, unemployment, and inflation that cannot be transferred to prices;
- rising oil prices and, in general, the increasing cost of transport;
- changes in consumers' habits in terms of tastes, consumption style and means of travel;
- weather events affecting mobility;
- legislative or regulatory changes affecting the channels served by the Group or the concession system;
- the introduction of more restrictive procedures, regulations and controls that can influence consumers' propensity to buy, most typically in the airport channel;
- competitive developments in the air traffic industry and changes in airline policies.

This risk is mitigated by the diversification of the Group's activities in terms of channels (airports, motorways and railway stations) and geographical areas served.

The Group also has a system for the constant monitoring of performance, the market, and consumer behaviour so that it can react quickly to signs of changes in exogenous factors by updating its menus or service propositions.

Concessions

Most of the Group's operations are conducted under long-term contracts, awarded through competitive bidding, that grant it the right to operate in designated areas of airports, motorways and railway stations. Concessions are therefore fundamental to the Group for achieving its strategic goals.
Risks in this area concern:

- the Group's ability to renew concessions or win new ones;
- the possibility that contracts will be less profitable than expected at the time they were awarded, which would reduce the return on investment, and possibly cause losses given that there is generally an obligation to pay minimum rent regardless of the revenue earned.

The Group mitigates these risks by following an approach aimed at building and maintaining a collaborative partnership with the concession grantor, based in part on the constant development of innovative concepts and commercial solutions that help both parties achieve maximum gain from the infrastructure.

Brands and concepts

The Group operates through proprietary brands and concepts as

Autogrill has teams dedicated to keeping menus up-to-date through the

Strategic risks	Mitigating factors
well as many owned by third parties, which range from local favourites to international household names. The corresponding risks concern: – the loss of significant partnerships or the inability to strike up new ones that will draw clientele; – the decreased attractiveness of concepts or brands in the portfolio both of which could interfere with Autogrill's ability to compete for contracts and reach its strategic goals.	development of new concepts and the ongoing review of partner brands, so that the most innovative and attractive brands the market has to offer are always in the Group's portfolio. This risk is also mitigated by the Group's emphasis on building and maintaining collaborative relationships its partners and with licensors of the most popular brands.
Competition In recent years, the competitive landscape has changed as more businesses of every size organize to bid for contracts. In part, this is because concession grantors — especially at airports — are demanding changes such as the presence of local brands (which were previously unable to compete) and direct partnerships with international brands. The risk is therefore that competition will become more difficult and limit the Group's growth.	Autogrill has a system for analyzing industry and channel trends and for monitoring the Group's position. A structured process of evaluating bidding opportunities ensures that its tenders are competitive, yet consistent with its internal investment criteria.
Innovation The Group's ability to maintain a constant process of innovation for its products, concepts and services allows it to react promptly to changes in the consumption habits and tastes of its clientele and is therefore key to satisfying customers and concession grantors. The risk is that this ability would be diminished, which would have a direct impact on sales performance and reputation and thus on the achievement of strategic goals.	The Group mitigates this risk by: – monitoring performance (quality of service, positioning, attractiveness of products and of the brand and concept portfolio); constantly revising menus by coming up with flexible new concepts; upgrading to the latest technology; and reviewing the portfolio of partner brands to offer the most attractive, innovative names available on the market; – developing customer retention initiatives and client satisfaction analyses; – training workers to ensure high standards of service.
Reputation The key stakeholders from this point of view are customers, concession grantors and licensors. Reputation is a significant factor when grantors decide to award or renew concessions.	The Group constantly monitors its quality of service with respect to customers (perceived satisfaction and product safety), concession grantors (quantitative and qualitative parameters set out in the contract)

Strategic risks

Therefore, reputation damage entails the risk of:
- harming relationships with grantors and licensors;
- threatening contract renewals;
- making the brand less attractive to customers.

The causes stem primarily from the perceived deterioration of service and an inability to satisfy contractual commitments with grantors and licensors.
Loss of reputation can also have indirect causes beyond Autogrill's control. In Italy, for example, the fact that many travellers use the Group's name to refer to highway rest stops in general ("let's stop at the autogrill") exposes operations in the motorway channel to reputation risk due to shortcomings mistakenly attributed to the Group that actually apply to its competitors.

Likewise, for operations involving the sale of third-party brands under license or commercial partnerships (a model used widely in emerging markets), any reputation damage suffered by the licensor or partner may expose Autogrill to a potential loss of business due to factors beyond its control.
The widespread and ever growing use of online channels (websites, social media, etc.) is a powerful communications tool because large numbers of people can be reached very quickly, but it also means that false or defamatory news is magnified and may create crisis situations requiring specialized intervention.

Mitigating factors

and licensors (observance of operating and development standards); for the largest and most sensitive brands, this includes brand champions hired by headquarters for local support. In addition, suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill.
To protect its web reputation, Autogrill has implemented specific policies designed to regulate interaction with the web community and to govern crisis management procedures.

Development in emerging markets

The Group operates in various emerging markets through partnerships with local operators that in some cases require their active participation in store management; it hopes to expand into others.
In addition to risks such as political or social instability and the establishment/enforcement of trade restrictions, it is possible that local

Mitigating factors: The Group pursues and favours contracts that leave it in control of operations and commercial aspects. In any case, Autogrill is entitled by contract to perform audits ensuring compliance with service and quality standards.

Strategic risks	Mitigating factors
partners will fail to meet their contractual obligations, including in terms of the operating standards needed to ensure a good level of quality and service — which could affect profitability and/or reputation.	
Human resource retention Any lessening of the Group's ability to attract, motivate and retain key employees would make it vulnerable to losing personnel with crucial expertise.	To mitigate that risk, Autogrill's salary policies ensure constant comparison with multinational and Italian companies in the consumer goods industry whose complexity, distribution intensity and capital expenditure are comparable to those of the Group. It also adopts policies and initiatives designed to motivate and retain talent.

Operational risks	Mitigating factors
Business interruption Business may be interrupted briefly or for longer periods, generally as a result of uncontrollable events such as: – natural disasters and weather emergencies; – acts or threats of terrorism; – pandemics; – hostilities or wars; – strikes; – political instability. Such events could: – involve Autogrill locations directly and force them to close; – halt or significantly reduce passenger traffic; – hurt critical points of the supply chain (suppliers or partners interdependent with Autogrill); – damage or affect the functioning of IT systems and network infrastructures that support key business processes. In the case of IT systems, this can also take the form of cyber attacks.	To mitigate business interruption risks, the Group has security and prevention systems and emergency management plans specific to each type of event. It can also rely on Group-wide and local plans with major insurers, including coverage for material damage and interruption of business and for third-party liability. In addition, concession agreements generally protect the Group against infrastructure closures caused by force majeure, at least as far as minimum rents are concerned.
Data security Cyber risks are exacerbated by the growing enjoyment and distribution of goods and services over expanding global networks, and the use of information technologies to communicate and transfer data in	The Group has implemented personnel information and awareness campaigns on the risks of internet, social media and e-mail, as well as a graduated system for evaluating threats and the resiliency of existing

Operational risks	Mitigating factors
real time with people all over the world. The main cyber risks consist of: – cyber attacks through the use of malware or ransomware; – the hacking or counterfeiting of a company's e-mail in order to steal information or order payments to non-entitled parties. The impact may extend to: – reputation damage caused by an attack designed to steal sensitive data or identities; – difficulty with standard operations if the attack aims to thwart access to necessary computer systems by authorized users (e.g. supply chain management); – fines, in the event that sensitive data has not been protected in accordance with the latest international directives.	protections to cyber attacks, including through the use of vulnerability tests.
Labour Labour is a significant factor for the Group, whose business has a strong customer service component. The complexity of regulations in the many countries served by the Group and the need to keep service quality up to customers' and concession grantors' standards give the Group less flexibility to manage its workforce. Risks relating to labour therefore include: – major increases in the cost per employee; – more stringent government regulations. For example, the recent "living wage laws" enacted in some states of the U.S. increase minimum wages and will be gradually extended to other states.	These risks are mitigated through the constant review of operating procedures, based in part on digital technologies, to make the most efficient use of labour and increase flexibility.
Quality, health, security and environment Autogrill's industry is highly regulated in terms of operating practices and worker and customer health and safety, which involves personal protections as well as product and environmental standards. Any violation of such norms, as they apply to concession operators or companies in the oil business, would	The Group has set up region-wide quality assurance systems based on preventing risks through the assessment of raw materials, products and their suppliers; on systematic monitoring and control using specific KPIs; and on verifying the effectiveness of these measures through specialized audits.

Operational risks

not only expose the Group to legal consequences but could diminish its reputation with concession grantors and customers.

Mitigating factors

On the environmental front, the Group has adopted high safety standards and solid, reliable practices to ensure compliance with environmental regulations and the protection of people, natural settings, operations, property and the affected communities.
The internal units, with assistance from specialized experts, stay constantly abreast of legal developments and adapt their procedures and control systems accordingly while bringing personnel up to date.
There is also a monitoring system that constantly audits the quality of service with respect to customers' expectations and contractual/legal requirements, as well as the controls in place to reduce accidents in the workplace.

Supply chain

Events interfering with the supply chain and logistics could prevent Autogrill from maintaining a complete assortment. It is also exposed to the risk of rising raw material prices.

To counter procurement risks, the Group has continuity plans as mentioned in the "business interruption" section.
As for raw material prices, specialized internal units set efficiency targets and strive to meet them by negotiating agreements with key suppliers; for strategic materials, prices may be indexed to protect the Group from temporary spikes.

Financial risks

Regarding the management of financial risks, consisting mostly of interest rate, exchange rate and liquidity risk, see the financial risk management section of the notes.

Mitigating factors

Autogrill manages its financial risks by defining Group-wide guidelines that inform financial management of its operating units, as part of an overall policy of financial independence.
The Finance department ensures that the financial risk management policies are harmonized, indicating the most suitable financial instruments and monitoring the results achieved.
The Autogrill Group does not allow the use of speculative derivative instruments.
The Group also strives for a certain financial flexibility, maintaining enough cash and committed credit lines to cover its refinancing needs for at least 12 to 18 months.

1.5.3 CORPORATE GOVERNANCE

All information on this subject is included in the Corporate Governance Report, prepared in accordance with Art. 123-*bis* of Legislative Decree 58 of 24 February 1998 and approved by the Board of Directors along with the annual report. It is available at Autogrill's headquarters and secondary office and online at www.autogrill.com (Governance section).

1.5.4 MANAGEMENT AND COORDINATION

At its meeting of 18 January 2007, the Board of Directors decided that there were no conditions whereby Autogrill would be subject to the management and coordination of the parent, Schematrentaquattro S.r.l. (which became Schematrentaquattro S.p.A. on 18 November 2013), pursuant to Art. 2497-*bis* of the Italian Civil Code. Specifically, at that meeting the Board verified that there were no indicators of effective dominant influence by the controlling shareholder, given Autogrill's extensive managerial, organizational and administrative autonomy and the lack of instructions or directives from Schematrentaquattro S.p.A. In early 2017 the Company began a process to evaluate whether the elements leading to its decision of 18 January 2007 still apply.

1.5.5 RELATED PARTY TRANSACTIONS

Transactions with the Group's related parties do not qualify as atypical or unusual and fall within the normal sphere of operations. They are conducted in the interests of Autogrill S.p.A. and the Group on an arm's length basis.

See the section "Other information" in the notes to the 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). The "Procedure for related party transactions" is available online at www.autogrill.com (Governance section/ Related parties).

1.5.6 STATEMENT PURSUANT TO ART. 2.6.2(8) OF THE REGULATIONS FOR MARKETS ORGANIZED AND MANAGED BY BORSA ITALIANA S.P.A.

In respect of Art. 36 of CONSOB Regulation no. 16191 of 29 October 2007 on conditions for the listing of companies that control entities formed or governed under the laws of countries outside the European Union that are of material significance to the consolidated financial statements, we report that two companies fall under these provisions (HMSHost Corp. and Host International Inc.), that suitable procedures have been adopted to ensure total compliance with said rules, and that the conditions stated in Art. 36 have been satisfied.

1.5.7 RESEARCH AND DEVELOPMENT

In relation to the nature of its activities, the Group invests in innovation, product development, and improvements to the quality of service.
It does not conduct technological research as such.

1.5.8 TREASURY SHARES

The annual general meeting of 26 May 2016, after revoking the authorization granted on 28 May 2015 and pursuant to Arts. 2357 *et seq.* of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2016 Autogrill S.p.A. owned 365,212 treasury shares (365,212 at the end of 2015), with a carrying amount of € 1,447k and an average carrying amount of € 3.96 per share.

Autogrill S.p.A. does not own equities or other securities representing the share capital of the ultimate parents, and did not at any time during the year, either directly or through subsidiaries, trust companies or other intermediaries.

1.5.9 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In 2016, 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.

1.5.10 ATYPICAL OR UNUSUAL TRANSACTIONS

In 2016 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

1.5.11 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 transfers.

1.5.12 RECONCILIATION BETWEEN PARENT AND CONSOLIDATED EQUITY

(k€)	Equity at 31.12.2015	Changes in the equity	Profit for the year 2016	Equity at 31.12.2016
Autogrill S.p.A. separate financial statements	475,659	(31,017)	36,455	481,097
Effect of the consolidation of subsidiaries' financial statements and related deferred taxation	27,635	780	61,773 *	90,188
Translation reserve	56,278	16,045	-	72,323
Group consolidated financial statements	**559,572**	**(14,192)**	**98,228**	**643,608**
Equity attributable to non-controlling interests	40,400	(12,697)	16,294	43,997
Total consolidated equity	**599,972**	**(26,888)**	**114,522**	**687,605**

* The amount includes the combined effect of the subsidiaries contribution to consolidated profit (€ 117,262k) and the elimination of dividends paid by subsidiaries to the parent (€ 66,989k) and the reversal of write -off of the french subsidiaries (€ 11,500k)

2


CAFFETTERIA
THE
AMERICANO
LA NOSTRA MISCELA PER
ESPRESSO
100%
PURE ARABICA
CUPS

Consolidated financial statements

2.1 Consolidated financial statements

2.1.1 STATEMENT OF FINANCIAL POSITION

Note	(€k)	31.12.2016	Of which related parties	31.12.2015	Of which related parties
	ASSETS				
	Current assets	**496,761**		**525,048**	
I	Cash and cash equivalents	158,744		161,834	
II	Other financial assets	38,563		45,105	
III	Tax assets	3,268		11,234	
IV	Other receivables	118,625	14,314	122,128	15,991
V	Trade receivables	58,105	2,781	48,314	1,834
VI	Inventories	119,456		136,433	
	Non current assets	**1,922,782**		**1,876,539**	
VII	Property, plant and equipment	896,533		875,984	
VIII	Goodwill	869,318		864,469	
IX	Other intangible assets	81,289		56,877	
X	Investments	4,610		6,836	
XI	Other financial assets	18,325	3,792	15,169	
XII	Deferred tax assets	41,644		45,511	
XIII	Other receivables	11,063		11,693	
	Assets for discontinued operations	-		-	
	TOTAL ASSETS	**2,419,543**		**2,401,587**	
	LIABILITIES AND EQUITY				
	LIABILITIES	**1,731,938**		**1,801,615**	
	Current liabilities	**1,004,886**		**848,310**	
XIV	Trade payables	359,832	31,529	398,802	32,648
XV	Tax liabilities	8,619		6,320	
XVI	Other payables	356,728	2,121	326,655	2,130
XIX	Bank loans and borrowings	108,046		87,989	
XVII	Other financial liabilities	11,716		9,288	
XXI	Bonds	143,177		-	
XXIII	Provision for risks and charges	16,768		19,256	
	Non-current liabilities	**727,052**		**953,305**	
XVIII	Other payables	38,980		31,392	
XIX	Loans, net of current portion	181,989		276,291	
XX	Other financial liabilities	7,603		5,357	
XXI	Bonds	330,381		461,713	
XII	Deferred tax liabilities	34,342		41,456	
XXII	Defined benefit plans	90,835		100,195	
XXIII	Provision for risks and charges	42,922		36,901	
	Liabilities for discontinued operations	-		-	
XXIV	**EQUITY**	**687,605**		**599,972**	
	– attributable to owners of the parent	643,608		559,572	
	– attributable to non-controlling interests	43,997		40,400	
	TOTAL LIABILITIES AND EQUITY	**2,419,543**		**2,401,587**	

2.1.2 INCOME STATEMENT

Note	(€k)	2016	Of which related parties	2015	Of which related parties
XXV	Revenue	4,940,989	41	4,805,890	40
XXVI	Other operating income	100,745	1,420	102,043	3,429
	Total revenue and other operating income	**5,041,734**		**4,907,933**	
XXVII	Raw materials, supplies and goods	1,809,451	141	1,826,884	248
XXVIII	Personnel expense	1,495,748	6,771	1,423,876	5,530
XXIX	Leases, rentals, concessions and royalties	796,134	74,984	751,385	74,081
XXX	Other operating expense	543,493	4,601	532,299	4,550
XXXI	Depreciation and amortization	204,423		208,861	
XXXI	Impairment losses on property, plant and equipment and intangible assets	6,143		12,721	
XXXII	Gain on operating activity disposal	14,669		-	
	Operating profit	**201,011**		**151,907**	
XXXIII	Financial income	1,344	24	1,858	23
XXXIII	Financial expense	(32,904)	(483)	(39,448)	(851)
	Income (expense) from investments	859		(1,003)	
	Pre-tax profit	**170,310**		**113,314**	
XXXIV	Income tax	(54,551)		(34,504)	
XXXV	**Profit for the year - continuing operations**	**115,759**		**78,810**	
XXXV	Profit/(loss) for discontinued operations	(1,237)		(263)	
	Profit for the year	**114,522**		**78,547**	
	Profit for the year attributable to:				
	– owners of the parent	98,228		64,153	
	– non-controlling interests	16,294		14,394	
XXXV	**Earnings per share (in € cents)**				
	– basic	38.7		25.3	
	– diluted	38.7		25.3	

2.1.3 STATEMENT OF COMPREHENSIVE INCOME

Note	(€k)	2016	2015
	Profit for the year	**114,522**	**78,547**
	Items that will never be reclassified to profit or loss		
XXIV	Remeasurements of the defined benefit (liabilities)/asset	832	(136)
XXIV	Tax on items that will never be reclassified to profit or loss	(228)	(580)
		604	**(716)**
	Items that may be subsequently reclassified to profit or loss		
XXIV	Effective portion of fair value change in cash flow hedges	-	2,649
XXIV	Equity-accounted investee - share of other comprehensive income	179	(603)
XXIV	Gain/(loss) on fair value of available-for-sale financial assets	-	581
XXIV	Foreign currency translation differences for foreign operations	16,954	34,825
XXIV	Gain/(loss) on net investment hedge	(187)	(5,476)
XXIV	Tax on items that may be subsequently reclassified to profit or loss	44	(221)
		16,990	**31,755**
	Total other comprehensive income for the year	**132,116**	**109,586**
	– attributable to owners of the parent	114,877	96,521
	– attributable to non-controlling interests	17,239	13,065

2.1.4 STATEMENT OF CHANGES IN EQUITY (NOTE XXIV)

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Available-for-sale financial assets reserve	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2015	**68,688**	**13,738**	**-**	**56,278**	**358,162**	**(1,447)**	**-**	**64,153**	**559,572**	**40,400**
Total other comprehensive income for the year										
Profit for the year								98,228	98,228	16,294
Foreign currency translation differences for foreign operations	-	-	-	16,009	-	-	-	-	16,009	945
Gain/(loss) on net investment hedge, net of the tax effect	-	-	-	(143)	-	-	-	-	(143)	-
Equity – accounted investee – share of other comprehensive income	-	-	-	179	-	-	-	-	179	-
Remeasurements of the defined benefit (liabilities)/ asset, net of the tax effect (XXII)	-	-	-	-	604	-	-	-	604	-
Total other comprehensive income for the year	**-**	**-**	**-**	**16,045**	**604**	**-**	**-**	**98,228**	**114,877**	**17,239**
Transaction with owners of the parent, recognised directly in equity										
Contributions by and distributions to owners of the parent										
Allocation of 2015 profit to reserves	-	-	-	-	64,153	-	-	(64,153)	-	-
Capital increase	-	-	-	-	-	-	-	-	-	11,620
Dividend distribution	-	-	-	-	(30,484)	-	-	-	(30,484)	(24,366)
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**-**	**33,669**	**-**	**-**	**(64,153)**	**(30,484)**	**(12,746)**
Changes in ownership interests in subsidiaries										
Sale of non-controlling interests					(357)				(357)	(896)
Total transactions with owners of the parent	**-**	**-**	**-**	**-**	**33,312**	**-**	**-**	**(64,153)**	**(30,841)**	**(13,642)**
31.12.2016	**68,688**	**13,738**	**-**	**72,323**	**392,078**	**(1,447)**	**-**	**98,228**	**643,608**	**43,997**

