EDIZIONE

2012 ANNUAL REPORT

EDIZIONE
2012 ANNUAL REPORT

EDIZIONE

ANNUAL REPORT AT DECEMBER 31, 2012

CONTENTS

GROUP KEY DATA

PARENT COMPANY OFFICERS

BOARD OF DIRECTORS

Gilberto Benetton	CHAIRMAN
Carlo Benetton	DEPUTY CHAIRMEN
Gianni Mion	
Giuliana Benetton	DIRECTORS
Luciano Benetton	
Alessandro Benetton	
Christian Benetton	
Sabrina Benetton	
Franca Bertagnin Benetton	
Fabio Cerchiai	
Giovanni Costa	

GENERAL MANAGER

Carlo Bertazzo

STATUTORY AUDITORS

Angelo Casò	CHAIRMAN
Giovanni Pietro Cunial	AUDITORS
Aldo Laghi	
Augusto Clerici Bagozzi	ALTERNATE AUDITORS
Andrea Amaduzzi	

INDEPENDENT AUDITORS

KPMG S.p.A.

GROUP STRUCTURE

At December 31, 2012 Edizione S.r.l., a company under the full control of the Benetton family, held equity investments mainly in the following segments: Textiles and clothing, Food & beverage and Travel retail & duty-free, Infrastructures and services for mobility and Real estate & agriculture.

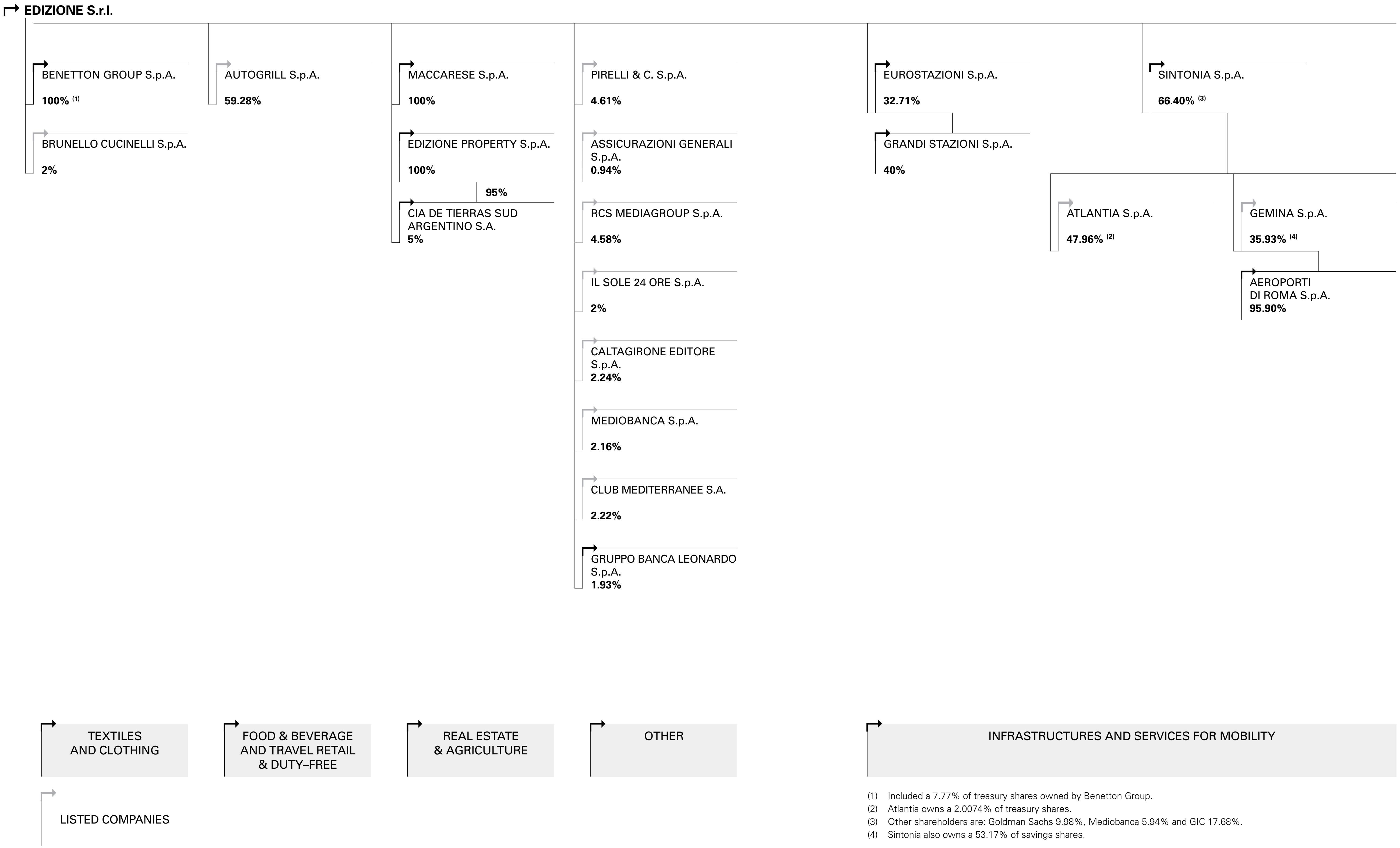
INVESTMENT PHILOSOPHY

Edizione is an active investor that combines an entrepreneurial approach with solid financial discipline, putting finance at its companies' service in order to improve their competitive position and returns.
It maintains an ongoing dialogue with the managers of its holdings, while fully respecting their autonomy.

GROUP STRUCTURE

The Group's present structure is shown in the chart below, and reflects the following changes that have taken place since December 31, 2012:

» on January 15, 2013, Pacific Mezz Investco (a subsidiary of Singapore sovereign wealth fund GIC) fully subscribed and paid in the reserved capital increase of Sintonia S.p.A., raising its interest in Sintonia from 13.80% to 17.68%;
» on January 21, 2013, the subsidiary Sintonia S.p.A. finalized the disposal of its entire interest in Sagat S.p.A.;
» in early 2013 Sintonia purchased in the open market Atlantia S.p.A. shares and Gemina S.p.A. savings shares.



(1) Included a 7.77% of treasury shares owned by Benetton Group.
(2) Atlantia owns a 2.0074% of treasury shares.
(3) Other shareholders are: Goldman Sachs 9.98%, Mediobanca 5.94% and GIC 17.68%.
(4) Sintonia also owns a 53.17% of savings shares.

FINANCIAL HIGHLIGHTS

The Group's results in 2012 and 2011, stated according to the International Financial Reporting Standards (IFRS) and audited by KPMG S.p.A., are summarized below. They reflect the line-by-line consolidation of the Benetton, Autogrill and Atlantia groups, while the non-controlling investment in Gemina S.p.A. is valued using the equity method.

(Millions of Euro)	2012	2011 (*)
Revenues	**12,355**	**12,181**
Ebitda	3,251	3,306
Operating result	1,985	2,218
Net income, Group	**256**	**322**
Net working capital	(468)	(957)
Net assets held for sale	18	314
Intangible assets, property, plant and equipment	21,993	18,504
Non-current financial assets	1,529	1,656
Net deferred assets/(liabilities)	(472)	434
Non-current assets	23,050	20,594
Net capital employed	**22,599**	**19,951**
Shareholders' equity, Group	4,396	3,915
Non-controlling interests	4,886	3,922
Total shareholders' equity	**9,282**	**7,837**
Net financial indebtedness	**13,317**	**12,114**
Operating result/Revenues (ROS)	16.1%	18.2%
Operating result/Capital employed (ROI)	8.8%	11.1%
Net financial indebtedness/Total shareholders' equity (Gearing)	1.43	1.55
Net financial indebtedness/Ebitda	4.10	3.66

(*) Some 2011 figures have been restated as a result of the complete identification of the fair value of assets and liabilities of Atlantia's newly consolidated subsidiary Triangulo do Sol and the different presentation of the results of Autostrada Torino-Savona in accordance with IFRS 5.

To fully appreciate the Group's results and financial situation, the variety of its business segments must be considered, as described in detail on the following pages.

DIRECTORS' REPORT

Dear Shareholders,

The Group's share of net income in 2012 comes to Euro 256 million, down from Euro 322 million the previous year. Despite the crisis that persists worldwide, the Edizione Group, thanks to its international scope and variety of business segments, reports a slight increase in revenues (+1.4%) and a modest decline in operating margins (Ebitda: –1.7%).

At December 31, 2012, shareholders' equity stood at Euro 9,282 million and net financial indebtedness at Euro 13,317 million, an increase on the previous year's Euro 12,114 million due mainly to significant investments and acquisitions in the infrastructure sector.

MAIN EVENTS IN 2012

The main events are described briefly below.

TEXTILES AND CLOTHING

- On February 1, 2012 Edizione S.r.l. launched a voluntary tender offer on all Benetton group shares at a price of Euro 4.60 per share, with a view to delisting Benetton from the stock market operated by Borsa Italiana S.p.A. As a result of the tender and the purchases made by Edizione in the open market, as of May 28, 2012 Edizione held a 90.38% interest which, with the 7.77% held by Benetton Group as treasury shares, constituted direct and indirect ownership of 98.15% of the share capital. This triggered a squeeze-out on all remaining shares in accordance with Art. 111 of the Testo Unico della Finanza (Finance Code). Consequently, Borsa Italiana S.p.A. delisted Benetton Group shares from the market.
- On April 20, 2012 the wholly-owned subsidiary Benetton Retail Deutschland GmbH acquired the remaining 50% of the German company New Ben GmbH.
- Benetton Group acquired a 2% interest in Brunello Cucinelli S.p.A. as a result of that company's initial public offering.
- On September 24, 2012, Benetton Group S.p.A. acquired the remaining 50% of the Turkish company Benetton Giyim Sanayi ve Ticaret A.S. from the Boyner Group. As a result of this acquisition, Benetton Group S.p.A. now owns all the shares in Benetton Giyim Sanayi ve Ticaret A.S.

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY-FREE

In 2012 the Autogrill group acquired new concession agreements and renewed existing ones. In particular:

- it renewed the Food & beverage and retail concessions at Hartsfield-Jackson International Airport in Atlanta, the largest in the world in terms of passenger traffic, where the group has operated since 1994. The company will manage Food & beverage operations for an additional ten years and retail operations for another seven, for total estimated revenues of more than Usd 1.2 billion over the life of the contracts. The agreement covers 44 locations, adding to the 35 already operated by the group, for a total of 79 Food & beverage outlets and stores.
- On May 2, 2012, through its retail division World Duty Free Group, Autogrill obtained a contract to operate the duty-free shops at Sangster international airport at Montego Bay, on the northern coast of Jamaica. Autogrill estimates that from 2012 to 2020, the concession will generate total revenues of more than Usd 200 million.
- On July 5, 2012 World Duty Free Group made its debut in Germany, winning a 10-year contract to operate the duty-free shops at Düsseldorf international airport, the country's third largest in terms of passenger traffic after Frankfurt and Munich. From 2013 to 2022, Autogrill estimates total revenues from this concession of Euro 875 million.
- On July 19, 2012, through the division HMSHost International, Autogrill entered new Food & beverage markets with openings at the international airports of Istanbul – Sabiha Gökçenand and Dubai. The Turkish concession covers 13 locations, for estimated revenues of over Euro 100 million during the period 2012-2022. In the United Arab Emirates, there are four locations under concession, expected to generate around Euro 25 million over the five-year contract.

» On October 17, 2012, through the division HMSHost International, Autogrill achieved an early five-year extension of its concession to operate 75 Food & beverage outlets at Amsterdam Schiphol airport. Estimated revenues from 2013 to 2027 are approximately Euro 2 billion.
» On December 11, 2012, through its subsidiary World Duty Free Group, Autogrill was awarded all concessions for duty-free and duty-paid shops at Spanish airports, becoming the sole operator in this segment for the second largest market in Europe. It has set aside about Euro 100 million for store construction and development, spread over the life of the contract. The seven-year concessions may be extended for an additional three with the agreement of the grantor, AENA. Projected revenues over the concession period are substantially higher than those earned in previous years, thanks to a 35% increase in floor space, from 33,000 to 45,000 square meters. From 2013 to 2020, revenues from these concessions are expected to surpass Euro 7 billion.

INFRASTRUCTURES AND SERVICES FOR MOBILITY

ATLANTIA GROUP
» On February 25, 2012 Autostrade per l'Italia S.p.A. signed an agreement with Argo Finanziaria S.p.A. (Gavio group) for the sale of its 33% interest in IGLI S.p.A., which owns 29.96% of Impregilo S.p.A. The sale was finalized on March 8, 2012 for Euro 87.6 million.
» On June 28, 2012 Autostrade per l'Italia finalized the purchase of the Autostrade Sud America S.r.l. shares held by SIAS (45.765%) and Mediobanca (8.47%) for a total of Euro 670 million, giving it full control of Autostrade Sud America. As a result of the acquisition of control, Grupo Costanera has been consolidated since April 1, 2012.
» On June 30, 2012, Atlantia finalized the agreement signed with the Bertin group on January 27, 2012 for the creation of a joint venture to take over the two parties' interests in motorway operators in Brazil. On the basis of the partnership agreement, Atlantia will fully consolidate the new company and the motorway operators involved. The joint venture also has an option to acquire the Bertin group's 95% interest in SPMAR, which holds the concession for a 105 km stretch of the toll road around São Paulo (Rodoanel).
» On July 17, 2012 Fitch confirmed its A– rating and stable outlook for Atlantia and Autostrade per l'Italia. Despite its negative outlook for Italy, Fitch emphasized that Atlantia and Autostrade per l'Italia enjoy a strong asset profile, stable financial structure and modest refinancing risk.
» On the same date, following its downgrade of Italian sovereign debt from A3 to Baa2 on July 13, 2012 Moody's revised Atlantia's debt rating from A3 to Baa1 with a negative outlook. This reflects the increased country risk of Atlantia, which operates mainly in Italy. The agency also stressed that the company's credit rating remains one notch above the rating assigned to Italy, as Atlantia benefits from having adequate liquidity and diversified sources of funding, in addition to a growing international footprint.
» On August 3, 2012, Atlantia announced the sale of 49.99% of Grupo Costanera to Canada Pension Plan Investment Board (CPPIB) under an agreement signed on April 19, 2012. The sale took place for Chilean pesos 557 billion (approximately Euro 857 million). The Atlantia group, through Autostrade Sud America, maintains a controlling 50.01% share of Grupo Costanera and continues to consolidate its results.
» On September 28, 2012 Atlantia announced that the SIAS group, through Autostrada dei Fiori S.p.A., exercised the call option granted by Autostrade per l'Italia and acquired 99.98% of Autostrada Torino-Savona. The operation cost Euro 223 million and the shares were transferred on November 15, 2012.

GEMINA GROUP
» On September 28, 2012 Gemina sold 100% of ADR Retail S.r.l. for Euro 229 million to the French company LS Travel Retail (Lagardère group), which was selected from among the largest airport duty-free operators in the world. LS Travel Retail has therefore become the operator of eight shops at Fiumicino and Ciampino airports in Rome, under a subconcession contract valid until 2026.
» On December 21, 2012 the Prime Minister, at the behest of the Ministers of Infrastructure and the Economy, approved the Planning Agreement signed between Aeroporti di Roma and ENAC (the Italian Civil Aviation Authority) on October 25, 2012.
The Planning Agreement is the prerequisite for the implementation of the plan to relaunch and expand the infrastructure at Fiumicino airport. Specifically, in accordance with best international practice, the new agreement presents a coordinated set of clear, transparent and long-lasting rules giving Aeroporti di Roma the credibility it needs to access national and international bank loans and bonds to allow medium and long-term funding of the investment plan during the concession period. The new framework will reduce, though not eliminate, the tariff gap with respect to the European average (which is currently 95% higher), resulting from the freeze on airport charges in effect since the year 2000. The new tariffs will be close to those recently set for the SEA Economic Regulation Agreement, and are in any case among the lowest in Europe. Thanks to this agreement, the conditions are finally set for modernizing and expanding the most important airport system in Italy, which will significantly improve the quality of service for passengers and airlines. The investments planned over the next ten years amount to Euro 3.1 billion (for extension of the existing airport structures), as part of a Euro 12 billion plan valid until 2044 drawn up with the contribution of the international partner Changi (Singapore airport), which includes expansion of Fiumicino airport to the north.

SINTONIA S.P.A.
» In January 2012 Sintonia acquired an additional 6,000,000 shares of Gemina S.p.A. (an interest of 0.41%) for Euro 3.9 million.
» Also in January 2012, the subsidiary Schemaventotto S.p.A. acquired a further 2,394,796 Atlantia S.p.A. shares (0.38%) for Euro 30 million.
» On June 27, 2012 Sintonia was officially transferred to Italy, a decision based on the global recession that began in 2008 and, more recently, on the European sovereign debt crisis, which had prevented the company from achieving its initial objective of attracting new international investors to expand and diversify in the infrastructure sector in Italy and internationally.
» In July 2012 Sintonia S.p.A. acquired an additional 11,000,000 shares of Gemina S.p.A. (an interest of 0.75%) for Euro 7.1 million.
» On July 17, 2012 Sintonia's Board of Directors resolved to approve the merger by incorporation in Sintonia S.p.A. of the wholly-owned subsidiaries Schemaventotto S.p.A. and Investmenti Infrastrutture S.p.A., in keeping with efforts to simplify the group structure and streamline costs. The merger took effect on October 4, 2012.
» On December 21, 2012 Sintonia agreed to sell its 24.385% interest in Sagat S.p.A., which runs Turin Caselle airport under concession, to F2i – Fondo Italiano per le Infrastrutture for Euro 30.5 million. The sale was finalized on January 21, 2013.

ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's key results in 2012 and 2011 are as follows:

(Millions of Euro)	2012	%	2011	%
Revenues	**12,355**	**100.0**	**12,181**	**100.0**
Materials and subcontracted work	(4,135)	(33.5)	(4,046)	(33.2)
Payroll costs	(2,509)	(20.3)	(2,393)	(19.6)
Other costs and general expenses, net	(2,460)	(19.9)	(2,436)	(20.0)
Ebitda	**3,251**	**26.3**	**3,306**	**27.1**
Depreciation, amortization, provisions and write-downs	(1,267)	(10.3)	(1,088)	(8.9)
Operating result (Ebit)	**1,985**	**16.1**	**2,218**	**18.2**
Net financial income/(charges)	(952)	(7.7)	(845)	(6.9)
Income/(losses) from equity investments	182	1.5	25	0.2
Income/(charges) from currency hedges and exchange differences	16	0.1	8	0.1
Income before taxes and non-controlling interests	**1,230**	**10.0**	**1,405**	**11.5**
Income taxes	(408)	(3.3)	(529)	(4.3)
Profit/(loss) from continuing operations	**822**	**6.7**	**876**	**7.2**
Profit/(loss) from assets held for sale and discontinued operations	12	0.1	137	1.1
Non-controlling interests	(578)	(4.7)	(691)	(5.7)
Net income, Group	**256**	**2.1**	**322**	**2.6**

Net income, Group/Shareholders' equity (ROE)	5.8%		8.2%	
Operating result/ Capital employed (ROI)	8.8%		11.1%	
Cash flow (*)	2,100		2,101	

(*) Net income before non-controlling interests plus depreciation, amortization, provisions and write-downs.

Consolidated Revenues increased by Euro 174 million (+1.4%), with performances differing from one geographical region to the next: –6.9% in Italy, +3.0% in the rest of the European Union, +23.7% in North and South America and +3.0% in the rest of the world. The decrease in Italy concerns all three of the Group's main businesses, while the impressive growth in the Americas is explained for Euro 262 million by the consolidation of the new motorway operators in Brazil and Chile.

Revenues by geographical region:

(Millions of Euro)	2012	%	2011	%	Change
Italy	5,948	48.1	6,387	52.4	(439)
European Union (excluding Italy)	2,781	22.5	2,701	22.2	80
Americas	2,629	21.3	2,125	17.4	504
Rest of the World	997	8.1	968	7.9	29
Total	12,355	100.0	12,181	100.0	174

Revenues by business segment (net of intercompany sales):

(Millions of Euro)	2012	%	2011	%	Change
Food & beverage and Travel retail & duty-free	6,687	54.1	6,422	52.7	265
Infrastructures and services for mobility	3,815	30.9	3,684	30.2	131
Textiles and clothing	1,810	14.7	2,032	16.7	(222)
Others	43	0.4	43	0.4	–
Total	12,355	100.0	12,181	100.0	174

Ebitda decreased by Euro 55 million, falling from 27.1% of revenues in 2011 to 26.3%.

The Operating result (Ebit) showed a greater decline of Euro 233 million (–10.5%), as the reduction in Ebitda was compounded by greater depreciation, amortization, provisions and write-downs.
See below for a detailed description of performance by the Group's three main business segments.

Net financial charges increased especially in the Atlantia group, due to a rise in net indebtedness and to a premium of Euro 33 million paid for the partial buy-back of a bond loan.

In 2012 there was a net Income from equity investments of Euro 182 million (Euro 25 million the previous year), thanks mainly to the Atlantia group's recognition in accordance with IFRS of Euro 171 million for the fair value measurement of its existing investment in Autostrade Sud America, the holding company of its Chilean motorway operators. The other main factors were a capital gain of Euro 61 million from the sale of IGLI S.p.A., Euro 35 million in impairment losses charged by the Parent Company on equity investments in listed companies, and Euro 23 million in impairment losses charged by Atlantia on its investment in Alitalia – Compagnia Aerea Italiana S.p.A.

Income taxes decreased due to the reduction in taxable income, the decline in Operating result and the limited relevance for tax purposes of income from equity investments, and thanks to an IRES (corporate income tax) refund of Euro 45.8 million in recognition of the deductibility of IRAP (regional business tax) pertaining to payroll costs.

Although the Operating result was down by Euro 233 million, thanks to income from equity investments and the reduced tax charge, the Profit from continuing operations came to Euro 822 million and decreased by a modest 6.2%.

For 2012, the Profit from assets held for sale and discontinued operations essentially consists of the profit of Autostrada Torino-Savona S.p.A. until the date of its disposal. In 2011 this item included the results of the subsidiaries Strada dei Parchi S.p.A. and Società Autostrada Tirrenica p.A. until the date of deconsolidation, and the capital gains (net of tax effects) generated by their sale.

The Group's share of net income for the year comes to Euro 256 million, down from Euro 322 million in 2011, due mainly to the change of the contribution from discontinued operations.

Financial situation

The Group's main financial figures at December 31, 2012 and 2011, duly restated, are as follows:

(Millions of Euro)	12.31.2012	%	12.31.2011	%
Net working capital:				
– inventories	741	3.3	733	3.7
– receivables, accrued income and prepaid expenses	2,528	11.2	2,256	11.3
– payables, accrued expenses and prepaid income	(3,737)	(16.5)	(3,946)	(19.8)
Net working capital	**(468)**	**(2,1)**	**(957)**	**(4.8)**
Net assets held for sale	**18**	**0.1**	**314**	**1.6**
Non-current assets:				
– intangible assets	7,718	34.2	7,822	39.2
– concession rights, net	11,737	51.9	8,204	41.1
– property, plant and equipment	2,538	11.2	2,478	12.4
– non-current financial assets	1,529	6.8	1,656	8.3
– net deferred assets/(liabilities)	(472)	(2.1)	434	2.2
Non-current assets	**23,050**	**102.0**	**20,594**	**103.2**
Net capital employed	**22,599**	**100.0**	**19,951**	**100.0**
– Shareholders' equity, Group	4,396	19.5	3,915	19.6
– Non-controlling interests	4,886	21.6	3,922	19.7
Total shareholders' equity	9,282	41.1	7,837	39.3
Net financial indebtedness	13,317	58.9	12,114	60.7
Source of funds	**22,599**	**100.0**	**19,951**	**100.0**

Net capital employed shows an increase due primarily to the recognition of the intangible assets of the new Chilean and Brazilian companies consolidated by the Atlantia group (Euro 3,362 million), which mainly consist of the fair value of the Concession rights determined upon provisional allocation of the purchase price.
The amount shown for Concession rights is net of the provisions for construction services required by contract, which cover the present value of investments not yet completed that will not produce additional benefits in terms of tariff increases.
As a result of recognizing these Concession rights, deferred tax liabilities were also recognized in the amount of Euro 894 million, significantly lowering the amount shown for net deferred assets/(liabilities).
Net financial indebtedness increased most of all in the Atlantia group, due chiefly to the acquisition of the new Chilean and Brazilian companies.

Net financial indebtedness, including the fair value measurement of hedging instruments, is broken down below:

(Millions of Euro)	12.31.2012	12.31.2011
Edizione S.r.l.	(441)	(252)
Benetton group	(623)	(548)
Autogrill group	(1,495)	(1,553)
Other companies	(12)	(9)
Total retail businesses	**(2,571)**	**(2,362)**
Sintonia S.p.A.	(682)	(840)
Atlantia group	(10,064)	(8,970)
Other companies	–	58
Total infrastructure businesses	**(10,746)**	**(9,752)**
Consolidated net financial indebtedness	**(13,317)**	**(12,114)**

OTHER INFORMATION

At the reporting date, the Parent Company did not hold own quotas and its subsidiaries did not own shares or quotas of the Parent or their respective controlling companies, either directly or through trust companies or intermediaries, nor had the Parent Company or its subsidiaries ever purchased or sold any such shares or quotas.

SIGNIFICANT EVENTS FOLLOWING THE END OF THE FINANCIAL YEAR

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY-FREE

» After being awarded the concession for travel retail shops in Spanish airports in December 2012, on February 14, 2013 World Duty Free Group signed a contract with AENA to operate at the 26 airports in question until 2020. As agreed in the contract, the company then paid an advance of about Euro 280 million to cover part of the concession fees, as well as Euro 26 million as a guarantee deposit. The advance payment will be deducted from scheduled instalments over the duration of the contract.

» On May 3, 2013 Autogrill's Board of Directors approved a demerger plan by which Autogrill will transfer to the wholly-owned subsidiary World Duty Free S.p.A. the entire share capital of World Duty Free Group S.A.U., the Spanish company that holds the group's operations in the Travel retail & duty-free segment. The purpose of the demerger is mainly industrial: the creation of two separate groups, focused respectively on Food & beverage and on Travel retail & duty-free, will allow each of them to concentrate more closely on their own strategies and improve their results by playing on their different strengths. Also, separation of the two segments could help the financial markets understand and thus independently evaluate each one's strategies, as well as facilitate any future mergers and acquisitions in their respective markets. If approved by the company's shareholders, the demerger will be proportional, so that each shareholder will receive a number of World Duty Free shares equal to the number of Autogrill shares held on the date the operation takes effect. As of that date, World Duty Free and Autogrill shareholders will essentially be one and the same.
At the moment it is supposed that the demerger could take effect at the end of September 2013.

INFRASTRUCTURES AND SERVICES FOR MOBILITY

ATLANTIA AND GEMINA GROUPS

- On March 7, 2013 Standard & Poor's increased the long-term rating of Aeroporti di Roma (ADR) from BB+ to BBB– and confirmed a positive outlook. S&P stressed that with the substantial improvement of the company's financial situation in 2012, along with the final approval of the new Planning Agreement, the company's credit profile is durably reinforced, eliminating uncertainties over regulations, tariffs, and improving its ability to follow through with development plans. On March 11, 2013 Moody's also upgraded ADR's rating from Ba2 to Baa3.
- On March 8, 2013 the Boards of Directors of Gemina S.p.A. and Atlantia S.p.A. approved the plan to merge Gemina with and into Atlantia with the following exchange ratio: one ordinary Atlantia share, with a par value of Euro 1 each ranking equally in all respects with Atlantia's existing ordinary shares at the effective date of the merger, for every 9 shares in Gemina (ordinary or savings). No cash payments will take place.
- The integration of Atlantia and Gemina will create a group with geographically diversified assets, combining, on the one hand, Atlantia's increasing exposure to fast growing overseas markets (Chile and Brazil) and, on the other, traffic trends at Italy's main airport, which is benefitting from growth in inbound traffic from emerging markets. In addition, the combination of complementary regulatory systems – those typically applied to the motorway and airport sectors – will offer a more balanced growth profile. Atlantia's proven experience will strengthen ADR's know-how for the implementation of the investment plan, ability to access the capital markets, enabling it to diversify its sources of funding and expand its investor base in order to better manage its financial requirements in connection with its investment program. The structure of the transaction involves Gemina's absorption by Atlantia, which will remain the sole holding company, highly capitalized and with a large free float.
- On April 29, 2013 the Region of Lazio approved the regional Finance Act for 2013, including indications on IRESA (regional tax on aircraft sound emissions), which as of May 1, 2013 is due by carriers at all airports in Lazio (the tax is paid to the airport handling companies which will periodically pass it on to the regional administration). ADR is assessing the validity of such a measure, in light of the disparity of treatment from one region to another, and is coordinating its efforts – which may include legal action – with the trade associations of handlers and carriers.
- On April 30, 2013 the extraordinary general meetings of Gemina and Atlantia approved the merger plan on the basis of the exchange ratio determined by their boards of directors. Completion of the merger depends on certain suspensive conditions, which have all been met, including approval by the antitrust authority.
- On May 3, 2013, Gemina hired a panel of independent experts to assist the company in all legal and technical investigations that will help the Board of Directors assess the possible impact on the exchage ratio of the filing of a complaint by the Ministry of the Environment in the case lodged by the Public Prosecutor of Florence against some employees of Autostrade per l'Italia S.p.A. At the outcome of these investigations, Gemina's Board of Directors will assess whether and what action to take in the context of the merger with Atlantia.

SINTONIA S.P.A.

- On January 15, 2013 Sintonia's share capital was increased by Euro 221 million by its shareholder Pacific Mezz Investco S.àr.l. (a subsidiary of GIC - Government of Singapore Investment Corporation). As a result, Edizione now owns 66.40% of Sintonia.
- On January 21, 2013 Sintonia finalized the sale of its 24.385% interest in Sagat S.p.A., which runs Turin Caselle airport under concession, under a contract signed with F2i – Fondo Italiano per le Infrastrutture on December 21, 2012. Sintonia's interest was sold for the same price at which F2i had successfully bid for a 28% share of Sagat S.p.A., put up for sale by the City of Turin, in December 2012. The proceeds of the selling was approximately Euro 30.5 million.

- In early 2013, Sintonia purchased in the open market: (i) 10,239,719 shares of Atlantia for a total investment of Euro 138 million, raising its interest in Atlantia to 47.96%; and (ii) 2 million Gemina savings shares for a total of Euro 3.5 million, giving it possession of 53.17% of all savings shares.
- On April 30, 2013 the Shareholders' agreement between Sintonia S.p.A. and the other Gemina shareholders expired.

THE PARENT COMPANY

- On January 15, 2013 the shareholders' agreement of Pirelli & C. S.p.A. was renewed without any changes in its participants and the participating shares. The agreement is now set to expire on April 15, 2014.

OUTLOOK FOR 2013

TEXTILES AND CLOTHING

The first few months of 2013 have confirmed problematic market conditions for the Benetton group's key business, especially in southern Europe.
In Italy, Greece, Spain and Portugal a macroeconomic scenario of contracting demand and consumption has been accompanied by an extensive review of the commercial network, both managed directly and by traditional partners.
In terms of manufacturing and the supply chain, Benetton group intends to continue the strategy long since adopted to simplify the process of collection development, production and delivery, by further increasing the proportion of purchases from third-party manufacturers, which will also facilitate the speed of bringing products to market. This will entail, among other things, a major simplification of the manufacturing structure and of central and local support staff and activities.
For 2013, turnover is expected to decrease along with a further decline in net profit.

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY-FREE

In the first 18 weeks of 2013, sales by the Autogrill group increased by 0.5% with respect to the same period in 2012. First quarter results do not indicate the trends that will determine the year's performance, so it is premature to suggest any numbers. However, the group is confident that it can offset weak results in Italy thanks to its healthy performance and prospects in North America and to the strength of the Travel retail business.

INFRASTRUCTURES AND SERVICES FOR MOBILITY

Because the macroeconomic situation in Italy is not very encouraging, Atlantia expects to see a decrease in Italian operating results this year, while its operations abroad – thanks to acquisitions in 2012 and the more favourable trend in traffic – should allow operating income to remain stable at the consolidated level.

PERFORMANCE BY BUSINESS SEGMENT

At December 31, 2012 the Edizione Group operated in the following business segments:

- Textiles and clothing;
- Food & beverage and Travel retail & duty-free;
- Infrastructures and services for mobility,

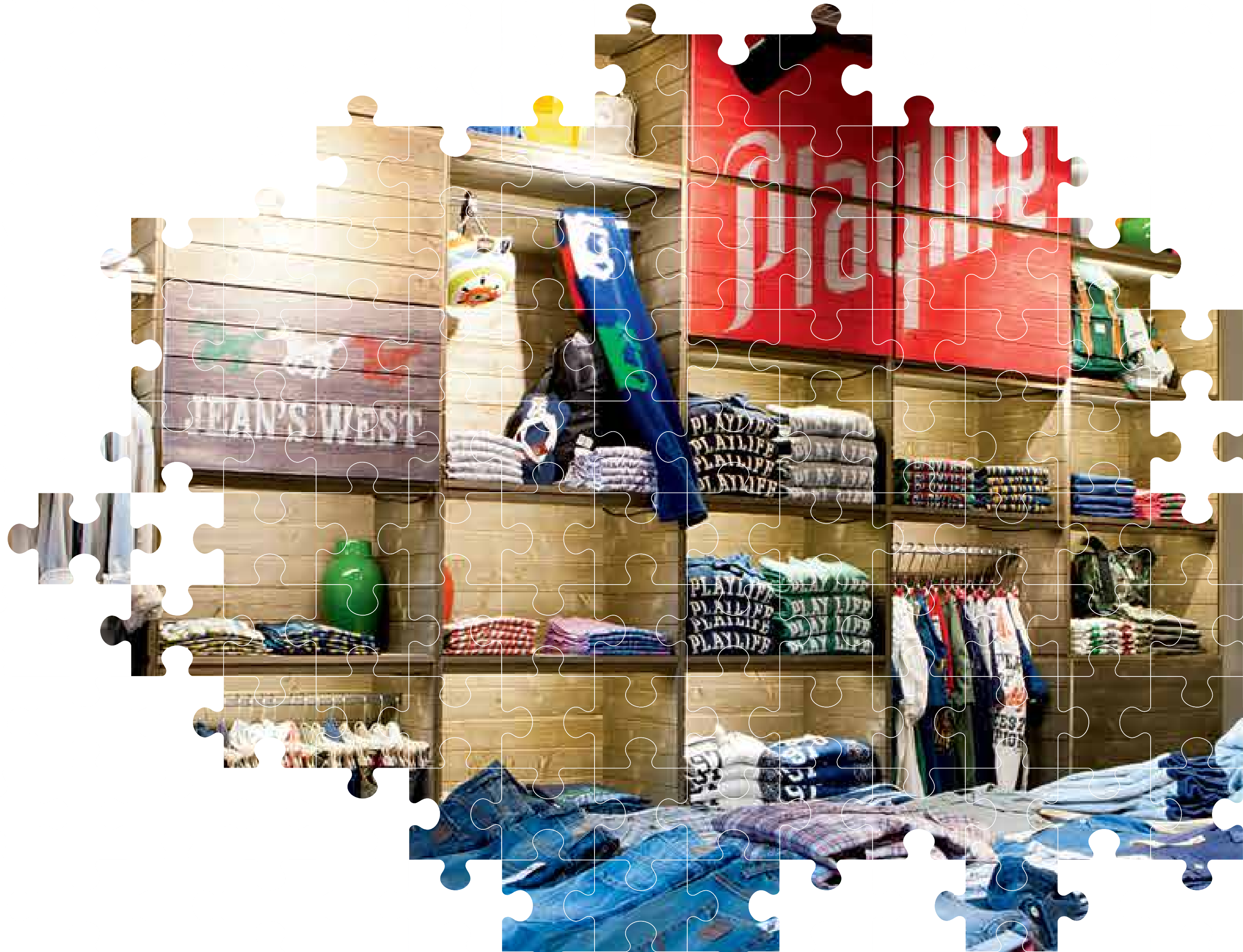
headed up respectively by Benetton Group S.p.A., Autogrill S.p.A. and Sintonia S.p.A., which in turn is the reference shareholder of Atlantia S.p.A. and Gemina S.p.A.

The Group also manages real estate and agricultural operations, other than those directly held by the companies listed above.

The performance of the main directly held investments is discussed below by business segment.

The 2012 and 2011 results for the Benetton, Autogrill and Atlantia groups are stated in accordance with the International Financial Reporting Standards (IFRS) in effect as of the reporting date. The results of the other companies, discussed hereafter, have been drawn from the financial statements prepared according to local GAAP.

↳ TEXTILES AND CLOTHING



TEXTILES AND CLOTHING

Benetton Group S.p.A. (controlling interest at December 31, 2012: 100%)

Consolidated economic and financial highlights in 2012 and 2011 are as follows:

(Millions of Euro)	2012	%	2011 (*)	%
Revenues	1,820	100.0	2,032	100.0
Cost of sales	(1,050)	(57.7)	(1,150)	(56.6)
Gross operating profit	770	42.3	883	43.4
Sales and general expenses	(711)	(39.1)	(745)	(36.7)
Operating result	59	3.2	137	6.8
Net financial charges	(31)	(1.7)	(20)	(1.0)
Net foreign currency hedging gains/(losses) and exchange differences	6	0.4	2	0.1
Income before taxes and non-controlling interests	34	1.9	119	5.9
Income taxes	(15)	(0.8)	(42)	(2.1)
Non-controlling interests	5	0.2	(4)	(0.2)
Net income, group	24	1.3	73	3.6

Net income, group/Shareholders' equity (ROE)	1.6%	4.9%
Operating result/Capital employed (ROI)	2.8%	6.7%
Capital employed	2,137	2,055
Shareholders' equity	1,514	1,507
Net financial indebtedness	623	548
Net indebtedness/Shareholders' equity	0.41	0.36

(*) During 2012, the Benetton Group decided to include only the economic exchange risk component of "Net foreign currency hedging (losses)/gains and exchange differences" in operating profit by reclassifying it in a separate line entitled "Net losses/(gains) from economic exchange risks". The purpose of this reclassification is to provide a better representation of operating profit itself, since exchange differences and foreign currency hedges of an economic nature refer to revenue and cost components of an operational nature, for which a classification with items of a similar nature is considered more indicative. To ensure comparability between the two periods presented in this document, the statement of income for 2011 has been reclassified and Ebitda and the financial ratios restated.

Revenues

Consolidated net revenues in 2012 were down by 10.4%, due mainly to:

» a reduction in sales volumes, which were affected by the economic downturn, particularly in Italy and Mediterranean Europe, as well as a different scheduling of customer deliveries of the Spring/Summer 2013 collection, which were more concentrated in the early months of 2013;

» a negative collection mix featuring, again in 2012, lower unit value product categories.

The decrease was partially offset by:

» a positive sales performance in directly operated stores, which reported a good trend during the year due to development of this channel, particularly in Europe, also following the acquisition of certain stores previously operated by commercial partners;

» the positive impact of exchange rates against the Euro, especially for the Korean won, the US dollar and the Japanese yen.

Revenues by geographical area are as follows:

(Millions of Euro)	2012	%	2011	%	Change
Italy	729	40.1	910	44.8	(181)
Rest of Europe	665	36.5	696	34.3	(31)
Asia	327	18.0	333	16.4	(6)
North and South America	81	4.5	80	3.9	1
Rest of the world	18	1.0	13	0.6	5
Total	1,820	100.0	2,032	100.0	(212)

Operating margins

Gross operating profit came to Euro 770 million or 42.3% of revenues (43.2% net of the exchange effect), compared with 43.4% in 2011.

Sales and general expenses decreased by Euro 34 million (–4.7%), but went up as a percentage of revenues. The operating result fell significantly, from Euro 137 million in 2011 to Euro 59 million in 2012, and from 6.8% of revenues to 3.2%.

Net financial charges, Euro 31 million, were up on the comparative year, mainly due to measurement of the time value component of transactions that hedge economic risks, and to the increase in average debt, which was mitigated by a slight reduction in interest rates.

Investments

Cash flow used by investing activities came to Euro 135 million (Euro 102 million in 2011), specifically:

» investments in the commercial network, for Euro 118 million, mainly in markets such as Italy and Spain and in developing countries like Russia; priority was given to refurbishing and expanding existing stores, while purchases of commercial operations and new buildings mainly related to Italy, Bosnia-Herzegovina and Ukraine;

» investments in production for Euro 21 million, mostly relating to the production center in Serbia and acquisition of production machinery in Croatia;

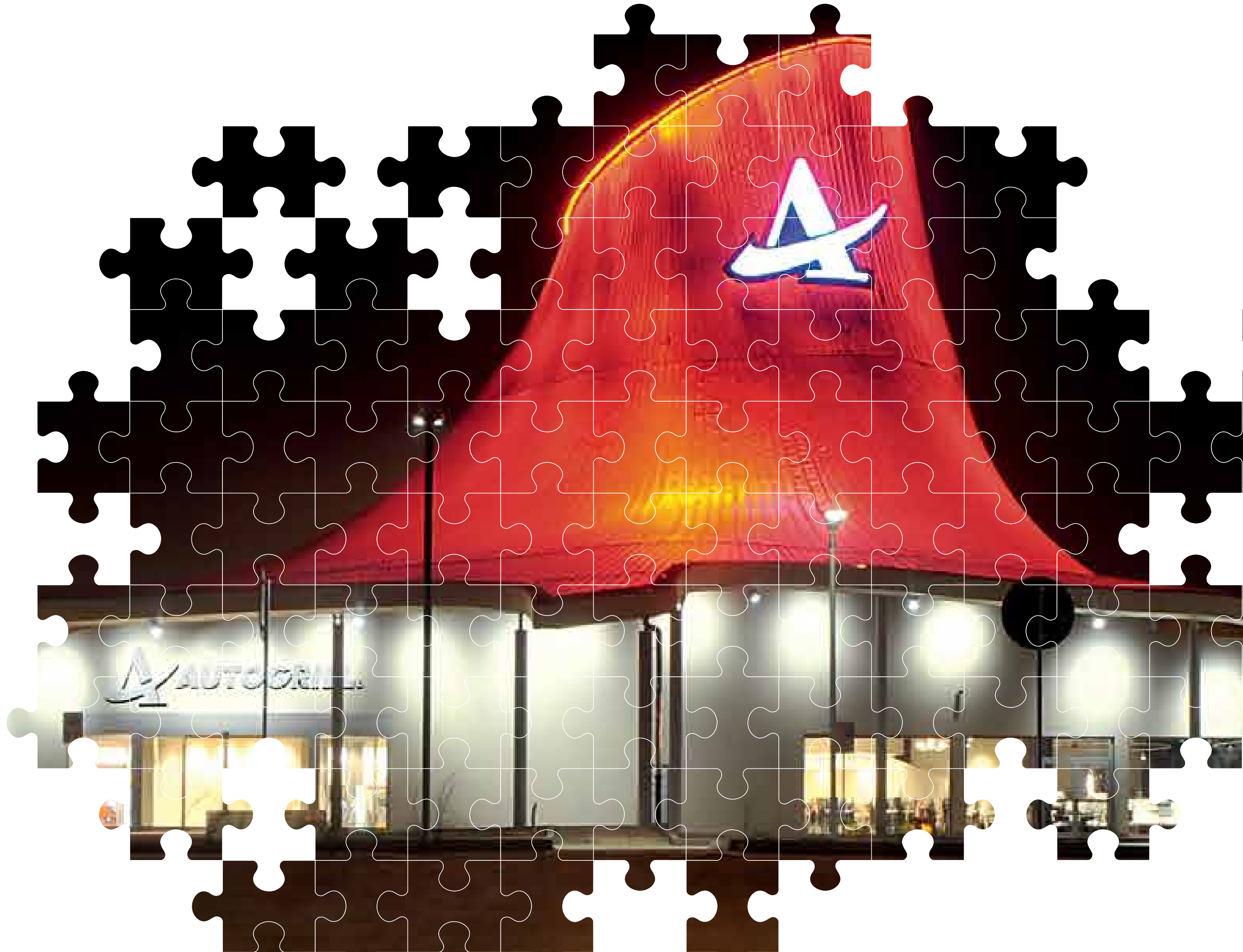
» other investments, of Euro 15 million, were principally in information technology, referring largely to the internal development and implementation of software to support business processes;

» disposals for the year came to Euro 39 million and consisted mostly of the sale of three commercial properties in Rome and Caserta (Italy) and Astana (Kazakhstan), and two commercial operations in France, as well as the sale of textile machinery;

» the change in payables for the purchase of fixed assets amounts to Euro 12 million, due chiefly to payments on investments made at the end of 2011;

» the cash flow used by non-current financial assets, Euro 7 million, refers to the purchase of the remaining 50% of German subsidiary New Ben GmbH and of the Turkish subsidiary Benetton Giyim Sanayi ve Ticaret A.S.

FOOD & BEVERAGE
AND TRAVEL RETAIL & DUTY-FREE



FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY-FREE

Autogrill S.p.A. (controlling interest at December 31, 2012: 59.28%)
Key figures for the Autogrill group in 2012 and 2011 are shown below:

(Millions of Euro)	2012	%	2011	%
Revenues	6,078	100.0	5,845	100.0
Fuel sales	609	10.0	577	9.9
Other operating income	130	2.1	132	2.3
Total revenues and other operating income	6,817	112.2	6,554	112.1
Cost of raw materials and goods	(2,775)	(45.7)	(2,696)	(46.1)
Rents, concessions and royalties	(1,295)	(21.3)	(1,194)	(20.4)
Payroll costs	(1,538)	(25.3)	(1,473)	(25.2)
Other operating cost	(619)	(10.2)	(575)	(9.8)
Ebitda	590	9.7	617	10.5
Amortization, depreciation and write-downs	(321)	(5.3)	(314)	(5.4)
Goodwill impairment	(17)	(0.3)	–	–
Ebit	252	4.1	303	5.2
Net financial expense and impairment losses on financial assets	(90)	(1.5)	(84)	(1.4)
Income before taxes and non-controlling interests	162	2.7	219	3.7
Income taxes	(52)	(0.9)	(80)	(1.4)
Profit/(loss) from continuing operations	110	1.8	139	2.4
Non-controlling interests	(14)	(0.2)	(13)	(0.2)
Net income, group	97	1.6	126	2.2

Net income, group/Shareholders' equity (ROE)	11.7%		16.1%	
EBIT/Capital employed (ROI)	10.7%		12.9%	
Capital employed	2,344		2,352	
Shareholders' equity	849		799	
Net financial indebtedness	1,495		1,553	

Revenues
The Autogrill group closed the year with Revenues of Euro 6,078 million, an increase of 4% (–0.1% at constant exchange rates) compared with the previous year's Euro 5,845 million, thanks to favourable interest rate trends in the main countries served and in particular to the depreciation of the Euro against the US dollar and British pound.