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Available-for-sale financial assets reserve	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2014	**68,688**	**13,738**	**(1,921)**	**25,529**	**331,264**	**(3,450)**	**(421)**	**25,107**	**458,534**	**32,125**
Total other comprehensive income for the year										
Profit for the year								64,153	64,153	14,394
Effective portion of fair value change in cash flow hedges, net of tax effect	-	-	1,921	-	-	-	-	-	1,921	-
Foreign currency translation differences for foreign operations	-	-	-	36,161	-	-	-	-	36,161	(1,336)
Gain/(loss) on net investment hedge, net of the tax effect	-	-	-	(4,809)	-	-	-	-	(4,809)	-
Equity – accounted investee – share of other comprehensive income	-	-	-	(603)	-	-	-	-	(603)	-
Gain/(loss) on fair value of available-for-sale financial assets, net of the tax effect	-	-	-	-	-	-	421	-	421	-
Remeasurements of the defined benefit (liabilities)/ asset, net of the tax effect (XXII)	-	-	-	-	(723)	-	-	-	(723)	7
Total other comprehensive income for the year	**-**	**-**	**1,921**	**30,749**	**(723)**	**-**	**421**	**64,153**	**96,521**	**13,065**
Transaction with owners of the parent, recognised directly in equity										
Contributions by and distributions to owners of the parent										
Allocation of 2014 profit to reserves	-	-	-	-	25,107	-	-	(25,107)	-	-
Capital increase	-	-	-	-	-	-	-	-	-	18,379
Dividend distribution	-	-	-	-	-	-	-	-	-	(21,448)
Effect due to stock option exercise	-	-	-	-	102	2,003	-	-	2,105	-
Other movements (disposal of US Retail division net of tax effect)	-	-	-	-	2,412	-	-	-	2,412	(1,721)
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**-**	**27,621**	**2,003**	**-**	**(25,107)**	**4,517**	**(4,790)**
Changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**27,621**	**2,003**	**-**	**(25,107)**	**4,517**	**(4,790)**
31.12.2015	**68,688**	**13,738**	**-**	**56,278**	**358,162**	**(1,447)**	**-**	**64,153**	**559,572**	**40,400**

2.1.5 STATEMENT OF CASH FLOWS

(€k)	2016	2015
Opening net cash and cash equivalents	**108,845**	**142,814**
Pre-tax profit and net financial expense for the year	201,871	150,905
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	210,566	221,582
Adjustment and (gains)/losses on disposal of financial assets	(859)	1,003
(Gain)/losses on disposal of non-current assets	(3,621)	(4,788)
Gain on operating activity disposal	(14,669)	-
Other non-cash items	-	(103)
Change in working capital	(9,482)	10,250
Net change in non-current non-financial assets and liabilities	8,078	2,029
Cash flow from operating activities	**391,884**	**380,878**
Taxes paid	(45,399)	(51,559)
Interest paid	(28,056)	(35,464)
Net cash flow from operating activities	**318,429**	**293,855**
Acquisition of property, plant and equipment and intangible assets paid	(220,168)	(226,288)
Proceeds from sale of non-current assets	5,643	8,347
Acquisition of consolidated equity investments	(3,819)	(850)
Acquisitions/Disposals*	4,601	23,357
Net change in non-current financial assets	3,182	3,195
Net cash flow used in investing activities	**(210,561)**	**(192,239)**
Issue of new non-current loans	-	274,992
Repayments of non-current loans	(39,339)	(336,136)
Repayments of current loans, net of new loans	(9,021)	(68,669)
Dividends paid	(30,484)	-
Excercise of stock options	-	2,105
Other cash flows **	(7,727)	(8,702)
Net cash flow used in financing activities	**(86,571)**	**(136,410)**
Cash flow for the year - continuing operations	**21,297**	**(34,794)**
Net cash flow from operating activities – discontinued operations	2,518	3,302
Net cash flow used in investing activities – discontinued opeations	(734)	(1,051)
Net cash flow used in financing activities – discontinued operations	(531)	(2,774)
Cash flow for discontinued operations	**1,253**	**(523)**
Effect of exchange on net cash and cash equivalents	(2,697)	1,348
Closing net cash and cash equivalents	**128,698**	**108,845**

* See paragraph "2.2.2 Discontinued operations", "2.2.3 Disposals" and "2.2.4 Business combinations"
** Includes dividend paid to minority shareholders in subsidiaries

Reconciliation of net cash and cash equivalents

(€k)	2016	2015
Opening – net cash and cash equivalents – balance as of 1st January 2016 and as of 1st January 2015	**108,845**	**142,814**
Cash and cash equivalents	161,834	183,241
Current account overdrafts	(52,989)	(40,427)
Closing – net cash and cash equivalents – balance as of 31 December 2016 and as of 31 December 2015	**128,698**	**108,845**
Cash and cash equivalents	158,744	161,834
Current account overdrafts	(30,046)	(52,989)

2.2 Notes to the 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 ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

General standards

These financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union. IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).

The financial statements are also compliant with the rules on reporting formats adopted by CONSOB in accordance with Art. 9 of Legislative Decree 38/2005 and with the other CONSOB regulations on financial reporting.

The financial statements were prepared on a going-concern basis using the euro as the functional currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (€k).

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2016:
- Amendments to IAS 19 Employee benefits: employee contributions, governing the accounting treatment of contributions from employees or third parties to defined benefit plans.
- Annual improvements to IFRS (2010-2012 cycle), introducing clarifications and guidance regarding the following standards: IFRS 2, IFRS 3, IFRS 8, IAS 13, IAS 16, IAS 38 and IAS 24.
- Amendments to IAS 1: Disclosure initiative, which clarify the concepts of materiality and aggregation/disaggregation in financial statements, notes and specific IFRS disclosure requirements and the presentation of OCI items of equity-accounted associates and joint ventures.
- Annual improvements to IFRS (2012-2014 cycle), introducing clarifications and guidance regarding the following standards: IFRS 5, IFRS 7, IAS 19 and IAS 34.

- Amendments to IAS 16 and IAS 38: clarification of acceptable methods of depreciation and amortization, which exclude the use of revenue-based methods.
- Amendments to IFRS 11: Acquisition of an interest in a joint operation, requiring that such interests be accounted for in accordance with IFRS 3 if the operation constitutes a business as defined by IFRS 3.
- Amendments toIFRS 10, IFRS 12 and IAS 28: Investment Entities – applying the consolidation exception.

The application of the standards and interpretations listed above did not affect the Group's financial statements to an extent requiring mention in these notes.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in years beginning on or after 1 January 2017 that the Group did not choose to apply early in the 2016 financial statements:
- IFRS 15: Revenue from contracts with customers;
- IFRS 9: Financial instruments.

The application of the standards and interpretations listed above is not expected to influence the Group's financial statements to an extent requiring mention in these notes.

Concerning the future implementation of the new IFRS 16 – Leases, which is expected to be endorsed by the EU during the second half of 2017 and will replace IAS 17 – Leasing as from 1 January 2019, the Group has set up a program to analyze its contracts in detail and estimate the impact of the new standard.

Structure, format and content of the consolidated financial statements

The financial statements are clearly presented and give a true and fair view of the Group's financial position, results and cash flows. Formats and standards are constant over time.

Pursuant to IAS 1(24) and IAS 1(25), the consolidated financial statements have been prepared on a going concern basis.

In accordance with IAS 1 and IAS 7, the formats used in the 2016 consolidated financial statements are as follows:
- Statement of financial position, with assets and liabilities split between current and non-current items;
- Income statement, with costs classified by nature;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows, using the indirect method to determine cash flow from operating activities.

The financial statements of each company in the scope of consolidation are prepared in the currency of its primary location (functional currency). For the purposes of the consolidated financial statements, the assets and liabilities of foreign subsidiaries with a functional currency other than the euro, including goodwill and fair value adjustments generated by the acquisition of a foreign business, are translated at the rates prevailing at year end. Income and expense are converted at average exchange rates for the year, which approximate those in force when the corresponding transactions took place. Exchange differences are recognized in the statement of comprehensive income and shown under "translation reserve" in the statement of changes in equity. Exchange gains and losses arising from receivables or payables with foreign operations, the collection or payment of which is neither planned nor likely in the foreseeable future, are treated as part of the net investment in foreign operations and are recognized in other comprehensive income and shown under "translation reserve" in the statement of changes in equity.

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

	2016		2015	
	Rate on 31 December	Average rate for the year	Rate on 31 December	Average rate for the year
US Dollar	1.0541	1.1069	1.0887	1.1095
Canadian Dollar	1.4188	1.4659	1.5116	1.4180
Swiss Franc	1.0739	1.0902	1.0835	1.0679
British Sterling	0.8562	0.8195	0.7340	0.7258

Basis of consolidation

The scope of consolidation includes subsidiaries for which the Group, pursuant to IFRS 10, is exposed to or has rights to variable returns and is able to affect those returns through power over these investees. The list of consolidated companies is annexed to these notes.

Specifically, the consolidated financial statements include the 2016 financial statements of Autogrill S.p.A. and all companies it directly or indirectly controls or controlled during the year. The scope of consolidation also includes the French companies Sorebo S.A., Soberest S.a.s., Volcarest S.A., and some joint ventures belonging to the American group (see the annex "List of consolidated companies and other investments"), which are controlled on the basis of a 50% or lower stake and an agreement that puts their business under the management of Autogrill.

The financial statements of subsidiaries are consolidated on a line-by-line basis, i.e. by recognizing the full amount of their assets and liabilities at the close of the year and their income and expenses for the entire year or for the portion of the year during which control was maintained, and eliminating the carrying amount of the consolidated equity investments held by the parent against the relative share of equity.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from equity attributable to the owners of the parent. They are determined on the basis of the non-controlling investors' share of the fair value of the assets and liabilities recognized at the date of acquisition (see "Business combinations") and of changes in equity attributable to non-controlling interests after that date.

Any material unrealized gains and losses arising out of transactions between consolidated companies are eliminated, as are all significant payables, receivables, income and expenses between Group companies. These adjustments, like the other consolidation adjustments, take account of any deferred tax effects.

The income and expense of subsidiaries acquired or sold during the year are included in the consolidated income statement from the actual date of acquisition or to the actual date of disposal, with slight timing adjustments where these dates do not coincide with monthly accounting dates. If necessary, adjustments are made to subsidiaries' financial statements to bring their accounting policies into line with those of the Group.

In particular, the acquisition of Concession Management Services Inc. and Stellar Partners, Inc. entailed the consolidation of their results for approximately four and three months, respectively, while the disposal of the French railway station operations in June 2016 and of the Dutch motorway operations in November meant that they contributed to the Group's results for respectively five and ten months out of the year.

If control of a subsidiary is lost, the Group eliminates assets and liabilities, non-controlling interests, and other components of equity relating to the former subsidiaries. Gain or loss resulting from loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value on the date of loss of control. It is subsequently valued using the net equity method, or as a financial asset depending on the degree of influence retained.

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 2016 consolidated financial statements cover the period 2 January 2016 to 30 December 2016, while the previous year's accounts covered the period 3 January 2015 to 1 January 2016. This has had no significant impact on the statement of financial position at 31 December 2016 or on results for the year. Starting from 2016 new Zealand has adapted its reporting calendar to that of non-North American HMSHost Corp. subsidiaries. This change did not have a significant impact on the Group's financial statements.

Accounting policies

The Group follows the historical cost principle, except for items that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies below.

Business combinations

Business combinations carried out since 1 January 2008

Since 1 January 2008, the Group has followed the rules of IFRS 3 (2008) - Business combinations.

The Group accounts for all business combinations using the acquisition method. The consideration transferred in a business combination includes the fair value, as of the acquisition date, of the assets and liabilities transferred and of the interests issued by the Group, as well as the fair value of any contingent consideration and of the incentives included in share-based payments recognized by the acquiree that have to be replaced in the business combination. If the business combination settles a pre-existing relationship between the Group and the acquiree, the lesser of the settlement provision, as established by contract, and the off-market price of the element is deducted from the consideration transferred and recognized under other costs.

The identifiable assets acquired and the identifiable liabilities assumed are measured at their respective acquisition-date fair values.

A contingent liability of the acquiree is assumed in a business combination only if this liability represents a current obligation deriving from past events and when its fair value can be reliably measured.

For each business combination, any minority interest in the acquiree is measured at fair value or in proportion to the minority share of the acquiree's net identifiable assets.

Goodwill arising from the acquisition is recognized as an asset and is initially measured as the excess between the consideration transferred and the acquisition-date net amount of the identifiable assets acquired and the identifiable liabilities assumed.

The acquisition of Concession Management Services, Inc. for $ 37.9m and of Stellar Partners, Inc. for $ 16.2m (of which $ 2.3m to be paid in instalments) led to the provisional recognition of differences on concessions, pursuant to IFRS 3, of € 21.3m and € 5.8m, respectively.

In case of a business combination achieved in stages, the interest previously held in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss.

The costs relating to the acquisition are recognized in profit or loss in the period in which the costs are incurred and the services received; the sole exception is for the cost of issuing debt securities or equities.

Business combinations carried out from 1 January 2004 to 31 December 2007

The Group accounts for all business combinations using the acquisition method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to a business combination also form part of its overall cost.

The acquiree's identifiable assets, liabilities and contingent liabilities that can be recognized under IFRS 3 - Business Combinations are posted at their fair value on the date of acquisition.

Goodwill arising from the acquisition is recognized as an asset and valued initially at cost, i.e., the amount by which the acquisition cost exceeds the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognized on acquisition.

Non-controlling interests in the acquiree are initially measured according to their percentage interest in the fair value of the assets, liabilities and contingent liabilities recognized on acquisition.

Business combinations carried out before 1 January 2004

On first-time adoption of IFRS (1 January 2005), the Group decided not to apply IFRS 3 - Business Combinations retroactively to the acquisitions made prior to the date of changeover to IFRS (1 January 2004). Consequently, goodwill arising on acquisitions made prior to that date has been maintained at the previous value determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

Business combinations under common control

A business combination in which the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, when that control is not transitory, qualifies as a combination "under common control." Business combinations under common control are outside the scope of IFRS 3 "Business Combinations" and of other IFRS. In the absence of an accounting principle that deals specifically with these transactions, the most suitable accounting principle to be chosen should meet the general object of IAS 8, that is, faithful and reliable presentation of the transaction. Furthermore, the accounting treatment of business combinations under common control should reflect the economic substance of the transaction, regardless of its legal form. The pre-eminence of economic substance is therefore the key factor guiding the method chosen to account for these business combinations. Economic substance must refer to the creation of added value that translates into significant changes in the cash flows of the net assets transferred.

The accounting treatment of the transaction should also take account of current interpretations and trends, in particular OPI 1 (Orientamenti Preliminari Assirevi in tema di IFRS - Preliminary Orientations on IFRS by the Italian Association of Auditors), "Accounting treatment of business combinations of entities under common control in separate and consolidated financial statements."

The Autogrill Group recognizes the net assets transferred at the carrying amounts presented in the consolidated financial statements of the common parent and treats the resulting difference between the acquisition price and the value of the net assets transferred as an adjustment of net equity reserves attributable to the Group. Conversely, in the case of discontinued operations, the difference between the disposal price and the value of the net assets transferred is treated as an adjustment of the Autogrill Group's share of net equity reserves.

Acquisitions of non-controlling interests

The Group applies IFRS 10 to all acquisitions carried out after control is assumed. On that basis, such acquisitions are treated as transactions carried out with shareholders in their capacity as owners, and do not give rise to goodwill. Adjustments to non-controlling investments are based on a proportional amount of the subsidiary's net assets. Previously, the recognition of goodwill from the acquisition of a non-controlling interest in a subsidiary represented the excess cost of the additional investment with respect to the book value of the interest in the net assets acquired on the transaction date.

Investments in associates and joint ventures

An associate is a company over which the Group has a significant influence, but not control or joint control, through participation in decisions regarding the associate's financial and operational policies; a joint venture is an agreement through which the Group has rights to net assets, rather than rights to assets and obligations for liabilities.

The income, expenses, assets and liabilities of associates and joint ventures are recognized in the consolidated financial statements using the equity method, except where the investment is classified as held for sale.

Accordingly, investments in associates and joint ventures are initially recognized at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the investees' profits or losses, recognized using the equity method, up to the date it no longer has significant influence or joint control.

Recognition of revenue and costs

Purchases and sales of goods are recognized on transfer of title at fair value, i.e., the price paid or received net of returns, rebates, sales discounts and year-end bonuses.

Revenue is recognized when the risks and the benefits connected to ownership of the goods are transferred to the buyer, recovery of the consideration is probable, the associated costs or possible return of the goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of the revenue can be accurately measured. If it is probable that discounts will be granted and the amount can be measured reliably, the discount is charged as a reduction of revenue when the sale is recognized.

The transfer of the risks and benefits varies with the type of sale made. In the case of a retail sale, the transfer generally takes place when the goods are delivered and the consumer has paid the consideration asked. In the instance of wholesale transactions, the transfer usually coincides with the arrival of the products in the client's warehouse.

Service revenue and costs are recognized according to the stage of completion at year end. Stage of completion is determined according to measurements of the work performed. When the services covered under a single contract are provided in different years, the consideration will be broken down by service provided on the basis of the relative fair value.

When the Group is acting as an agent and not as a principal in a sales transaction, the revenue recognized is the net amount of the Group's commission.

Recoveries of costs borne on behalf of third parties are recognized as a deduction from the related cost.

Recognition of financial income and expense

Financial income includes interest on invested liquidity (including financial assets available for sale), dividends approved, proceeds from the transfer of financial assets available for sale, fair value changes in financial assets recognized in profit or loss, income arising from a business combination due to the remeasurement at fair value of the interest already held, gains on hedging instruments recognized in profit or loss, and the reclassification of net gains previously recognized in other comprehensive income. Interest income is recognized on an accruals basis using the effective interest method. Dividends are recognized when the Group's right to receive them is established.

Financial expense includes interest on loans, the release of discounting on provisions and deferred income, losses from the transfer of financial assets available for sale, fair value changes in financial assets recognized in profit or loss and in contingent consideration, impairment losses on financial assets (other than trade receivables), losses on hedging instruments recognized in profit or loss, and the reclassification of net losses previously recognized in other comprehensive income.

Net foreign exchange gains or losses on financial assets/liabilities are shown under financial income and expense on the basis of the net gain or loss produced by foreign currency transactions.

Employee benefits

All employee benefits are recognized and disclosed on an accruals basis.

Group companies provide defined benefit and defined contribution plans.

Post-employment benefit plans are formalized and non-formalized agreements whereby the Group provides post-employment benefits to one or more employees. The manner in which these benefits are provided varies according to legal, fiscal and economic conditions in the countries in which the Group operates, and are normally based on compensation and years of service.

Defined-contribution plans are post-employment benefit plans under which the Group pays pre-determined contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions should the fund have insufficient assets to pay all benefits to employees.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans may be unfunded or else entirely or partly funded by contributions paid by the employer, and sometimes by the employee, to a company or fund which is legally separate from the company that pays the benefits.

The amount accrued is projected forward to estimate the amount payable on termination of employment and is then discounted using the projected unit credit method, to account for the time that will elapse before actual payment occurs.

The liability is recognized in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the Group, the amount of the asset recognized is limited to the sum of any unrecognized cost for previous employment and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. To establish the present value of these economic benefits, the minimum funding requirements applicable to any Group plan are considered. An economic benefit is available to the Group when it can be realized throughout the duration of the plan or upon settlement of the plan liabilities.

Actuarial valuations are made by actuaries outside the Group. Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income.

Due to changes in the system of post-employment benefits (*trattamento di fine rapporto* or TFR) brought about by Law 296 of 27 December 2006 and by the decrees and regulations issued in early 2007 (the "Social security reform"):
- TFR accrued at 31 December 2006 by employees of the Group's Italian companies is treated as a defined benefit plan in accordance with IAS 19. The benefits promised to employees in the form of TFR, which are paid upon termination of service, are recognized in the period in which the right vests;
- TFR accrued from 1 January 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognized as costs. The portion not yet paid into the funds is listed under "Other payables."

Share-based payments

In the case of share-based payment transactions settled with equity instruments of the company, the grant-date fair value of the options granted to employees is recognized in personnel expense with a corresponding increase in equity ("Other reserves and retained earnings"), over the period in which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of options for which the related service and non-market conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that will definitively vest. Likewise, when estimating the fair value of the options granted, all non-vesting conditions must be considered.

In the case of cash-settled share-based payment transactions (or those settled with equity or other financial instruments of a different entity), the fair value of the amount payable to employees is recognized as an expense with a corresponding increase in liabilities over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized as employee benefit expenses in the income statement.

Income tax

Tax for the year is the sum of current and deferred taxes recognized in the profit or loss for the year, with the exception of those recognized directly in equity or in other comprehensive income.

Current tax is calculated on taxable income for the year. Taxable income differs from the result reported in the income statement because it excludes costs and income that will be deducted or taxed in other years, as well as items that will never be deducted or taxed. Current tax liabilities are determined using the tax rates in effect (on an official or de facto basis) on the reporting date in the countries where the Group operates.

For three-year period 2016-2018, Autogrill S.p.A. and its Italian subsidiary Nuova Sidap S.r.l. have joined the domestic tax consolidation scheme of the ultimate parent Edizione S.r.l. as permitted by the Consolidated Income Tax Act. The regulation signed by the parties provides for: payment in full of the amount corresponding to the transferred profit times the IRES (corporate tax) rate; payment in full of the amount corresponding to the transferred loss times the IRES (corporate tax) rate, when utilized by Edizione S.r.l.; the transfer of any tax assets. The net current tax asset or liability for the year, in respect of IRES only, is therefore recognized as a receivable or payable due from/to Edizione S.r.l. and is therefore not shown under tax assets or liabilities but under "Other receivables" or "Other payables."

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets, arising from deductible temporary differences and losses carried forward, are recognized and maintained in the financial statements to the extent that future taxable income is likely to be earned allowing use of those assets. Specifically, the carrying amount of deferred tax assets is reviewed at each reporting date based on the latest forecasts as to future taxable income.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or, for transactions other than business combinations, of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income. Deferred tax liabilities are recognized on taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the Group is able to monitor the reversal of the temporary differences and they are unlikely to be reversed in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rate expected to apply at the time the asset is realized or the liability is settled, taking account of the tax rates in force at the end of the year.

Current and deferred tax assets and liabilities are offset when there is a legal right to do so and when they pertain to the same tax authorities.

Non-current assets

Goodwill

Goodwill arising from the acquisition of subsidiaries is shown separately in the statement of financial position.

Goodwill is not amortized, but is subject to impairment testing on a yearly basis or when specific events or changed circumstances indicate the possibility of a loss in value. After its initial recognition, goodwill is measured at cost net of any accumulated impairment losses.

Upon the sale of a company or part of a company whose previous acquisition gave rise to goodwill, account is taken of the residual value of the goodwill in determining the capital gain or loss from the sale.

Other intangible assets

"Other intangible assets" are recognized at purchase price or production cost, including ancillary charges, and amortized over their useful life when it is likely that use of the asset will generate future economic benefits.

The Group reviews the estimated useful life and amortization method of these assets at each year end and whenever there is evidence of possible impairment losses. If impairment losses arise - determined in accordance with the section "Impairment losses on assets" - the asset is impaired accordingly.

The following are the amortization periods used for the various kinds of intangible asset:

Concessions, licenses, brands and similar rights:	
Software licenses	2-10 years or term of license
License to sell state monopoly goods	Term of license
Contractual rights	Term of the rights
Other:	
Software on commission	3-6 years
Other costs to be amortized	3-10 years or term of underlying contract

Property, plant and equipment

Property, plant and equipment are recognized when it is probable that use of the asset will generate future benefits and when the cost of the asset can be reliably determined. They are stated at purchase price or production cost, including ancillary charges and direct or indirect costs according to the share that can reasonably be attributed to the asset.

On transition to IFRS, any revaluations carried out in accordance with monetary revaluation laws were maintained in the financial statements as they are consistent with IFRS 1.

Property, plant and equipment are depreciated on a straight-line basis at rates deemed to reflect their estimated useful lives. The Group reviews the useful life of each asset at every year end. Cost includes reasonably estimated expenses (if compatible with IAS 37) that are likely to be incurred on expiry of the relevant contract to restore the asset to the contractually agreed condition, assuming that maintenance will continue to be carried out properly and with the usual frequency. Components of significant value (in excess of €500k) or with a different useful life (50% longer or shorter than that of the asset to which the component belongs) are considered separately when determining depreciation.

The following are the depreciation periods used for property, plant and equipment:

Property, plant and equipment	Useful life (year)
Industrial buildings	5–50
Plant and machinery	3–14
Industrial and commercial equipment	3–23
Other	3–33

Land is not depreciated.

For "Assets to be transferred free of charge", these rates, if higher, are replaced by those corresponding to the term of the concession contract.

An asset's useful life is reviewed annually, and is changed when maintenance work during the year has involved enhancements or replacements that materially change its useful life.

Regardless of depreciation already recognized, if there are impairment losses (determined as described under "Impairment losses on non-financial assets"), the asset is impaired accordingly.

Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are capitalized to the asset and amortized over its useful life. Routine maintenance costs are taken directly to the income statement.

Leasehold improvements are included in property, plant and equipment on the basis of the type of cost incurred. They are depreciated over the asset's residual useful life or the term of the contract, whichever is shorter.

The gain or loss from the sale of property, plant or equipment is the difference between the net proceeds of the sale and the asset's carrying amount, and is recognized under "Other income" or "Other operating expense."

Leased assets

Lease contracts are classified as finance leases if the terms of the contract are such to transfer all risks and benefits of ownership to the lessee. All other lease contracts are treated as operating leases.

Assets acquired under finance leases are recognized at fair value as of the commencement date of the contract less ancillary charges and any expenses for replacing another party in the lease, or, if lower, at the present value of the minimum payments due under the contract. The corresponding liability to the lessor is charged to "Other financial liabilities." Lease payments are divided into principal and interest, using a constant interest rate for the full duration of the contract. Financial expense is recognized in the income statement.

Operating lease payments are calculated over the term of the lease. Benefits received or to be received, and those given or to be given, as incentives for taking out operating leases are also recognized on a straight-line basis for the entire duration of the lease (see section 2.2.8 - Operating leases).

Impairment losses and reversals on non-financial assets

At each annual or interim reporting date, the Group tests whether there is internal or external evidence of impairment or impairment reversal concerning its property, plant and equipment or intangible assets. If so, the recoverable amount of the assets is estimated to determine any impairment loss or reversal. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs; a cash-generating unit is a group of assets that generates cash flows broadly independent from other assets or groups of assets. With regard to property, plant and equipment used in the sales network, this minimum aggregation unit is the sales outlet or sales outlets covered by a single concession agreement.

Goodwill and assets under development are tested for impairment at each year end and any time there is evidence of possible impairment.

The cash generating units to which goodwill has been allocated are grouped so that the level of detection of impairment reflects the level of greatest detail at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the cash-generating units expected to benefit from the synergies of the combination.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, it is reduced to recoverable amount. Impairment losses are recognized in the income statement.

Impairment losses on cash-generating units are first deducted from the carrying amount of any goodwill attributed to the unit; any remainder is deducted from the other assets of the unit in proportion to their carrying amount.

If the reason for the impairment no longer exists, the asset or cash-generating unit is written back to the new estimate of recoverable amount (except in the case of goodwill), which may not exceed the carrying amount net of depreciation/amortization that the asset would have had if the impairment loss had not been charged. The reversal of impairment is taken to the income statement.

Due to the nature and limited size of operations in the United Kingdom, the outcome of the referendum on whether to remain in the European Union ("Brexit") is not expected to affect the recoverability of assets in the country.

Assets/liabilities held for sale and discontinued operations

A discontinued operation is part of a group whose activities and financial flows are clearly distinguishable from the rest of the group, and which:

- constitutes a major independent branch or geographical area of business,
- is part of a single coordinated plan to dispose of a major independent branch or geographical area of business, or
- is a subsidiary acquired for the sole purpose of reselling it.

An operation is listed as discontinued when it is sold or when it meets the conditions for being classified as "held for sale," whichever comes first.

When an operation is listed as discontinued, the comparative statement of comprehensive income is redetermined as if the operation had been discontinued as of the beginning of the year of comparison.

The assets and liabilities of operations being discontinued are classified as held for sale if their carrying value has been or will be recovered mainly through their sale and not through continued use. Once an asset/liability is classified as held for sale, it is recognized at the lower of carrying value and fair value net of costs to sell.

In the financial statements:

- the net profit or loss of discontinued operations is shown separately in the income statement, net of tax effects and transfer costs (if sold), along with any capital gain or loss realized with the sale; the corresponding amounts from the prior year are reclassified for the sake of comparison;
- financial assets and liabilities held for sale and discontinued operations are shown in the statement of financial position separately from other assets/liabilities and are not offset.

In early November 2016 the Group finalized the disposal of Dutch motorway operations, which constitute a cash generating unit. In accordance with IFRS 5 ("Non-current assets held for sale and discontinued operations"), the effects on profit/loss and on the statement of financial position have been classified separately for both 2015 and 2016.

Conversely, the French operations in the railway channel do not constitute a major line of business or geographical area for the Group pursuant to IFRS 8, so their disposal is not subject to IFRS 5 – Non-current assets held for sale and discontinued operations.

Current assets and current & non-current liabilities

Inventories

Inventories are recognized at the lower of purchase or production cost and market value. Purchase or production cost includes directly attributable expenses, net of discounts, rebates, annual bonuses and similar contributions from suppliers, and is determined using the FIFO method or criteria that approximate FIFO. When the carrying value of inventories is higher than their net realizable value, they are written down and an impairment loss is charged to the income statement. The recoverability of inventories is tested at the end of each year. If the reasons for the impairment loss cease to apply, they are reversed to an amount not exceeding purchase or production cost.

Trade and other receivables

Trade receivables and other receivables are initially recognized at fair value, and subsequently at amortized cost using the effective interest method. They are reduced by estimated impairment losses.

In accordance with IAS 39, factored receivables are eliminated from the accounts if the contract entails the full transfer of the associated risks and rewards (contractual rights to receive cash flows from the asset). The difference between the carrying value of the asset transferred and the amount received is recognized in the income statement under financial expense.

Other financial assets

"Other financial assets" are recognized or derecognized on the transaction date and are initially measured at fair value, including direct transaction costs.

Subsequently, the financial assets that the Group has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortised cost net of impairment losses.

Financial assets available for sale are initially recognized at fair value plus any directly attributable transaction costs. After first-time recognition they are carried at fair value, and any changes in fair value, other than impairment losses, are recognized as other comprehensive income and presented in the fair value reserve. When a financial asset is derecognized, the cumulative loss or gain is reclassified from other comprehensive income to profit (loss) for the year.

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each period end at fair value. If the financial assets are held for trading, gains and losses arising from changes in fair value are recognized in that year's income statement under financial income and expense.

Compared to the consolidated financial statements for the year ended 31 December 2015, for the sake of clarity, receivables from credit card companies have been reclassified from "Other current receivables" to "Other current financial assets" in the amount of € 15,487k.

Cash and cash equivalents

Cash and cash equivalents include cash and current accounts with banks and post offices, as well as demand deposits and other highly liquid short-term financial investments (maturity of three months or less from the acquisition date) that are immediately convertible to cash; they are stated at face value as they are subject to no significant risk of impairment.

Loans, bank loans, bonds and overdrafts

Interest-bearing bank loans, bonds and account overdrafts are initially recognized at fair value taking account of the amounts received, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

Trade payables

Trade payables are initially recognized at fair value (normally the same as face value) net of discounts, returns and billing adjustments, and subsequently at amortized cost, if the financial effect of payment deferral is material.

Derivative financial instruments and hedge accounting

The Group's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates. To manage these risks the Group uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options, and combinations of these. Some Group companies have a policy of converting part of floating-rate debt into fixed-rate. The use of derivatives is governed by the "Financial Management and Financial Risks Policy" and the "Annual Financial Strategy" approved by Autogrill S.p.A.'s Board of Directors, which set standards and guidelines for the Group's financial risk hedging strategy. Derivative contracts have been entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. Group companies do not use derivatives for purely trading purposes, but rather to hedge identified risks.

For further information see the policy described in section 2.2.8.2 - Financial risk management.

In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only if: (i) at the inception of the hedge there is formal designation and documentation of the hedging relationship, and the hedge is assumed to be effective; (ii) effectiveness can be reliably measured; (iii) the hedge is effective throughout the financial reporting periods for which it was designated.

All derivative financial instruments are initially measured at fair value in accordance with IFRS 13 and IAS 39, with the related transaction costs recognized in profit or loss when incurred. They are subsequently carried at fair value. More specifically, the fair value of forward exchange contracts is based on the listed market price, where available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current spot rate for the residual maturity of the contract using a risk-free interest rate (based on government securities) of the country/currency of the instrument's user.

For interest rate swaps, fair value is determined using the cash flows estimated on the basis of the conditions and remaining life of each contract, and according to the year-end market interest rates of comparable instruments.

Fair value changes are measured as described below.

When financial instruments qualify for hedge accounting, the following rules apply:

- Fair value hedge: if a derivative financial instrument is designated as a hedge against changes in the fair value of a recognized asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts its carrying amount and is recognized in profit or loss;
- Cash flow hedge: if a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognized asset or liability or a forecast transaction that is highly probable and could affect profit or loss, the effective portion of the gain or loss on the financial instrument is recognized in comprehensive income and presented in the "hedging reserve" under equity. The cumulative gain or loss is reclassified from comprehensive income and recognized in profit or loss in the same year in which the economic effect of the hedged transaction is recognized. Fair value gains and losses associated with a hedge (or part of a hedge)

which has become ineffective are recognized in the income statement immediately. If a hedge or a hedging relationship is terminated, but the hedged transaction has not yet taken place, the gains or losses accrued up to that time in the statement of comprehensive income are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to take place, the gains or losses not yet realized that have been included in comprehensive income are reclassified immediately to profit or loss;
- Hedge of net investment: if a derivative is designated as a hedge of a net investment in a foreign operation, held directly or indirectly through an intermediary holding company, the effective portion of the gain or loss on the hedge is recognized in comprehensive income and presented in the "translation reserve" under equity, while the ineffective portion is taken to profit or loss. On disposal of the foreign operation, the gain or loss on the effective portion of the hedge that has been cumulatively recognized in the translation reserve is also taken to profit or loss.

If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the financial derivative are immediately recognized in the income statement.

Provisions for risks and charges

Provisions are recognized when the Group has a present obligation as a result of a past event and will likely have to use resources in order to produce economic benefits that satisfy that obligation, and when the amount of the obligation can be reliably determined. Provisions are based on the best estimate of the cost of fulfilling the obligation as of the reporting date, and when the effect is material, are discounted to their present value.

An onerous contracts provision is recognized when the unavoidable costs necessary to fulfil the obligations of a contract are greater than the economic benefits the Group can expect to obtain therefrom. The provision is measured at the present value of the lower of the cost of terminating the contract and the net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment losses on the assets associated with the contract.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been publicly announced. Future operating costs are not provided for.

Share capital and purchase of treasury shares

The share capital is comprised wholly of ordinary shares, which form part of equity. Incremental costs directly attributable to the issue of ordinary shares are deducted from net equity, net of the tax effects.

If treasury shares are purchased, the amount paid - including directly attributable expenses and net of tax effects - is deducted from equity. The shares thus purchased are classified as treasury shares and reduce the amount of total equity. The amount received from the subsequent disposal of the treasury shares is added back to equity. Any positive or negative difference from the transaction is transferred to or from retained earnings.

Earnings per share

Autogrill presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, as defined above, for the effects of all dilutive potential ordinary shares and stock options granted to employees.

Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency at the exchange rate in effect on the transaction date. Foreign currency assets and liabilities are converted at the year end exchange rate. Exchange gains and losses arising from the conversion are recognized in the income statement under financial income and expense.

Use of estimates

The preparation of the consolidated financial statements and notes requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, costs and income and the disclosure about contingent assets and liabilities at the year-end date. Actual results may differ. Estimates are used to determine the effects of business combinations, asset impairment losses/reversals, the fair value of derivatives, provisions for bad debts and inventory obsolescence, amortization and depreciation, employee benefits, taxes, and provisions for risks and charges. Estimates and assumptions are periodically reviewed and the effect of any change is taken to the income statement of the years to which the changes pertain. The estimation criteria used for these financial statements are the same as those followed the previous year.

2.2.2 DISCONTINUED OPERATIONS

In the context of efforts to focus on strategic operations most in line with growth targets and on their relevant channels, on 3 November 2016 Autogrill S.p.A. finalized the sale of Autogrill Nederland B.V. and its two subsidiaries, which manage restaurants and hotels at 18 rest stops in the Netherlands, to El Gr8 Investments B.V., a subsidiary of the Van der Valkior Group. The sale price of € 22.6m produced a capital loss plus transaction costs of € 3.3m.

These operations, pursuant to IFRS 8, constitute a "major line of business" or "geographical area" for the Group; the disposal is therefore subject to the rules of IFRS 5 – Non-current assets held for sale and discontinued operations.

As such, the results and cash flows relating to the business for 2016 (up to the sale date) are recognized under "Profit/loss from discontinued operations" and "Cash flow from discontinued operations." The 2015 income statement and statement of cash flows originally published by the Autogrill Group have been restated accordingly.

The following are presented below:
- Consolidated statement of financial position of the discontinued Dutch operations at 31 October 2016 and 31 December 2015;
- Consolidated income statement and Consolidated statement of cash flows of the discontinued Dutch operations for the first 10 months of 2016 and for all of 2015.

Statement of financial position

(€k)	31.10.2016	31.12.2015
ASSETS		
Current assets	**3,533**	**2,025**
Cash and cash equivalents	1,796	542
Other financial assets	122	54
Other receivables	831	860
Trade receivables	529	285
Inventories	255	284
Non current assets	**32,073**	**33,702**
Property, plant and equipment	32,001	33,602
Other intangible assets	72	100
TOTAL ASSETS	**35,606**	**35,727**
LIABILITIES	**21,184**	**22,881**
Current liabilities	**4,439**	**6,226**
Trade payables	1,616	2,357
Tax liabilities	41	-
Other payables	2,764	3,788
Other financial liabilities	18	81
Non-current liabilities	**16,745**	**16,655**
Other financial liabilities	11,000	11,400
Deferred tax liabilities	2,590	2,802
Defined benefit plans	3,155	2,453
Equity	**14,422**	**12,846**
– attributable to owners of the parent	14,422	12,846
TOTAL LIABILITIES	**35,606**	**35,727**

Income statement

(€k)	First 10 months 2016	2015
Revenue	28,270	32,887
Other operating income	1,161	1,021
Total revenue and other operating income	**29,431**	**33,908**
Raw materials, supplies and goods	4,826	5,845
Personnel expense	9,840	12,476
Leases, rentals, concessions and royalties	3,107	3,627
Other operating expense	7,162	9,203
Depreciation and amortization	2,229	2,740
Operating profit	**2,267**	**17**
Financial expense	(210)	(336)
Pre-tax profit	**2,057**	**(319)**
Income tax	9	56
Profit for the period	**2,066**	**(263)**

Statement of cash flows

(€k)	First 10 months 2016	2015
Opening net cash and cash equivalents	**542**	**1,065**
Pre-tax profit and net financial expense for the period	2,267	16
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	2,229	2,740
Change in working capital	(1,818)	950
Net change in non-current non-financial assets and liabilities	-	(161)
Cash flow from operating activities	**2,678**	**3,545**
Interest paid	(160)	(243)
Net cash flow from operating activities	**2,518**	**3,302**
Acquisition of property, plant and equipment and intangible assets paid	(734)	(1,051)
Net cash flow used in investing activities	**(734)**	**(1,051)**
Repayments of current loans, net of new loans	(531)	(2,774)
Net cash flow used in financing activities	**(531)**	**(2,774)**
Cash flow for the period	**1,253**	**(523)**
Closing net cash and cash equivalents	**1,795**	**542**

Reconciliation of net cash and cash equivalents

(€k)		
Opening — net cash and cash equivalents — balance as of 1st January 2016 and as of 1st January 2015	542	1,065
Closing — net cash and cash equivalents — balance as of 31 October 2016 and as of 31 December 2015	1,796	542

2.2.3 DISPOSALS

In the context of a strategy to focus on the motorway channel in France, on 9 June 2016 Autogrill S.p.A. (through the French subsidiary Holding de Participations Autogrill S.a.s.) finalized the sale of Autogrill Restauration Services S.a.s., which handles the Group's food & beverage operations at French railway stations, to the Elior Group for € 27.5m. The gain of € 14.7m has been recognized in the income statement under "Capital gain from disposal of operating activities".

Revenue from the discontinued operations in the first five months of 2016 came to € 26.4m, compared with € 62m in 2015. Operating profit for the first five months of 2016 was € 1.1m (€ 2.1m in 2015).

The French railway station operations, pursuant to IFRS 8, do not constitute a major line of business or geographical area for the Group, so their disposal is not subject to IFRS 5 – Non-current assets held for sale and discontinued operations.

The discontinued operations contributed to consolidated results for five months in 2016 (until the disposal date) and for all of 2015.

2.2.4 BUSINESS COMBINATIONS

2.2.4.1 Acquisition of Concession Management Services, Inc.

In the context of building up its presence in the food & beverage business at North American airports, the Autogrill Group, through its U.S. subsidiary HMSHost Corporation, finalized the purchase of the airport F&B operations of Concession Management Services, Inc. ("CMS"). The acquisition, effective from 20 August 2016, concerns 16 locations (12 at Los Angeles International Airport and 4 at McCarran International Airport in Las Vegas) and cost $ 37.9m. Projected annualized revenue from these operations is around $ 50m in 2016.

The transaction involved the acquisition of CMS's assets and liabilities, whose fair value was determined using measurement techniques generally employed in acquisitions. It led to an increase in concessions, recognized as "Other intangible assets," in the amount of € 21,306k ($ 24,131k). Because the revised version of IFRS 3 allows the final purchase price allocation, within 12 months of the acquisition date, of any further items that should emerge as applicable at the time of the acquisition, the figures provided are provisional.

2.2.4.2 Acquisition of Stellar Partners, Inc.

In the context of expanding operations in North America, on 10 October 2016 the Autogrill Group, through its U.S. subsidiary HMSHost Corporation, finalized the purchase of airport convenience retail operator Stellar Partners, Inc. The company manages 38 locations at 10 U.S. airports, with estimated annual sales of $ 38m. The purchase price is $ 16.2m, of which $ 2.3m will be paid in instalments.

The transaction involved the acquisition of Stellar Partners, Inc.'s assets and liabilities, whose fair value was determined using measurement techniques generally employed in acquisitions. This led to an increase of € 5,817k ($ 6,492k) in concessions, recognized as "Other intangible assets." Because the revised version of IFRS 3 allows the final purchase price allocation, within 12 months of the acquisition date, of any further items that should emerge as applicable at the time of the acquisition, the figures provided are provisional.

2.2.5 NOTES TO THE STATEMENT OF FINANCIAL POSITION

Current assets

I. Cash and cash equivalents

(€k)	31.12.2016	31.12.2015	Change
Bank and post office deposits	107,914	109,959	(2,045)
Cash and equivalents on hand	50,830	51,875	(1,045)
Total	**158,744**	**161,834**	**(3,090)**

The balance of "Bank accounts and deposits" was in line with the previous year.