Autogrill's performance differed by channel and business segment. While sales increased in the airport channel, driven by the Travel retail segment in all countries served and by Food & beverage in North America, revenues decrease at motorway locations throughout Europe. Specifically, the recession in Italy led to a sharp decrease in passenger car traffic and a worse than expected decline in heavy vehicles, causing a drastic downturn in overall spending by travelers.

The following table presents retail revenues by channel:

(Millions of Euro)	2012	%	2011	%	Change
Airports	4,012	66.0	3,672	62.8	340
Motorways	1,666	27.4	1,762	30.1	(95)
Other	399	6.6	411	7.0	(12)
Total	6,078	100.0	5,845	100.0	233

Revenues (including fuel sales) are broken down below by region:

(Millions of Euro)	2012	%	2011	%	Change
Italy	1,826	27.3	1,914	29.8	(87)
Rest of Europe	2,394	35.8	2,293	35.7	101
USA and Canada	2,071	31.0	1,872	29.2	198
Rest of the world	396	5.9	344	5.3	53
Total	6,687	100.0	6,422	100.0	265

Consolidated Ebitda came to Euro 590 million, a decrease of 4.4% (–8.4% at constant exchange rates) on the previous year. The result was affected by Euro 10 million in reorganization costs, mostly in the Food & beverage segment. Ebitda amounted to 9.7% of revenue, down from 10.5% in 2011.

The Operating profit (Ebit) was Euro 252 million, compared with Euro 303 million the previous year (–16.9% or –21.1% at constant exchange rates), after amortization, depreciation and write-downs of Euro 321 million (Euro 314 million in 2011). During the year, goodwill on the Spanish Food & beverage operations was impaired by Euro 17 million due to the continued weakness of sales in motorway channel in that country.

The group's share of net income fell to Euro 97 million.

Breakdown by business segment
Food & beverage revenues totalled Euro 4,076 million, increasing by 1.3% (–2.4% at constant exchange rates) on the previous year's figure of Euro 4,024 million.
Food & beverage sales enjoyed growth in the airport channel, thanks to the strong flow of passengers and the higher average purchase per customer, particularly in North America. Sales were weak in the motorway channel in Europe, and especially in the Mediterranean area, where the recession caused a steep decline in motorway traffic and spending by travelers.

Ebitda came to Euro 356 million, down from Euro 414 million in 2011 (–14%, or –17.8% at constant exchange rates). Reorganization costs affected that amount by approximately Euro 10 million.
The Ebitda margin went down due to the rise in personnel expense and the relative weight of rent and concession fees which, despite significantly lower sales in Europe, proved to be rather inflexible in light of the substantial fixed component.

(Millions of Euro)	2012	%	2011	%
Revenues	4,076	100.0	4,024	100.0
Ebitda	356	8.7	414	10.3
Ebit	102	2.5	196	4.9

Travel retail & duty-free generated revenues of Euro 2,002 million, an increase of 10% (+5,2% at constant exchange rates) with respect to 2011 (Euro 1,821 million). At airports in the United Kingdom, sales were up by 4.5% compared with a 1.2% increase in passengers. At Spanish airports, despite a 5% reduction in traffic, sales grew by 2.3% on the strength of an 11.9% increase in Barcelona.
Revenues in other countries increased by 16.1% (+9.7% at constant exchange rates), with double-digit growth in almost all geographical areas, and especially at Vancouver airport thanks to the higher number of flights to Asia.

Ebitda showed growth of 14.9% (+11.1% at constant exchange rates), from Euro 228 million in 2011 to Euro 262 million.

The improvement in the Ebitda margin, from 12.5% to 13.1% of revenues, reflects a sales mix weighted towards high margin products such as cosmetics, and at the European airports, an increase in passengers with non-European destinations who are more inclined to spend.

(Millions of Euro)	2012	%	2011	%
Revenues	2,002	100.0	1,821	100.0
Ebitda	262	13.1	228	12.5
Ebit	150	7.5	107	5.9

Financial situation

Net financial indebtedness at December 31, 2012 came to Euro 1,495 million, an improvement of Euro 58 million on the previous year's figure of Euro 1,553 million. The result reflects a significant rise in net cash from operating activities, thanks to the more efficient management of net working capital and a decrease in net interest expense with respect to 2011.

The financial structure in 2012 is broken down below by business segment:

(Millions of Euro)	Food & beverage	Travel retail & duty-free
Capital employed	1,171	1,173
Shareholders' equity	238	611
Net financial indebtedness	933	562

Investments

Net investments in 2012 amounted to Euro 281 million, compared with Euro 209 million in 2011. Most investment concerned the Food & beverage business, especially in the airport channel in North America.

(Millions of Euro)	2012	%	2011	%	Change
Food & beverage	246	87.7	185	88.2	62
Travel retail & duty-free	28	10.1	19	8.9	10
Corporate and unallocated	6	2.2	6	3.0	–
Total	281	100.0	209	100.0	72

Autogrill share and market data

	2012	2011
Earnings per share (in Euro)	0.38	0.50
Equity per share (in Euro)	3.23	3.07
Dividend per share (in Euro)	–	0.28
Pay out ratio	–	56.2%
Dividend yield	–	3.7%
Price on December 31 (in Euro)	8.7	7.5
High (in Euro)	8.7	11.0
Low (in Euro)	6.1	7.2
Price per share/earnings per share	22.8	15.1
Price per share/equity per share	2.7	2.5
Market capitalization (Millions of Euro)	2,209	1,918
No. shares outstanding	254,400,000	254,400,000

Autogrill share performance in 2012

INFRASTRUCTURES AND SERVICES FOR MOBILITY

INFRASTRUCTURES AND SERVICES FOR MOBILITY

The companies in this business are owned by the subsidiary Sintonia S.p.A., which at December 31, 2012 held 46.03% of Atlantia S.p.A., 35.93% of Gemina S.p.A. (Aeroporti di Roma S.p.A.) and 24.38% of Sagat S.p.A. (Turin airport). In early 2013, the sale of Sintonia's entire interest in Sagat was finalized and its share of Atlantia increased to 47.96%.

The results of Sintonia S.p.A. in 2012 and 2011 are summarized below:

(Millions of Euro)	2012	2011
Dividends and other income from equity investments	224	122
Operating expenses	(9)	(6)
Net financial charges	(38)	(53)
Impairment of financial assets	(51)	–
Non-recurring income/(charges)	(12)	(1)
Net income	**115**	**62**
Shareholders' equity	3,131	2,282
Net financial indebtedness	626	762

As part of a group streamlining reorganization, with effect from October 4, 2012, Sintonia incorporated the wholly-owned subsidiaries Schemaventotto S.p.A., which held a 37.44% interest in Atlantia S.p.A., and Investimenti Infrastrutture S.p.A., which owned 25.27% of Gemina S.p.A.
The merger was effective for accounting and tax purposes on January 1, 2012, so Sintonia's accounts for 2012 include the results of those two companies until October 3, 2012.

The item most affected by this operation is Dividends and other income from equity investments, which include Euro 131 million in Atlantia dividends received directly by Sintonia and Euro 93 million in Atlantia dividends received by the absorbed company Schemaventotto.

Operating expenses include payroll costs, legal, tax and corporate advisory fees, consulting fees for special projects and directors' and statutory auditors' fees. The increase on the previous year is due mainly to the cost of transferring the business to Italy and terminating employment contracts with personnel in Luxembourg.

Net financial charges amounted to Euro 38 million (Euro 53 million in 2011). The 2011 figure includes the negative fair value of derivative contracts (about Euro 11 million) that are no longer recognized as hedges as they refer to debt reimbursed at the end of that year.

Impairment of financial assets refers primarily to Sagat S.p.A., whose value was written down to the amount realized from the sale of the investment in January 2013.

Non-recurring charges consist mainly of Euro 12 million in taxes, interest and fines relating to a settlement reached with the Tax authorities on May 15, 2013 subsequent to an audit of tax year 2001.

Net financial indebtedness at the end of the year stood at Euro 626 million, a reduction of Euro 136 million despite the payment of Euro 50 million in dividends.
In early 2013, indebtedness was further reduced through a capital increase of Euro 222 million paid in by the shareholder Pacific Mezz Investco S.àr.l. (Singapore), which now owns 17.68% of Sintonia. Edizione's controlling share now amounts to 66.4%.

Atlantia S.p.A. (total interest held by Sintonia S.p.A. at December 31, 2012: 46.03%)

In 2012 the Atlantia group, thanks to its solid financial structure, was able to accelerate its plans to upgrade the Italian motorway network as well as its international development in high-growth markets (Brazil, Chile and India).

Consolidated economic and financial highlights in 2012 and 2011 are as follows:

(Millions of Euro)	2012	%	2011 (*)	%
Revenues	**4,034**	**100.0**	**3,902**	**100.0**
Ebitda	2,398	59.4	2,355	60.4
Ebit	**1,644**	**40.7**	**1,749**	**44.8**
Net financial charges	(497)	(12.3)	(576)	(14.8)
Income taxes	(328)	(8.1)	(405)	(10.4)
Profit/(loss) from continuing operations	**818**	**20.3**	**769**	**19.7**
Profit from discontinued operations	12	0.3	139	3.5
Non-controlling interests	(22)	(0.5)	(9)	(0.2)
Net income, group	**808**	**20.0**	**899**	**23.0**

Ebit/Revenues (ROS)	40.7%	44.8%
Ebit/Capital employed (ROI)	10.6%	13.5%
Operating cash flow (FFO)	1,508	1,692
Capital employed	15,512	13,001
Shareholders' equity	5,448	4,031
Net financial indebtedness	10,064	8,970
Net financial indebtedness/Ebitda	4.20	3.81

(*) Some 2011 figures have been modified as a result of the complete identification of the fair value of assets and liabilities of the newly consolidated subsidiary Triangulo do Sol and the different presentation of the results of Autostrada Torino-Savona in accordance with IFRS 5.

Revenues

Of the Atlantia group's revenues, tolls amounted to Euro 3,392 million (84% of the total); the rest consists of various forms of income such as service area royalties, Telepass (automatic toll collection), other services, etc.
In 2012 toll revenues increased by Euro 121 million, thanks to the newly consolidated motorway operators in Chile and Brazil. On a like-for-like basis, toll revenues decreased by Euro 141 million (–4.3%), due mainly to a 6.8% decline in motorway traffic in Italy.

Operating margins

Ebitda rose by Euro 43 million (+1.8%), but decreased by Euro 134 million on a like-for-like consolidation basis.
Ebit fell by Euro 105 million (–6.0%) with respect to 2011, penalized by higher amortization, depreciation and impairment losses. On a like-for-like basis, the decrease amounts to Euro 197 million.

Net financial charges were lower this year despite the increase in indebtedness, thanks mainly to the recognition of a non-monetary income from fair value measurements subsequently the company assumed control of Autostrade Sud America, the holding company of the Chilean motorway operators.

The notable decrease in the profit from discontinued operations is explained by the lack of capital gains realized in 2011 for the disposal of Strada dei Parchi and Società Autostrada Tirrenica.

The Atlantia group's share of net income (Euro 808 million) decreased by Euro 91 million with respect to 2011. On a like-for-like consolidation basis, the group's share of net income came to Euro 597 million and was Euro 9 million lower than the previous year.

Financial situation

In 2012, due to the group's sizeable investments and the newly consolidated Chilean and Brazilian subsidiaries, net capital employed increased by Euro 2,511 million.

Net financial indebtedness at December 31, 2012 stood at Euro 10,064 million, an increase of Euro 1,094 million since the end of 2011 (Euro 8,970 million), including Euro 545 million from consolidation of the new subsidiaries.

Cash flow absorbed by investments in non-financial assets amounts to Euro 1,863 million and essentially consists of:

a) the overall impact (Euro 545 million) of the purchase and consolidation of the Brazilian and Chilean companies, net of the disposal of Autostrada Torino-Savona, including the amount of financial debt transferred;
b) investments in businesses under concession, net of the corresponding fees and of the increase in takeover rights and other financial rights for the investments realized (Euro 1,178 million);
c) the disposal of the investment in IGLI (Euro 88 million).

The residual weighted average term to maturity of the group's interest bearing debt, 93% of which is fixed rate, is approximately 7 years.
Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the country in which the relevant group company operates, the Atlantia group is not exposed to currency risk.
The average cost of medium and long-term borrowings in 2012 was approximately 5.2%.

At December 31, 2012 the Atlantia group had cash reserves of Euro 6,547 million:

a) Euro 2,811 million in cash and cash equivalents and/or investments maturing within 120 days or less;
b) Euro 663 million in restricted deposits, allocated primarily to finance the execution of specific construction services and to serve the debt of the Chilean subsidiaries;
c) Euro 3,073 million in undrawn committed credit facilities.

Atlantia share and market data

	2012	2011 (*)
Earnings per share (in Euro)	1.25	1.39
Equity per share (in Euro)	8.23	6.39
Dividend per share (in Euro)	0.75	0.75
Pay out ratio (%)	59.7%	53.7%
Dividend yield	5.5%	6.0%
Price on December 31 (in Euro)	13.67	11.78
High (in Euro)	13.95	15.33
Low (in Euro)	9.14	8.92
Price per share/earnings per share	10.9	8.5
Price per share/equity per share	1.66	1.84
Market capitalization (millions of Euro)	9,047	7,797
No. shares outstanding	661,827,592	630,311,992

Group's rating	
Standard & Poor's	BBB+ (negative outlook)
Moody's	Baa1 (negative outlook)
Fitch Ratings	A– (outlook stable)

(*) The bonus issue approved by the extraordinary general meeting of April 24, 2012 was completed on June 4, 2012 via the assignment of one new share for every 20 held. The 2011 figures per share have therefore been adjusted with respect to the amounts published in the 2011 annual report to take account of the capital increase.

Atlantia share performance in 2012

Gemina S.p.A. (interest held by Sintonia S.p.A. at December 31, 2012: 35.93%)
Sintonia S.p.A.'s interest in Gemina is equal to 35.93% and is valued in Edizione's consolidated financial statements using the equity method, as it is not a controlling investment.

At December 31, 2012 Gemina controlled 95.90% of ADR - Aeroporti di Roma S.p.A., which is essentially its only asset.

Key figures for Gemina group in 2012 and 2011 are reported below:

(Millions of Euro)	2012	%	2011	%
Revenues	545	100.0	544	100.0
Gross operating profit (Ebitda)	266	48.8	264	48.5
Operating profit (Ebit)	99	18.2	94	17.3
Net income, group	**194**	**35.6**	**(15)**	**(2.7)**

Operating result/Revenues (ROS)	18.2%		17.3%	
Operating result/Capital employed (ROI)	3.6%		3.3%	
Capital employed	2,768		2,847	
Shareholders' equity	1,751		1,565	
Net financial indebtedness	973		1,248	

In 2012 airport traffic at European level recorded an overall increase in passenger traffic of 1.8% compared to 2011, also in this case driven by the rise in international traffic (+2.8%), which more than offset the decrease in domestic traffic (–1.8%). Overall cargo traffic decreased by 3.0% compared to 2011.

In the same period the air transport in Italy saw passenger volumes decrease by 1.3%, up 1.7% at international level against a 5.2% drop at domestic level, while cargo traffic decreased by 4.9%.

Rome airports in 2012 underperformed the Italian average, with a 2.2% decline in passenger traffic: +3.1% for non-EU traffic, –0.7% for EU traffic and –7.9% for Domestic traffic.

Revenues from airport management of the Gemina group, at Euro 545 million, were essentially unchanged since 2011, as the positive contribution of the non-aviation sector, with growth of 0.9%, was offset by a slight decrease in aviation activities (–0.6%), having benefitted from the fee increase related to programmed inflation rate only starting from the month of June 2012.

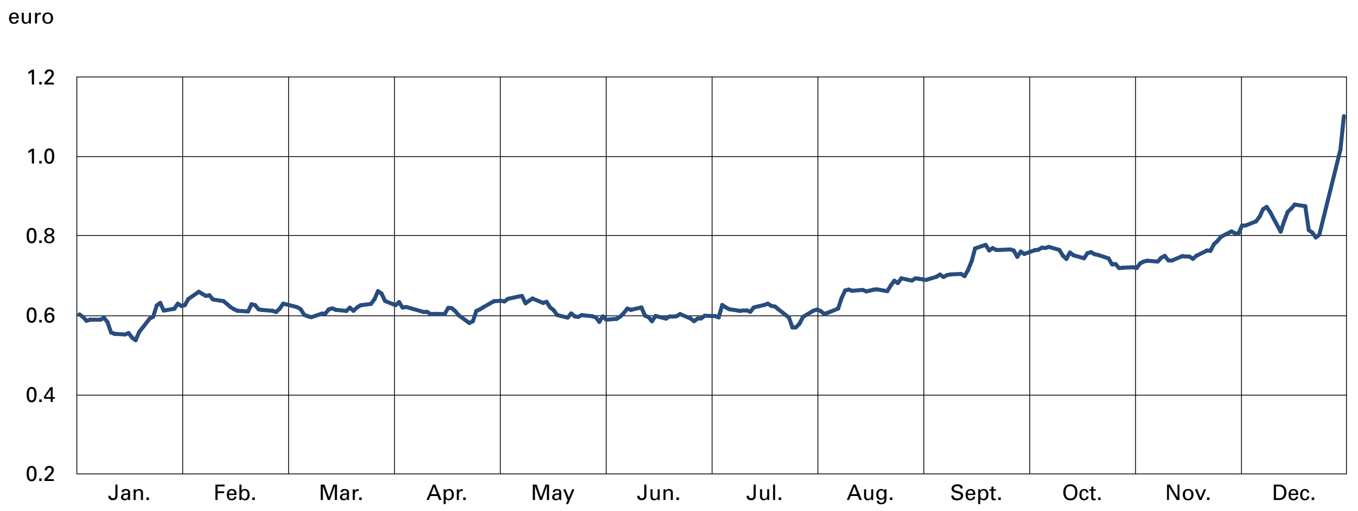
Ebitda came to Euro 266 million, an improvement of Euro 2,2 million with respect to 2011 (+0.8%).
"Normalized" Ebitda came to Euro 294 million, an increase of Euro 9 million for the year, and rose from 52.3% in 2011 to 54.0% of revenues in 2012.

The Operating profit (Ebit) of Euro 99 million shows growth of Euro 5 million (+5.7%) with respect to 2011, due to lower amortization, depreciation and allocations to the renovation provision.

Net financial charges came to Euro 89 million, an increase of Euro 1 million on the previous year. The decrease in interest expense due to the gradual reduction in debt and the favourable trend in variable interest rates was offset by a rise in other financial expense, mostly in the form of greater expenses for discounting of the system renovation provision due to unfavourable interest rates in comparison with 2011.

The group's share of net income, Euro 194 million, benefitted from the capital gain on the disposal of the subsidiary ADR Retail, which came to Euro 206 million, net of the tax effect and transaction costs.

Gemina share performance in 2012



↳ THE PARENT COMPANY

THE PARENT COMPANY

Edizione S.r.l.

Below are the economic and financial highlights of 2012 and 2011:

(Millions of Euro)	2012	2011
Dividends and other income from equity investments	83	93
Other revenues and income	9	9
Operating expenses	(14)	(14)
Amortization, depreciation and write-downs	(11)	(4)
Net financial charges	(26)	(13)
Impairment of current financial assets	–	(2)
Operating income	**41**	**69**
Impairment of non-current financial assets	(23)	(29)
Capital gains on disposal of equity investments	6	–
Income taxes	1	4
Net income	**26**	**45**

	12.31.2012	12.31.2011
Non-current financial asset	2,734	2,547
Property, plant and equipment and other assets, net	168	174
Capital employed	**2,902**	**2,721**
Shareholders' equity	2,485	2,500
Net financial indebtedness	417	221

The most important event in 2012 was the Tender offer on shares of the subsidiary Benetton Group S.p.A., for a total outlay of Euro 214 million, which explains the increase in non-current financial assets and indebtedness.

The income statement for 2012 shows a decrease in Dividends and other income from equity investments due to the lack of dividends from Benetton Group.

Amortization, depreciation and write-downs increased due to the amortization of up-front fees relating to the new loan contract (Euro 2.6 million) and to impairment losses on some properties (Euro 5.4 million).

Net financial charges for the year ended December 31, 2012 came to Euro 26 million (Euro 13 million the previous year), due to greater average indebtedness and the higher cost of borrowing.

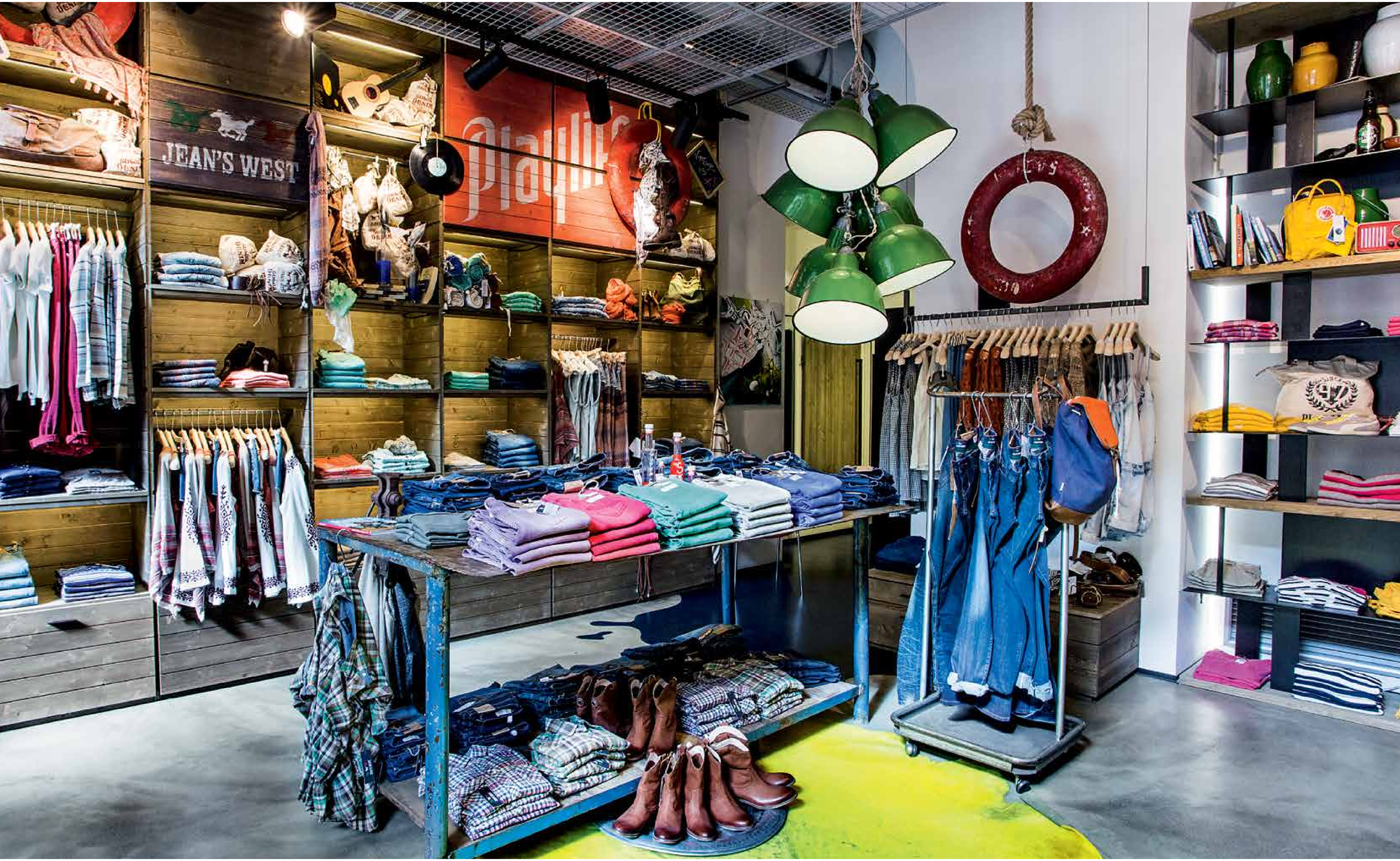
Impairment of non-current financial assets refers to the investments in Mediobanca S.p.A., Prelios S.p.A., Verde Sport S.p.A. and Il Sole 24 Ore S.p.A., net of impairment reversals for Pirelli & C. S.p.A. and Acegas-Aps S.p.A.