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

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

II. Other financial assets

(€k)	31.12.2016	31.12.2015	Change
Financial receivables from third parties	22,066	27,607	(5,541)
Receivables from credit card companies	14,801	15,487	(686)
Fair value of interest rate hedging derivatives	1,018	1,495	(477)
Fair value of exchange rate hedging derivatives	678	516	162
Total	**38,563**	**45,105**	**(6,542)**

"Financial receivables from third parties" consists mostly of current receivables due from the non-controlling shareholders of some North American subsidiaries.

"Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 31 December 2016 and 31 December 2015, 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 31 December 2016, in particular to the forward purchase and/or sale of currency, in connection with loans and the payment of dividends.

"Receivables from credit card companies" were in line with the previous year.

III. Tax assets

These amount to € 3,268k (€ 11,234k at 31 December 2015) and refer to income tax advances and credits. The previous year's figure included advances paid in the United States in 2015 on the basis of US legislation in force at the time, which turned out to be greater than what was actually owed as a result of new legislation approved in late December 2015. The excess amount was refunded in 2016.

IV. Other receivables

(€k)	31.12.2016	31.12.2015	Change
Suppliers	32,702	29,503	3,199
Lease and concession advance payments	15,784	16,498	(714)
Inland revenue and government agencies	11,177	18,648	(7,471)
Receivables from grantors for investments	2,795	9,609	(6,814)
Sub-concessionaires	1,459	2,289	(830)
Receivables from the parent for tax consolidation	12,457	14,472	(2,015)
Personnel	504	695	(191)
Other	41,747	30,414	11,333
Total	**118,625**	**122,128**	**(3,503)**

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

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

Receivables from "Inland revenue and government agencies" relate mostly to indirect taxes. Most of the change concerns the shift to a net VAT liability in Italy, compared with a credit at 31 December 2015, caused by the different concentration of purchases and sales at year end.

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

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

"Receivables from the parent for tax consolidation" concern the amount due from Edizione S.r.l. to the Italian companies in the Group that participate in the domestic tax consolidation scheme. The decrease compared to 31 December 2015 refers mainly to the receipt in January 2016 of € 1,521k from the IRES refund for the deduction from taxable income of the portion of IRAP concerning personnel expense paid from 2004 to 2007 (Law 185/2008); € 184k in interest; and € 288k for taxes withheld in 2014 and transferred to the consolidating company, Edizione S.r.l.

"Other" consists mainly of prepayments for maintenance and insurance policies and advances on local taxes. Most of the increase concerns the amount due to the U.S. subsidiary HMSHost Corporation from the landlord of its head office building. The renewed lease contract calls for a reduction in rent over the entire life of the contract, to be fully paid in 2017; for this reason the receivable was included in this item.

V. Trade receivables

(€k)	31.12.2016	31.12.2015	Change
Third parties	62,823	54,691	8,132
Allowance for impairment	(4,718)	(6,377)	1,659
Total	**58,105**	**48,314**	**9,791**

"Third parties" refers mainly to catering service agreements and accounts with affiliated companies.

Movements in the "Allowance for impairment" are shown below:

(€k)	
Allowance for impairment at 31 December 2015	**6,377**
Increases, net of use	2,304
Other movements and exchange rate differences	(1,066)
Utilizations	(2,897)
Allowance for impairment at 31 December 2016	**4,718**

Net allocations of € 2,304k in 2016 reflect revised estimates as to the recoverability of disputed receivables.

Utilizations, amounting to € 2,897k, refer to the settlement of disputes during the year against which bad debt provisions had been made in the past.

VI. Inventories

Inventories, totalling € 119,456k at 31 December 2016 (down from € 136,433k the previous year), are shown net of the write-down provision of € 1,430k (€ 1,317k at 31 December 2015), 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. The balance at 31 December 2015 was higher due to different purchasing dynamics at the end of the year, particularly for good sold under government monopoly in Italy.

Non-current assets

VII. Property, plant and equipment

The following tables show movements in "Property, plant and equipment" in 2016 and 2015.

(€k)	Land and buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Assets to be transferred free of charge	Other	Assets under construction and payments on account	Total
Gross carrying amount								
Balance at 1 January 2015	**166,639**	**1,040,520**	**211,697**	**808,652**	**392,148**	**52,634**	**120,242**	**2,792,532**
Disposals	-	(17,830)	-	(6,324)	-	(88)	(601)	(24,843)
Exchange rate gains (losses)	6,568	72,161	10,649	33,866	-	1,210	8,313	132,767
Increase	1,505	16,375	1,550	11,173	7,435	1,000	171,837	210,875
Decrease	(12,553)	(105,351)	(14,147)	(85,007)	(12,098)	(3,830)	(202)	(233,188)
Other movements	266	102,059	(6,591)	84,736	10,724	85	(189,837)	1,442
Balance at 31 December 2015	**162,425**	**1,107,934**	**203,158**	**847,096**	**398,209**	**51,011**	**109,752**	**2,879,585**
Acquisitions	-	15,352	-	2,213	-	24	130	17,719
Disposals	(31,047)	-	(8,834)	(25,871)	(42,692)	(1,164)	(1,364)	(110,972)
Exchange rate gains (losses)	594	28,205	901	8,148	-	268	3,288	41,404
Increase	995	13,406	3,104	15,099	11,057	1,065	175,796	220,522
Decrease	(1,256)	(45,316)	(6,708)	(42,036)	(32,036)	(565)	(717)	(128,634)
Other movements	1,271	87,134	3,348	50,142	9,044	1,834	(153,549)	(776)
Balance at 31 December 2016	**132,982**	**1,206,715**	**194,969**	**854,791**	**343,582**	**52,473**	**133,336**	**2,918,848**
Depreciation/Impairment losses *								
Balance at 1 January 2015	**(89,727)**	**(708,465)**	**(173,079)**	**(629,728)**	**(309,090)**	**(47,540)**	**-**	**(1,957,629)**
Disposals	-	12,247	-	4,617	-	88	-	16,952
Exchange rate gains (losses)	(4,310)	(45,667)	(8,055)	(23,877)	-	(1,077)	-	(82,986)
Increase	(3,932)	(81,862)	(11,283)	(71,986)	(23,171)	(2,361)	-	(194,595)
Impairment losses	(546)	(5,347)	(2,960)	(543)	(3,133)	(27)	-	(12,556)
Decrease	10,748	105,240	12,942	84,031	12,077	3,827	-	228,865
Other movements	3	1,469	9,788	(13,645)	(5)	738	-	(1,652)
Balance at 31 December 2015	**(87,764)**	**(722,385)**	**(172,647)**	**(651,131)**	**(323,322)**	**(46,352)**	**-**	**(2,003,601)**
Disposals	12,331	-	6,716	20,753	30,952	1,083	-	71,835
Exchange rate gains (losses)	(419)	(16,804)	(826)	(6,352)	-	(212)	-	(24,613)
Increase	(3,346)	(85,551)	(9,691)	(69,805)	(17,448)	(2,606)	-	(188,447)
Impairment losses	(350)	(2,209)	(94)	(1,598)	(1,423)	(42)	-	(5,716)
Decrease	1,201	45,229	6,653	41,654	32,035	546	-	127,318
Other movements	-	3,646	977	(2,854)	(851)	(9)	-	909
Balance at 31 December 2016	**(78,347)**	**(778,074)**	**(168,912)**	**(669,333)**	**(280,057)**	**(47,592)**	**-**	**(2,022,315)**
Carrying amount								
31 December 2015	**74,661**	**385,549**	**30,511**	**195,965**	**74,887**	**4,659**	**109,752**	**875,984**
31 December 2016	**54,635**	**428,641**	**26,057**	**185,458**	**63,525**	**4,881**	**133,336**	**896,533**

* The total depreciation in 2016 and 2015 is different from the Financial Statement for the reclassification of profit/loss for the Dutch activities under "Profit for discontinued operations"
See paragraph "2.2.2 Discontinued operations"

Capital expenditure in 2016 amounted to € 220,522k, while the net carrying amount of disposals was € 1,316k. The disposals generated net gains of € 3,621k. The directors' report on operations contains a more detailed analysis of capital expenditure. Disposals, with a net carrying amount of € 39,137k, concern the Group's departure from the French railway station and Dutch motorway channels.

In addition to depreciation of € 188,447k (of which € 2,202k for discontinued operations), impairment testing of individual locations resulted in net impairment losses of € 5,716k, 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 2015 financial statements, impairment testing was based on the estimated future cash flows for each location (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country.

Leasehold improvements refer to expenses incurred to set up or adapt leased premises and concessions. This includes costs for the development of locations managed at airports, at shopping 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 accordance with the financial method, this item includes the contractual value of the following property, plant and equipment held under finance leases:

	31.12.2016			31.12.2015		
(€k)	Gross amount	Accumulated depreciation and impairment losses	Carrying amount	Gross amount	Accumulated depreciation and impairment losses	Carrying amount
Land and buildings	5,536	(3,706)	1,830	5,536	(3,623)	1,913
Assets to be transferred free of charge	5,108	(3,541)	1,567	5,108	(3,356)	1,752
Industrial and commercial equipment	660	(455)	205	688	(368)	320
Total	**11,304**	**(7,702)**	**3,602**	**11,332**	**(7,347)**	**3,985**

The financial payable for leased goods amounts to € 5,035k and is included under "Other financial liabilities" (current) for € 551k (€ 639k at the end of 2015) and "Other financial liabilities" (non-current) for € 4,484k (€ 5,036k the previous year) (Notes XVII and XX). Future lease payments due after 31 December 2016 amount to € 7,773k (€ 8,692k at the end of 2015).

VIII. Goodwill

At 31 December 2016 goodwill amounted to € 869,318k, compared with € 864,469k the previous year. The cash-generating units (CGUs) were identified on the basis of business segment, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes.

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

(€k)	31.12.2016	31.12.2015	Change
North America	479,412	463,487	15,925
International	63,886	63,506	380
Europe:			
Italy	83,631	83,631	-
Switzerland	135,770	134,566	1,204
Belgium	47,136	47,136	-
France	52,616	65,276	(12,660)
Other	6,867	6,867	-
Total	**869,318**	**864,469**	**4,849**

The change for the year is attributable to exchange differences (€ 17,509k) and the decrease in goodwill allocated to CGU France (€ 12,660k), due to the disposal of food & beverage operations at French railway stations (see section 2.2.3 - Disposals).

The recoverability of the goodwill allocated to each CGU is tested by estimating its value in use, defined as the present value of estimated future cash flows discounted at a rate differentiated by geographical area reflecting the specific risks of the individual CGUs at the measurement date. The discount rate was set in consideration of the capital assets pricing model, based on indicators and variables observable in the market.

Future cash flows have been estimated on the basis of the 2017 budget and forecasts for 2018-2021 (explicit forecast period), adjusted for compliance with IAS 36. Cash flows beyond 2020 have been projected by normalizing information from those forecasts and applying nominal growth rates ("g"), which do not exceed the long-term growth estimates of each CGU's sector and country of operation (consistently with medium- to long-term inflation forecasts by the International Monetary Fund), and by using the perpetuity method to calculate terminal value.

Below are the main assumptions used for impairment testing. The discount rate has changed since the previous year, to reflect the different market conditions at 31 December 2016 and the risks of carrying out the plan:

	Forecast nominal growth rate "g"	Discount rate 2016 post tax	Discount rate 2015 post tax
North America	2.30%	5.40%	5.99%
International	2.40%	5.90%	6.46%
Italy	1.00%	5.80%	5.68%
Switzerland	1.00%	3.70%	3.98%
Belgium	1.00%	4.10%	4.83%
France	1.00%	4.60%	4.84%
Other	1.00%	3.8%–11.6%	4.55%–13.80%

To estimate cash flows for the period 2017-2021, management has made several assumptions, most importantly of air and motorway traffic volumes, future sales, operating costs and capital expenditure.

The principal assumptions used to estimate cash flows are broken down below by business segment:

- North America: average annual sales are expected to rise on the strength of traffic growth in the airport channel (based on estimates by the Federal Aviation Administration). The renewal rate of existing contracts was estimated on the basis of historical trends. The total share of operating costs is expected to decrease slightly, thanks to the positive impact of operating leverage and targeted efficiency measures.
- International: growth is expected to be strong in the Netherlands, Scandinavia, Asia and the Middle East, based on traffic forecasts provided by Airport Council International and, where not available, on internal projections. It will outpace the average growth rate in Autogrill's markets. Higher sales in countries where margins are higher will boost profitability, and more than compensate for the slower performance of operations starting up in new countries.
- Italy: based on internal projections, there should be a moderate increase in motorway traffic. The selective strategy for future investments will reduce the sphere of operations, though only to a limited degree. Operating costs are expected to go down as a share of revenue, thanks to targeted efficiency measures.
- Other European countries: sales projections have been developed on the basis of motorway and airport traffic estimates that differ from country to country, based on forecasts provided by Airport Council International and, where not available, on internal forecasts. The renewal rate of existing contracts was estimated on the basis of historical trends, while operating costs are expected to decrease as a percentage of sales thanks to the start-up of efficiency projects.

For all CGUs, growth investments are correlated with the expiration of contracts, while maintenance investments are assumed to be consistent with historical trends.

On the basis of these assumptions, the amount of goodwill attributed to each CGU was found to be fully recoverable.

The following table shows the levels at which, for the most significant assumptions used in the impairment tests and the most important CGUs, there would no longer be a gap between the CGU's value in use and its book value.

	Discount rate net of taxes	g
North America	13.1%	(14.1%)
International	20.2%	n.a.
Italy	10.7%	(6.9%)
Switzerland	5.4%	(1.1%)
Belgium	5.3%	(0.5%)
France	5.8%	(0.5%)

Additional steps included:

- a sensitivity analysis, considering specific risk factors inherent to plans in the different countries and CGUs, as well as changes in the discount rate and g rate;
- a comparison between the CGUs' value in use for 2016 and 2015 with gap analysis.

These steps confirmed that goodwill is fully recoverable and that the assumptions used are reasonable.

IX. Other intangible assets

The following tables show movements in "Other intangible assets" in 2016 and 2015.

(€k)	Concessions, licenses, trademarks and similar rights	Other	Assets under development and payments on account	Total
Gross carrying amount				
Balance at 1 January 2015	**155,054**	**68,526**	**8,897**	**232,477**
Disposals	(80)	(95)	-	(175)
Exchange rate gains (losses)	2,867	-	-	2,867
Increase	3,309	670	5,094	9,073
Decrease	(17,065)	(42)	(9)	(17,116)
Other movements	(492)	6,576	(8,269)	(2,185)
Balance at 31 December 2015	**143,593**	**75,635**	**5,713**	**224,941**
Acquisitions	28,294	-	-	28,294
Disposals	(2,969)	(265)	-	(3,234)
Exchange rate gains (losses)	3,339	(4)	-	3,335
Increase	5,056	1,576	6,179	12,811
Decrease	(3,106)	(23)	(102)	(3,231)
Other movements	(1,776)	5,298	(5,217)	(1,695)
Balance at 31 December 2016	**172,431**	**82,217**	**6,573**	**261,221**
Amortization/Impairment losses *				
Balance at 1 January 2015	**(111,258)**	**(57,467)**	**-**	**(168,725)**
Disposals	161	95	-	256
Exchange rate gains (losses)	(1,899)	-	-	(1,899)
Increase	(10,752)	(6,254)	-	(17,006)
Impairment losses	(165)	-	-	(165)
Decrease	17,041	40	-	17,081
Other movements	1,783	611	-	2,394
Balance at 31 December 2015	**(105,089)**	**(62,975)**	**-**	**(168,064)**
Acquisitions	-	-	-	-
Disposals	2,726	265	-	2,991
Exchange rate gains (losses)	(906)	-	-	(906)
Increase	(11,914)	(6,291)	-	(18,205)
Impairment losses	(427)	-	-	(427)
Decrease	3,094	23	-	3,117
Other movements	1,827	(265)	-	1,562
Balance at 31 December 2016	**(110,689)**	**(69,243)**	**-**	**(179,932)**
Carrying amount				
31 December 2015	**38,504**	**12,660**	**5,713**	**56,877**
31 December 2016	**61,742**	**12,974**	**6,573**	**81,289**

* The total depreciation in 2016 and 2015 is different from the Financial Statement for the reclassification of profit/loss for the Dutch activities under "Profit for discontinued operations"
See paragraph "2.2.2 Discontinued operations"

In 2016 capital expenditure came to € 12,811k, mostly for software, while amortization amounted to € 18,205k (including € 27k for discontinued operations). As mentioned above, acquisitions refer to the provisional purchase price allocation, pursuant to IFRS 3, of the difference between the amount paid and the fair value of the net assets acquired with CMS and Stellar Partners.

Impairment testing of individual locations, carried out in conjunction with the property, plant and equipment testing mentioned in Note VII, led to net impairment losses of € 427k.

All "Other intangible assets" have finite useful lives.

X. Investments

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

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

For the sake of thoroughness, we report that using the equity method, a positive € 859k was recognized in the income statement under "Adjustments to the value of financial assets" and a positive € 179k for exchange gains was recorded in the statement of comprehensive income.

Investments at 31 December 2016 and 31 December 2015 are detailed below:

	31.12.2016								
					Revenue	Profit/(loss) for the year	Total assets	Total liabilities	
Name	Registered office	Countries	% held	Currency	Currency/000				Carrying amount (€k)
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	Myr	28,276	(1,108)	11,648	2,358	962
HKSC Developments L.P.	Winnipeg	Canada	49%	Cad	10,010	3,088	9,946	7,057	999
HSCK Opco L.P.	Winnipeg	Canada	49%	Cad	68	56	119	1	41
Autogrill Middle East, LLC	Abu Dhabi	United Arab Emirates	50%	Aed	26,823	4,401	41,770	26,713	1,411
Arab Host for Services, LLC	Abu Dhabi	United Arab Emirates	49%	Aed	-	(3,432)	24,226	28,405	-
Caresquick N.V.	Antwerpen	Belgium	50%	Eur	7,364	(169)	2,805	789	1,008
Other									189
Total as of 31 December 2016									**4,610**

Name	Registered office	Countries	% held	Currency	31.12.2015 Revenue	Profit/(loss) for the year	Total assets	Total liabilities	Carrying amount (€k)
					Currency/000				
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	Myr	23,073	(1,435)	13,149	2,374	1,129
HKSC Developments L.P.	Winnipeg	Canada	49%	Cad	22,692	(1,245)	21,987	11,953	3,260
HSCK Opco L.P.	Winnipeg	Canada	49%	Cad	67	56	191	134	19
Autogrill Middle East, LLC	Abu Dhabi	United Arab Emirates	50%	Aed	22,215	4,504	14,438	4,384	1,183
Arab Host for Services, LLC	Abu Dhabi	United Arab Emirates	49%	Aed	-	(599)	3,125	3,725	-
HMSHost (Shanghai) Catering Management Co., Ltd.	Shanghai	China	51%	Cny	598	(308)	191	6,007	87
Caresquick N.V.	Antwerpen	Belgium	50%	Eur	7,555	169	3,472	1,286	1,093
Other									65
Total as of 31 December 2015									**6,836**

XI. Other financial assets

(€k)	31.12.2016	31.12.2015	Change
Interests-bearing sums with third parties	2,860	2,412	448
Guarantee deposits	7,811	8,016	(205)
Other financial receivables from third parties	7,654	4,522	3,132
Fair value of interest rate hedging derivatives	-	219	(219)
Total	**18,325**	**15,169**	**3,156**

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

XII. Deferred tax assets and liabilities

Deferred tax assets, shown net of offsettable deferred tax liabilities, amount to € 41,644k (€ 45,511k at 31 December 2015). At the end of 2016, "Deferred tax liabilities" not offsettable against deferred tax assets amounted to € 34,342k (€ 41,456k the previous year).

Deferred tax liabilities and deferred tax assets are broken down as follows:

(€k)	31.12.2016	31.12.2015
Deferred tax liabilities gross	97,754	98,892
Deferred tax assets available for offset	(63,413)	(57,436)
Deferred tax iabilities	**34,342**	**41,456**
Deferred tax assets non available for offset	**41,644**	**45,511**

The following tables show gross movements in deferred taxes in 2016 and 2015.

(€k)	31.12.2015	Recognised in profit and loss	Recognised in other comprehensive income	Exchange rate gains/(losses)	Consolidation perimeter variation	31.12.2016
Deferred tax assets:						
Property, plant and equipment and intangible assets	24,394	(2,379)	-	491	-	22,506
Trade receivables	6,462	(808)	-	151	-	5,805
Other assets	1,218	(804)	-	(69)	(42)	303
TFR and other employee benefit	40,073	1,331	(228)	1,118	(1,323)	40,971
Provision for risks and charges	2,483	(149)	-	(47)	(151)	2,135
Other liabilities	6,492	1,273	-	392	-	8,157
Carry-forward tax losses	21,825	3,610	-	(255)	-	25,180
Total	**102,947**	**2,074**	**(228)**	**1,781**	**(1,516)**	**105,057**
Deferred tax liabilities:						
Property, plant and equipment and intangible assets	71,159	(172)	-	1,477	(3,530)	68,934
Other assets	18,813	2,912	-	735	-	22,460
Provision for risks and charges	331	-	-	(45)	-	287
TFR and other employee benefit	-	873	-	13	-	886
Other reserves and retained earnings	6,593	(3,724)	-	3	-	2,872
Other liabilities	1,995	266	-	54	-	2,315
Total	**98,892**	**155**	**-**	**2,238**	**(3,530)**	**97,754**

(€k)	31.12.2014	Recognised in profit and loss	Recognised in other comprehensive income	Exchange rate gains/(losses)	Consolidation perimeter variation	31.12.2015
Deferred tax assets:						
Property, plant and equipment and intangible assets	25,368	(304)	-	599	(1,267)	24,395
Trade receivables	5,137	887	-	437	-	6,462
Other assets	1,413	(119)	(160)	84	-	1,218
TFR and other employee benefit	36,735	459	(580)	3,459	-	40,073
Provision for risks and charges	2,056	427	-	-	-	2,483
Other liabilities	3,289	3,862	(728)	262	(192)	6,492
Carry-forward tax losses	17,650	4,138	-	36	-	21,825
Total	**91,647**	**9,349**	**(1,468)**	**4,878**	**(1,458)**	**102,947**
Deferred tax liabilities:						
Property, plant and equipment and intangible assets	67,118	1,550	-	4,922	(2,430)	71,159
Other assets	16,119	886	-	1,807	-	18,813
Provision for risks and charges	303	-	-	28	-	331
Other reserves and retained earnings	8,057	(1,471)	-	7	-	6,593
Other liabilities	1,584	303	-	107	-	1,995
Total	**93,182**	**1,268**	**-**	**6,872**	**(2,430)**	**98,892**

Deferred tax assets and liabilities relating to changes in the scope of consolidation concern the Group's departure from the French railway station and Dutch motorway channels.