TEXTILES AND CLOTHING
BENETTON MEGASTORE (BARCELONA - SPAIN)
BENETTON MEGASTORE (BARCELONA - SPAIN)
PLAYLIFE STORE (TURIN - ITALY)
PLAYLIFE STORE (FERRARA - ITALY)

FOOD & BEVERAGE
AND TRAVEL RETAIL & DUTY–FREE
A8 - VILLORESI SERVICE AREA (ITALY)
BUBBLES WINE BAR - CHICAGO O'HARE INTL. AIRPORT (USA)
THE SHOP - ALICANTE AIRPORT (SPAIN)
WORLD DUTY FREE - LONDON HEATHROW AIRPORT (UK)

INFRASTRUCTURES AND SERVICES FOR MOBILITY
FIUMICINO AIRPORT (ROME - ITALY)
A1 - AGLIO VIADUCT (ITALY)
A1 - SASSO MARCONI TOLL STATION (ITALY)


UNITED COLORS OF BENETTON.
UNITED COLORS
OF BENETTON.


JEAN'S WEST

CIAO
Torta di mele:
e buon appetito!

ARCHIVES FEDERICO BRUNETTI


BUBBLES
wine bar
STAIRS


THE SHOP
LOCAL PRODUCT


worlddutyfree
GORDON'S
BELVEDERE
GREY GOOSE
VODKA
BACARDI
NEW
NEW


CARTE
T
riservata clienti
TELEPASS
CARTE

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(Thousands of Euro)	12.31.2012	12.31.2011	Note
Non-current assets			
Property, plant and equipment			1
Land and buildings	1,101,508	1,077,307	
Investment property	53,748	55,245	
Plant, machinery and equipment	499,714	498,587	
Forniture, furnishings and electronic equipment	119,425	118,488	
Assets to be relinquished	112,530	112,642	
Leasehold improvements	370,362	365,123	
Other tangible assets	78,308	80,813	
Assets under contruction and advances	202,801	176,254	
Total property, plant and equipment	**2,538,396**	**2,484,459**	
Intangible assets			2
Goodwill and other intangible assets of indefinite useful life	6,828,385	6,845,147	
Intangible assets deriving from concession rights	16,548,072	12,890,630	
Intangible assets of finite useful life	889,625	976,709	
Total intangible assets	**24,266,082**	**20,712,486**	
Other non-current assets			
Equity investments in subsidiaries	448	284	3
Equity investments in associates and joint ventures	895,937	1,070,897	4
Equity investments in other companies	567,510	506,383	5
Investment securities	26,548	41,395	6
Guarantee deposits	43,228	36,720	7
Other non-current financial assets	1,939,088	1,201,258	8
Other non-current receivables	70,545	62,280	9
Deferred tax assets	2,174,264	2,158,636	10
Total other non-current assets	**5,717,568**	**5,077,853**	
Total non-current assets	**32,522,046**	**28,274,798**	
Current assets			
Inventories	741,051	733,490	11
Trade receivables	1,853,628	1,775,027	12
Tax receivables	301,000	141,039	13
Accrued income and prepaid expenses	66,969	62,811	14
Other current receivables	303,786	268,003	15
Other current financial assets	991,067	305,292	16
Other investments	27,041	8,606	17
Cash and cash equivalents	3,222,475	1,090,412	18
Total current assets	**7,507,017**	**4,384,680**	
Assets held for sale	19,154	313,972	19
TOTAL ASSETS	40,048,217	32,973,450	

SHAREHOLDERS' EQUITY AND LIABILITIES

(Thousands of Euro)	12.31.2012	12.31.2011	Note
Shareholders' equity			
Shareholders' equity attributable to the Parent Company			
Share capital	1,500,000	1,500,000	20
Fair value and hedging reserve	(1,366)	(111,466)	21
Other reserves and retained earnings	2,728,021	2,250,791	22
Translation reserve	(86,692)	(47,954)	23
Net income for the year	255,602	321,840	
Total	**4,395,565**	**3,913,211**	
Equity attributable to non-controlling interests	4,886,451	3,924,084	24
Total shareholders' equity	**9,282,016**	**7,837,295**	
Liabilities			
Non-current liabilities			
Bonds	10,289,819	7,839,479	25
Medium and long-term loans	6,647,924	5,091,088	26
Other non-current liabilities	186,722	180,417	27
Lease financing	16,362	12,661	28
Other non-current financial liabilities	366,232	250,069	29
Provisions for employee benefits	268,036	261,324	30
Deferred tax liabilities	1,179,821	346,031	31
Other non-current provisions and liabilities	1,078,481	992,444	32
Provisions for construction services required by contract	4,321,448	4,134,960	33
Total non-current liabilities	**24,354,845**	**19,108,473**	
Current liabilities			
Trade payables	2,491,396	2,593,524	34
Other payables, accrued expenses and deferred income	979,175	1,018,578	35
Current income tax liabilities	51,063	153,104	36
Other current provisions and liabilities	215,294	180,322	32
Current portion of provisions for construction services required by contract	489,812	551,606	33
Current portion of lease financing	1,911	1,900	37
Current portion of bonds and medium and long-term loans	1,392,035	786,284	38
Other current financial liabilities	594,148	499,949	39
Bank loans and overdraft	196,522	242,127	40
Total current liabilities	**6,411,356**	**6,027,394**	
Liabilities held for sale	–	288	19
Total liabilities	**30,766,201**	**25,136,155**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	40,048,217	32,973,450	

CONSOLIDATED STATEMENT OF INCOME

(Thousands of Euro)	2012	2011	Note
Revenues	**12,355,475**	**12,181,296**	41
Revenue from construction services	1,066,855	940,376	42
Other revenues and operating income	407,944	371,073	43
Change in inventories of finished products and work in progress	67,334	117,420	
Purchases and changes of raw materials and consumables	(4,031,826)	(3,954,124)	44
Payroll costs	(2,508,676)	(2,393,591)	45
Other operating expenses:	**(4,576,461)**	**(4,467,384)**	
– services	(2,512,919)	(2,506,438)	46
– leases and rentals	(1,875,563)	(1,790,854)	47
– other operating expenses	(187,979)	(170,092)	48
Use of provisions for construction services required by contract	**470,688**	**511,066**	49
Depreciation, amortization, impairments and provisions:	**(1,266,790)**	**(1,088,419)**	
– depreciation of property, plant and equipment	(361,238)	(336,518)	50
– amortization of intangible assets	(704,367)	(603,819)	51
– impairment of property, plan and equipment and intangible assets	(57,029)	(35,801)	52
– impairment of doubtful accounts	(44,884)	(37,683)	53
– provisions for risks	(99,272)	(74,598)	54
Operating result	**1,984,543**	**2,217,713**	
Share of income/(loss) of associated companies	3,056	18,954	55
Financial income	491,785	273,767	56
Impairment of financial assets	(69,296)	(119,034)	57
Financial charges	(1,196,284)	(994,500)	58
Foreign currency hedging gains/(losses) and exchange differences	16,209	8,050	59
Income before taxes	**1,230,013**	**1,404,950**	
Income taxes	(408,099)	(529,360)	60
Profit/(loss) from discontinued operations	11,614	136,995	61
Net income for the year (Group and non-controlling interests)	**833,528**	**1,012,585**	

Income/(Loss) attributable to:			
– Parent Company	255,602	321,840	
– Non-controlling interests	577,926	690,745	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)	2012	2011
Net income for the year (Group and non-controlling interests)	**833,528**	**1,012,585**
Fair value gains/(losses) on cash flow hedges	(115,465)	10,917
Fair value gains/(losses) of available for sale financial instruments	123,051	(48,548)
Gains/(losses) from translation of financial statements of foreign operations	(88,700)	(63,428)
Other fair value gains/(losses)	(27,632)	(3,186)
Tax effect	72,566	1,275
Other comprehensive income for the year	**(36,180)**	**(102,970)**
Comprehensive income/(loss) for the year attributable to:	**797,348**	**909,615**
– Parent Company	319,211	268,425
– Non-controlling interests	478,137	641,190

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands of Euro)	Share capital	Fair value and hedging reserve	Other reserves and retained earnings	Translation reserve	Net income/(loss) for the year	Non-controlling interests	Total
Balance at 01.01.2011	1,500,000	(77,465)	2,022,169	(29,180)	259,635	3,517,529	7,192,688
Carry forward of 2010 income			259,635		(259,635)	–	–
Dividends distributed			(40,000)			(336,770)	(376,770)
Transactions with non-controlling interests			6,055			15,538	21,593
Change in scope of consolidation						81,051	81,051
Other movements			3,572			5,546	9,118
Comprehensive income for the year		(34,001)	(640)	(18,774)	321,840	641,190	909,615
Balance at 12.31.2011	1,500,000	(111,466)	2,250,791	(47,954)	321,840	3,924,084	7,837,295
Carry forward of 2011 income			321,840		(321,840)	–	–
Dividends distributed			(40,000)			(324,152)	(364,152)
Capital increases/(reimbursements)						(2,666)	(2,666)
Transactions with non-controlling interests			203,199			(370,403)	(167,204)
Change in scope of consolidation			628			1,181,875	1,182,503
Other movements			(684)			(424)	(1,108)
Comprehensive income for the year		110,100	(7,753)	(38,738)	255,602	478,137	797,348
Balance at 12.31.2012	1,500,000	(1,366)	2,728,021	(86,692)	255,602	4,886,451	9,282,016
Notes	20	21	22	23		24	

CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	2012	2011
Operating activities		
Net income for the year (Group and non-controlling interests)	833,528	1,012,585
Income taxes	408,099	536,812
Income before taxes	**1,241,627**	**1,549,397**
Adjustments:		
– depreciation and amortization	1,065,605	940,337
– (capital gains)/capital losses/write-downs of intangible assets and property, plant and equipment	36,547	23,257
– net provisions charged to statement of income	128,131	97,980
– share of (income)/losses of associates	(3,056)	(18,954)
– dividends from associated companies	2,838	5,512
– (capital gains)/capital losses/impairments of other equity investments	(143,762)	(99,952)
– net financial (income)/charges	918,911	843,006
Cash flow from operating activities before changes in working capital	**3,246,841**	**3,340,583**
Cash flow provided/(used) by changes in working capital	(412,884)	(62,838)
Cash flow provided/(used) by changes in non-current assets and liabilities	(17,675)	(31,153)
Payment of taxes	(581,752)	(241,639)
Payment of employee termination indemnities	(20,973)	(24,605)
Net interest received/(paid)	(753,745)	(729,141)
Cash flow provided/(used) by operating activities	**1,459,812**	**2,251,207**
Investing activities		
Operating investments	(1,757,101)	(1,856,842)
Operating divestments	52,300	37,591
Purchase of equity investments	(39,346)	(324,498)
Purchase of consolidated companies	(806,602)	(431,076)
Disposal of equity investments	915,925	85,536
Operations in non-current financial assets	(5,171)	13,851
Cash flow provided/(used) by investing activities	**(1,639,995)**	**(2,475,438)**
Financing activities		
Change in shareholders' equity	349,172	319,955
New medium and long-term loans	4,991,166	1,477,723
Repayment of medium and long-term loans	(1,665,553)	(3,417,288)
Net changes in other sources of finance	(999,807)	300,325
Dividend payments and distribution of capital reserves	(364,152)	(376,770)
Cash flow provided/(used) by financing activities	**2,310,826**	**(1,696,055)**
Increase/(decrease) in cash and cash equivalents	**2,130,643**	**(1,920,286)**
Cash and cash equivalents at the beginning of the period	1,044,379	2,970,548
Cash in companies acquired	(11,660)	(5,883)
Cash and cash equivalents at the end of the period	3,163,362	1,044,379
Cash and cash equivalents at the beginning of the period	**1,044,379**	**2,970,548**
Cash and cash equivalents	1,090,412	3,009,254
Cash and cash equivalents of "Assets held for sale"	–	15,494
Bank overdrafts	(46,033)	(46,144)
Bank overdraft of "Assets held for sale"	–	(8,056)
Cash and cash equivalents at the end of the period	**3,163,362**	**1,044,379**
Cash and cash equivalents	3,222,475	1,090,412
Cash and cash equivalents of "Assets held for sale"	–	–
Bank overdrafts	(59,113)	(46,033)
Bank overdraft of "Assets held for sale"	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP ACTIVITIES

Set up in 1981, Edizione S.r.l. at December 31, 2012 held controlling and non-controlling interests in companies in the following business segments:

- Textiles and clothing;
- Food & beverage and Travel retail & duty-free;
- Infrastructures and services for mobility.

These are headed up respectively by Benetton Group S.p.A., Autogrill S.p.A. and Sintonia S.p.A., which in turn held interests in Atlantia S.p.A. and Gemina S.p.A.

The Group also manages real estate and agricultural operations, other than those directly held by the companies listed above.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include subsidiaries pursuant to IAS 27, joint ventures pursuant to IAS 31 and associates subject to significant influence pursuant to IAS 28, which are consolidated on an equity basis.
The list of consolidated companies is annexed to these notes.

In particular, the consolidated financial statements include the financial statements at December 31, 2012 of Edizione S.r.l. and all the Italian and foreign companies in which the Parent Company holds, directly or indirectly, the majority of voting rights or which are under its dominant influence. The following companies are consolidated even though the Group does not hold the absolute majority of voting rights:

a. Atlantia S.p.A., for which the Group is in a position of de facto control;
b. Benetton Korea Inc. (a Korean company), since the effective voting rights held by the Benetton group amount to 51% of the total;
c. Ben-Mode AG, because the Benetton group has the power to appoint the majority of directors and holds the majority of effective voting rights at shareholders' meetings. In addition, most of the risks and rewards of the business are attributed to Benetton itself by virtue, amongst others, of the margins earned on sales;
d. Sorebo S.A., Soberest S.A., Volcarest S.A., S.R.S.R.A. S.A. and some American joint ventures, which are subsidiaries of the Autogrill group by virtue of a 50% or smaller interest in capital and contracts placing the Autogrill group in charge of operations.

The Autogrill group holds joint control of Caresquick N.V. (Belgium) and of the newly incorporated ITDC-Aldeasa India Pvt. Lct. (India). These entities are consolidated using the proportional method.

The results of subsidiaries acquired or sold during the year are included in the consolidated statement of income as from the effective date of acquisition or until the effective date of disposal, with slight timing adjustments where these dates do not coincide with monthly reporting dates.
Economic results for 2012 are not perfectly comparable with 2011 results, due to the following factors:

a. consolidation of Autostrade Sud America S.r.l., an Italian holding company of which Atlantia group held 45.765% of share capital but which was fully controlled at the end of 2012. The following wholly owned direct and indirect subsidiaries of Autostrade Sud America are consolidated:
    - Sociedad Concesionaria Costanera Norte S.A.;
    - Sociedad Concesionaria AMB S.A.;
    - Sociedad Concesionaria Autopista Nororiente S.A.;
    - Sociedad Gestion Vial S.A.;
    - Grupo Costanera S.A.

In addition, given that Grupo Costanera, when control was acquired, held 50% of the Chilean-registered holding company, Nueva Inversiones S.A. (with the remaining 50% held by the Group from June 30, 2011 via Inversiones Autostrade Holding do Sur Ltda), the latter company, which was subsequently merged with and into Grupo Costanera, has been consolidated together with the following wholly owned direct and indirect subsidiaries:

» Sociedad Concesionaria Autopista Vespucio Sur S.A.;
» Sociedad Concesionaria Litoral Central S.A.;
» Sociedad de Operacion y Infraestructuras S.A.;

b. consolidation of Infra Bertin Participações S.A., Brasilian holding company of which the Atlantia group acquired 50% plus one share under an agreement with Bertin group, by which it acquired control of the following Brazilian motorway operators in which Infra Bertin Participações S.A. holds 100% of the following indirect interests (via the newly established sub-holding companies, Triangulo do Sol Participações S.A. and Atlantia Bertin Concessões S.A.):

» Rodovias das Colinas S.A.;
» Concessionària da Rodovia MG 050 S.A.;

c. deconsolidation of Autostrada Torino-Savona S.p.A. in September 2012, following the exercise of the call option rights granted by the Atlantia group to Società Iniziative Autostradali S.p.A. – SIAS for the purchase of its entire 99.98% stake in Autostrada Torino-Savona S.p.A. The contribution of Autostrada Torino-Savona S.p.A. to the consolidated income statement until the date of disposal is included in Profit/(loss) from discontinued operations as required by IFRS 5, instead of being included in each of the consolidated income statement items applicable to continuing operations. Consequently, in accordance with IFRS 5, the company's contribution to the comparative economic results of 2011 have been reclassified from those published in the consolidated financial report at December 31, 2011, with no change in the presentation of the related assets and liabilities in the comparative balance sheet at December 31, 2011;

d. deconsolidation of Port Mobility S.p.A. due to the sale to third parties of the entire controlling stake in the fourth quarter of 2012.

The financial statements used for the consolidation are those approved or pending approval by the shareholders of the various companies or, in the case of companies which close their fiscal year on a date other than December 31, 2012, the interim statements prepared as of the Group reporting date. HMSHost Corporation (formerly Autogrill Group Inc.) and its subsidiaries close their fiscal year on the friday closest to December 31 and divide it into 13 four–week periods, which in turn are grouped into three 12–week quarters and a final 16–week quarter. Consequently, the accounts used for the 2012 financial statements refer to the period from December 31, 2011 to December 28, 2012, while the previous year's accounts covered the period from January 1, 2011 to December 30, 2011.

The financial statements of subsidiaries have been duly reclassified for consistency with the policies adopted by the Parent Company. Some have also been adjusted for consistency with the accounting principles and the policies adopted by the Group.

These financial statements have been prepared on a going concern basis, matching costs and revenues to the accounting periods to which they pertain and applying the historical cost principle to all items except those that, in accordance with IFRS, are measured at fair value, as specified in the individual accounting policies. The reporting currency is the Euro and all amounts have been rounded to thousands of Euro, unless otherwise specified.
The consolidated financial statements are comprised of the statement of financial position, statement of income, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement and these notes.
The statement of financial position follows the format whereby assets and liabilities are split into current and non–current, while in the statement of income, costs are grouped by nature. The cash flow statement has been prepared using the indirect method.
It should be noted that the financial statements published in 2011 have been modified to reflect the accounting treatment of Autostrada Torino-Savona S.p.A. based on the provisions of IFRS 5, as well as the changes arising from the completion of the identification and assessment of the fair value of the assets and liabilities of Triangulo do Sol, consolidated from July 1, 2011 (see Note [65] Business combinations).

CONSOLIDATION CRITERIA

The consolidation criteria adopted for the preparation of the consolidated financial statements are as follows:

a. the financial statements of subsidiaries are consolidated on a line-by-line basis, with elimination of the carrying value of the shareholdings held by the Parent Company and other consolidated companies against the relative shareholders' equity;
b. when a company is consolidated for the first time, any positive difference emerging from the elimination of its carrying value on the basis indicated in a. above is allocated, where applicable, to the assets and liabilities of the subsidiary. Any excess of the cost of acquisition over the net assets is recorded as Goodwill and other intangible assets of indefinite useful life. Negative differences are recognized in the statement of income as income, following the fair value review of acquired assets and liabilities. Purchases of non-controlling interests in subsidiaries are recognized as transactions on net equity and, consequently, the difference between the acquisition cost and the relevant net equity portions is directly recognized under net equity;
c. intercompany receivables and payables, costs and revenues, and all significant transactions between consolidated companies, including the intragroup payment of dividends, are eliminated. Unrealized intercompany profits and gains and losses arising from transactions between Group companies are also eliminated;
d. non-controlling interests in shareholders' equity and in the income or loss of consolidated companies are shown separately under shareholders' equity and in the consolidated statement of income. Non-controlling interests are determined on the basis of the percentage of ownership of the fair value of assets and liabilities recognized as of the original acquisition date and of changes in net equity after that date;
e. the financial statements of foreign subsidiaries with a functional currency other than the Euro are translated using period–end exchange rates for assets and liabilities, and average exchange rates for the period for income statement items. Differences arising from the translation into Euro of foreign currency financial statements are reported in comprehensive income for the year and accumulated in an equity reserve.

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

Currency	Exchange rate on 12.31.2012	Average exchange rate in 2012
Euro/Usd	1.319	1.285
Euro/Pln	4.074	4.185
Euro/Clp	631.729	624.801
Euro/Ars	6.486	5.840
Euro/Brl	2.704	2.508
Euro/Inr	72.560	68.597
Euro/Czk	25.151	25.149
Euro/Gbp	0.816	0.811
Euro/Jpy	113.610	102.492
Euro/Hkd	10.226	9.966
Euro/Rub	40.330	39.926
Euro/Krw	1,406.230	1,447.690
Euro/Cad	1.314	1.284
Euro/Chf	1.207	1.205

ACCOUNTING STANDARDS AND POLICIES

INTERNATIONAL ACCOUNTING STANDARDS

For preparation of the consolidated financial statements, in accordance with EU Regulation 1606 of July 19, 2002, since January 1, 2005 the Group has used the International Accounting Standards and the International Financial Reporting Standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and approved by the European Union and the interpretations issued thereby (IFRIC and SIC). These financial statements were prepared in accordance with such standards and interpretations.

Application of IFRS

The Group's financial statements for 2012 and the comparative year have been drawn up in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, which are in force at the balance sheet date, and the relative interpretations (IFRIC and SIC).

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 January 1, 2012:

» Amendments to IFRS 7 Financial instruments: Disclosures – Transfers of financial assets.

These amendments had no material impact on the Group's consolidated financial statements.

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 after January 1, 2012:

» Amendments to IAS 1 – Presentation of comprehensive income. The IASB published an amendment to IAS 1 on June 16, 2011 to clarify the presentation of comprehensive income. The amendment does not relate to the items to be included in comprehensive income but only to the presentation of such items by nature, to be classified into two categories: (i) those that will be reclassified to profit or loss, and (ii) those that will be reclassified to profit or loss subject to certain conditions required by IFRS.

» Amendments to 19 – Employee Benefits. The IASB approved the amended IAS 19 on 16, June 2011 having regard to the payment of benefits to employees. Many aspects of the standard are modified by the amendment. The most significant of the changes to IAS 19 are: a) immediate recognition of all actuarial gains and losses in other comprehensive income at the reporting date. As a consequence, the option to defer recognition of such gains and losses in application of the corridor method and the option to recognise them in the income statement is no longer permitted; b) any past service costs arising from changes to plans must be recognised in the year in which the plan was changed making it no longer possible for such costs to be deferred to future service years; c) any benefit entailing a service obligation subsequent to the termination of employment may not be classified as a termination benefit with the consequent reduction in the number of settlements that can be included in this category. Furthermore, an obligation to pay termination benefits may only be recognised to the extent that the entity also recognised the relative restructuring costs or when it is not possible to avoid offering termination benefits. This could result in the recognition of such benefits subsequent to date required by the original standard.
The amendment to IAS 19 is not expected to affect the Atlantia group's financial statements, while the Benetton and Autogrill groups are likely to be affected to an extent that cannot yet be quantified in a precise manner.