Tax losses existing at 31 December 2016 on which deferred tax assets have not been recognized, as business is not expected to be profitable enough to generate taxable income allowing their use, amount to € 221,231k. The corresponding unrecognized tax benefit would be € 61,168k.

XIII. Other receivables

Most of the other non-current receivables of € 11,063k (€ 11,693k at 31 December 2015) consist of rent paid in advance.

Current liabilities

XIV. Trade payables

Trade payables at 31 December 2016 came to € 359,832k. The decrease with respect to the previous year's balance of € 398,802k is due primarily to the timing of payments to suppliers and the different seasonal pattern for the purchasing of good sold under government monopoly (lottery tickets) in Italy.

XV. Tax liabilities

These amounts to € 8,619k, increased by € 2,299k and refer to taxes accrued during the year net of offsettable credits. 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.

XVI. Other payables

(€k)	31.12.2016	31.12.2015	Change
Personnel expense	150,176	134,819	15,357
Due to suppliers for additions of capital expenditure	91,644	78,517	13,127
Social security and defined contribution plans	42,521	45,780	(3,259)
Indirect taxes	29,892	25,429	4,463
Withholding taxes	12,775	14,294	(1,519)
Other	29,720	27,816	1,904
Total	**356,728**	**326,655**	**30,073**

The change in "Personnel expense" is due to the increase in staff caused by expansion of the business, as well as greater provisions for bonuses.

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

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

Most of the change in "Indirect taxes" concerns the shift to a net VAT liability in Italy, compared with a credit at 31 December 2015.

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

XVII. Other financial liabilities

(€k)	31.12.2016	31.12.2015	Change
Accrued expense and deferred income for interest on loans	9,237	7,918	1,319
Lease payments due to others (note VII)	551	639	(88)
Fair value of exchange rate hedging derivatives	1,925	340	1,585
Other financial accrued expense and deferred income	3	391	(388)
Total	**11,716**	**9,288**	**2,428**

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

Details of the derivatives outstanding at year end are provided in section 2.2.8.2 "Financial risk management".

Non-current liabilities

XVIII. Other payables

These amount to € 38,980k (€ 31,392k at 31 December 2015) and include mainly the liability to personnel for long-term incentives, payable beyond 2017, and for defined contribution plans.

XIX. Loans

(€k)	31.12.2016	31.12.2015	Change
Current account overdrafts	30,046	52,989	(22,943)
Unsecured bank loans (current)	78,000	35,000	43,000
Total current	**108,046**	**87,989**	**20,057**
Unsecured bank loans (non-current)	185,000	280,000	(95,000)
Commissions on loans	(3,011)	(3,709)	698
Total non-current	**181,989**	**276,291**	**(94,302)**
Total	**290,035**	**364,280**	**(74,245)**

In December 2016 the subsidiary HMSHost Corporation obtained an increase, from $ 250m to $ 300m, in the maximum drawdown on the revolving credit facility due to expire in March 2020.

The breakdown of "Unsecured bank loans" at the close of 2016 and 2015 is presented below:

		31.12.2016		31.12.2015	
	Expiry	Amount (€k)	Drawdowns in k€ *	Amount (€k)	Drawdowns in k€ *
Revolving Facility Agreement – HMSHost Corporation **	March 2020	284,603	-	229,632	-
2013 Line		**284,603**	**-**	**229,632**	**-**
Multicurrency Revolving Facility – Autogrill S.p.A.	March 2020	600,000	245,000	600,000	280,000
2015 Syndicated lines		**600,000**	**245,000**	**600,000**	**280,000**
Total		**884,603**	**245,000**	**829,632**	**280,000**
of which current portion		***60,000***	***60,000***	**-**	**-**
Total lines of credit net of current portion		**824,603**	**185,000**	**829,632**	**280,000**

* Drawdowns in currency are measured based on exchange rates at 31 December 2016 and 31 December 2015
** Original line of $ 300m, reduced to $ 250m as per term agreement. On March 2015 the loan maturity was extended from March 2016 to March 2020

At 31 December 2016 the Group's committed credit facilities had been drawn down by about 28%.

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

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

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

At 31 December 2016 all of the above covenants were satisfied. Forecasts for 2017 confirm that they will continue to be met over the next 12 months.

XX. Other financial liabilities

(€k)	31.12.2016	31.12.2015	Change
Lease payments due to others (note VII)	4,484	5,036	(552)
Fair value of interest rate hedging derivatives	752	-	752
Liabilities due to others	2,367	321	2,046
Total	**7,603**	**5,357**	**2,246**

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

XXI. Bonds

(€k)	31.12.2016	31.12.2015	Change
Bonds (current)	143,252	-	143,252
Commissions on bond issues	(75)	-	(75)
Total current	**143,177**	**-**	**143,177**
Bonds (non-current)	331,900	463,738	(131,838)
Commissions on bond issues	(1,519)	(2,025)	506
Total non-current	**330,381**	**461,713**	**(131,332)**
Total	**473,558**	**461,713**	**11,845**

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

- in May 2007 for a total of $ 150m, maturing in May 2017 and paying interest half-yearly at a fixed annual rate of 5.73%. For this private placement, the interest rate may be adjusted depending on the trend in the leverage ratio of the group headed up by HMSHost Corporation. The redemption of these bonds at maturity is easily covered by the subsidiary's existing credit lines and generation of cash;
- in January 2013 for a total of $ 150m, maturing in January 2023 and paying interest half-yearly at a fixed annual rate of 5.12%;
- in March 2013 for a total of $ 200m, paying interest half-yearly and split into tranches as summarized in the table below:

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

On the whole, at 31 December 2016 bonds amounted to € 473,558k, compared with € 461,713k at the end of 2015. The change is due essentially to the appreciation of the US dollar against the euro (€ 14,997k) and the change in the fair value of hedging instruments (Notes II and XX).

At the close of 2016 the bond issued in 2007 reflects a fair value change of € 3,471k ($ 3,659k), recognized in relation to the outstanding fair value hedge and referring to interest rate swaps that were terminated ahead of their maturity in December 2014. The difference resulting from the early termination is accounted for using the amortized cost method; at 31 December 2016 there was a positive impact of € 2,399k ($ 2,656k) recognized under "Interest expense."

In December 2014, the Group negotiated interest rate swaps with maturities coinciding with those of the bonds issued in 2013, for a notional value of $ 100m. At the end of 2016 there was a gain on the hedged item of € 1,227k ($ 1,359k) and a loss of a similar amount on the hedge, so the effect on the income statement was essentially nil (Note XXXII).

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

The regulations for these bonds require the maintenance of certain financial ratios: a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, calculated solely with respect to HMSHost Corporation and its subgroup. For the calculation of these ratios, gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, they are not readily apparent from the financial statements. At 31 December 2016 these contractual requirements were satisfied. Forecasts for 2017 confirm that they will continue to be met over the next 12 months.

XXII. Defined benefit plans

At 31 December 2016 this item amounted to € 90,835k (€ 100,195k at the close of the previous year).

The table below shows details of employee benefits recognized as defined benefit plans. The legal obligation for Italian post-employment benefits (*trattamento di fine rapporto* or "TFR") is € 51,349k, compared with € 56,508k determined on an actuarial basis.

(€k)	31.12.2016	31.12.2015	Change
Defined benefit plans:			
Post-employment benefit	56,508	59,773	(3,265)
Health insurance plans	345	387	(42)
Other defined benefit plans	33,982	40,035	(6,053)
Total	**90,835**	**100,195**	**(9,360)**

The following is a reconciliation of the present value of the obligation and the fair value of assets against the liability recognized:

(€k)	31.12.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012
Present value of the funded plans	99,076	116,001	106,491	91,005	94,806
Fair value of the plan assets	(70,457)	(82,313)	(77,263)	(74,601)	(73,164)
	28,619	**33,688**	**29,228**	**16,404**	**21,642**
Present value of the unfunded plans	62,216	66,507	72,608	73,932	77,589
Discontinued Operations - demerger (Travel Retail & Duty-Free)	-	-	-	-	10,223
Net liabilities recognised	**90,835**	**100,195**	**101,836**	**90,336**	**109,454**

The actuarial assumptions used to calculate defined benefit plans are summarized in the following table:

	Italy		Switzerland		Other plans	
	2016	2015	2016	2015	2016	2015
Discount rate	0.9%	1.4%	0.7%	0.8%	1%-2.9%	1.6%-3.0%
Inflation rate	1.5%	2.0%	1.0%	1.8%	1.5%-2%	2.0%
Yield on assets	-	-	1.0%	2.6%	-	-
Salary increase rate	-	-	1.0%	1.0%	1.0%-2.5%	1.0%-2.5%
Pension increase rate	2.6%	3.0%	-	-	-	-
Increase in healthcare costs	-	-	-	-	7.0%	7.0%

The discount rates were determined based on the yield of high grade corporate bonds at the date of these financial statements.

Below are the amounts recognized in the income statement for defined benefit plans:

(€k)	2016	2015	Change
Current service costs	2,853	2,327	526
Past service costs	-	(27)	27
Net interest expense	1,150	982	168
Total	**4,003**	**3,282**	**721**

Interest expense is recognized under “Financial expense” net of interest income on plan assets, while the post-employment benefit cost is recognized under “Personnel expense.”

Movements in the present value of post-employment benefit obligations are as follows:

(€k)	Italy	Switzerland	The Netherlands (discontinuing operations)	Other plans	Totali
Present value of the obligation at 31 December 2014	**66,046**	**82,300**	**24,190**	**6,563**	**179,099**
Current service costs	-	1,885	-	442	2,327
Past service cost	-	-	-	(27)	(27)
Interest expense	581	1,001	573	122	2,277
Actuarial losses (gains) due to:					
– demographic assumptions	-	-	-	76	76
– financial assumptions	(1,941)	11,037	(2,342)	72	6,826
– experience adjustments	(393)	(7,728)	-	(404)	(8,525)
Employees' share of contributions	-	2,527	-	68	2,595
Benefit paid	(4,520)	(5,830)	(602)	(208)	(11,160)
Exchange rate losses/(gains)	-	8,990	-	30	9,020
Other	-	-	-	-	-
Present value of the obligation at 31 December 2015	**59,773**	**94,182**	**21,819**	**6,734**	**182,508**
Current service costs	-	2,068	-	785	2,853
Past service cost	-	-	-	-	-
Interest expense	797	754	466	177	2,194
Actuarial losses (gains) due to:					
– demographic assumptions	-	(2,147)	(199)	3	(2,343)
– financial assumptions	1,167	603	4,563	155	6,488
– experience adjustments	(452)	23	-	(310)	(739)
Employees' share of contributions	-	2,554	-	72	2,626
Benefit paid	(4,808)	(2,118)	(544)	(361)	(7,831)
Exchange rate losses/(gains)	-	869	-	10	879
Other *	31	-	-	1,893	1,924
Disposals	-	-	(26,105)	(1,162)	(27,267)
Present value of the obligation at 31 December 2016	**56,508**	**96,788**	**-**	**7,996**	**161,292**

* "Other" includes the balance at 1 January 2016 of the defined benefit plans in Belgium

This table shows movements in the present value of plan assets:

(€k)	Italy	Switzerland	The Netherlands (discontinuing operations)	Other plans	Totali
Fair value of the assets at 31 December 2014	**-**	**57,195**	**20,068**	**-**	**77,263**
Interest income	-	722	480	-	1,202
Estimated yield on plan assets, except interest income	-	(1,018)	(741)	-	(1,759)
Employees' share of contributions	-	2,527	-	68	2,595
Group's share of contributions	-	3,064	161	(16)	3,209
Benefits paid	-	(5,830)	(602)	(52)	(6,484)
Exchange rate gains/(losses)	-	6,287	-	-	6,287
Other	-	-	-	-	-
Fair value of the assets at 31 December 2015	**-**	**62,947**	**19,366**	**-**	**82,313**
Interest income	-	522	416	56	994
Estimated yield on plan assets, except interest income	-	526	3,712	-	4,238
Employees' share of contributions	-	2,554	-	72	2,626
Group's share of contributions	-	3,125	-	383	3,508
Benefits paid	-	(2,118)	(544)	(121)	(2,783)
Exchange rate gains/(losses)	-	633	-	-	633
Other *	-	-	-	1,878	1,878
Disposals	-	-	(22,950)		(22,950)
Fair value of the assets at 31 December 2016	**-**	**68,189**	**-**	**2,268**	**70,457**

* "Other" includes the balance at 1 January 2016 of the defined benefit plans in Belgium

Due to a legislative change, on 1 January 2016 the defined contribution plans in Belgium were converted into defined benefit plans.

The amount shown for "Disposals" with respect to "Other plans" concerns the disposal of the French railway station business.

The main categories of plan assets are:

	Switzerland	Belgium
Cash and cash equivalents	5.7%	100%
Equity instruments	21%	0%
Bonds	43%	0%
Real estate	21%	0%
Other securities	9%	0%

Equity instruments and bonds have official market prices.

The occurrence of reasonably possible variations in actuarial assumptions at the end of the year would have affected the defined benefit obligation as quantified in the table.

	Italy			Switzerland			Other plans		
(€k)	Increase	Decrease	Change	Increase	Decrease	Change	Increase	Decrease	Change
Discount rate	(1,035)	1,070	0.25%	(3,129)	3,330	0.25%	(365)	833	0.75%
Salary increase rate	-	-	-	473	n.a.	0.25%	-	-	-
Pension increase rate	-	-	-	-	-	-	-	-	-
Inflation rate	657	(645)	0.25%	-	-	-	-	-	-

At the close of the year, the weighted average duration of the defined benefit obligation was 16.6 years for 2016 and 13.1 years for 2015.

XXIII. Provisions for risks and charges

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

(€k)	31.12.2015	Other movements and exchange rate	Disposals	Allocations	Reversals	Utilizations	31.12.2016
Provision for taxes	2,642	110	-	411	-	-	3,163
Other provisions	13,228	(7,672)	-	15,335	-	(9,506)	11,384
Provision for legal disputes	3,384	41	-	1,009	(16)	(2,328)	2,090
Onerous contracts provision	2	-	-	-	(2)	-	-
Total provisions for current risks and charges	**19,256**	**(7,521)**	**-**	**16,755**	**(18)**	**(11,834)**	**16,637**
Provision for taxes	132	-	(36)	-	(38)	(59)	-
Other provisions	23,220	9,084	(178)	1,463	(444)	(2,803)	30,341
Provision for legal disputes	2,696	-	(160)	1,043	(174)	(1,030)	2,376
Provision for the refurbishment of third party assets	7,309	(15)	-	312	(104)	(155)	7,348
Onerous contracts provision	3,544	42	(65)	985	(990)	(659)	2,858
Total provisions for non-current risks and charges	**36,901**	**9,111**	**(438)**	**3,803**	**(1,749)**	**(4,705)**	**42,922**

(€k)	31.12.2014	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2015
Provision for taxes	2,752	267	410	-	(787)	2,642
Other provisions	8,913	(2,832)	12,034	-	(4,887)	13,227
Provision for legal disputes	206	61	3,202	(85)	-	3,384
Onerous contracts provision	4	-	-	(2)	-	2
Total provisions for current risks and charges	**11,875**	**(2,504)**	**15,646**	**(87)**	**(5,674)**	**19,256**
Provision for taxes	132	-	-	-	-	132
Other provisions	21,498	6,346	2,312	(210)	(6,727)	23,220
Provision for legal disputes	3,770	(10)	853	(494)	(1,423)	2,696
Provision for the refurbishment of third party assets	6,117	764	1,010	(203)	(379)	7,309
Onerous contracts provision	2,097	177	2,179	(62)	(847)	3,544
Total provisions for non-current risks and charges	**33,614**	**7,276**	**6,355**	**(969)**	**(9,375)**	**36,901**

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

Other provisions
These refer almost entirely to a United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans, settled on an annual basis. In 2016, € 15,335k was allocated to this provision on the basis of track records and forecasts regarding accidents, while settlements for the period came to € 11,712k (including € 2,207k from the non-current portion).

Provision for legal disputes
This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments, in line with forecasts. Allocations for the period amounted to € 2,052k.

Provision for the refurbishment of third party assets
This represents the estimated liability for ensuring that leased assets are returned in the contractually agreed condition.

Onerous contracts provision
This refers to long-term leases or concession agreements on commercial units that are not profitable enough to cover the rent. It has been updated using profitability projections as of 31 December 2016. Reversals concern units that have made up for the insufficient profitability recognized at 31 December 2015, according to updated projections. These amounts offset the provision to the income statement for 2016.

XXIV. Equity

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

Share capital
At 31 December 2016 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.

On 6 June 2013, the general meeting of shareholders of Autogrill S.p.A. approved a change to Art. 5 ("Share capital") of the company's by-laws which eliminates the par value of shares.

At 31 December 2016 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, € 16,009k concerns exchange rate gains from the translation of financial statements in foreign

currencies and € 179k the portion of comprehensive income for investments valued using the equity method (Note X), partially offset by the decrease in the fair value of instruments designated as net investment hedges, net of the tax effect (-€ 143k).

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 2015 profit on the basis of the shareholders' meeting resolution of 26 May 2016 and by the payment of € 30,484k in dividends.

Treasury shares

The annual general meeting of 26 May 2016, pursuant to arts. 2357 *et seq.* of the Italian Civil Code and after revoking the authorization granted previously, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2016 the parent owned 365,212 treasury shares (365,212 at the end of 2015) with a carrying amount of € 1,447k and an average carrying amount of € 3.96 per share.

No additional treasury shares were purchased or disposed of in 2016.

Non-controlling interests

Non-controlling interests amount to € 43,997k, compared with € 40,400k at 31 December 2015. Most of the increase is due to the profit the year (€ 16,294k) and capital injections (€ 11,620k), net of dividends paid (€ 24,366k).

Other comprehensive income

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

	2016			2015		
(€k)	**Gross amount**	**Tax benefit/ (expense)**	**Net amount**	**Gross amount**	**Tax benefit/ (expense)**	**Net amount**
Remeasurements of the defined benefit (liabilities)/asset	832	(228)	604	(136)	(580)	(716)
Items that will never be reclassified to profit or loss	**832**	**(228)**	**604**	**(136)**	**(580)**	**(716)**
Effective portion of fair value change in cash flow hedges	-	-	-	2,649	(728)	1,921
Equity-accounted investee - share of other comprehensive income	179	-	179	(603)	-	(603)
Gain/(loss) on fair value of available-for-sale financial assets	-	-	-	581	(160)	421
Foreign currency translation differences for foreign operations	16,954	-	16,954	34,825	-	34,825
Gain/(loss) on net investment hedge	(187)	44	(143)	(5,476)	667	(4,809)
Items that may be subsequently reclassified to profit or loss	**16,946**	**44**	**16,990**	**31,976**	**(221)**	**31,755**
Total other comprehensive income	**17,778**	**(184)**	**17,594**	**31,840**	**(801)**	**31,039**

2.2.6 NOTES TO THE INCOME STATEMENT

XXV. Revenue

Revenue for 2016 was made up as follows:

(€k)	2016	2015	Change
Food & Beverage sales	4,519,075	4,336,331	182,744
Oil sales	421,914	469,559	(47,645)
Total	**4,940,989**	**4,805,890**	**135,099**

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

The sale of fuel takes place mainly at rest stops in Italy and Switzerland. The decrease for the year is due mainly to the lower price of fuel at the pump.

For details of the trend in revenue, see section 2.2.10 (Segment reporting) and the Directors' Report on operations.

XXVI. Other operating income

(€k)	2016	2015	Change
Bonus from suppliers	43,587	45,651	(2,064)
Income from business leases	7,087	7,857	(770)
Affiliation fees	2,585	2,574	11
Gain on sales of property, plant and equipment	3,652	4,897	(1,245)
Other revenue	43,834	41,064	2,770
Total	**100,745**	**102,043**	**(1,298)**

"Other revenue" includes € 21m (€ 21.7m the previous year) in commissions from the sale of goods and services for which the Group acts as an agent (mostly telephone cards, fuel and lottery tickets). It also includes income from services, reimbursements from third parties and insurance payments. One such insurance payment covers the interruption of business at Brussels airport following the terrorist attack in March 2016, which offsets lost profits for the period.

XXVII. Raw materials, supplies and goods

(€k)	2016	2015	Change
Purchases	1,830,136	1,846,630	(16,494)
Change in inventories	(20,685)	(19,746)	(939)
Total	**1,809,451**	**1,826,884**	**(17,433)**

Most of the change in this item reflects the lower cost of fuel, which corresponds to the aforementioned decrease in fuel prices at the pump, partially offset by higher food & beverage sales.