» Amendments to IAS 12 – Income taxes – Deferred taxation: recovery of underlying assets. The IASB approved certain amendments to IAS 12 on December 20, 2010 regarding the recovery of deferred taxes in connection with certain activities in addition to withdrawing SIC 21 – Income Taxes – Recovery of Revalued Non-Depreciable Assets. The amendments, which abrogate the current general provision of IAS 12 requiring the method of the reversal of deferred taxes through use of an asset or liability rather than their transfer, introduce the presumption that deferred taxes relating to investment property, property plant and equipment and intangible assets carried at fair value will be fully reversed on sale of the asset unless there is unambiguous proof that such recovery has been through use.

» Amendments to IAS 32 – Financial instruments: Presentation and IFRS 7 – Financial instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities. Amendments to IAS 32 and IFRS 7 were issued by the IASB on 16, December 2011 regarding the manner of presenting set-offs of financial assets and financial liabilities and the relevant disclosures. The amendments to IAS 32 provide that the entity presenting financial statements only has a legal right of set-off of previously recognised financial assets and financial liabilities to the extent that such right: a) is not conditional on the occurrence or otherwise of a future event; b) may be exercised regardless of whether the entity preparing financial statements and other parties involved are going concerns or else in default, insolvency or bankruptcy.

» IFRS 13 – Fair value measurement. IFRS 13, issued on May 12, 2011, explains fair value measurements and the related disclosures and is applicable to all IFRS requiring or permitting fair value measurements or the presentation of information based on fair value.

» IFRS 10 – Consolidated financial statements, IAS 27 – Separate financial statements and IFRS 12 – Disclosure of interests in other entities. The IASB issued the new IFRS 10 on May 12, 2011 on conclusion of the project to redefine the concept of control in order to correct divergences in its application. Whereas the old IAS 27 – Consolidated and Separate Financial Statements defined the control of an entity as the power to determine its financial and operating policies and to obtain the relevant benefits, SIC 12 – Consolidation: Special Purpose Entities interpreted the requirements of IAS 27 by placing greater emphasis on risks and benefits. The new IFRS 10, which was issued at the same time as the new IAS 27 – Separate Financial Statements, replaces certain of the provisions of the old IAS 27 and SIC 12 with a new definition of control but retains the provisions of IAS 27 for the preparation of IFRS compliant consolidated financial statements. IFRS 10 provides that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to influence those returns through its power over the investee. The concept of control is, consequently, based on three factors: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. Pursuant to IFRS 10, this concept of control must be applied in all of the following circumstances: a) when voting or similar rights give an investor power, including situations where the investor holds less than a majority of voting rights and in circumstances involving potential voting rights; b) when an investee is organised in such a manner that voting rights are not determinant in deciding who controls the investee, such as when any voting rights relate to administrative tasks only, with more strategic activities being directed through contract; c) agency relationships; d) when the investor has control of specific activities of an investee. Finally, disclosure requirements are contained in the new IFRS 12 – Disclosure of Interests in Other Entities, rather than IFRS 10 (issued at the same time). IFRS 12, in fact, contains a series of disclosure requirements pertaining to investments in subsidiaries and associates as well as other joint arrangements (cf. IFRS 11 below). The new IAS 27 – Separate Financial Statements is only applicable to the accounting treatment and disclosure requirements for investments in subsidiaries and the requirements for entities to present separate (non-consolidated) financial statements. The new standards also introduced revisions to certain parts of the old IAS 27.

» IFRS 11 – Joint arrangements. The new IFRS 11 was issued on May 12, 2011 together with IFRS 10, IFRS 12 and IAS 27 on the conclusion of a revision of IAS 31 – Interests in Joint Ventures, commenced in 2005, and including the new concept of control established by IFRS 10. The new standard replaces IAS 31 – Interests in Joint Ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 requires that a party to a joint arrangement determines the nature of the agreement in which that party is involved by evaluation of its rights and obligations arising thereunder. A joint arrangement is an arrangement by which two or more parties have joint control, which, in turn, is defined by the standard as a contractually agreed sharing of control of an arrangement. Such arrangements only exist when decisions about activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control. IFRS 11 requires that joint arrangements be classified as one of two types: a) joint operations – joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement; b) joint ventures – joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, such as, for example, companies with a separate legal personality. In determining the type of arrangement in which it is involved, an entity must identify the rights and obligations arising under the arrangement taking into consideration its structure and legal form, the contractual terms and conditions agreed by the parties and, if applicable, any other facts and circumstances. The accounting treatment required by IFRS 11 for joint operations is the prorated recognition of assets, liabilities, revenues and costs arising under the arrangement to be measured in accordance with the relevant

standards. The accounting treatment required by the new standard for joint ventures, on the other hand, is based on the equity method established by IAS 28 with, however, the option to adopt proportional consolidation permitted under IAS 31 having been eliminated.
There has been no effect from the new IFRS 11 for the Atlantia group, since it has always used the equity method to account for such investments. There is a possibility that the Autogrill group will have to reclassify its joint arrangements and therefore modify its current method of accounting for these investments.

» IAS 28 – Investments in associates and joint ventures. On May 12, 2011, the IASB issued the new standards IFRS 10, IFRS 11, IFRS 12 and IAS 27 as well as a revision to IAS 28 – Investments in Associates and Joint Ventures to take account of certain amendments introduced by the new standards. The amended standard replaces the original IAS 28 – Investments in associates, without, however, making substantial changes. Indeed, the amended standard did not change the concept of significant influence contained in the original standard but, in line with IFRS 11, made the equity method mandatory for the measurement of investments in joint ventures. The method of applying the equity method remains the same as in the original IAS 28.

The IASB published the "Annual Improvements to IFRSs: 2009-2011 Cycle" on May 17, 2012 amending standards deemed necessary but not urgent as part of its annual improvements programme. The amendments that could be relevant to the Group are:
» IAS 1 – Presentation of Financial Statements, clarifies that voluntary additional comparative information must be presented in accordance with IFRS. In addition, the opening statement of financial position must be presented in the following circumstances: when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications. There is no requirement, however, for notes on such additional statements of financial position except for the restated or reclassified items;
» IAS 16 – Property, Plant and Equipment, clarifies the classification of servicing equipment as property, plant and equipment to the extent available for use in more than one accounting period, whereas it should be treated as inventories if used in only one period;
» IAS 32 – Financial Instruments: Presentation, clarifies that income taxes arising from distributions to equity holders and equity instrument transaction costs are to be accounted for in accordance with IAS 12.
The amendments are required for accounting periods beginning on or after January 1, 2013.
The document was approved by the European Union on March 27, 2013.

Moreover, in March and April 2013 the European Union endorsed the following documents issued by the IASB in March and June 2012: "Amendments to IFRS 1 – Government grants" and "Transition Guide – amendments to IFRS 10, IFRS 12 , IAS 27 and IAS 28", applicable for financial periods starting from January 1, 2013.

New accounting standards
Below are the accounting standards, amendments and interpretations issued by the IASB and not yet endorsed by the European Union, which may in the future be applied in the Group's consolidated financial statements:
» IFRS 9 – Financial Instruments. The IASB issued the first part of IFRS 9 on November 12, 2009 which only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. It subsequently released a revised version of IFRS 9 on October 28, 2010 containing requirements for the classification and measurement of financial liabilities. Other changes were made to the published version on December 16, 2011.
The standard, which must be retrospectively applied for accounting periods beginning on or after January 1, 2015, forms the first part of a project in phases that aims to replace IAS 39 entirely and introduce new criteria for the classification and measurement of financial assets and liabilities.
IFRS 9 requires that financial assets now only be classified into two categories. There are, furthermore, two alternate methods of measurement: amortised cost and fair value.
Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.
Initial recognition and subsequent measurement at amortised cost are subject to both of the following conditions: a) the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and, b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either one of the above two conditions is not satisfied, the financial asset is required to be initially recognised and subsequently measured at fair value.
All financial assets in the form of shares are to be measured at fair value. Unlike IAS 39, the revised standard does not admit exception to the general rule. As a result, it is not possible to measure unlisted shares, for which fair value cannot be reliably determined, at cost. A financial asset meeting the conditions to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value through profit or loss, to the extent that this accounting treatment would eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
In addition, the new standard provides that an entity may, with respect to investments in equity instruments, which consequently may not be carried and measured at amortised cost unless such instruments are shares that are not held for trading but rather for strategic reasons, make an irrevocable election on initial recognition to present changes in the fair value in comprehensive income.
The new IFRS 9, on the other hand, has confirmed the provisions of IAS 39 for financial liabilities, including the relative valuation at amortised cost or fair value through profit or loss in specific circumstances.
The requirements of IAS 39 which have been changed are: a) the reporting of changes in fair value in connection with the credit risk of certain liabilities which IFRS 9 requires to be recognised in comprehensive income rather than in the income statement as movements in fair value as a result of other risks; b) the elimination of the option to measure, at amortised cost, financial liabilities consisting of derivative financial instruments entailing the delivery of unlisted equity instruments.
The consequence of the change is that all derivative financial instruments must now be recognised at fair value.
Phases 2 and 3 of the project regarding financial instruments, relating respectively to the impairment of financial assets and hedge accounting, are still in progress. The IASB is also considering limited improvements to IFRS 9 regarding the part dealing with the classification and measurement of financial assets.

On October 31, 2012 the IASB approved the document "Investment Company - Changes to IFRS 10, IFRS 12, IAS 27 and IAS 28," which must be implemented by January 1, 2014, subject to endorsement by the European Union.

The effect of the future application of newly issued standards and interpretations, as well as all revisions and amendments to existing standards, is currently being evaluated by the Group.

ACCOUNTING POLICIES
The financial statements have been prepared on a historical cost basis, with the exception of the valuation of certain financial instruments. The more important accounting policies adopted by the Group for valuing the contents of its financial statements are detailed below.

Business combinations
The Group accounts for all business combinations by applying the purchase 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 acquirer in exchange for control of the acquiree. The costs relating to the acquisition are recognized in the statement of income 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.

The acquiree's identifiable assets, liabilities and contingent liabilities that can be recognized under IFRS 3 (2008) – Business Combinations are posted at their fair value on the date of acquisition.
Goodwill is determined as the amount by which the aggregate of the consideration transferred in a business combination, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree exceeds the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree, this excess is immediately recognized in the statement of income as a gain on a bargain purchase.
The acquirer can measure non-controlling interests at the acquisition date either at fair value or in proportion to their share in the acquiree's recognized identifiable net assets. The choice of measurement method is made for each business combination. 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 the statement of income.
On first–time adoption of IFRS, the Group decided not to apply IFRS 3 retroactively to the acquisitions made prior to the date of transition to IFRS (January 1, 2004). Consequently, goodwill arising on acquisitions made prior to that date has been maintained at the value determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

Non-controlling interests are initially measured at fair value or in proportion to their share in the acquiree's recognized identifiable net assets.
On acquiring control, further acquisitions/disposals of non-controlling interests that do not result in a loss of control are accounted for as equity transactions. This means that any differences between the change in equity attributable to non-controlling interests and the cash and cash equivalents exchanged are recognized directly as movements in equity attributable to owners of the parent.
The sale of shares to non-controlling interests resulting the Group's loss of control over an entity produces gains or losses that are recognized in the statement of income. The purchase of shares from non-controlling interests, resulting in the acquisition of control, produces goodwill which is calculated as described above.

Property, plant and equipment
These are recorded at purchase or production cost, including the price paid to buy the asset (net of discounts and rebates) and any costs directly attributable to the purchase and commissioning of the asset, including financial charges incurred during the asset's construction. The cost of a commercial property purchased is the purchase price or equivalent of the price in cash, including all other directly attributable expenses such as legal costs, registration taxes and other transaction costs. The cost of internally produced assets is the cost at the date of completion of work.
For the transition to International Accounting Standards, property revaluations carried out in accordance with specific monetary revaluation laws have been maintained only if they meet the requirements of IFRS 1.

The cost of assets to be relinquished (whether free of charge or in exchange for payment of the residual carrying value of the asset by a new concession holder) includes the cost allowed by IAS 37 which is reasonably estimated and expected to be borne on expiry of the relevant contract to bring the asset to the contractually agreed state of conservation, assuming that maintenance will continue to be carried out properly and in a timely manner.

Investment property, consisting of real estate held for rental and/or appreciation rather than for use in the production or supply of goods and services, is recorded at cost on the same basis as other property, plant and equipment and is depreciated over its useful life.

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 and increase the carrying amount of the asset. Routine maintenance costs are taken directly to the income statement.

The value of property, plant and equipment is depreciated on a straight-line basis over its useful life. The components of an asset with their own material value and with a useful life different from that of the asset to which they belong are considered separately for the purposes of depreciation. Depreciation is calculated on the useful life of each individual component, which is modified if any maintenance work or replacements during the year have substantially increased its useful life. In the event of replacement, new components are capitalized to the extent that they satisfy the criteria for recognition as an asset, and the carrying value of the replaced component is eliminated from the statement of financial position.

The residual value and useful life of an asset is reviewed at least at every financial year-end; if, regardless of depreciation already recorded, an impairment loss occurs according to the rules of IAS 36, the asset is correspondingly written down in value. If in future years the reasons for the write-down no longer apply, its value is restored.

The main depreciation rates are as follows:

Commercial and industrial buildings and investment property	2%–33.3%
Plant and machinery	7%–34%
Industrial and commercial equipment	6.7%–40%
Furniture, furnishing, electronic equipment and store furniture	10%–25%
Vehicles	20%–25%
Other assets	5%–40%

Land is not depreciated.
Leasehold improvement costs are depreciated over the shorter of the period during which the improvement may be used and the residual duration of the lease contract.
Assets to be relinquished are depreciated on a straight line basis over the shorter of the asset's useful life and the length of the depreciation plan, which is based on the life of the concession.

Assets acquired under finance leases are recognized at fair value as of the contract effective date 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 amount due to the lessor is stated under Lease financing in the balance sheet. Lease payments are divided into principal and interest, assuming a constant interest rate on the residual liability. Financial charges are recognized in the statement of income. Leased goods are depreciated on the same basis as similar assets. In the case of sale and leaseback transactions resulting in a finance lease, any gain resulting from the sale is deferred and released to income over the term of the lease.
Leases for which the lessor substantially maintains all of the risks and rewards incidental to ownership are classified as operating leases. The costs of operating leases are expensed to income on a straight–line basis over the length of the leasing agreement. 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 over the term of the lease.
Property, plant and equipment is derecognized on sale or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between the disposal proceeds, less costs to sell, and/or the carrying amount of the asset) are recognized in the statement of income for the year in which the asset is sold.

Intangible assets
Intangible assets are measured initially at cost, normally defined as their purchase price, inclusive of any ancillary charges and less any trade discounts and rebates; also included is any directly attributable expenditure on preparing the asset for its intended use, until the asset is capable of operating. The cost of an internally generated intangible asset includes only those expenses which can be directly attributed or allocated to it as from the date on which it satisfies the criteria for recognition as an asset.

Research costs are charged to the statement of income in the period in which they are incurred.

Goodwill is recognized initially in intangible assets, as the excess of the purchase cost over the fair value of the net assets of the company acquired. As required by IAS 38, at the time of recognition, any intangible assets that have been generated internally by the acquired entity are eliminated from goodwill. Items which meet the definition of "assets acquired as part of a business combination transaction" are only recognized separately if their fair value can be measured reliably.
At the acquisition date, goodwill is allocated to each cash generating unit or group of units expected to benefit from the synergies achieved with the business combination.

The cost of concession rights may include one or more of the following:

a) the fair value of construction services and/or improvements made by the grantor (measured as explained in the note on the accounting policy on construction contracts and services work in progress) less any grants, the amount that shall be paid by the replacement operator on termination of the concession (the so-called "takeover rights") and/or the minimum guaranteed by the grantor. Such cost will be recovered through the tolls paid by users of the infrastructure. Specifically, the following are identified:
   2) rights obtained as consideration for specific obligations to provide construction services for the expansion and modernization of the infrastructure and for which the operator does not receive additional economic benefits. These rights are initially recognized at the present fair value of the construction services to be provided in future (excluding any financial expenses to be incurred by the operator during the construction period), less any grants, with a contra entry of an equal amount in "provisions for construction services required by contract"; in addition to the impact of amortization, the initial value of the rights changes over time as a result of periodic reassessment of the present fair value of the part of the construction services still to be rendered at the end of the reporting period;
   3) rights accrued in return for construction services rendered for which the operator receives additional economic benefits, represented by specific tariff increases and/or extensions of the infrastructure expected to result in significant increases in the number of users;
   4) rights accruing from construction work carried out and paid for by service area operators, handed over free of charge to the company;
b) rights obtained from third parties, if costs have been incurred to acquire concessions from the grantor from third parties (the latter relating to the acquisition of companies that hold a concession).

After initial recognition, intangible assets are carried at cost, less accumulated amortization and any accumulated impairment losses calculated in accordance with IAS 36.
Intangible assets are amortized unless they have indefinite useful lives.
Goodwill is not amortized, but is submitted to an impairment test annually to identify any reductions in value, or more often whenever there is any evidence of impairment loss (see Impairment losses of non–financial assets, below).
Amortization is charged systematically over the intangible asset's useful life, which reflects the period it is expected to benefit. The residual value at the end of the useful life is assumed to be zero, unless there is a commitment by third parties to buy the asset at the end of its useful life or there is an active market for the asset. Management reviews the estimated useful lives of intangible assets at every financial year end.

Normally, brands are amortized over 5 to 25 years, while patents, contractual rights and concession rights are amortized over the life of the right. Deferred charges are amortized over the residual duration of the lease contract, with the exception of the fonds de commerce, which are amortized over 20 years. Software and software licenses are amortized over a period from three to six years. Development costs are amortized over three to six years.

Impairment losses of non–financial assets
The carrying amounts of the Group's property, plant and equipment and intangible assets are submitted for impairment testing whenever there are obvious internal or external signs indicating that the asset or group of assets (defined as cash generating units, or CGUs) may be impaired. In the case of goodwill, other intangible assets of indefinite useful life and intangible assets not in use, the impairment test must be carried out at least annually, and in any case whenever there are signs of possible impairment.
The impairment test is carried out by comparing the carrying amount of the asset or CGU with its recoverable value, defined as the higher of fair value (net of any costs to sell) and value in use. Value in use is determined by calculating the present value of future net cash flows expected to be generated by the asset or CGU. In determining value in use, the estimated future cash flows are discounted to their present value using a rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the carrying amount is higher than the recoverable amount, the asset or CGU is written down by the difference and the impairment loss is charged to the statement of income.
The conditions and methods applied by the Group for reversing impairment losses, excluding in any case those relating to goodwill that may not be reversed, are as set out in IAS 36. Under no circumstances may the carrying value of an asset be restored to a value higher than the net book value it would have had if the impairment loss had not occurred. Restoration of value is taken immediately to the statement of income.

Equity investments
Investments in subsidiaries that are not consolidated on a line–by–line basis, because they are not yet operative or are in liquidation as of the balance sheet date, are measured at fair value, unless this cannot be determined, in which case they are carried at cost. The difference between the cost and the net equity of investments at the time they were acquired is allocated on the basis described in paragraph b. of the consolidation criteria. Fair value changes are recorded in the statement of comprehensive income and in an equity reserve, unless they express a permanent loss, in which case they are charged to the statement of income.

Joint ventures are carried on an equity or proportional basis. In the latter case, the Group's share of the joint venture's assets, liabilities, costs and revenues is incorporated line by line with the equivalent items in the consolidated financial statements. Unrealized gains and losses on transactions between a Group company and a joint venture are eliminated in proportion to the Group's percentage interest in the joint venture, unless the unrealized losses are evidence of an impairment loss of the transferred asset.
Investments in associates are valued using the equity method, recognizing the Group's share of profit or loss in the income statement, except for the effects of other changes in the associate's shareholders' equity, which are recognized directly in the statement of comprehensive income. The difference between the cost and the net equity of investments at the time they were acquired is allocated on the basis described in paragraph b. of the consolidation principles.
The value of investments in associates can be adjusted for impairment losses, with a contra entry in the statement of income.

Equity investments in other companies, classified as available–for–sale financial assets as defined by IAS 39, are carried at fair value. Fair value changes are recorded in an equity reserve, unless they express a permanent loss, in which case they are charged to the statement of income. If fair value cannot be reliably determined, the investments are recognized at cost less any impairment. Impairment losses cannot be reversed.

Held for sale investments or those acquired as a temporary investment are recognized at the lower of their carrying amount and fair value, less any costs to sell.

Provisions are made to cover the risk that the losses of an investee company could exceed the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.

Financial assets
All financial assets are measured initially at cost, which corresponds to the consideration paid including transaction costs (e.g. consulting fees, duty stamps, and fees imposed by the regulatory authorities).

The classification of financial assets determines their subsequent valuation, as follows:
» financial assets held for trading: these are recorded at fair value, and associated gains and losses are recognized in the statement of income;
» held-to-maturity investments, loans receivable and other financial receivables: these are recorded at amortized cost; gains and losses associated with this type of asset are recognized in the statement of income when the investment is removed from the balance sheet on maturity or if it becomes impaired;
» available-for-sale financial assets: these are recorded at fair value, and gains and losses deriving from subsequent measurement are recognized in shareholders' equity. If the fair value of these assets cannot be determined reliably, they are measured at cost, as adjusted for any impairment.

If it is no longer appropriate to classify an investment as "held-to-maturity" following a change of intent or ability to hold it until maturity, it must be reclassified as "available for sale" and re-measured to fair value. The difference between its carrying amount and fair value remains in shareholders' equity until the financial asset is sold or otherwise transferred, in which case it is booked to the statement of income.

All financial assets are recognized on the date of negotiation, i.e. the date on which the Group undertakes to buy or sell the asset. A financial asset is removed from the balance sheet only if all risks and rewards associated with the asset are effectively transferred together with it or, should the transfer of risks and rewards not occur, if the Group no longer has control over the asset.

Inventories
Inventories are valued at the lower of purchase or manufacturing cost, generally determined on a weighted average cost or FIFO basis, and their market or net realizable value.
Manufacturing cost includes raw materials and all attributable direct and indirect production–related expenses.
The calculation of estimated realizable value includes any manufacturing costs still to be incurred and direct selling expenses.
Obsolete and slow–moving inventories are written down to their useful or net realizable value.

Construction contracts and services work in progress
Construction contracts are accounted for on the basis of the contract revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out. Contract revenue is allocated to the individual reporting periods in proportion to the stage of contract completion. Any positive or negative difference between contract revenue and any advance payments received is recognized in assets or liabilities, taking account of any impairment of the value of the completed work, in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers.
In addition to contract payments, contract revenue includes variations in contract work, price reviews and claims to the extent that they can be measured reliably.
Expected losses are fully recognized immediately regardless of the stage of contract completion.
Construction services provided to the grantor relating to Group company concession arrangements are specifically recognized in the income statement in accordance with the stage of completion method. Specifically, construction and/or upgrade service revenue represents the consideration for the services provided and is measured at fair value, calculated on the basis of the total costs incurred. These primarily consist of the costs of materials and external services, the cost of employment benefits payable to employees used to provide the services, attributable financial expenses (the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits), and any profit on services rendered within the Group (as this represents the market value of these services).

Trade receivables
Receivables are initially recognized at fair value and are subsequently stated at amortized cost, using the effective interest rate method, net of provisions for doubtful accounts. The amount of the provisions is based on the present value of expected future cash flows which take account of expected collection times, estimated realizable value, any guarantees provided, and the expected costs of recovering the amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortized cost of the receivable had no previous impairment losses been recognized.
Receivables factored without recourse, for which all risks and rewards are substantially transferred to the assignee, are derecognized from the financial statements at their nominal value. Commissions paid to factoring companies for their services are included in service costs.

Accruals and deferrals
These are recorded to match costs and revenues within the accounting periods to which they relate.

Cash and cash equivalents
These include cash, current accounts at banks and post offices, demand deposits, and other short–term financial investments that are highly liquid, easily convertible to cash, and subject to insignificant risk of change in value. They are stated at face value.

Provisions for contingent liabilities
The Group makes provisions only when a present obligation exists for a future outflow of economic resources as a result of a past event, and when it is probable that this outflow will be required to settle the obligation and a reliable estimate can be made of the same. The amount provided is the best estimate of the expenditure required to settle the present obligation completely, discounted to present value using a suitable pre–tax rate. When cash flows are discounted, the increase in the provision over time is recorded as a financial charge.
Any provisions for restructuring costs are recognized when the Group has drawn up a detailed restructuring plan and has announced it to the parties concerned.
In the case of onerous contracts where the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received under the contract, the present obligation is recognized and measured as a provision.
In accordance with the contract obligations reflected in the financial plans annexed to concession arrangements, the Atlantia group's Provisions for repair and replacement obligations show the amount provided at the balance sheet date to cover future maintenance obligations that ensure the necessary functionality and safety of motorway infrastructure. These provisions are calculated on the basis of the usage and wear and tear of motorway infrastructures, taking account, if material, of the time value of money.
The Provision for construction services required by contract relates to contractual obligations, specifically in connection with the upgrading of motorway infrastructure, for which the Group obtains no additional economic benefits. Such costs are treated as consideration for concession arrangements and are initially recognized at the present value of the fair value of construction services to be rendered in the future (ignoring any financial costs) less any grants received. They are accounted for as a contra item of concession rights without additional benefits. The present value of the residual liability to be rendered in the future, for the construction services still to be rendered to date, is therefore periodically reassessed, and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to extinguish the obligation, a change in the discount rate and/or a change in the construction period) are recognized as a matching increase or reduction in the corresponding intangible asset.

Trade payables

Payables are initially recorded at cost, which corresponds to fair value, net of directly attributable transaction costs.
They are subsequently recognized at amortized cost, using the original effective interest rate method.
The implicit interest component included in medium/long-term payables is recorded separately using an appropriate market rate.

Financial liabilities

Financial liabilities are divided into three categories:

» liabilities acquired with the intention of making a profit from short–term price fluctuations or that are part of a portfolio held for short–term profit. These are recorded at fair value, with the related gains and losses recognized in the statement of income;
» other liabilities (bank overdrafts, loans, bonds), which are initially recorded at fair value, on the basis of the amounts received net of transaction costs, and are subsequently stated at amortized cost using the effective interest rate method;
» convertible bonds, which are financial instruments comprised of a liability component and an equity component. The fair value of the liability component is estimated as of the issue date using the going market interest rate for similar, non–convertible bonds. The difference between the net amount raised by the issue and the fair value assigned to the liability component, which represents the implicit option to convert the bonds into shares of Group companies, is posted to shareholders' equity under other reserves.

Foreign currency transactions and net investments in foreign operations

Transactions in foreign currencies are recorded using the exchange rates in effect on the transaction dates. Exchange gains or losses realized during the period are recognized in the statement of income.
At the balance sheet date, the Group companies have adjusted receivables and payables in foreign currency using exchange rates ruling at period–end, recognizing all resulting gains and losses in the statement of income.
Exchange differences arising on a monetary item forming part of a net investment in a foreign operation are initially recognized in a separate component of equity and reversed to income at the time of recognizing the gains or losses on the investment's disposal.

Derivative financial instruments and hedging transactions

The Group uses derivative financial instruments only with the intent of managing and hedging its exposure to the risk of fluctuations in exchange rates of currencies other than the Euro and in interest rates. As established by IFRS, derivative financial instruments qualify as hedging instruments only when at the inception of the hedge there is formal designation and documentation of the hedging relationship and of the risk management objective and strategy for undertaking the hedge. In addition, the Group checks at the inception of the hedge and throughout its duration that the hedging instrument used in the relationship is highly effective in offsetting changes in the fair value of cash flows attributable to the hedged risk.
After initial recognition, derivative financial instruments are reported at their fair value. The method of accounting for gains and losses relating to such instruments depends on the type and sustainability of the hedge.
The objective of hedging transactions is to offset the impact on statement of income of exposures relating to hedged items.
Fair value hedges for specific assets and liabilities are recorded in assets and liabilities; the hedging instrument and the underlying item are measured at fair value, and the respective changes in value (which generally offset each other) are recognized to the statement of income.
Cash flow hedges are recorded in assets and liabilities; the hedging instrument is measured at fair value and the effective portion of changes in value is recognized directly in the statement of comprehensive income and accumulated in an equity reserve, which is released to income in the financial periods in which the cash flows of the underlying item occur. The ineffective portion of the changes in value is recognized in the statement of income. If a hedged transaction is no longer thought probable, the unrealized gains or losses, recognized through comprehensive income and accumulated in an equity reserve, are immediately recognized in the statement of income.

The shareholders' equity of foreign subsidiaries may be subject to hedging, in order to protect investments in foreign companies from fluctuations in exchange rates (foreign exchange translation risk). Exchange differences resulting from these capital hedging transactions are debited or credited directly to the statement of comprehensive income and accumulated in equity as an adjustment to the translation differences reserve, and are reversed to income at the time of disposal or settlement.
Derivative instruments for managing financial risks, which do not meet the formal requirements to qualify for IFRS hedge accounting, are recorded under financial assets/liabilities with changes in value reported through the statement of income.

Share-based payments

The cost of services provided by directors and/or employees remunerated through share based incentive plans is based on the fair value of the rights at the grant date. Fair value is computed taking into account all the characteristics, at the grant date, of the rights (term, considerations, conditions of exercise, etc.) and the plan's underlying securities. This value is booked to the statement of income on a straight–line basis over the vesting period and is offset by an entry to a shareholders' equity reserve; the amount booked is based on an estimate of the stock options which will effectively vest for staff so entitled, taking into account the conditions of use that are not based on the market value of the shares.
The cost of any services provided by employees and/or directors and remunerated through share-based payments, but settled in cash, is measured at the fair value of the liability recorded in the Provisions for employee benefits. Fair value is remeasured at the end of the each reporting period until such time as the liability is settled, with any changes recognized in the income statement.

Government grants

Government capital grants are recognized at fair value when their amount can be reliably determined and it is reasonably certain that the conditions required for their receipt will be satisfied.
Grants for investments in motorway infrastructure are recognized as construction services revenue in accordance with the accounting policy on Construction contracts and services work in progress.
Capital grants related to assets received to fund development projects or activities are accounted for in liabilities, and are subsequently recognized in operating income in the statement of income, in line with depreciation of the assets to which they refer.
Any grants received to fund investments in property, plant and equipment are accounted for as a reduction in the carrying value of the asset to which they refer and result in a reduction in depreciation.
Operating grants are recognized to the statement of income in the same year as the costs to which they relate.

Employee benefits

All employee benefits are recognized and disclosed on an accruals basis.
According to local conditions and practice in the countries in which the Group operates, there are defined-benefit and defined-contribution plans.
Post-employment benefit plans are formalized and non–formalized agreements whereby the entity provides post–employment benefits to one or more employees.
Defined-contribution plans are post-employment benefit plans whereby the entity pays predetermined contributions to a separate entity (a fund) and have or will have no legal or construed obligation to pay additional contributions if the fund does not have sufficient assets to pay obligations towards employee.
The amount accrued at year end is projected forward to estimate the amount payable on termination of employment and is then discounted, to account for the time that will elapse before actual payment occurs.
Due to changes in the system of Italian employee termination indemnities (*Trattamento di fine rapporto* or *TFR*) brought about by Law no. 296 of December 27, 2006 and by the decrees and regulations issued in early 2007 (the "Social security reform"), the Group has adopted the following accounting rules:

» TFR accrued at December 31, 2006 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 when the right matures;

- TFR accrued from January 1, 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognized as costs and shown as a liability under employee termination indemnities and other employee benefit provisions.

Assets and liabilities held for sale and discontinued operations

Where the carrying amount of assets or of assets and associated liabilities (disposal groups) is material and is to be recovered primarily through sale rather than through continued use, these items are presented separately in the balance sheet. They are classified, as appropriate, under Assets held for sale or Liabilities held for sale and the amounts cannot be offset.
Immediately prior to being classified as held for sale, they are recognized under the specific IFRS applicable to each asset and liability, and subsequently accounted for at the lower of the carrying amount and estimated fair value less costs to sell. Any impairment losses are recognized immediately in the statement of income.

Regarding their classification in the statement of income, discontinued operations or operations held for sale are those that have either been sold or are classified as held for sale and that satisfy one of the following requirements:

- they represent a major line of business or geographical area of operation;
- they are part of a single coordinated plan to dispose of a major line of business or geographical area of operation;
- they are subsidiaries acquired exclusively for the purpose of resale.

Gains and losses resulting from these operations, net of the tax effects, are recognized in a specific item in the consolidated statement of income, together with comparative amounts.

Revenues

Revenues are recognized to the extent that their fair value can be reliably measured and it is likely that the economic benefits will flow to the company. Depending on the type of transaction, revenue is recognized on the basis of the following specific criteria:

- toll revenues are recognized in the period in which they are earned on the basis of motorway usage. Due to partially to the fact that the Group's network interconnects with other networks, and that it is consequently necessary to allocate revenues among the various concessionaires, a portion of toll revenues relating to the last part of the year are determined on the basis of reasonable estimates;
- revenues from the sale of goods, net of any returns and discounts, are recognized when the company transfers the main risks and rewards associated with ownership of the goods to the buyer and when collection of the relevant receivables is reasonably certain;
- revenues from rendering of services are recorded with reference to the stage of completion of the transaction as of the balance sheet date. Revenues are recorded in the financial period in which the service is provided, based on the percentage of completion method. If revenues from the services cannot be estimated reliably, they are only recognized to the extent that the relative costs are recoverable. This method appropriately discloses the services provided and the economic results achieved during the period;
- revenues in the form of rental income or royalties are recognized on an accruals basis, considering the terms and conditions of contract.

Revenues from sales by directly operated stores are recognized when the customer pays for the merchandise. The Group's policy regarding returns by customers is quite restrictive, allowing these only in very specific circumstances (e.g. defective goods or late shipment). At the end of each year the Group considers past trends to estimate the overall amount of returns expected in the following year relating to sales in the year just ended. This amount is then deducted from revenues reported in that year.

Financial income and charges

Interest income and expense are recorded on a time–proportion basis, using the effective interest method.

Dividends

Dividends from third parties are recorded when the shareholders' right to receive payment is established, following a resolution by the shareholders of the investee company.

Expense recognition

Expenses are recorded on an accruals basis.
Recoveries of costs borne on behalf of others are recognized as a deduction from the related cost.

Income and costs relating to leasing contracts

Income and costs from operating lease contracts are recognized on a straight–line basis over the duration of the contract.

Income taxes

Income taxes are calculated by each consolidated company on the basis of a reasonable estimate of taxable income, in accordance with applicable local regulations and taking account of any tax credits due.
In fiscal year 2007, the Parent Company and certain Italian subsidiaries adopted the National Consolidated Taxation System for the three–year period 2007–2009. The option was renewed for the three–year period 2010–2012 and the renewal for the next three–year period is in progress.
Per Articles 117 to 129 of the Tax Code, this system involves the calculation of a single overall income for the purposes of corporate income tax (IRES), by adding the incomes and/or losses of the Parent Company and participating subsidiaries. The Parent Company then pays the tax due or carries forward/receives a refund for any credit. The Parent Company also carries forward any consolidated loss.
The relationships arising from participation in the group tax election are governed by specific rules, approved and signed by all participating companies, which provide for full recognition of the amount calculated on the fiscal losses or profits transferred at current corporate tax rates.
Payables for IRAP (regional business tax), due directly to the national Tax authorities, are shown under current tax liabilities net of advances paid.
Deferred taxes are recorded on temporary differences between balance sheet values and the corresponding values recognized for tax purposes, on consolidation adjustments, and in relation to the fiscal deferral or deductibility of revenues and costs.
Deferred tax assets are recorded for all temporary differences to the extent it is probable that taxable income will be available against which the deductible temporary difference can be recovered. The same principle is applied to the recognition of deferred tax assets on the carry forward of unused tax losses. The carrying value of deferred tax assets is reviewed at every balance sheet date and, if necessary, reduced to the extent that it is no longer probable that sufficient taxable income will be available to recover all or part of the asset.
Deferred tax liabilities, save for specific exceptions, are always recognized.
Deferred tax assets and liabilities are not recognized if the temporary differences arise from initial recognition of goodwill (different from business combination transactions) or of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income.
Deferred tax assets and liabilities are calculated using tax rates which are expected to apply in the period when the asset is realized or the liability settled, using the tax rates and tax regulations which are in force at the balance sheet date.

It is possible to offset deferred tax assets and liabilities only if there is a legal right to offset the current tax balances, if the deferred balances refer to taxes levied by the same tax authority, and if the Group intends to settle current tax balances on a net basis.
Tax assets and liabilities for current taxes are only offset if there is a legally enforceable right to set off the recognized amounts and if it is intended to settle or pay on a net basis or to realize the asset and settle the liability simultaneously.

Cash flow statement

In compliance with IAS 7, the cash flow statement, prepared using the indirect method, reports the Group's ability to generate cash and cash equivalents. Cash equivalents comprise short–term highly liquid financial investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity, that is when the original maturity is shorter than three months.
Bank overdrafts qualify as borrowings, unless they are payable on demand and form an integral part of an enterprise's cash

and cash equivalents management, in which case they are classified as a component of cash and cash equivalents. Cash and cash equivalents included in the cash flow statement comprise the balance sheet amounts for this item at the reporting date. Cash flows in foreign currencies are translated at the average exchange rate for the period.
Income and expenses relating to interest, dividends received and income taxes are included in cash flow from operating activities.

In the Group's layout, the following are reported separately:

» operating cash flow: cash flow from operating activities originates mostly from revenue-generating activities and are presented by the Group using the indirect method; this method adjusts net profit or loss for the effects of items which did not result in cash outflows or generate liquidity (i.e. non-cash transactions);
» investing cash flow: investing activities are reported separately, in part because they are indicative of investments/divestments aimed at the future generation of revenues and positive cash flows;
» financing cash flow: financing activities consist of the cash flows which determine a change in the size and composition of shareholders' equity and loans granted.

Use of estimates

The preparation of the financial statements and notes in accordance with IFRS requires management to make estimates and assumptions that affect the carrying values of assets and liabilities and the disclosure of contingent assets and liabilities as of the reporting date. Final results may be different from the estimates. The Group has used estimates for valuing, in particular, assets subject to impairment testing and provisions for doubtful accounts, inventory obsolescence, depreciation and amortization, employee benefits, deferred taxes, restructuring, and for measuring the fair value of financial assets and liabilities. Estimates and assumptions are reviewed periodically and any changes are reflected immediately in the statement of income.

COMMENTS ON ASSET ITEMS

(All figures in thousands of Euro)

Comments on the main items in the consolidated statement of financial position at December 31, 2012 are presented below. The scope of consolidation changed in 2012 due to the consolidation of Autostrade Sud America S.r.l., along with Grupo Costanera and the other Chilean motorway operators, and of Infra Bertin Participações S.A. and some motorway operators in Brazil, and the deconsolidation of Autostrada Torino-Savona S.p.A. and Port Mobility S.p.A.

NON-CURRENT ASSETS

[1] Property, plant, and equipment

The gross value, accumulated depreciation and impairment, and net book value of the Group's property, plant and equipment are detailed below:

	12.31.2012			12.31.2011		
(Thousands of Euro)	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Land and buildings	1,470,404	(368,896)	1,101,508	1,420,350	(343,043)	1,077,307
Investment property	80,658	(26,910)	53,748	79,986	(24,741)	55,245
Plant, machinery and equipment	1,822,708	(1,322,994)	499,714	1,759,207	(1,260,620)	498,587
Furniture, furnishings and electronic equipment	476,690	(357,265)	119,425	452,386	(333,898)	118,488
Assets to be relinquished	482,990	(370,460)	112,530	472,390	(359,748)	112,642
Leasehold improvements	1,217,883	(847,521)	370,362	1,244,072	(878,949)	365,123
Other tangible assets	169,883	(91,575)	78,308	152,498	(71,685)	80,813
Assets under construction and advances	202,801	–	202,801	176,550	(296)	176,254
Total	5,924,017	(3,385,621)	2,538,396	5,757,439	(3,272,980)	2,484,459

The following table reports movements in 2012 in property, plant and equipment, stated net of accumulated depreciation.

(Thousands of Euro)	Land and buildings	Investment property	Plant, machinery and equipment	Furniture, furnishings and electronic equipment	Asset to be relinquished	Leasehold improvements	Other tangible assets	Assets under construction and advances	Total
Balance at 01.01.2011	**1,085,156**	**56,772**	**515,199**	**110,927**	**111,675**	**367,880**	**73,121**	**145,856**	**2,466,586**
Additions	20,299	–	85,469	47,141	16,626	40,547	18,632	143,893	372,607
Disposals	(4,695)	–	(10,566)	(1,266)	(376)	(3,340)	(2,111)	(144)	(22,498)
Depreciation	(26,496)	(1,724)	(148,961)	(39,976)	(27,271)	(81,147)	(11,907)	–	(337,482)
Impairments	(614)	–	(2,028)	(1,790)	(1,429)	(3,870)	–	(342)	(10,073)
Changes in scope of consolidation	380	–	6,183	308	–	–	–	–	6,871
Translation differences	(3,568)	(111)	(1,128)	(876)	–	2,084	(709)	1,730	(2,578)
Other movements	4,243	308	53,079	4,015	13,417	42,969	3,775	(114,510)	7,296
Reclassification from/(to) assets held for sale	2,602	–	1,340	5	–	–	12	(229)	3,730
Balance at 12.31.2011	**1,077,307**	**55,245**	**498,587**	**118,488**	**112,642**	**365,123**	**80,813**	**176,254**	**2,484,459**
Additions	70,448	6	100,769	41,584	17,840	59,477	13,266	168,524	471,914
Disposals	(13,438)	–	(4,054)	(1,643)	(377)	(3,195)	(1,966)	(4,362)	(29,035)
Depreciation	(26,890)	(1,721)	(156,323)	(39,300)	(30,369)	(91,023)	(15,612)	–	(361,238)
Impairments	(8,410)	–	(1,519)	(2,474)	(448)	(8,290)	(5,400)	–	(26,541)
Impairment reversals	471	–	–	–	–	–	–	–	471
Changes in scope of consolidation	(2,844)	–	2,487	981	–	70	7,060	–	7,754
Translation differences	(10,140)	92	610	297	–	(1,650)	(2,412)	(2,381)	(15,584)
Other movements	15,004	126	59,157	1,492	13,242	49,850	2,559	(135,234)	6,196
Balance at 12.31.2012	**1,101,508**	**53,748**	**499,714**	**119,425**	**112,530**	**370,362**	**78,308**	**202,801**	**2,538,396**

Additions to property, plant and equipment in 2012 amounted to Euro 471,914. Of the total, Euro 274,097 is attributable to the Autogrill group, Euro 133,328 to the Benetton group and Euro 56,529 to the Atlantia group.
Investments by the Autogrill group were concentrated mostly in the Food & beverage business in Italy and the United States, namely for new openings and the renovation of existing locations, especially in the motorway channel.
The Benetton group invested mainly in commercial properties and in the modernization and upgrading of stores to expand the retail network in Italy, Spain and Russia; acquired three new properties in Italy, Bosnia-Herzegovina and Ukraine; and increased production capacity in Croatia and in Serbia.

Disposals for the year totalled Euro 29,035 and primarily concern the sale of production machinery and three properties (two in Italy and one in Kazakhstan) by the Benetton group (Euro 17,877) and the sale of assets by the Autogrill group (Euro 6,384).

Impairment losses for the year, of Euro 26,541, stem from the loss in value of some commercial assets held by the Autogrill group (Euro 8,165) and the Benetton group (Euro 12,952) and the impairment of some properties owned by the Parent Company.

Assets to be relinquished are tangible assets that will revert to the grantor upon expiry of the concession or sub-concession, either free of charge or against payment of their residual carrying value by the new concession holder. They are all owned by the Autogrill group.

Leasehold improvements refer to the renovation of non-proprietary stores and the expenses incurred to build or improve properties and businesses run under leasing or concession agreements.

The items in the following table include the contractual value of property, plant and equipment held under finance leases:

(Thousands of Euro)	12.31.2012	12.31.2011
Land and buildings	16,399	12,795
Plant, machinery and equipment	1,039	947
Assets to be relinquished	12,788	12,788
Leasehold improvements	127	68
Other assets	1,943	1,587
(Accumulated depreciation)	(23,118)	(21,762)
Total	**9,178**	**6,423**

The increase in Land and buildings is due to the change in the scope of consolidation of the Atlantia group.
The long-term portion of the residual amount of lease repayments at December 31, 2012 is recognized as Lease financing under non-current liabilities in Note [28] (Euro 16,362); the short-term portion is reported in Note [37] Current portion of lease financing (Euro 1,911).

The fair value of investment property is greater than the stated balance sheet value.

[2] Intangible assets

Movements in the main intangible asset items in 2012 were as follows:

(Thousands of Euro)	Goodwill and other intangible assets of indefinite useful life	Intangible assets deriving from concession rights	Patent rights	Concessions, licenses, trademarks and similar rights	Deferred charges	Other intangible assets	Total
Balance at 01.01.2011	**6,825,703**	**11,725,427**	**3,395**	**823,709**	**146,281**	**78,331**	**19,602,846**
Additions	–	36	4,023	9,878	14,852	40,384	69,173
Addictions due to execution of construction services	–	903,996	–	–	–	–	903,996
Changes due to update of concession plans	–	380,281	–	–	–	–	380,281
Disposals	–	–	–	1,926	(26)	(173)	1,727
Depreciation	–	(463,625)	(1,245)	(94,778)	(16,535)	(36,945)	(613,128)
Impairments	(13,688)	–	–	(9,133)	(2,900)	(8)	(25,729)
Impairment reversals	2	–	–	–	819	–	821
Changes in scope of consolidation	–	460,636	–	87	–	–	460,723
Translation differences	33,130	(72,938)	(64)	12,776	(587)	410	(27,273)
Other movements	–	(43,183)	–	4,468	532	(2,768)	(40,951)
Balance at 12.31.2011	**6,845,147**	**12,890,630**	**6,109**	**748,933**	**142,436**	**79,231**	**20,712,486**
Additions	–	4,554	1,601	12,259	11,381	37,807	67,602
Addictions due to execution of construction services	–	746,897	–	–	–	–	746,897
Changes due to update of concession plans	–	430,030	–	–	–	–	430,030
Disposals	–	–	–	(112)	(3,002)	(140)	(3,254)
Depreciation	–	(558,869)	(1,955)	(93,986)	(16,014)	(33,543)	(704,367)
Impairments	(16,700)	–	(676)	(4,750)	(5,820)	(2,542)	(30,488)
Changes in scope of consolidation	(220)	3,099,818	–	3,573	–	(7)	3,103,164
Translation differences	158	(18,175)	9	7,480	421	(193)	(10,300)
Other movements	–	(46,813)	47	4,023	1,643	(4,588)	(45,688)
Balance at 12.31.2012	**6,828,385**	**16,548,072**	**5,135**	**677,420**	**131,045**	**76,025**	**24,266,082**

At December 31, 2012 the balance of Goodwill and other intangible assets of indefinite useful life consists mainly of goodwill pertaining to the Atlantia group (Euro 5,381,980) and the Autogrill group (Euro 1,413,050).