XXVIII. Personnel expense

(€k)	2016	2015	Change
Wages and salaries	1,168,313	1,105,247	63,066
Social security contribution	184,582	184,078	504
Employee benefits	30,322	28,846	1,476
Other costs	112,531	105,705	6,826
Total	**1,495,748**	**1,423,876**	**71,872**

The increase in personnel expense reflects the expansion of business and, specifically in the United States, the rise in the average wage and the associated social security and insurance costs.

"Other costs" include the portion of the stock option plans pertaining to the year and fees paid to the Board of Directors, as detailed in Section 2.2.14 below, as well as reorganization costs of € 5,252k (€ 11,711k the previous year).

The average headcount, expressed in terms of equivalent full-time employees, was 39,423 (40,560 in 2015).

XXIX. Leases, rentals, concessions and royalties

(€k)	2016	2015	Change
Leases, rentals and concessions	683,049	646,211	36,838
Royalties	113,085	105,174	7,911
Total	**796,134**	**751,385**	**44,749**

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

XXX. Other operating expense

(€k)	2016	2015	Change
Utilities	91,685	90,899	786
Maintenance	81,398	76,775	4,623
Cleaning and disinfestations	49,560	49,458	102
Consulting and professional services	35,507	35,365	142
Commissions on credit card payments	50,170	46,589	3,581
Storage and transport	17,538	16,434	1,104
Advertising	13,642	13,481	161
Travel expenses	26,723	26,761	(38)
Telephone and postal charges	18,214	17,232	982
Equipment hire and lease	7,399	7,596	(197)
Insurance	5,191	4,914	277
Surveillance	3,340	3,569	(229)
Transport of valuables	4,716	4,868	(152)
Banking services	4,878	4,834	44
Sundry materials	38,568	36,253	2,315
Other services	37,627	39,857	(2,230)
Costs for materials and services	**486,156**	**474,885**	**11,271**
Impairment losses on receivables (Note V)	**2,322**	**1,691**	**631**
For taxes	373	410	(37)
For legal disputes	1,862	3,502	(1,640)
For onerous contracts	(7)	2,115	(2,122)
For other risks	16,354	14,008	2,346
Allocation to provisions for risks (Note XXIII)	**18,582**	**20,035**	**(1,453)**
Indirect and local taxes	**26,029**	**25,196**	**833**
Other operating expense	**10,404**	**10,492**	**(88)**
Total	**543,493**	**532,299**	**11,194**

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

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

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

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

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

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

XXXI. Depreciation, amortization and impairment losses

In detail by type of assets:

(€k)	2016	2015	Change
Other intangible assets	18,178	16,964	1,214
Property, plant and equipment	169,285	169,307	(22)
Assets to be transferred free of charge	16,960	22,590	(5,630)
Total	**204,423**	**208,861**	**(4,438)**

Impairment losses (net of reversals) were recognized in the amount of € 6,143k (€ 12,721k in 2015), following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each cash generating unit.

The following table provides a breakdown by type of asset:

(€k)	2016	2015	Change
Other intangible assets	427	165	262
Property, plant and equipment	4,293	9,421	(5,128)
Assets to be transferred free of charge	1,423	3,135	(1,712)
Total	**6,143**	**12,721**	**(6,578)**

See notes VII, VIII and IX for details of the assumptions and criteria used to measure impairment.

XXXII. Capital gain from disposal of operating activities

This consists of the gain of € 14,669k from the sale of the French railway station business in June 2016. For details, see section 2.2.3 "Disposals".

XXXIII. Financial income and expense

(€k)	2016	2015	Change
Interest income	764	823	(59)
Interest differential on exchange rate hedges	12	24	(12)
Other financial income	568	1,011	(443)
Total financial income	**1,344**	**1,858**	**(514)**

(€k)	2016	2015	Change
Interest expense	27,948	31,312	(3,364)
Discounting of long-term liabilities	1,384	1,249	135
Exchange rate losses	1,927	3,849	(1,922)
Interest differential on exchange rate hedges	357	241	116
Fees paid on loans and bonds	197	1,475	(1,278)
Other financial expense	1,091	1,322	(231)
Total financial expense	**32,904**	**39,448**	**(6,544)**
Total net financial expense	**(31,560)**	**(37,590)**	**6,030**

The decrease in interest expense reflects reduced indebtedness. The 2015 figure included € 1,332k in banking fees not yet fully amortized on the € 500m loan that was paid back early in March 2015.

XXXIV. Income tax

The balance of € 54,551k (€ 34,504k in 2015) includes € 52,965k in current taxes (€ 39,657k the previous year) and € 1,796k in net deferred tax assets (€ 7,358k in 2015).

IRAP, which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense for fixed-term labour, came to € 1,848k in 2016 (€ 382k the previous year). In 2015 the balance included the reversal of an accrual for the previous year in the amount of € 746k.

CVAE, charged on French operations and calculated on the basis of revenue and value added, amounted to € 1,534k (€ 1,823k in 2015).

Excluding IRAP and French CVAE, the average tax rate was 30%, compared with 28.5% in 2015.

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

(€k)	2016	%	2015	%
Theoretical income tax	**67,444**	**39.6**	**48,591**	**42.9**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(6,024)		(5,213)	
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	2,206		654	
Adjustment rate of income tax for Italian companies (IRES)	-		(1,063)	
Tax concessions on the labour cost in the United States	(7,545)		(6,423)	
Gain on operating activity disposal no-taxable	(4,889)		-	
Permanent differences	(23)		(4,247)	
Income tax, excluding IRAP and CVAE	**51,169**	**30.0**	**32,299**	**28.5**
IRAP and CVAE	3,382		2,205	
Recognised income tax	**54,551**	**32.0**	**34,504**	**30.4**

XXXV. Profit/loss from discontinued operations

The loss of € 1,237k is the sum of € 2,066k in net profit earned in the first 10 months of 2016 by the Dutch operations, the capital loss of € 2,883k on the disposal, and € 420k in disposal costs.

XXXVI. Basic and diluted earnings per share

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

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

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

	2016	2015
Profit/(loss) for the period attributable to owners of the parent (€k)	98,228	64,153
Weighted average no. of outstanding shares (no./000)	254,035	253,930
Basic earning per share (€/cent.)	**38.7**	**25.3**

	2016	2015
Profit/(loss) for the period attributable to owners of the parent (€k)	98,228	64,153
Weighted average no. of outstanding shares (no./000)	254,035	253,930
Dilution effect of shares included in stock option plans (no./000)	83	91
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,118	254,020
Diluted earning per share (€/cent.)	**38.7**	**25.3**

2.2.7 NET FINANCIAL POSITION

Details of the net financial position at 31 December 2016 and 31 December 2015 are as follows:

Note	(€m)		31.12.2016	31.12.2015	Change
I	A)	Cash on hand	50.8	51.9	(1.0)
I	B)	Cash equivalents	107.9	110.0	(2.0)
	C)	Securities held for trading	-	-	-
	D)	**Cash and cash equivalent (A + B + C)**	**158.7**	**161.9**	**(3.1)**
II	**E)**	**Current financial assets**	**38.6**	**45.1**	**(6.5)**
XIX	F)	Bank loans and borrowings, current	(108.0)	(88.0)	(20.1)
XXI	G)	Bond issued	(143.2)	-	(143.2)
XVII	H)	Other financial liabilities	(11.7)	(9.3)	(2.4)
	I)	**Current financial indebtedness (F + G + H)**	**(262.9)**	**(97.3)**	**(165.7)**
	J)	**Net current financial indebtedness (I + E + D)**	**(65.6)**	**109.7**	**(175.3)**
XIX	K)	Bank loans and borrowings, net of current portion	(182.0)	(276.3)	94.3
XXI	L)	Bond issued	(330.4)	(461.7)	131.3
XX	M)	Due to others	(7.6)	(5.4)	(2.2)
	N)	**Non-current financial indebtedness (K + L + M)**	**(520.0)**	**(743.4)**	**223.4**
	O)	**Net financial indebtedness (J + N) ***	**(585.6)**	**(633.7)**	**48.1**
XI	**P)**	**Non-current financial assets**	**7.7**	**4.7**	**2.9**
		Net financial position - total	**(578.0)**	**(629.0)**	**51.0**

* As defined by CONSOB communication 28 luglio 2006 and ESMA/2011/81 recommendations

For further commentary, see the notes indicated for each item. The change was caused by strong cash generation in 2016.

At the close of this and the previous year, there were no financial liabilities or assets due to or from related parties.

At 31 December 2016, receivables from credit card companies (€ 14.8m) are included under "Other financial assets" (in previous years they were listed as "Other receivables"). The balance at 31 December 2015 (€ 15.5m) has been reclassified accordingly.

2.2.8 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

2.2.8.1 Fair value hierarchy

The following tables break down assets and liabilities by category at 31 December 2016 and 2015 and financial instruments measured at fair value by valuation method. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities either directly (prices) or indirectly (derived from prices);

Level 3 – inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

	31.12.2016								
	Carrying amount					Fair value			
(€k)	Fair value - hedging instruments	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Fair value of interest rate hedging derivatives	1,018	-	-	-	1,018	-	1,018	-	1,018
Fair value of exchange rate hedging derivatives	678	-	-	-	678	-	678	-	678
	1,696	**-**	**-**	**-**	**1,696**				
Financial assets not measured at fair value									
Cash and cash equivalent	-	158,744	-	-	158,744	-	-	-	-
Trade receivables	-	58,105	-	-	58,105	-	-	-	-
Other current receivables	-	57,711	-	-	57,711	-	-	-	-
Other non current receivables	-	11,063	-	-	11,063	-	-	-	-
Other financial assets (current)	-	36,867	-	-	36,867	-	-	-	-
Other financial assets (non-current)	-	18,325	-	-	18,325	-	-	-	-
	-	**340,815**	**-**	**-**	**340,815**				
Financial liabilities measured at fair value									
Fair value of interest rate hedging derivatives	752	-	-	-	752	-	752	-	752
Fair value of exchange rate hedging derivatives	1,925	-	-	-	1,925	-	1,925	-	1,925
	2,677	**-**	**-**	**-**	**2,677**				
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	30,046	30,046	-	-	-	-
Unsecured bank loans *	-	-	-	259,989	259,989	-	243,336	-	243,336
Finance leases	-	-	-	5,035	5,035	-	-	-	-
Financial liabilities due to others	-	-	-	2,367	2,367	-	-	-	-
Bonds	-	-	-	473,558	473,558	-	486,315	-	486,315
Trade payables	-	-	-	359,832	359,832	-	-	-	-
Due to suppliers for investments	-	-	-	91,644	91,644	-	-	-	-
Total	**-**	**-**	**-**	**1,222,471**	**1,222,471**				

* Fair value refers to Autogrill S.p.A. Multicurrency Revolving Facility, drawndown for € 245,000k at 31 December 2016

	31.12.2015								
	Carrying amount					Fair value			
(€k)	Fair value - hedging instruments	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Fair value of interest rate hedging derivatives	1,714	-	-	-	1,714	-	1,714	-	1,714
Fair value of exchange rate hedging derivatives	516	-	-	-	516	-	516	-	516
	2,230	**-**	**-**	**-**	**2,230**				
Financial assets not measured at fair value									
Cash and cash equivalent	-	161,834	-	-	161,834	-	-	-	-
Trade receivables	-	48,314	-	-	48,314	-	-	-	-
Other current receivables	-	56,729	-	-	72,216	-	-	-	-
Other non current receivables	-	11,693	-	-	11,693	-	-	-	-
Other financial assets (current)	-	43,094	-	-	27,607	-	-	-	-
Other financial assets (non-current)	-	14,950	-	-	14,950	-	-	-	-
	-	**336,614**	**-**	**-**	**336,614**				
Financial liabilities measured at fair value									
Fair value of interest rate hedging derivatives	-	-	-	-	-	-	-	-	-
Fair value of exchange rate hedging derivatives	340	-	-	-	340	-	340	-	340
	340	**-**	**-**	**-**	**340**				
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	52,989	52,989	-	-	-	-
Unsecured bank loans *	-	-	-	311,291	311,291	-	279,966	-	314,966
Finance leases	-	-	-	5,675	5,675	-	-	-	-
Financial liabilities due to others	-	-	-	321	321	-	-	-	-
Bonds	-	-	-	461,713	461,713	-	449,698	-	449,698
Trade payables	-	-	-	398,802	398,802	-	-	-	-
Due to suppliers for investments	-	-	-	78,517	78,517	-	-	-	-
Total	**-**	**-**	**-**	**1,309,308**	**1,309,308**				

* Fair value refers to Autogrill S.p.A. Multicurrency Revolving Facility, drawndown for € 280,000k at 31 December 2015

Information on the fair value of assets and liabilities is not included when the carrying amount is a reasonable approximation of fair value.

In 2016 there were no transfers between different hierarchical levels.

(a) Level 1 financial instruments
The fair value of a financial instrument traded in an active market is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the financial assets held by the Group is the current bid price.

(b) Level 2 financial instruments
The fair value of financial instruments not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair

value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For level 2, the specific valuation techniques are as follows:
- the fair value of interest rate swaps has been estimated considering the present value of future cash flows based on observable yield curves. This fair value takes into account the credit risk of the counterparty determined based on observable market data. It also takes into account the credit risk of the Group, calculated on the basis of credit and other financial ratios and benchmarking. The adjustments to the aforementioned risks are considered not significant at 31 December 2016;
- the fair value of loans and bonds was estimated by discounting future cash flows at a risk-free market interest rate gross of a spread determined on the basis of the Group's credit risk, financial ratios and benchmarking.

2.2.8.2 Financial risk management

The Group is exposed to the following risks:
- market risk;
- credit risk;
- liquidity risk:

The overall responsibility for the creation and supervision of a Group risk management system lies with Autogrill S.p.A.'s Board of Directors, which has formed a sub-committee for Control, Risk and Corporate Governance. The sub-committee is responsible for looking into matters concerning Autogrill's control and risk management system and helping the Board of Directors reach informed decisions on these issues.

The Group's risk management policies are designed to identify and analyze the risks to which the Group is exposed, establish appropriate limits and controls, and monitor the risks and compliance with those limits. These policies and the corresponding systems are revised regularly to reflect any changes in market conditions and the Group's operations. Through training, standards and official procedures, the Group aims to create a disciplined and constructive environment in which its employees are aware of their roles and responsibilities. The Internal Audit unit complements the sub-committee for Control, Risk and Corporate Governance in its monitoring activities, conducting periodic reviews and spot checks of the controls and risk management procedures and reporting results to the Board of Directors.

This section describes the Group's exposure to each of the risks listed above, its risk objectives and policies, and its means of managing and assessing these risks.

Market risk

The market risk is the risk that the fair value or future cash flows from a financial instrument may fluctuate due to changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to monitor these risks and keep them within acceptable levels, along with their potential impact on the Group's results and financial position.

Autogrill's financial policy places a strong emphasis on the management and control of market risk, in particular with respect to interest rates and exchange rates, given the extent of the Group's borrowings and its international profile.

Interest rate risk

The aim of interest rate risk management is to control financial expense and its volatility. This entails, through a mix of fixed- and floating-rate liabilities, the predetermination of a portion of financial expense out to a time horizon in keeping with the structure of debt, which in turn must be in line with capital structure and future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer. The derivatives used are mainly interest rate swaps (IRS).

Hedging instruments are allocated to companies with significant exposure to interest rate risk, through debt charging a floating rate (thus exposing the Group to higher finance costs if interest rates rise) or a fixed rate (which means that lower or higher interest rates do not bring about a reduction or an increase in the amount payable).

Interest rate hedging instruments are accounted for as cash flow hedges in the financial statements of Group companies exposed to this risk. They are recognized under financial assets or liabilities, on a separate line of the statement of comprehensive income, and in the "Hedging reserve" in net equity.

In 2015, interest rate swaps recognized as cash flow hedges with a combined notional value of € 120m reached their natural expiration.

Financial instruments hedging the risk of changes in the fair value of liabilities are accounted for as fair value hedges in the financial statements of Group companies exposed to this risk, and recognized as financial assets or liabilities with a balancing entry in the income statement.

At 31 December 2016, fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 62% of the total compared with 55% at the end of 2015.

Gross debt denominated in US Dollars amounted to $ 534.1m at the close of the year, including $ 499.2m in bond loans. Part of the interest rate risk is hedged by fixed-to-floating interest rate swaps for $ 100m, classified as fair value hedges.

Below are the details of financial instruments used to hedge fixed-rate debt of $ 100m at the close of the year:

Underlying	Notional amount		Expiry	Average fixed rate received	Floating rate received	Fair value (€k)
Bond issue	$k	25,000	January 2023	2.24%	USD Libor 6 months	87
Bond issue	$k	45,000	September 2024	2.38%	USD Libor 6 months	103
Bond issue	$k	30,000	September 2025	2.44%	USD Libor 6 months	76

A hypothetical 1-point unfavourable change in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at 31 December 2016 would increase net financial expense by € 3,072k.

Exchange rate risk

The Group operates in various countries with functional currencies other than the euro. In these countries, the procurement policy dictates that raw material purchases and other operating expense be conducted in the same currencies, thereby minimizing exchange rate risk. Such a risk remains with respect to intragroup loans, when granted to subsidiaries that use non-euro currencies. Under these circumstances, the objective of currency risk management is to neutralize some of this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the euro.

The Group's exposure to currency translation risk is detailed below, in local currency:

(Currency/000)	Usd	Cad	Chf
Equity	273,947	67,431	172,931
Profit	91,016	7,234	3,342

If the euro had risen or fallen by 10% against the above currencies, at 31 December 2016 equity and profit for the year would have been altered as shown in the following table (in thousands of euros):

	Usd 1.0541		Cad 1.4188		Chf 1.0739	
(€k)	+10%	-10%	+10%	-10%	+10%	-10%
Equity	(23,626)	28,876	(4,321)	5,281	(14,639)	17,892
Profit	(7,475)	9,136	(449)	548	(279)	341

This analysis was based on the assumption that the other variables, especially interest rates, remain unchanged.

Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk (i.e., the risk attending conversion into euros in the parent company's or its subsidiaries' accounts of equity investments denominated in foreign currency) or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognized at fair value under financial assets or liabilities.

Fluctuations in the fair value of hedges of foreign currency financial assets or liabilities are taken to profit or loss, as is the corresponding change in the amount of the hedged assets and liabilities.

The fair value of exchange rate hedges outstanding at 31 December 2016 is shown below:

Notional amount (currency/000)		Expiry	Forward rate	Fair value (€k)
Chf	10,000	January 2017	1.0674	(53)
Usd	17,000	January 2017	1.0425	204
Usd	20,000	January 2017	1.0428	236
Usd	20,000	January 2017	1.0431	231
Usd	340	September 2017	1.0546	5
Pln	9,800	March 2017	4.4330	1
Cad	8,650	January 2017	1.4493	(109)
Gbp	15,000	January 2017	0.9067	(1,156)
Sek	49,000	January 2017	9.7071	(33)
Usd	500	January 2017	1.0986	(16)
Gbp	1,500	January 2017	0.9070	(117)
Cad	12,350	January 2017	1.4493	(159)
Usd	6,562	January 2017	1.1023	(251)
Usd	275	January 2017	1.0996	(10)
Usd	475	January 2017	1.1100	(21)
Usd	400	January 2017	1.0608	1

Credit risk

Credit risk is the risk that a customer or a financial instrument counterparty may cause a financial loss by defaulting on an obligation. It arises principally in relation to the Group's trade receivables and financial investments.

The carrying amount of the financial assets is the Group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties, as detailed in Section 2.2.12.

Exposure at 31 December 2016 and 31 December 2015 was as follows:

Financial assets (€k)	31.12.2016	31.12.2015	Change
Bank and post office deposits	107,914	109,959	(2,045)
Other current financial assets	36,867	43,094	(6,227)
Trade receivables	58,105	48,314	9,791
Other current receivables	57,711	56,729	982
Derivative instruments	1,696	2,230	(534)
Other non-current financial assets	18,325	14,950	3,375
Other non-current receivables	11,063	11,693	(630)
Total	**291,681**	**286,969**	**4,712**

Exposure to credit risk depends on the specific characteristics of each customer. The Group's business model, centered on the relationship with the end consumer, means that trade receivables and thus the relative degree of risk is of limited significance in relation to total financial assets, since most sales are paid for in cash.

In most cases, the Group's trade receivables stem from catering service agreements and commercial affiliations.

Other receivables (current and non-current) consist mainly of amounts due from Inland Revenue and other government agencies, fees paid in advance, and advances for services or commercial investments made on behalf of concession grantors, for which the degree of credit risk is low.

Financial assets are recognized net of impairment losses calculated on the basis of the counterparty's risk of default. Impairment is determined according to local procedures, which may require impairment of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or generic impairment calculated on the basis of historical and statistical data.

	31.12.2016					
		Expired not impaired				
Trade receivables (€k)	Not expired	1–3 months	3–6 months	6 months–1 year	Over 1 year	Total
Airlines	6,301	770	177	-	-	**7,248**
Franchises	1,910	69	-	2,448	21	**4,448**
Catering services agreements	5,985	2,427	206	329	177	**9,124**
Motorway partners	2,544	2,144	24	1,065	3,792	**9,539**
Other	14,966	8,202	2,881	700	1,451	**27,746**
Total	**31,706**	**13,612**	**3,288**	**4,542**	**5,441**	**58,105**

	31.12.2015					
		Expired not impaired				
Trade receivables (€k)	Not expired	1–3 months	3–6 months	6 months–1 year	Over 1 year	Total
Airlines	5,804	809	36	-	-	**6,649**
Franchises	3,054	874	-	2,077	-	**6,005**
Catering services agreements	5,637	1,979	19	354	4	**7,993**
Motorway partners	1,223	2,525	-	2,329	11	**5,861**
Other	14,193	4,010	149	3,454	-	**21,806**
Total	**29,911**	**10,110**	**204**	**8,074**	**15**	**48,314**

There is no significant concentration of credit risk: the ten largest clients account for 23.75% of total trade receivables, and the largest client (Bejing Capital Airport Food Management Company Limited) accounts for 5.07%.

Liquidity risk

Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities.

The Group manages liquidity by ensuring that to the extent possible, it always has sufficient funds to meet its obligations on time, without incurring excessive charges or risking damage to its reputation.

The elements that make up the Group's liquidity are the resources generated or absorbed by operating and investing activities, the characteristics of its debt, the liquidity of its financial investments, and financial market conditions.

Exposure and maturity data at the close of 2016 and 2015 were as follows:

		31.12.2016						
		Contractual cash flows						
Non-derivative financial liabilities (€k)	**Carrying amount**	**Total**	**1–3 months**	**3–6 months**	**6 months–1 year**	**1–2 years**	**2–5 years**	**Over 5 years**
Current account overdrafts	30,046	**30,046**	30,046	-	-	-	-	-
Unsecured bank loans	263,000	**263,000**	18,000	30,000	30,000	60,000	125,000	-
Lease payments due to others	5,035	**5,035**	411	46	93	285	728	3,472
Liabilities due to others	2,367	**2,367**	2,043	-	-	-	324	-
Bonds	475,152	**475,152**	-	143,252	-	-	61,664	270,236
Trade payables	359,832	**359,832**	357,825	1,780	216	7	4	-
Due to suppliers for investments	91,644	**91,644**	91,507	131	-	-	-	6
Total	**1,227,076**	**1,227,076**	**499,832**	**175,209**	**30,309**	**60,292**	**187,720**	**273,714**

	31.12.2016							
		Contractual cash flows						
Derivative financial liabilities (€k)	**Carrying amount**	**Total**	**1–3 months**	**3–6 months**	**6 months–1 year**	**1–2 years**	**2–5 years**	**Over 5 years**
Forward foreign exchange derivatives	1,925	**1,925**	1,925	-	-	-	-	-
Interest rate swap	752	**752**	-	-	-	-	-	752
Total	**2,677**	**2,677**	**1,925**	**-**	**-**	**-**	**-**	**752**

	31.12.2015							
		Contractual cash flows						
Non-derivative financial liabilities (€k)	**Carrying amount**	**Total**	**1–3 months**	**3–6 months**	**6 months–1 year**	**1–2 years**	**2–5 years**	**Over 5 years**
Current account overdrafts	52,989	**52,989**	52,989	-	-	-	-	-
Unsecured bank loans	315,000	**315,000**	35,000	-	-	-	280,000	-
Lease payments due to others	5,675	**5,675**	230	135	275	477	851	3,707
Liabilities due to others	321	**321**	-	-	-	-	-	321
Bonds	463,738	**463,738**	-	-	-	141,139	-	322,599
Trade payables	398,802	**398,802**	392,193	6,480	91	27	11	-
Due to suppliers for investments	78,517	**78,517**	78,511	-	-	-	-	6
Total	**1,315,042**	**1,315,042**	**558,923**	**6,615**	**366**	**141,643**	**280,862**	**326,633**

	31.12.2015							
		Contractual cash flows						
Derivative financial liabilities (€k)	**Carrying amount**	**Total**	**1–3 months**	**3–6 months**	**6 months–1 year**	**1–2 years**	**2–5 years**	**Over 5 years**
Forward foreign exchange derivatives	340	340	340	-	-	-	-	-
Total	**340**	**340**	**340**	**-**	**-**	**-**	**-**	**-**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of which the largest 10 account for 22% of the total and the leading supplier (Autostrade per l'Italia S.p.A.) for 7.97%.

The bond regulations call for compliance with certain financial ratios, calculated solely with respect to the companies headed up by HMSHost Corporation. They are not guaranteed by Autogrill S.p.A. There are also limits on the distribution of dividends by HMSHost Corporation to the parent, Autogrill S.p.A., if the leverage ratio of the HMSHost subgroup exceeds a certain amount.

The loan contracts (note XIX) and bonds (note XXI) outstanding at 31 December 2016 require the satisfaction of certain financial ratios, specifically, the leverage ratio (net debt/EBITDA) and interest coverage ratio (EBITDA/net financial expense). These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill Group as a whole.

At 31 December 2016 all of the above covenants were satisfied. Forecasts for 2017 confirm that they will continue to be met over the next 12 months.

The weighted average term of bank loans and bonds at 31 December 2016, including unutilized credit lines, is approximately three years and six months (four years and six months at the end of 2015).

2.2.9 DISCLOSURE OF NON-CONTROLLING INTERESTS

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

At 31 December 2016, these companies had net assets of $ 129.6m ($ 116.9m at 31 December 2015); for the year they generated revenue of $ 696.7m ($ 650.8m in 2015) and net profit of $ 71.1m ($ 66.7m the previous year). The non-controlling interests in shareholders' equity amount to $ 30m ($ 25.3m at 31 December 2015) and in net profit to $ 14.3m ($ 14m the previous year).

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 clientele. The business is conducted in Europe by Autogrill S.p.A. (directly in Italy and through subsidiaries in other European countries), and in North America, Scandinavia, the Middle East and Asia by HMSHost Corporation and its subsidiaries. The Group serves its own proprietary brands as well as third-party brands under license. The operational levers are typically assigned to local organizations and coordinated, at the European level, by central facilities.

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

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

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

	2016				
Segment (€k)	**North America**	**International**	**Europe**	**Corporate**	**Consolidated**
Total revenue and other operating income	**2,364,909**	**439,533**	**2,237,292**	**-**	**5,041,734**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(110,036)	(24,000)	(76,373)	(157)	**(210,566)**
Operating profit/(loss)	**156,456**	**27,027**	**45,034**	**(27,506)**	**201,011**
Net financial expense					**(31,560)**
Adjustment to the value of financial assets					**859**
Pre-tax profit					**170,310**
Income tax					**(54,551)**
Profit for the year					**115,759**

	31.12.2016				
Segment (€k)	**North America**	**International**	**Europe**	**Corporate**	**Consolidated**
Goodwill	479,412	63,886	326,019	-	**869,318**
Other intangible assets	38,426	10,847	31,609	407	**81,289**
Property, plant and equipment	515,164	77,939	303,196	233	**896,533**
Financial assets	6,829	2,999	5,455	-	**15,283**
Non-current assets	**1,039,831**	**155,671**	**666,279**	**640**	**1,862,423**
Net working capital	**(275,681)**	**(32,410)**	**(172,348)**	**37,944**	**(442,496)**
Other non-current non financial assets and liabilities	**(78,036)**	**(2,031)**	**(71,028)**	**(3,276)**	**(154,371)**
Net invested capital	**686,114**	**121,230**	**422,902**	**35,308**	**1,265,555**

Segment (€k)	North America	International	Europe	Corporate	Consolidated
	2015				
Total revenue and other operating income	**2,237,662**	**349,918**	**2,320,353**	**-**	**4,907,933**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(110,159)	(19,912)	(91,342)	(169)	**(221,582)**
Operating profit/(loss)	**143,930**	**22,509**	**11,299**	**(25,831)**	**151,907**
Net financial expense					**(37,590)**
Adjustment to the value of financial assets					**(1,003)**
Pre-tax profit					**113,314**
Income tax					**(34,504)**
Profit for the year					**78,810**

Segment (€k)	North America	International	Europe	Corporate	Consolidated
	31.12.2015				
Goodwill	463,487	63,506	337,476	-	**864,469**
Other intangible assets	11,757	10,118	34,922	80	**56,877**
Property, plant and equipment	458,477	80,030	337,209	268	**875,984**
Financial assets	9,998	1,868	5,398	-	**17,264**
Non-current assets	**943,719**	**155,522**	**715,005**	**348**	**1,814,594**
Net working capital	**(286,437)**	**(43,209)**	**(184,226)**	**80,948**	**(432,924)**
Other non-current non financial assets and liabilities	**(62,731)**	**(1,646)**	**(80,468)**	**(7,894)**	**(152,739)**
Net invested capital	**594,551**	**110,667**	**450,311**	**73,402**	**1,228,931**

As mentioned in section 2.2.3, the French railway station operations, pursuant to IFRS 8, do not constitute a major line of business or geographical area for the Group; so their disposal is not subject to IFRS 5 – Non-current assets held for sale and discontinued operations.

Net invested capital relating to the French railway station business amounted to € 14.6m on the disposal date, including € 12.7m in goodwill.

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

As such, the results relating to that business for 2016 (up to the sale date) are recognized under "Profit/loss from discontinued operations". The income statement published by the Autogrill Group for 2015 has been restated accordingly.

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 in turn affects consolidated results. A breakdown of 2016 results by quarter shows that volumes are concentrated in the second half of the year, and particularly in the third quarter, when business is at a peak due to summer holidays.

	2016			
(m€)	First quarter	First half	First 9 months	Full year
Revenue	955.2	2,040.5	3,281.5	4,519.1
% of full year	*21.1%*	*45.2%*	*72.6%*	*100.0%*
Operating profit/(loss)	(9.9)	60.4	179.3	201.0
% of full year	*n.s.*	*30.1%*	*89.2%*	*100.0%*
Pre-tax profit/(loss)	(17.7)	45.1	158.6	170.3
% of full year	*n.s.*	*n.s.*	*93.1%*	*100.0%*
Profit/(loss) attributable to owners of the parent	(22.3)	16.8	97.6	98.2
% of full year	*n.s.*	*n.s.*	*99.4%*	*100.0%*

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

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

2.2.12 GUARANTEES GIVEN, COMMITMENTS AND CONTINGENT LIABILITIES

Guarantees

At 31 December 2016 the guarantees given by the Autogrill Group amounted to € 341,554k (€ 253,828k at the close of 2015) and referred to performance bonds and other personal guarantees issued in favour of grantors and business counterparties.

Commitments

Commitments outstanding at 31 December 2016, essentially unchanged since the previous year, concern:
- € 2,272k to be paid for the purchase of two commercial properties;
- the value of third-party assets in use (€ 1,141k);
- the value of the assets of leased businesses (€ 12,769k);
- the value of goods on consignment held at Group locations (€ 5,138k).

The Group has also agreed to minimum future payments under operating leases, as detailed in section 2.2.13.

Contingent liabilities

At 31 December 2016, there were no contingent liabilities as described in IAS 37.

2.2.13 OPERATING LEASES

The Group operates primarily through the following types of contract, concerning motorway rest stops, airports and railway stations, as well as high streets, shopping centers, trade fairs and cultural attractions.

Area concession

With these contracts, 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.

Access concession

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 lubricants 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.

Business lease and commercial lease

Leasing a business or parts thereof, 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.

These kinds of concession 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.

The fees due for these contracts may be a set amount and/or a percentage of revenue earned. In the latter case, there may also be an annual minimum payment that can either be fixed over the life of the contract, or periodically revised on the basis of certain variables measured during the previous period (e.g. total rent due for the year, inflation rate or index of passenger traffic).

The table below gives details by due date of the Group's future minimum payments, i.e. fixed fees and/or guaranteed minimums, the latter based on the variables mentioned above as of 31 December 2016:

Year (€k)	Total future minimum lease payments	Future minimum sub-lease payment *	Net future minimum lease payments
2017	406,949	21,430	385,519
2018	377,861	19,924	357,937
2019	336,300	18,089	318,211
2020	304,790	16,486	288,304
2021	259,867	13,036	246,831
After 2021	979,898	19,532	960,366
Total	**2,665,665**	**108,497**	**2,557,168**

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

In 2016, the fees recognized in the income statement amount to € 683,049k (Note XXIX) for operating leases (including € 414,059k in guaranteed minimums), net of € 55,450k for sub-leases (including € 22,199k in guaranteed minimums).

2.2.14 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 2016 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.p.A.

	Revenue		Other operating income		Raw materials, supplies and goods	
Income statement (€k)	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Parent:						
Edizione S.r.l.	-	-	25	41	-	-
Other related parties:						
Atlantia group	33	35	990	600	142	218
Benetton Group S.r.l.	-	-	394	394	-	-
Verde Sport S.p.A.	8	5	6	8	-	-
Olimpias Group S.r.l.	-	-	-	-	3	35
World Duty Free Group *	-	-	-	2,378	-	-
Edizione Property S.p.A.	-	-	4	8	-	-
Equity investments	-	-	-	-	(4)	(5)
Other related parties **	-	-	-	-	-	-
Total related parties	**41**	**40**	**1,420**	**3,429**	**141**	**248**
Total Group	**4,940,989**	**4,805,890**	**100,745**	**102,043**	**1,809,451**	**1,826,884**
Incidence	**0.0%**	**0.0%**	**1.4%**	**3.4%**	**0.0%**	**0.0%**

	Trade receivables		Other receivables		Trade payables	
Statement of financial position (€k)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Parent:						
Edizione S.r.l.	0	-	12,460	14,492	-	-
Other related parties:						
Atlantia group	1,600	1,242	1,594	1,247	31,528	32,630
Benetton Group S.r.l.	7	222	-	-	-	-
Verde Sport S.p.A.	1	-	-	-	-	-
Olimpias Group S.r.l.	-	-	-	-	-	18
World Duty Free Group *	-	-	-	-	-	-
Edizione Property S.p.A.	8	8	-	-	-	-
Equity investments	1,165	362	260	252	-	-
Other related parties **	-	-	-	-	-	-
Total related parties	**2,781**	**1,834**	**14,314**	**15,991**	**31,529**	**32,648**
Total Group	**58,105**	**48,314**	**118,625**	**122,128**	**359,832**	**398,802**
Incidence	**4.8%**	**3.8%**	**12.1%**	**13.1%**	**8.8%**	**8.2%**

* World Duty Free Group has been sold by Schematrentaquattro S.p.A. in August 2015
** The Other related parties refer to transactions with directors and executives with strategic responsabilities

	Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense) /income	
	2016	2015	2016	2015	2016	2015	2016	2015
	-	-	108	120	106	106	-	-
	76,400	75,318	3,130	3,089	-	-	(483)	(851)
	-	-	-	-	-	-	-	-
	-	-	43	45	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	23
	-	-	-	-	-	-	-	-
	(1,416)	(1,237)	1,142	1,085	-	-	24	-
	-	-	178	212	6,665	5,424	-	-
	74,984	**74,081**	**4,601**	**4,550**	**6,771**	**5,530**	**(459)**	**(828)**
	796,134	**751,385**	**543,493**	**532,299**	**1,495,748**	**1,423,876**	**(31,560)**	**(37,590)**
	9.4%	**9.9%**	**0.8%**	**0.9%**	**0.5%**	**0.4%**	**1.5%**	**2.2%**

	Other payables		Financial receivables	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	107	563	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	5	160	3,792	-
	2,009	1,407	-	-
	2,121	**2,130**	**3,792**	**-**
	356,728	**326,655**	**18,325**	**15,169**
	0.6%	**0.7%**	**20.7%**	**0.0%**

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

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

“Other payables” mostly originate from the same transactions.

“Other receivables” consist of:
- € 12,437k for the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l., on behalf of Autogrill S.p.A. for € 12,423k 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);
- € 19k for taxes withheld in 2014 and transferred to the consolidating company Edizione S.r.l. In accordance with the regulations, the amount will be reimbursed after their use.

The decrease compared to 31 December 2015 refers mainly to the receipt in January 2016 of € 1,521k from the IRES refund for the deduction from taxable income of the portion of IRAP concerning personnel expense paid from 2004 to 2007 (Law 185/2008); € 184k in interest; and € 288k for taxes withheld in 2014 and transferred to the consolidating company, Edizione S.r.l.

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

“Other operating expense” refers chiefly to the management of motorway locations.

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

“Financial expense” reflects interest accrued at the annual rate of 4.35% in relation to the revised payment schedule for concession fees.

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

“Trade payables” originate from the same transactions.

Benetton Group S.r.l.: “Other operating income” refers to rent and related charges for the sublet of premises in Milan.

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

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

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

Remuneration of directors and executives with strategic responsibilities

The following remuneration accrued to members of the Board of Directors and to executives with strategic responsibilities in 2016:

Name	Office held	Term of office	Remuneration (€)	Bonus and other incentives (€)	Non-monetary benefits (€)	Other fees (€)
Gilberto Benetton	Chairman	2014/2016	57,200			
Gianmario Tondato Da Ruos	CEO	2014/2016	517,200	616,341	39,994	402,198
Alessandro Benetton	Director	2014/2016	54,800			
Paolo Roverato	Director	2014/2016	105,600			
Gianni Mion	Director	2014/2016	77,800			
Tommaso Barracco	Director	2014/2016	82,000			
Stefano Orlando	Director	2014/2016	92,000			
Massimo Fasanella d'Amore di Ruffano	Director	2014/2016	106,200			
Carolyn Dittmeier	Director	2014/2016	94,400			
Neriman Ülsever	Director	from 28.5.2014 to 2016	56,000			
Francesco Chiappetta	Director	from 28.5.2014 to 2016	82,600			
Ernesto Albanese	Director	from 28.5.2014 to 2016	56,000			
Giorgina Gallo	Director	from 28.5.2014 to 2016	93,200			
Total Directors			**1,475,000**	**616,341**	**39,994**	**402,198**
Key managers with strategic responsibilities (8 people)				1,325,959	243,476	2,562,170
Total			**1,475,000**	**1,942,300**	**283,470**	**2,964,368**

The CEO's remuneration includes his executive salary from Autogrill S.p.A., which is shown under "Other fees."

The CEO's contract states that if he 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 provided for in the national collective managers' contract for the commercial sector, when less than this amount.

In 2010, the CEO received 425,000 options under the 2010 stock option plan; 330,073 of the options vested on 20 April 2014.

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

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

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

Statutory auditors' fees

The following fees accrued to members of the Board of Statutory Auditors in 2016:

Name	Office held	Term of office	Fees (€)
Marco Giuseppe Maria Rigotti	Chairman	01.01.2015–31.12.2017	78,000
Eugenio Colucci	Standing auditor	01.01.2015–31.12.2017	50,000
Antonella Carù	Standing auditor	28.05.2015–31.12.2017	50,000
Total Statutory Auditors			**178,000**

"Other fees" refer to those accrued for standing auditor duties at the subsidiary Nuova Sidap S.r.l.

Independent auditors' fees for audit and other services

Type of service	Service provider	Recipient	Fees (€k)
Auditing	Parent's auditors	Parent	272
	Parent's auditors	Subsidiaries	45
	Parent's auditors network	Subsidiaries	2,088
Attestation	Parent's auditors	Parent	168
	Parent's auditors	Subsidiaries	27
	Parent's auditors network	Subsidiaries	127
Other services	Parent's auditors network	Subsidiaries	11

Incentive plans for directors and executives with strategic responsibilities

2010 Stock option plan

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

To service the plan, the extraordinary Annual General Meeting of 20 April 2010 also approved a capital increase against payment, valid whether subscribed in full or in part, and excluding subscription rights pursuant to art. 2441(5) and (8) of the

Italian Civil Code and art. 134(2) of Legislative Decree 58 of 24 February 1998, by a maximum par value of € 1,040,000 (plus share premium), to be carried out no later than 30 May 2015 through the issue of up to 2,000,000 ordinary Autogrill shares in one or more tranches. The capital increase did not take place.

The stock option plan approved by the Annual General Meeting states that the options assigned will only vest if, at the end of the vesting period, the terminal value of Autogrill shares is € 11 or higher. The terminal value is defined as the average official price of Autogrill S.p.A. ordinary shares during the three months prior to the last day of the vesting period, plus the dividends paid during the period lasting from the grant date until the end of the vesting period.

The number of options vested will then correspond to a percentage of the options assigned, ranging from 30% for a terminal value of € 11 per share to 100% for a terminal value of € 17 per share or higher. For each beneficiary there is also a "theoretical maximum capital gain" by virtue of which, regardless of other estimates, the number of options exercisable will be limited to the ratio "theoretical maximum capital gain"/(fair value - strike price) [1]. The plan does not allow beneficiaries to request cash payments in alternative to the assignment of shares.

On 10 November 2010, the Board of Directors granted 1,261,000 options, out of the 2,000,000 available, to 11 beneficiaries meeting the requirements of the plan. The options are exercisable at a strike price of € 9.34. On 29 July 2011 the Board of Directors assigned an additional 188,000 options to two other beneficiaries meeting the plan requirements; these can be exercised at a strike price of € 8.91.

On 16 February 2012, the Board of Directors assigned 120,000 options to a new beneficiary at a strike price of € 8.19.

Changes to the 2010 stock option plan

On 6 June 2013 the Annual General Meeting approved the proportional partial demerger of Autogrill S.p.A., and as a result made some changes to the stock option plan approved on 20 April 2010. In accordance with these changes:
- the plan's beneficiaries are entitled, jointly or severally upon achieving the defined performance objectives, to receive one ordinary Autogrill share and one ordinary World Duty Free S.p.A. share for every vested option against payment of the strike price;
- terminal value, the condition allowing the options to be converted into Autogrill and World Duty Free shares, has been redefined as the sum of the average official price of the two shares (Autogrill and WDF) during the three months preceding the last day of the vesting period, plus the dividends paid between the date the options were assigned and the end of the vesting period;
- the strike price is split proportionally between the Autogrill S.p.A. share price and the World Duty Free S.p.A. share price on the basis of the average official stock market price of the two securities during the first 30 days following the listing of World Duty Free S.p.A. The strike price of Autogrill shares is between € 3.50 and € 4.17, while the strike price for World Duty Free shares is between € 4.33 and € 5.17, depending on the beneficiary and the strike price originally set for each;

(1) As defined by Art. 9(4) of Presidential Decree 917 of 22 December 1986

– the deadline for exercising the options has been extended from 20 April 2015 to 30 April 2018, without altering the start date of 20 April 2014.