All such assets are subject to impairment testing once a year. The impairment loss of Euro 16,700 refers entirely to the goodwill allocated to the Autogrill group's CGU Food & beverage – Spain and was caused by the continued weakness of the motorway channel due to the economic situation in the country.

Concession rights pertain solely to the Atlantia group and are broken down as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Acquired concession rights	2,983,365	641,454
Concession rights accruing from construction services for which no additional economic benefits are received	9,449,182	9,288,720
Concession rights accruing from construction services for which additional economic benefits are received	4,069,901	2,913,076
Concession rights accruing from construction services provided by sub-operators	45,624	47,380
Total	**16,548,072**	**12,890,630**

Acquired concession rights are recognized against the cash outlays incurred to obtain concessions from the grantor or from third parties. Rights relating to construction services for which no additional economic benefits are received have accrued against construction service commitments by operators in the Atlantia group. Rights accruing from construction services for which additional economic benefits are received (specific tariff increases and/or significant increases in the number of expected users due to infrastructure expansion) also pertain to the Atlantia group. Rights accruing from construction services provided by suboperators are recognized against investments carried out by service area operators that are handed over free of charge to the Atlantia group.

The principal changes in this item are an increase of Euro 746,897 in the amount of investments carried out in 2012 relating to construction and/or upgrade services for which additional economic benefits are received; an increase of Euro 430,030, with a corresponding increase in Provisions for construction services required by contract in Note [33], due to the revised estimate of the present value of construction services to be rendered in the future for works without additional economic benefits; and amortization of Euro 558,869.
Changes in the scope of consolidation concern the extraordinary transactions by the Atlantia group in 2012. In particular, the Euro 3,099,818 item is made up of Euro 3,358,262 in intangible concession rights held by the Chilean and Brazilian motorway operators, less Euro 258,444 in concession rights held by Autostrada Torino-Savona S.p.A. which was deconsolidated in 2012.

Concessions, licenses, trademarks and similar rights at December 31, 2012 refer mostly to the Autogrill group (Euro 657,007) and include the amounts determined upon fair value allocation of the acquired assets and liabilities of World Duty Free Group UK Holding Ltd. (formerly World Duty Free Europe Ltd.) and World Duty Free España S.A. (formerly Aldeasa S.A.), in the form of contractual rights (Euro 518,862) and the tradename World Duty Free (Euro 98,675).
The remainder of this item consists primarily of licenses and trademarks held by the Atlantia group and trademarks owned by the Benetton group. The brands United Colors of Benetton and Sisley, with respective carrying values of Euro 3,798 and Euro 464, are subject to restraints on sale in guarantee of committed credit lines.

Nearly all of the impairment losses on this item pertain to the Atlantia group, for the loss in value of the trademark recognized in 2007 upon acquisition of control over Electronic Transaction Consultants.

Deferred charges consist of key money for the lease of buildings as stores, which is amortized over the term of the related lease contracts (with the exception of the fonds de commerce of Benetton group companies, amortized over 20 years). Impairment losses with respect to key money came to Euro 5,820.

Other intangible assets include the cost of purchasing and developing software, of which Euro 22,282 pertains to the Benetton group, Euro 9,332 to the Autogrill group and Euro 10,433 to the Atlantia group. This item also includes assets under construction and advances (Euro 27,546).

Impairment testing

According to the rules of IAS 36, the Group has:

- » checked for any indication that its property, plant and equipment or intangible assets of finite useful life might be impaired;
- » compared the recoverable amount of its intangible assets of indefinite useful life and of its intangible assets not yet available for use with their corresponding carrying amounts. Such a comparison was carried out irrespective of the occurrence of events indicating that the carrying amount of such assets might be impaired.

Losses charged for the year as a result of impairment testing by the Benetton group refer mostly to stores (directly operated or managed by partners). Each store is treated as a cash generating unit (CGU) to determine the present value of the net future cash flows it is expected to generate (value in use), which is compared with the carrying amount of the CGU. When value in use is lower than the carrying amount of the CGU, its assets are written down. Regarding buildings and fonds de commerce, if the net future cash flows of the CGUs to which they are allocated suggest possible impairment, their recoverable amount is officially appraised or, in the case of flagship buildings, determined on the basis of the cash flows generated at the country or corporate level.

Impairment losses recognized in 2012 against the commercial assets of certain stores reflect a reduction in their cash flows, caused by a decline in actual and projected sales (except in some cases where it was possible to determine market value), and include furniture and fittings, key money and leasehold improvements. These stores are located primarily in Italy, North America and Spain.

Impairment losses likewise concerned some assets of the Autogrill group. Except for goodwill, impairment testing is performed on the individual contract or store, considering future cash flows and without incorporating any improvement in efficiency.

When testing goodwill for impairment, the cash generating units are identified on the basis of operating segment, and in some cases are further divided by geographical area. The recoverability of the goodwill allocated to each cash generating unit is verified by estimating its value in use, defined as the present value of estimated cash flows based on the 2013 budget and forecasts for 2014-2017, discounted at a rate reflecting the time value of money (differentiated by currency area) and the risks specific to the individual cash generating unit.

In 2012 the goodwill allocated to each CGU of the Autogrill group was found to be fully recoverable, except for the CGU Food & beverage - Spain, due to the continued weakness of the motorway channel caused by the economic situation in the country. This led to an impairment loss on goodwill in the amount of Euro 16,700.

Within the Atlantia group, each concession holder constitutes a specific cash generating unit. The subsidiaries that do not hold motorway concessions are also identified as individual CGUs.

The recoverability of goodwill and concession rights was assessed using the long-term plans drawn up by each company, which report traffic, investment, cost and revenue projections for the full term of the concession contract, on the basis of the financial plans annexed to the concession agreements signed with the grantor.

Almost all goodwill is allocated to a single concession holder (Autostrade per l'Italia S.p.A.); impairment testing has shown that its value is fully recoverable.

The discount rate (WACC) used to determine the present value of projected cash flows depends on the cost of money and the specific country risk of the business. The nominal growth rate (g rate) of projected cash flows not stated expressly in financial plans ranges from 1% to 4%. The specific forecast period does not exceed five years, with the exception of the CGUs of the Atlantia group, for which projections are based on business and financial plans developed for the full term of the concession period.

The results of impairment testing in 2012 are summarized in the following table which reports, by business segment and type of asset, the impairment losses recognized for the year:

(Thousands of Euro)	Textiles and clothing	Food & beverage and Travel retail & duty-free	Infrastructures and services for mobility	Other sectors	Total
Property, plant and equipment					
Buildings	2,986	–	–	5,424	8,410
Plant, machinery and equipment	116	1,403	–	–	1,519
Furniture, furnishings and electronic equipment	2,468	6	–	–	2,474
Leasehold improvements	1,982	6,308	–	–	8,290
Other	5,400	448	–	–	5,848
Total property, plant and equipment	**12,952**	**8,165**	**–**	**5,424**	**26,541**
Intangible assets					
Intangible assets of indefinite useful life	–	16,700	–	–	16,700
Intangible assets of finite useful life	5,822	–	7,966	–	13,788
Total intangible assets	**5,822**	**16,700**	**7,966**	**–**	**30,488**
Total	**18,774**	**24,865**	**7,966**	**5,424**	**57,029**

The amount shown for Other sectors refers to the impairment of some properties held by the Parent Company.

OTHER NON-CURRENT ASSETS

[3] Equity investments in subsidiaries

This item is made up of non-significant subsidiaries that are not included in the consolidation.

[4] Equity investments in associates and joint ventures

The main investments in associated companies and joint ventures are as follows:

	12.31.2012		12.31.2011	
(Thousands of Euro)	% held	Carrying value	% held	Carrying value
Gemina S.p.A.	35.93%	705,340	34.77%	698,631
Eurostazioni S.p.A.	32.71%	50,790	32.71%	50,790
Sagat S.p.A.	24.38%	30,479	24.38%	34,278
Società Autostrada Tirrenica p.A.	24.98%	26,477	24.98%	24,483
Autostrade Sud America S.r.l.	–	–	45.77%	170,645
Atlantia Bertin Participações S.A.	50.00%	23,227	–	–
IGLI S.p.A.	–	–	33.33%	26,631
Tangenziali Esterne di Milano S.p.A.	26.40%	19,785	27.43%	19,766
Pune-Solapur Expressways Private Ltd.	50.00%	14,262	50.00%	18,264
Società Infrastrutture Toscane S.p.A.	46.60%	5,969	46.60%	6,098
Other investments	–	19,608	–	21,311
Total		**895,937**		**1,070,897**

During the year, the subsidiary Sintonia S.p.A. purchased 17,000,000 shares of Gemina S.p.A. (a 1.16% interest) in the open market, at a cost of Euro 10.9 million. The effect of valuing that interest with the equity method is a negative Euro 4.2 million. The value of Sagat S.p.A. was written down to its sale price, as it was disposed of in January 2013.

Autostrade Sud America S.r.l. and its subsidiaries have been consolidated since April 1, 2012. The consolidation process is described in Note [65] Business combinations.
The interest in Atlantia Bertin Participações S.A. (50% minus one share) was acquired by the Atlantia group during the year for Euro 25,699. This Brazilian holding company owns 50% of the motorway operator Rodovias do Tiétê S.A. At December 31, 2012 its value was adjusted to the amount determined using the equity method.
In 2012 the entire investment in IGLI S.p.A., key shareholder of Impregilo S.p.A., was sold for Euro 87.6 million and produced a capital gain of Euro 61 million.
The change in value of the equity investments in Società Autostrade Tirrenica p.A., Pune-Solapur Expressway Private Ltd., Tangenziali Esterne di Milano S.p.A. and Società Infrastrutture Toscane S.p.A. is due to their valuation on an equity basis.

[5] Equity investments in other companies
Because these investments are "available for sale" in accordance with IAS 39, they are recognized at fair value, and gains and losses from the valuation (except impairment losses, which are recognized in the income statement) are charged to a shareholders' equity reserve. If the fair value of these assets cannot be determined reliably, they are measured at cost, and adjusted for any impairment. For equity investments in listed companies, fair value is taken as the average stock market price in December 2012.

Equity investments in other companies are as follows:

	12.31.2012		12.31.2011	
(Thousands of Euro)	% held	Carrying value	% held	Carrying value
Assicurazioni Generali S.p.A.	0.94%	194,500	0.94%	172,338
Pirelli & C. S.p.A.	4.61%	193,232	4.77%	151,351
Mediobanca S.p.A.	2.16%	81,232	2.16%	87,122
RCS MediaGroup S.p.A.	5.10%	47,784	5.10%	28,005
Alitalia - Compagnia Aerea Italiana S.p.A.	8.85%	17,600	8.85%	41,000
Club Méditerranée S.A.	2.22%	9,282	–	–
Gruppo Banca Leonardo S.p.A.	1.93%	8,096	1.93%	11,026
Acegas-Aps S.p.A.	1.94%	5,537	1.94%	3,488
Prelios S.p.A.	2.70%	1,633	2.70%	2,169
Il Sole 24 Ore S.p.A.	2.00%	1,410	2.00%	2,089
Other investments	–	7,204	–	7,795
Total		567,510		506,383

The table below shows movements during the year in Equity investments in other companies:

(Thousands of Euro)	Carrying value at 12.31.2011	Additions/ disposals	Impairment losses	Fair value adjustments	Carrying value at 12.31.2012
Assicurazioni Generali S.p.A.	172,338	–	–	22,162	194,500
Pirelli & C. S.p.A.	151,351	(4,928)	–	46,809	193,232
Mediobanca S.p.A.	87,122	–	(26,980)	21,090	81,232
RCS MediaGroup S.p.A.	28,005	–	–	19,779	47,784
Alitalia - Compagnia Aerea Italiana S.p.A.	41,000	–	(23,400)	–	17,600
Club Méditerranée S.A.	–	8,996	–	285	9,281
Gruppo Banca Leonardo S.p.A.	11,026	(2,930)	–	–	8,096
Acegas-Aps S.p.A.	3,488	–	–	2,049	5,537
Prelios S.p.A.	2,169	–	(6,638)	6,102	1,633
Il Sole 24 Ore S.p.A.	2,089	–	(1,316)	637	1,410
Other investments	7,795	(27)	(564)	–	7,204
Total	506,383	1,111	(58,898)	118,913	567,509

Impairment losses were recognized for Mediobanca S.p.A., Alitalia - Compagnia Aerea Italiana S.p.A., Prelios S.p.A. and Il Sole 24 Ore S.p.A.

Regarding the investment in Alitalia - Compagnia Aerea Italiana S.p.A., in consideration of the company's ongoing losses and the lack of information that would allow a reliable determination of fair value, an impairment loss of Euro 23.4 million has been charged on the basis of the pro-quota value of net equity at the end of the year.

A 0.16% share of Pirelli & C. S.p.A., not restricted by the shareholders' agreement, was disposed of during the year. The sale produced a consolidated capital gain of Euro 5 million.

This item also includes the fair value of the 708,000 convertible Club Méditerranée bonds acquired by the Parent Company in 2009 (Euro 9,281). At maturity, on June 8, 2012, they were converted into ordinary Club Méditerranée shares on a one-to-one basis.

[6] Investment securities
The balance refers to investments in closed-end funds, held by the subsidiary Schemaquattordici S.p.A. for Euro 8,807 and by the Parent Company for Euro 15,831. These funds are measured at fair value at December 31, 2012.

The Parent Company also holds an additional 107,456 convertible Club Méditerranée bonds which, at a ratio of one to one, can be converted at the holder's request into ordinary shares of the company by November 1, 2015 at a price of Euro 16.365 per share; the fair value of these bonds at December 31, 2012 is Euro 1,760.

[7] Guarantee deposits
The balance mainly includes deposits pertaining to the Benetton group (Euro 26,866) and the Autogrill group (Euro 11,897).

[8] Other non-current financial assets
The balance at the end of 2012 includes the following:

(Thousands of Euro)	12.31.2012	12.31.2011
Non-current portion of financial assets deriving from concession rights	1,037,731	452,334
Convertible term deposits	307,729	290,334
Financial assets deriving from government grants related to construction services	236,958	238,657
Receivables for convertible bonds	241,012	–
Financial receivables from associates	–	110,000
Derivatives: cash flow hedges	–	27,678
Other financial receivables and assets	115,658	82,255
Total	1,939,088	1,201,258

The Non-current portion of financial assets deriving from concession rights refers to the Atlantia group and includes:
» the present value of the minimum guaranteed payments that various Chilean motorway operators will receive from the grantors in accordance with concession agreements (Euro 697,110);
» Ecomouv''s investments in financial assets deriving from concession rights relating to the construction of the satellite-based tolling system for heavy vehicles in France (Euro 340,621).

The change in this item is due essentially to the value of the financial rights for minimum guaranteed payments contributed by the newly consolidated Chilean companies (Euro 648,864) and investments in the satellite-based tolling system for heavy vehicles in France (Euro 296,610), net of the reclassification to Other current financial assets (Note [16]) of the takeover rights of Autostrade Meridionali S.p.A., which at December 31, 2011 amounted to Euro 346,209.

Convertible term deposits consist of the loans disbursed by banks for the construction of new infrastructure; they will be released and made available to the Atlantia group based on percentage of completion of these works.

Financial assets deriving from government grants related to construction services consist of amounts receivable from concession grantors, or other public entities, for grants accrued on the Atlantia group's construction of motorway infrastructure during the year.

Receivables for convertible bonds refer to the convertible bonds issued by Infra Bertin Empreendimentos S.A. and subscribed by the subsidiary Atlantia Bertin Concessões S.A. to support the investment program (Euro 241,012).

At December 31, 2011 Financial receivables from associates consisted of the long-term loan granted by the Atlantia group to Società Autostrada Tirrenica p.A. In 2012 they were reclassified to Other current financial assets (Note [16]), as they will mature in June 2013.

Other financial receivables and assets include Atlantia Vespucio Sur's non-current receivable from the concession grantor (Euro 52,331).

Other non-current financial assets are broken down below by maturity:

(Thousands of Euro)	12.31.2012
From 1 to 5 years	1,329,802
Beyond 5 years	609,286
Total	1,939,088

[9] Other non-current receivables

This item pertains to the Autogrill group (Euro 34,728), primarily in the form of premiums due from suppliers under long-term agreements and concession rent paid in advance, and to the Benetton group for trade receivables (Euro 21,270) and amounts due for the sale of buildings (Euro 3,415). There is also a Euro 6 million public benefit contribution advanced by the Parent Company to the City of Venice, which has placed the sum in an escrow account. Under the terms of the agreement, the Parent Company may ask for full and immediate reimbursement of the contribution, plus interest, if certain conditions are not satisfied.

[10] Deferred tax assets

The nature and composition of net deferred tax assets are broken down below:

(Thousands of Euro)	12.31.2012	12.31.2011
Tax effect on deductible intercompany goodwill	882,125	987,925
Effect of the adoption of IFRIC 12	560,729	580,170
Tax effect on provisions and costs relating to future periods for fiscal purposes	357,508	281,000
Tax effect on different basis for amortization and depreciation	214,490	180,608
Benefit on carried forward tax losses	47,629	52,535
Tax effect on intercompany profits elimination	4,775	5,264
Other deferred tax assets	471,609	194,478
Total deferred tax assets	2,538,865	2,281,980
Total offsettable deferred tax liabilities	(364,601)	(123,344)
Total deferred tax assets, net	2,174,264	2,158,636

For the sake of clarity, the following paragraphs describe separately the nature of tax assets generated by the Atlantia, Benetton and Autogrill groups.

Atlantia group

The balance of Euro 1,910,572 at December 31, 2012 is comprised mainly of residual deferred tax assets (Euro 882,125) arising from the transfer of motorway assets to Autostrade per l'Italia and that company's recognition of deductible goodwill,

as well as deferred tax assets of Euro 560,729 originating from the adoption of IFRIC 12 by Autostrade per l'Italia S.p.A., to be released throughout the life of the concession.

Benetton group

The balance of this item (Euro 157,130) is comprised mainly of deferred tax assets recognized on the different basis for the amortization and depreciation of fixed assets, measured according to the estimated future recoverability of the tax benefits.

The potential tax benefit from the carried forward tax losses of group companies (Euro 292 million at December 31, 2012) has been adjusted by Euro 275 million because, at the present date, they are unlikely to be fully recovered.

Autogrill group

The deferred tax assets of the Autogrill group (Euro 71,023) refer to:

» the Italian units for Euro 25,363, generated primarily by the different amortization period of fixed assets and the deferred deductibility of provisions for risks and charges;
» the Travel retail & duty-free companies for Euro 27,877, mostly in relation to tax losses carried forward;
» the French Food & beverage units for Euro 10,064, in connection chiefly with tax losses carried forward and the different amortization and depreciation periods for tax purposes.

At December 31, 2012, tax losses for which deferred tax assets have not been recognized amount to Euro 185,632.

CURRENT ASSETS

[11] Inventories

Inventories are broken down below:

(Thousands of Euro)	12.31.2012	12.31.2011
Raw materials, other materials and consumables	391,342	414,064
Work in progress and semi-manufactured products	52,954	62,873
Finished goods	265,334	218,413
Construction contracts in progress	31,338	37,865
Advances	83	275
Total	741,051	733,490

Inventories are stated net of the write-down provision of Euro 39,160. The increase of Euro 7,561 pertains to the Benetton group for Euro 4,500 and stems from the different timing of shipments to customers in the first quarter of 2013.

[12] Trade receivables

At December 31, 2012, trade receivables, net of the provision for doubtful accounts, were as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Trade receivables	2,086,565	1,944,082
Provision for doubtful accounts	(232,937)	(169,055)
Total	1,853,628	1,775,027

Trade receivables are contributed mostly by the Benetton group (Euro 832,059) and the Atlantia group (Euro 1,003,500). The increase for the year, Euro 78,601, pertains almost entirely to the Atlantia group and refers to toll receivables (in the process of being settled by banks at the end of the year) and the contribution of companies consolidated for the first time in 2012.

Movements in the provision for doubtful accounts are summarized below:

(Thousands of Euro)	01.01.2012	Additions	Uses	Releases to statement of income	Change in scope of consolidation	Other movements and translation differences	12.31.2012
Provision for doubtful accounts	169,055	42,904	(20,173)	(1,168)	20,258	22,061	232,937

At the end of the year, there were no receivables factored without recourse.

[13] Tax receivables

This item includes:

» VAT credits of Euro 93,285 (Euro 77,919 at December 31, 2011), of which Euro 25,643 pertains to the Autogrill group, Euro 18,675 to the Benetton group and Euro 47,010 to the Atlantia group;

» income tax credits of Euro 147,107 (Euro 51,133 at December 31, 2011), of which Euro 100,793 pertains to the Atlantia group, Euro 29,375 to the Autogrill group, Euro 4,754 to the Benetton group and Euro 8,924 to the Parent Company;

» other tax receivables of Euro 60,608 (Euro 11,987 at December 31, 2011).

The refund for the deduction of IRAP (regional business tax) from IRES (corporate income tax) amounts to Euro 48,860.

[14] Accrued income and prepaid expenses

These are made up as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Rents and leases	34,452	35,060
Other accrued income and prepaid expenses	32,517	27,751
Total	66,969	62,811

Other accrued income and prepaid expenses refers to maintenance fees, insurance policies, advertising and sponsorship costs.

[15] Other current receivables

Other current receivables are detailed in the table below:

(Thousands of Euro)	12.31.2012	12.31.2011
Advances paid to suppliers	140,511	129,423
Receivables due from motorway end-users and insurance companies for damages	41,098	35,320
Advances to employees and agents	9,877	8,449
Amounts due from public entities	1,078	2,560
Receivables for disposal of assets	–	1,400
Other receivables	111,222	90,851
Total	303,786	268,003

Advances paid to suppliers concern the Autogrill group for Euro 92,994, comprised of promotional contributions and bonuses to be settled as well as amounts paid in advances to suppliers for services, and the Atlantia group for Euro 40,785, consisting of advances paid to awarders of contracts.

Receivables due from motorway end-users and insurance companies refer to the reimbursement of motorway infrastructures damages.

Other receivables were contributed mainly by:

» the Autogrill group (Euro 55,457) for amounts due from subconcessionaires, advances to concession grantors for investments made on their behalf or on behalf of subconcessionaires, receivables from credit card companies and receivables on business generating commissions;

» the Atlantia group (Euro 36,659), including Euro 19,912 from the new Brazilian and Chilean subsidiaries, mostly consisting of receivables from public entities;

» the Benetton group (Euro 17,714), including Euro 9 million due from the Serbian government in the form of a grant for investments planned at the new manufacturing complex in Niš.

This item is shown net of provisions for doubtful accounts (Euro 40,541), of which Euro 33,819 pertains to the Atlantia group. The provision relates chiefly to amounts owed to Stalexport Autostrady S.A. by its associates, which are currently insolvent, and whose loans from the local authorities have therefore been repaid by the Polish company in its role as guarantor.

[16] Other current financial assets

This item is summarized as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Current financial assets deriving from concession rights	386,516	7,340
Convertible term deposits	355,042	76,580
Financial receivables from Group companies	121,729	6,282
Financial receivables from third parties	38,844	67,283
Financial assets deriving from government grants related to construction services	23,784	51,023
Derivatives: fair value hedges	15,709	46,368
Derivatives: cash flow hedges	9,036	12,940
Other financial receivables and assets	40,407	37,476
Total	991,067	305,292

Most of the increase in Current financial assets deriving from concession rights concerns the takeover rights (Euro 357,775) of Autostrade Meridionali S.p.A., due by the motorway operators that will take over the concession when it expires to compensate for investments carried out during the final years of the concession that have not yet depreciated. These assets have been written down by Euro 22,682 in to reflect the revised estimate of the amount due to Autostrade Meridionali.