An independent external advisor has been hired to calculate the fair value of the 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.

As a result of the demerger and the changes made to the plan, the average fair value of the options outstanding at 31 December 2016 was € 0.96 for the shares of Autogrill S.p.A.

In 2016 there were no costs recognized in relation to the payment plan based on Autogrill shares.

On 20 April 2014, in accordance with the stock option plan regulations, the vesting period ended and 1,209,294 assigned options were converted into 823,293 "vested options."

Between 1 January 2015 and 31 December 2015, 505,586 Autogrill S.p.A. options were exercised by various beneficiaries. During that time, 532,324 World Duty Free S.p.A. options were exercised. The CEO exercised 330,073 Autogrill S.p.A. options during the period.

No further options were exercised in 2016.

Movements during the period are shown below:

	Autogrill shares	
	Number of options	Fair value existing options (€)
Options at 1 January 2016	**183,571**	**0.96**
Options exercized in 2016	-	-
Options at 31 December 2016	**183,571**	**0.96**

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

2014 Phantom stock option plan

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

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

On 16 July 2014, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. Under Wave 1 (vesting period from 16 July 2014 to 15 July 2016), a total of 3,268,995 options were assigned, 883,495 of which to the chief executive officer. During the course of 2016, 177,094 options were cancelled.

In January 2017, 2,473,521 options were exercised, including 706,796 by the CEO. The simultaneous exercise by all beneficiaries is due to the options' reaching their cap, i.e. their highest possible value as determined by the plan mechanics.

Under Wave 2 (vesting period from 16 July 2014 to 15 July 2017), a total of 2,835,967 options were assigned, 565,217 of which to the chief executive officer. Again under Wave 2, in 2015 an additional 144,504 options were assigned and 30,400 options were cancelled. During the course of 2016, 103,139 options were cancelled.

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, 505,556 of which to the chief executive officer. In 2015 and 2016, respectively, 27,270 options and 107,945 options were cancelled under Wave 3 of the plan.

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.

For 2016, the total costs recognized for this plan amounted to € 5,360k.

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.

2016 Phantom stock option plan

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 May 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, 679,104 of which to the chief executive officer.

During the course of 2016, 91,418 options were cancelled.

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.

At 31 December 2016 the total costs recognized for this plan amounted to € 1,443k.

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).

2.2.15 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In 2016, 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.

2.2.16 ATYPICAL OR UNUSUAL TRANSACTIONS

In 2016 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.17 SUBSEQUENT EVENTS

Since 31 December 2016, no events have occurred that would require an adjustment to the financial statement figures or additional disclosures in these Notes.

2.2.18 AUTHORIZATION FOR PUBLICATION

The Board of Directors authorized the publication of these consolidated financial statements at its meeting of 9 March 2017.

Annexes

LIST OF CONSOLIDATED COMPANIES AND OTHER INVESTMENTS

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2016	Shareholders/quota holders
Parent					
Autogrill S.p.A.	Novara	Euro	68,688,000	50.100%	Schematrentaquattro S.p.A.
Companies consolidated line-by-line					
Nuova Sidap S.r.l.	Novara	Euro	100,000	100.000%	Autogrill S.p.A.
GTA S.r.l.	Novara	Euro	50,000	100.000%	Autogrill S.p.A.
Autogrill Austria A.G.	Gottlesbrunn	Euro	7,500,000	100.000%	Autogrill S.p.A.
Autogrill Czech Sro	Prague	Czk	154,463,000	100.000%	Autogrill S.p.A.
Autogrill D.o.o.	Lubjana	Euro	1,342,670	100.000%	Autogrill S.p.A.
Autogrill Hellas E.P.E.	Avlonas	Euro	3,696,330	100.000%	Autogrill S.p.A.
Autogrill Polska Sp. z.o.o.	Katowice	Pln	14,050,000	100.000%	Autogrill S.p.A.
Autogrill Iberia S.L.U.	Madrid	Euro	7,000,000	100.000%	Autogrill S.p.A.
Autogrill Deutschland GmbH	Munich	Euro	205,000	100.000%	Autogrill S.p.A.
Autogrill Belgie N.V.	Antwerpen	Euro	6,700,000	99.990%	Autogrill S.p.A.
				0.010%	Ac Restaurants & Hotels Beheer N.V.
Ac Restaurants & Hotels Beheer N.V.	Antwerpen	Euro	3,250,000	99.990%	Autogrill Belgie NV
				0.010%	Autogrill Nederland BV
Autogrill Schweiz A.G.	Olten	Chf	23,183,000	100.000%	Autogrill S.p.A.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont-en-Ogoz	Chf	1,500,000	54.330%	Autogrill Schweiz A.G.
Holding de Participations Autogrill S.a.s.	Marseille	Euro	84,581,920	100.000%	Autogrill S.p.A.
Autogrill Aéroports S.a.s.	Marseille	Euro	2,207,344	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Côté France S.a.s.	Marseille	Euro	31,579,526	100.000%	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest)	Marseille	Euro	288,000	50.010%	Autogrill Côté France S.a.s.
Société de Restauration de Bourgogne S.a.s. (Sorebo)	Marseille	Euro	144,000	50.000%	Autogrill Côté France S.a.s.
Volcarest S.a.s.	Champs	Euro	1,050,144	50.000%	Autogrill Côté France S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	Euro	2,337,000	100.000%	Holding de Participations Autogrill S.a.s.
Société de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	Marseille	Euro	8,000	100.000%	Autogrill Côté France S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	Euro	375,000	100.000%	Autogrill Côté France S.a.s.
Autogrill FFH Centres Villes S.àr.l.	Marseille	Euro	375,000	100.000%	Autogrill Restauration Carrousel S.a.s.
Autogrill Restauration Loisirs SASU	Marseille	Euro	3,000,000	100.000%	Holding de Participations Autogrill S.a.s.
HMSHost Corporation	Delaware	Usd	10	100.000%	Autogrill S.p.A.
HMSHost International, Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMSHost USA, LLC	Delaware	Usd	-	100.000%	HMSHost Corporation
Host International, Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2016	Shareholders/quota holders
HMSHost Tollroads Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMS Airport Terminal Services, Inc.	Delaware	Usd	1,000	100.000%	Host International, Inc.
Host International of Maryland, Inc.	Maryland	Usd	1,000	100.000%	Host International, Inc.
Michigan Host, Inc.	Delaware	Usd	1,000	100.000%	Host International, Inc.
Host Services of New York, Inc.	Delaware	Usd	1,000	100.000%	Host International, Inc.
Host International of Kansas, Inc.	Kansas	Usd	1,000	100.000%	Host International, Inc.
Host Services Inc.	Texas	Usd	-	100.000%	Host International, Inc.
HMSHost USA, Inc.	Delaware	Usd	-	100.000%	Host International, Inc.
Anton Airfood of Cincinnati, Inc.	Kentucky	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood, Inc.	Delaware	Usd	1,000	100.000%	HMSHost Corporation
Anton Airfood of Texas, Inc.	Texas	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of Newark, Inc.	New Jersey	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of JFK, Inc.	New York	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of Minnesota, Inc.	Minnesota	Usd	-	100.000%	Anton Airfood, Inc.
Palm Springs AAI, Inc.	California	Usd	-	100.000%	Anton Airfood, Inc.
Fresno AAI, Inc.	California	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of Seattle, Inc.	Washington	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of Tulsa,Inc.	Oklahoma	Usd	-	100.000%	Anton Airfood, Inc.
Islip AAI, Inc.	New York	Usd	-	100.000%	Anton Airfood, Inc.
Host International (Poland) Sp.zo.o.	Warsaw	Usd	-	100.000%	Host International, Inc.
Shenzhen Host Catering Company, Ltd.	Shenzhen	Usd	-	100.000%	Host International, Inc.
Host Services Pty, Ltd.	North Cairns	Aud	6,252,872	100.000%	Host International, Inc.
Host International of Canada, Ltd.	Vancouver	Cad	75,351,237	100.000%	Host International, Inc.
Horeca Exploitatie Maatschappij Schiphol, B.V.	Haarlemmermeer	Euro	45,400	100.000%	HMSHost International B.V.
Marriott Airport Concessions Pty, Ltd.	North Cairns	Aud	3,910,102	100.000%	Host International, Inc.
HMSHost Services India Private, Ltd.	Bangalore	Inr	668,441,680	99.9900%	Host International, Inc.
				0.010%	HMSHost International, Inc.
HMSHost Singapore Private, Ltd.	Singapore	Sgd	9,053,750	100.000%	Host International, Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	Myr	2	100.000%	Host International, Inc.
HMSHost New Zealand Ltd.	Auckland	Nzd	1,520,048	100.000%	Host International, Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co., Ltd. (in liquidation)	Shanghai	Cny	-	100.000%	Host International, Inc.
HMSHost International B.V.	Haarlemmermeer	Euro	18,090	100.000%	Host International, Inc.
HMSHost Hospitality Services Bharath Private, Ltd.	Karnataka	Inr	500,000	99.000%	HMSHost Services India Private Ltd
				1.000%	Host International, Inc.
NAG B.V.	Haarlemmermeer	Euro	100	60.000%	HMSHost International B.V.
HMSHost Finland Oy	Helsinki	Euro	2,500	100.000%	HMSHost International B.V.
Host -Chelsea Joint Venture #3	Texas	Usd	-	63.8000%	Host International, Inc.
Host Bush Lubbock Airport Joint Venture	Texas	Usd	-	90.000%	Host International, Inc.
Host/Diversified Joint Venture	Michigan	Usd	-	90.000%	Host International, Inc.
Airside C F&B Joint Venture	Florida	Usd	-	70.000%	Host International, Inc.
Host of Kahului Joint Venture Company	Hawaii	Usd	-	90.000%	Host International, Inc.
Host/Coffee Star Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2016	Shareholders/quota holders
Southwest Florida Airport Joint Venture	Florida	Usd	-	78.000%	Host International, Inc.
Host Honolulu Joint Venture Company	Hawaii	Usd	-	90.000%	Host International, Inc.
Host/Forum Joint Venture	Baltimore	Usd	-	70.000%	Host International, Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	-	55.000%	Host International, Inc.
Host/Java Star Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.
Host & Garrett Joint Venture	Mississippi	Usd	-	75.000%	Host International, Inc.
Tinsley/Host - Tampa Joint Venture	Florida	Usd	-	49.000%	Host International, Inc.
Host-Chelsea Joint Venture #1	Texas	Usd	-	65.000%	Host International, Inc.
Host-Tinsley Joint Venture	Florida	Usd	-	84.000%	Host International, Inc.
Host/Tarra Enterprises Joint Venture	Florida	Usd	-	75.000%	Host International, Inc.
Host D&D STL FB, LLC	Missouri	Usd	-	75.000%	Host International, Inc.
Host/LJA Joint Venture	Missouri	Usd	-	85.000%	Host International, Inc.
Seattle Restaurant Associates	Olympia	Usd	-	70.000%	Host International, Inc.
Bay Area Restaurant Group	California	Usd	-	49.000%	Host International, Inc.
HMSHost Coffee Partners Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	Usd	-	60.000%	Host International, Inc.
Host/ Howell - Mickens Joint Venture	Texas	Usd	-	65.000%	Host International, Inc.
Miami Airport FB Partners Joint Venture	Florida	Usd	-	70.000%	Host International, Inc.
Host DEI Jacksonville Joint Venture	Florida	Usd	-	51.000%	Host International, Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.000%	Host International, Inc.
Host CTI Denver Airport Joint Venture	Colorado	Usd	-	90.000%	Host International, Inc.
HMS - D/FW Airport Joint Venture	Texas	Usd	-	65.000%	Host International, Inc.
Host-Chelsea Joint Venture #4	Texas	Usd	-	63.000%	Host International, Inc.
Host-CMS SAN F&B, LLC	Delaware	Usd	-	65.000%	Host WAB SAN FB, LLC
Host GRL LIH F&B, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host Fox PHX F&B, LLC	Delaware	Usd	-	75.000%	Host International, Inc.
Host FDY ORF F&B, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
LTL ATL JV, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host ATLChefs JV 3, LLC	Delaware	Usd	-	95.000%	Host International, Inc.
Host ATLChefs JV 5, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host LGO PHX F&B, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host H8 Terminal E F&B, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
Host-Love Field Partners I, LLC	Delaware	Usd	-	51.000%	Host International, Inc.
Host-True Flavors SAT Terminal A FB	Delaware	Usd	-	65.000%	Host International, Inc.
Host Havana LAX F&B, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
Host-CTI DEN F&B II, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host Lee JAX FB, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host/DFW AF, LLC	Delaware	Usd	-	50.010%	Host International, Inc.
Host Havana LAX TBIT FB, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host Houston 8 IAH Terminal B, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
HHL Cole's LAX F&B, LLC	Delaware	Usd	-	80.000%	Host Havana LAX F&B, LLC
Host CMS LAX TBIT F&B, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host WAB SAN FB, LLC	Delaware	Usd	-	95.000%	Host International, Inc.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2016	Shareholders/quota holders
Host JQE RDU Prime, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host Howell Terminal A F&B, LLC	Delaware	Usd	-	65.000%	Host International, Inc.
Host MCA TEI FLL FB, LLC	Delaware	Usd	-	76.000%	Host International, Inc.
Host MCA SRQ FB, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
Host ECI ORD FB, LLC	Delaware	Usd	-	51.000%	Host International, Inc.
Host Aranza Howell DFW B&E FB, LLC	Delaware	Usd	-	55.000%	Host International, Inc.
Host MGV IAD FB, LLC	Delaware	Usd	-	65.000%	Host International, Inc.
Host MGV DCA FB, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host CTI DEN F&B STA, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host MGV DCA KT, LLC	Delaware	Usd	-	51.000%	Host International, Inc.
Host MBA LAX SB, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host H8 IAH FB I, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
Host BGV IAH FB, LLC	Delaware	Usd	-	55.000%	Host International, Inc.
Host TBL TPA FB, LLC	Delaware	Usd	-	71.000%	Host International, Inc.
Host JQE CVG FB, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
Host MBA CMS LAX, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
Host VDV CMH FB LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host OHM GSO FB, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host JQE LIT FB, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host JVI PDX FB, LLC	Delaware	Usd	-	84.000%	Host International, Inc.
Host TFC SDF FB, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
Host JQE RDU CONC D, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host SMI SFO FB, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
Host Ayala LAS FB, LLC	Delaware	Usd	-	55.000%	Host International, Inc.
Stellar Partners, Inc.	Tampa	Usd	25,500	100.000%	Host International, Inc.
Stellar Partners Tampa, LLC	Tampa	Usd	-	90.000%	Stellar Partners, Inc.
Host LBL LAX T2 FB, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host BGI MHT FB, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
Host CEI KSL MSY, LLC	Delaware	Usd	-	63.000%	Host International, Inc.
Host Java DFW MGO, LLC	Delaware	Usd	-	50.010%	Host International, Inc.
Host Chen ANC FB LLC	Delaware	Usd	-	88.000%	Host International, Inc.
Host MCA ATL FB, LLC	Delaware	Usd	-	64.000%	Host International, Inc.
HMSHost Family Restaurants, Inc.	Maryland	Usd	2,000	100.000%	Host International, Inc.
Autogrill Catering UK Ltd.	London	Gbp	217,063	100.000%	HMSHost International B.V.
Restair UK Ltd.	London	Gbp	1	100.000%	Autogrill Catering UK Ltd.
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.000%	HMSHost International B.V.
HMSHost Ireland Ltd.	Cork	Euro	13,600,000	100.000%	HMSHost International B.V.
HMSHost Nederland B.V.	Haarlemmermeer	Euro	100	100.000%	HMSHost International B.V.
HMSHost Huazhuo (Beijing) Catering Management Co., Ltd.	Beijing	Cny	26,000,000	60.000%	HMSHost International B.V.
HMSHost - UMOE F&B Company AS	Bærum	Nok	60,000	51.000%	HMSHost International B.V.
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Jakarta	Idr	5,000,000,000	65.000%	HMSHost International B.V.
SMSI Travel Centres, Inc.	Vancouver	Cad	10,800,100	100.000%	Host International of Canada, Ltd.
HMSHost Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	Trl	10,271,734	100.000%	HMSHost International B.V.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2016	Shareholders/quota holders
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	Usd	5,000,000	70.000%	HMSHost International B.V.
Limited Liability Company Autogrill Rus	Saint Petersburg	Rub	10,000	100.000%	NAG B.V.
PT Autogrill Taurus Gemilang Indonesia	Jakarta	Usd	1,000,000	70.000%	HMSHost International B.V.
HMSHost Family Restaurants, LLC	Delaware	Usd	-	100.000%	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	-	100.000%	SMSI Travel Centres, Inc.
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Antalya	Trl	2,140,000	51.000%	HMSHost Yiyecek Ve Icecek Hizmetleri A.S.
HK Travel Centres GP, Inc.	Toronto	Cad	-	51.000%	HMSHost Motorways, Inc.
HK Travel Centres L.P.	Winnipeg	Cad	-	50.9999%	HMSHost Motorways L.P.
				0.0001%	HK Travel Centres GP, Inc.
Companies consolidated using the equity method					
Caresquick N.V.	Brussels	Euro	3,300,000	50.000%	Autogrill Belgie N.V.
Autogrill Middle East, LLC	Abu Dhabi	Aed	100,000	50.000%	HMSHost International B.V.
Dewina Host Sdn. Bhd.	Kuala Lumpur	Myr	350,000	49.000%	Host International, Inc.
HKSC Opco L.P.	Winnipeg	Cad	-	49.000%	HMSHost Motorways LP
HKSC Developments L.P.	Winnipeg	Cad	-	49.000%	HMSHost Motorways LP
HMSHost and Lite Bite Pte. Ltd.	Bangalore	Inr	100,000	51.000%	HMSHost Services India Private Limited
Arab Host Services LLC	Qatar	Qar	200,000	49.000%	Autogrill Middle East, LLC

CERTIFICATION BY THE CEO AND MANAGER IN CHARGE OF FINANCIAL REPORTING

Certification of the 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 Alberto De Vecchi 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 consolidated financial statements during the course of 2016.

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

3. We also confirm that:

3.1 the 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' report on operations includes a reliable description of the performance and financial position of the issuer and the entities in the scope of consolidation, along with the main risks and uncertainties to which they are exposed.

Milan, 9 March 2017

Gianmario Tondato Da Ruos
Chief Executive Officer

Alberto De Vecchi
Manager in Charge
of Financial Reporting

INDEPENDENT AUDITORS' REPORT

Deloitte.

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Autogrill S.p.A.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Autogrill Group, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements.

Directors' Responsibility for the Consolidated Financial Statements

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11 of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Autogrill Group as at December 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/05.

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

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239 | Partita IVA: IT 03049560166

Deloitte.

Report on Other Legal and Regulatory Requirements

Opinion on the consistency of the Directors' report on operations and of certain information included in the corporate governance and ownership report with the consolidated financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the Directors' report on operations and of certain information included in the corporate governance and ownership report required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are responsibility of the Directors of Autogrill S.p.A., with the consolidated financial statements of Autogrill Group as at December 31, 2016. In our opinion, the Directors' report on operations and the information included in the corporate governance and ownership report referred to above are consistent with the consolidated financial statements of Autogrill Group as at December 31, 2016.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
April 13, 2017

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

Autogrill S.p.A.

Registered office
Via Luigi Giulietti 9
28100 Novara - Italy

Share capital: € 68,688,000 fully paid-in
Tax Code – Novara Registrar of Companies: 03091940266
VAT no.: 01630730032

Headquarters
Centro Direzionale Milanofiori
Palazzo Z, Strada 5
20089 Rozzano (MI) - Italy

Group Corporate Communication
Telephone (+39) 02 48263250

Group Investor Relations
Telephone (+39) 02 48263372

Group Corporate Affairs
Telephone (+39) 02 48263706

website: www.autogrill.com

Co-ordination
zero3zero9 – Milan

Design
Leftloft – Milan

Layouts
t&t – Milan

Printing
Grafiche Antiga (TV - Italy)
Printed on PSC paper
Arctic Volume Highwhite

Printed on May 2017

Pictures have been realized by Davide Calafà.

*Los Angeles International Airport,
Los Angeles, California, USA (cover)*

*Milano Centrale railway station,
Milan, Italy, Europe (p. 4, 8-9, 38)*

*Chicago O'Hare International Airport,
Chicago, Illinois, USA (p. 6, 74)*

*Helsinki - Vantaa Airport,
Helsinki, Finland, Europe (p. 10-11)*

*Autogrill Villoresi Est, A8 Milan-Lakes motorway,
Lainate (Milan), Italy, Europe (p. 12-13)*

*Charlotte Douglas International Airport,
Charlotte, North Carolina, USA (p. 14-15, 20, 66)*

*Washington Dulles International Airport,
Washington, Virginia, USA (p. 16, 22-23, 28, 46)*

*Leonardo da Vinci International Airport
Fiumicino (Rome), Italy, Europe (p. 24-25, 64)*

*Schiphol Amsterdam Airport,
Amsterdam, The Netherlands, Europe (p. 26-27, 48)*

follow us on

www.autogrill.com