Financial receivables from Group companies include a loan of Euro 110,000 granted by the Atlantia group to its associate Società Autostrada Tirrenica p.A., maturing in June 2013, and Euro 10,890 in amounts lent to associates of the Autogrill group.

Convertible term deposits and Financial assets deriving from government grants related to construction services consist of the current portion of the Atlantia group assets discussed in Note [8] Other non-current financial assets.
The increase in Convertible term deposits refers to the amounts held by the new Chilean subsidiaries to service their debt, and to a deposit of Euro 77,436 for a loan to be granted by the end of 2013 by Atlantia group to a motorway project company for the construction and management of the ring road southeast of São Paulo.
The decrease in Financial assets deriving from government grants related to construction services is explained by amounts received in 2012.

Financial receivables from third parties consist mostly of financial receivables from the grantor (ANAS) and short-term financial investments by the Stalexport Autostrady group.

The item Derivatives: fair value hedges includes the differentials on interest rate hedges of the Autogrill group (Euro 11,182) and the differentials on forward exchange contracts of the Benetton group (Euro 4,527).
The item Derivatives: cash flow hedges consists almost exclusively of the fair value accounting of the Benetton group's hedges against exchange risk.

Other financial receivables and assets are comprised of accrued income on derivative transactions, mostly for the Atlantia group (Euro 23,208), as well as financial accrued income and prepayments (Euro 17,199).

[17] Other investments

This item covers investments classified as "available for sale" according to the rules of IAS 39, as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Brunello Cucinelli S.p.A.	18,170	–
Caltagirone Editore S.p.A.	2,419	2,859
Other investments	6,452	5,747
Total	27,041	8,606

On April 27, 2012 the Benetton group paid Euro 10,540 for a 2% interest in Brunello Cucinelli S.p.A., whose fair value at December 31, 2012 was Euro 18,170.
The carrying value of the investment in Caltagirone Editore S.p.A. was adjusted to the average stock market price for December 2012.
Other investments pertain to the Atlantia group.

[18] Cash and cash equivalents

This item can be broken down as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Time deposits	2,344,507	335,727
Bank accounts	736,973	585,671
Cash in hand	95,519	92,731
Checks	45,476	76,283
Total	3,222,475	1,090,412

Time deposits refer mainly to the Atlantia group and their increase for the year reflects the issue of new bonds.

Bank accounts are liquid funds held at major banks. Average interest rates reflect market returns for the various currencies concerned.

Cash in hand includes cash floats at stores and amounts in the process of being credited and may vary according to the frequency of deposit.

Checks reflect receipts from customers in the last few days of the year.

Cash flow movements during the period are detailed in the cash flow statement.

[19] Assets and liabilities held for sale

At December 31, 2012 the balance consists mainly of the Atlantia group's non-controlling interest in Lusoponte (Euro 11,895) and receivables due from that company (Euro 1,643). It also includes a portion of a building and production machinery held by the Benetton group.

At December 31, 2011, this item included an interest in Nueva Inversiones S.A. (Euro 290,241), which entered the Atlantia group's scope of consolidation on April 1, 2012 through the consolidation of the Autostrade Sud America group and which in the third quarter of 2012 was absorbed by Grupo Costanera.

COMMENTS ON SHAREHOLDERS' EQUITY ITEMS
(All figures in thousands of Euro)

SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

On June 25, 2012, the annual general meeting of Edizione S.r.l. approved a dividend totalling Euro 40 million, which was paid during the course of the year.

[20] Share capital

At December 31, 2012 the share capital of Edizione S.r.l. amounted to Euro 1,500 million, fully subscribed and paid in and divided into quotas.

[21] Fair value and hedging reserve

This item reflects the changes arising from the fair value recognition of "available for sale" financial assets shown under current and non-current assets, as well as the changes in the effective hedging component of cash flow hedges.

[22] Other reserves and retained earnings

Amounting to Euro 2,728,021 at December 31, 2012 (Euro 2,250,791 at December 31, 2011), this item includes:

» Euro 8,104 for the Parent Company's legal reserve;
» Euro 951,641 for the Parent Company's other reserves;
» Euro 1,768,276 representing the shareholders' equity of consolidated companies in excess of their carrying value, together with other consolidation entries.

[23] Translation reserve

This reserve shows the effects of consolidating companies with financial statements in currencies other than the Euro using the line-by-line and proportional methods.

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

(Thousands of Euro)	Gross	Tax effect	Net
Fair value gains/(losses) on cash flow hedges	(130,036)	56,419	(73,617)
Net change in fair value of cash flow hedges reclassified to profit or loss	14,571	(3,984)	10,587
Fair value gains/(losses) of "available for sale" financial instruments	123,051	(13)	123,038
Gains/(losses) from translation of financial statements of foreign operations	(66,530)	16,381	(50,149)
Gains/(losses) from translation of financial statements of foreign operations reclassified to profit or loss	(22,170)	–	(22,170)
Other fair value gains/(losses)	(29,015)	3,763	(25,252)
Other fair value gains/(losses) reclassified to profit or loss	1,383	–	1,383
Other comprehensive income for the year	(108,746)	72,566	(36,180)

Below is the reconciliation between the Shareholders' equity and Net income of Edizione S.r.l. at December 31, 2012 and the corresponding consolidated amounts.

(Thousands of Euro)	Shareholders' equity	Net income
As shown in the separate financial statements of Edizione S.r.l. prepared according to Italian GAAP	2,485,537	25,792
IFRS adjustments to separate financial statements of Edizione S.r.l.	13,227	(16,609)
As shown in the separate financial statements of Edizione S.r.l. prepared according to IFRS	2,498,764	9,183
Group share of net income and shareholders' equity of consolidated subsidiaries, net of their carrying value	992,136	533,787
Reversal of dividends paid to the Parent Company by consolidated subsidiaries	–	(340,230)
Allocation to non-current assets of the difference between the purchase price and the equity of new subsidiaries at the date of acquisition and related depreciation and amortization	1,014,971	–
Elimination of capital gains from the intercompany sale of equity investments and businesses	(32,560)	50,049
Adjustment to reflect the equity value of associated companies	(58,482)	1,206
Net effect of other consolidation postings	(19,264)	1,607
Group's consolidated financial statements	4,395,565	255,602

[24] Equity attributable to non-controlling interests

At December 31, 2012 and 2011, non-controlling interests in the net equity of consolidated companies were as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Atlantia group	3,648,115	2,355,561
Sintonia S.p.A.	870,245	814,283
Autogrill group	359,565	335,315
Benetton group	17,716	425,217
Schemaquattordici S.p.A.	5,229	9,112
Other companies and consolidation adjustments	(14,419)	(15,404)
Total	4,886,451	3,924,084

Regarding the Atlantia group, this item increased essentially as a result of the non-controlling interests in the net equity of the Chilean and Brazilian companies consolidated during the year (Euro 1,180,595).

The increase in non-controlling interests in the Autogrill group reflects positive results for the year.

In 2012, the non-controlling interests in the Benetton group were acquired by the Parent Company through a public tender offer on shares of its subsidiary Benetton Group S.p.A.

The decrease in non-controlling interests in Schemaquattordici S.p.A. is mostly the result of capital repayments during the year.

COMMENTS ON LIABILITY ITEMS

(All figures in thousands of Euro)

NON-CURRENT LIABILITIES

[25] Bonds

Bonds pertain to the Atlantia group for Euro 10,166,154 and to the Autogrill group for Euro 123,665.

As for the Atlantia group, the balance at December 31, 2012 refers to 12 bond loans issued by Atlantia S.p.A. (maturing from 2014 to 2038) and to the bonds of the Chilean companies Costanera Norte and Vespucio Sur (maturing through 2028). The balance increased during the year for the following reasons:

- new bonds reserved to institutional investors as part of Atlantia S.p.A.'s Euro 10 billion medium term note (MTN) program, which in 2012 consisted of bond loans with nominal amounts of Euro 1,000 million (4.5% coupon, maturing in 2019), Euro 750 million (4.375% coupon, maturing in 2020) and Euro 35 million (4.8% coupon, maturing in 2032) as well as a Zero Coupon Note recognized for Euro 48.6 million (5.242% interest, maturing in 2032);
- a new retail bond for retail investors with a nominal amount of Euro 1,000 million (3.625% coupon, maturing in 2018);
- a partial buy-back of the bond maturing in 2014, for Euro 655.8 million;
- bonds of the new Chilean companies, comprised essentially of project bonds issued by Costanera Norte (maturities up to 2016 and 2024) and Vespucio Sur (maturities up to 2028), for a total of Euro 530.3 million.

All bonds are measured at amortized cost.

In order to hedge some of the above liabilities, the Atlantia group has taken out Interest Rate Swaps and Cross Currency Interest Rate Swaps, whose fair value at December 31, 2012 is discussed in Note [29] Other non-current financial liabilities. For further information on financial risks, their management and the financial instruments held by the Atlantia group, see Note [63] Financial risk management.

For the Autogrill group, the balance at December 31, 2012 concerns the private placements guaranteed by Autogrill S.p.A. and issued by HMSHost Corporation (formerly Autogrill Group Inc.) in May 2007 for a total of Usd 150 million, paying fixed annual interest of 5.73% half-yearly and maturing in May 2017. Exposure to fair value fluctuations is partially hedged by an Interest Rate Swap with a notional value of Usd 75 million.
The decrease for the year reflects the reclassification to Current financial payables of the private placement issued in January 2003 for a total of Usd 370 million, which at December 31, 2012 had a remaining balance of Usd 266 million maturing in January 2013.
The private placement regulations require the maintenance of the following financial ratios: a leverage ratio (Gross debt/Ebitda) of 3.5 or less and interest coverage (Ebitda/Net financial expense) of at least 4.5, calculated solely with reference to the companies headed up by HMSHost Corporation.

[26] Medium and long-term loans

This item consists of medium and long-term loans from credit institutions (Euro 6,572,501) and payables to other lenders (Euro 75,423).

Medium and long-term loans from credit institutions refer to the Atlantia group for Euro 3,781,258, to the Autogrill group for Euro 1,183,028, to Sintonia S.p.A. for Euro 768,839, to the Benetton group for Euro 610,620 and to the Parent Company for Euro 220,432. The balance increased due essentially to new loans in the Atlantia group, as follows:

» use of the remaining Euro 500 million tranche of a loan maturing in 2036 and charging fixed 4.596% interest, taken out in 2008 by Autostrade per l'Italia from the European Investment Bank (EIB);

» a new loan of Euro 250 milllion taken out by Autostrade per l'Italia from the EIB, maturing in 2034 and charging fixed 3.771% interest;

» use of a Euro 100 milllion tranche of a loan granted by the Cassa Depositi e Prestiti and by SACE, maturing in 2024 and charging variable interest;

» recognition of the debt of the newly consolidated Chilean companies, comprised essentially of project loans for a total of Euro 357,255, issued by Litoral Central (floating rate TAB 90+0.8% spread, maturities up to 2025), Autopista Nororiente (floating rate TAB 180+0.8% spread, maturities up to 2031) and Vespucio Sur (real fixed rate 5.91%, maturities up to 2028);

» recognition of the bank loans contracted by the subholding company Grupo Costanera for a total of Euro 172,741 (floating rate TAB 90 +1.39% spread, maturing in 2022).

The table below breaks down medium and long-term loans by maturity:

Year	12.31.2012
2014	1,253,561
2015	959,169
2016	1,233,310
2017	531,100
2018 and beyond	2,595,361
Total	**6,572,501**

Payables to other lenders amount to Euro 75,423 (Euro 60,293 at December 31, 2011) and refer mainly to companies in the Atlantia group.

[27] Other non-current liabilities

This item can be broken down as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Long-term deferred income	60,803	29,530
Payables to social security institutions	20,325	25,015
Payables to personnel	6,061	22,843
Other payables to third parties	99,533	103,029
Total	**186,722**	**180,417**

Long-term deferred income concerns the Atlantia group and increased in connection with the investments to be carried out by the newly consolidated Chilean and Brazilian subsidiaries.

Payables to social security institutions and Payables to personnel pertain essentially to the Autogrill group and consist of the provision for defined contribution plans and long-term employee incentive plans; the decrease reflects the reclassification to current liabilities of bonuses on 2012 results and payables under the 2010-2012 incentive plan, which will both be settled by the Autogrill group in 2013.

Other payables to third parties refer to the Atlantia group for Euro 45,444 (contributed mostly by the new Chilean and Brazilian companies and due primarily to government agencies); to the Benetton group for Euro 41,948, including the value attributed to the put options held by non-controlling investors of Benetton group subsidiaries, and to the Autogrill group for Euro 12,141.

[28] Lease financing

The Group has acquired properties, machinery, and other assets using lease financing.

Payables to leasing companies are guaranteed to the lessor by virtue of rights on the leased assets.

Lease financing is broken down below by maturity:

(Thousands of Euro)	12.31.2012	12.31.2011
Within 1 year	1,911	1,900
From 1 to 5 years	8,183	3,919
Beyond 5 years	8,179	8,742
Total	**18,273**	**14,561**

The portion due beyond one year amounts to Euro 16,362, while payments due within one year are shown under current liabilities (Note [37]) and come to Euro 1,911.

Minimum lease payments due to the leasing company are reconciled to their present value (principal portion) as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Minimum payments due	27,173	24,513
Outstanding financial expenses	(8,900)	(9,952)
Present value of lease financing	**18,273**	**14,561**

[29] Other non-current financial liabilities

At December 31, 2012, the full balance of this item pertains to the Atlantia group, as follows:

» Cross Currency Interest Rate Swaps taken out to hedge exchange and interest rate risk on the bond loans of Gbp 500 million and Jpy 20,000 million, whose fair value – a negative Euro 238,968 – includes the effect of the change in the Eur/Gbp rate (Euro 110,465), which offsets the impact on the underlying liability;

» Interest Rate Swaps (Euro 127,264) used to hedge interest rate risk on financial liabilities.

[30] Provisions for employee benefits

This item covers the provisions for post-employment benefits for all Group employees, such as employee termination indemnities (TFR) payable by the Italian companies (Euro 262,133).

Since December 31, 2007, the actuarial valuations for TFR reflect the changes introduced by Law 296 of December 27, 2006 and by the decrees and regulations issued in early 2007 (the "Social security reform"). As a result of those changes:

» TFR accruing with January 1, 2007, whether the employee opts for a complementary pension fund or the INPS (Italian social security institution) fund, is treated as a defined-contribution plan and accounted for accordingly;

» TFR accrued up to December 31, 2006 is treated as a defined-benefit plan and recognized according to the rules of IAS 19.

Movements during the year in the present value of post-employment benefit obligations were as follows:

(Thousands of Euro)	
Balance at 01.01.2012	261,324
Unrecognized actuarial (gains)/losses	7,463
Present value of obligation at 01.01.2012	268,787
Service cost	6,446
Financial expenses/(gains)	9,207
Actuarial losses/(gains)	47,472
Contributions paid by the Group and by employees	8,512
Indemnities paid	(20,973)
Translation differences	743
Other movements	(3,586)
Present value of obligation at 12.31.2012	316,608
Unrecognized actuarial (gains)/losses	48,572
Balance at 12.31.2012	268,036

Of the total at December 31, 2012, Euro 161,756 refers to the Atlantia group, consisting mainly of employee termination indemnities (TFR) for Italian personnel. The Autogrill group accounts for Euro 63,826, with Euro 63,636 pertaining to termination indemnities (TFR) of Italian companies. The amount for the Benetton group is Euro 39,354, including Euro 33,793 in termination indemnities (TFR) for Italian personnel.

Certain companies in the Autogrill group also recognize the fair value of financial assets held to service defined benefit plans, consisting of equity instruments, bonds, real estate, other securities and debt instruments issued by third parties. These plan assets, shown net of the amount of the obligation, at December 31, 2012 amounted to Euro 213,947.

The table below summarizes the main financial and actuarial assumptions used to calculate retirement benefit obligations at December 31, 2012:

Discounting rate	0.7%–5.3%
Inflation rate	2.0%–3.3%
Expected rate of salary increases	0.8%–4.3%
Expected rate of return on assets	2.0%–5.3%

The wide range for some of the above assumptions is explained by differences in the countries where the Group operates.

[31] Deferred tax liabilities

This item refers chiefly to the Atlantia group (Euro 1,026,754) and the Autogrill group (Euro 146,528) and covers deferred tax liabilities that cannot be offset by deferred tax assets. They consist mainly of temporary differences arising from acquisitions by Group companies.

[32] Other non-current and current provisions and liabilities

The table below summarizes movements during the year:

(Thousands of Euro)	Provisions for risk	Provision for sales agent indemnities	Provision for other expenses	Provisions for repair and replacement of assets operated under concession	Total non-current portion	Provisions for risk	Provision for other expenses	Provisions for repair and replacement of assets operated under concession	Total current portion
		Non-current portion					Current portion		
Balance at 01.01.2012	57,894	23,644	40,876	870,030	992,444	54,718	10,930	114,674	180,322
Provisions	3,631	433	2,349	469,295	475,708	30,812	1,518	–	32,330
Uses	(6,023)	(3,045)	(3,132)	–	(12,200)	(1,915)	(1,600)	–	(3,515)
Released to statement of income	(9,106)	(450)	(7,531)	–	(17,087)	(937)	(3,208)	(408,766)	(412,911)
Changes in scope of consolidation	–	–	8,476	4,227	12,703	43	967	(1,400)	(390)
Other movements and translation differences	(4,261)	13	(993)	(367,846)	(373,087)	1,065	9,938	408,455	419,458
Balance at 12.31.2012	42,135	20,595	40,045	975,706	1,078,481	83,786	18,545	112,963	215,294

For a better understanding of the changes in these provisions, details of their overall composition, including the current portion, are provided below.

At December 31, 2012, Provisions for risk totalled Euro 125,921.
The Atlantia group contributed Euro 73,613 to this item (current portion: Euro 59,004), representing the estimated charges to be incurred in connection with pending litigation, including those with contractors regarding contract reserves.
Euro 45,688 pertains to the Autogrill group (current portion: Euro 21,033) and is detailed as follows:

- a self-insurance provision (Euro 26,329) to cover the excess on third-party liability provided for in insurance plans;
- provisions for legal disputes (Euro 16,260) involving the Autogrill group, which take account of the opinions of its legal advisors.

The Benetton group's contribution of Euro 5,583 (current portion: Euro 3,146) is earmarked for legal disputes.

The Provision for sales agent indemnities reflects the estimated liability for the termination of contracts held by Benetton group sales representatives in the cases envisaged by law.

The Provision for other expenses, totalling Euro 58,590, pertains to the Autogrill group for Euro 23,032 (current portion: Euro 3,375), the Benetton group for Euro 7,572 (current portion: Euro 1,830), the Atlantia group for Euro 15,236 (current portion: Euro 592) and the subsidiary Sintonia S.p.A. for Euro 12,655 (current portion).
The balance at December 31, 2012 for the Autogrill group includes:

- a provision for the refurbishment of third party assets (Euro 12,696), representing estimated liabilities for ensuring that leased assets are returned in the contractually agreed condition;
- a provision against onerous contracts (Euro 6,792), relating to loss-making contracts for commercial units whose earnings are not sufficient to cover the amount of the lease;
- a tax risk provision (Euro 3,544; current portion: Euro 3,154), referring mostly to disputes over the US subsidiaries' direct and indirect taxation.

The amount for the Benetton group consists chiefly of a provision of Euro 3,080 concerning a residual tax dispute over the disallowance of certain costs for commissions paid to agents resident in low-tax jurisdictions in 2003. This provision decreased due to the release of Euro 7,114 set aside in 2010 for tax years 2004, 2005 and 2006, for which two favourable decisions have been issued. Also included are the amounts the Benetton group still expects to incur for the reorganization plan, and estimated costs for the closure of some directly operated stores.
Sintonia S.p.A. has made a provision of Euro 12 million to cover the payment pertaining to the tax settlement for the fiscal year 2001, inclusive of penalties and interest.

Provisions for repair and replacement of assets operated under concession (Euro 1,088,669) refer entirely to the Atlantia group and cover the estimated cost of repairing or replacing assets held under concession in accordance with the concession agreements between the group's motorway operators and the grantors of those concessions. The increase due to the consolidation of the new Chilean and Brazilian subsidiaries is almost fully offset by the reduction caused by the deconsolidation of Autostrada Torino-Savona S.p.A.

[33] Provisions for construction services required by contract

These provisions represent the present value of the motorway infrastructure construction/upgrading services that some operators in the Atlantia group, in particular Autostrade per l'Italia S.p.A., have to provide and for which they will not receive additional economic benefits in terms of specific tariff increases and/or a substantial rise in expected traffic. An allocation is made yearly to reflect the change in present value of the investment commitments, financial effects and timing estimates, and the provisions are reduced in proportion to the work without additional benefits actually completed during the year, net of grants receivable.
The table below presents balances at the beginning and end of 2012 and movements during the year, broken down by current/non-current portion and by type of construction service.

The increase in these provisions is essentially the combined effect of:

- the revised estimate of the present value of construction services to be rendered in the future (Euro 430,030), with a corresponding increase in the recognized value of concession rights as intangible assets;
- a financial provision (Euro 100,492), recognized in 2012 as a contra-entry to financial discounting expenses in the income statement;
- the provisions of Concesionaria da Rodovia MG 050 S.A. (Euro 40,615) and Sociedad Concesionaria Autopista Nororiente S.A. (Euro 14,014), consolidated for the first time in 2012;
- release for investments in construction services without additional economic benefits carried out during the year (Euro 470,688, net of grants).

(Thousands of Euro)	Balance at 01.01.2012	Non-current	Current	Changes due to revised present value of contract commitments	Financial provisions	Reduction for completed works	Reversal for grants accrued on completed works	Currency translation differences	Change in scope of consolidation	Balance at 12.31.2012	Non-current	Current
Upgrade of Florence-Bologna section	2,056,550	1,671,436	385,114	176,721	34,462	(373,256)	29,892	–	–	1,924,369	1,587,668	336,701
Third and fourth lanes	21,005	19,409	1,596	922	285	(9,992)	–	–	–	12,220	11,765	455
Other construction services	2,609,011	2,444,115	164,896	252,387	65,745	(117,332)	–	10,231	54,629	2,874,671	2,722,015	152,656
Provisions for construction services required by contract	4,686,566	4,134,960	551,606	430,030	100,492	(500,580)	29,892	10,231	54,629	4,811,260	4,321,448	489,812

CURRENT LIABILITIES

[34] Trade payables

These represent the Group's liabilities for the purchase of goods and services, including the Atlantia group's tolls in the process of settlement (Euro 114,637) and payables to operators of interconnecting motorways (Euro 472,922).

[35] Other payables, accrued expenses and deferred income

This item is summarized as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Other payables		
Payables to personnel	230,790	226,900
Payables for the purchase of fixed assets	118,891	124,590
Payables to social security administration	96,768	93,707
Concession fees	84,891	151,369
Expropriation fees	58,866	57,585
Guarantee deposits	53,718	56,607
Other tax payables	51,508	43,654
VAT payables	50,267	52,198
Other payables to third parties	139,742	115,895
Total other payables	885,441	922,505
Accrued expenses and deferred income:		
Leases and rentals	18,631	16,593
Other	75,103	79,480
Total accrued expenses and deferred income	93,734	96,073
Total other payables, accrued expenses and deferred income	979,175	1,018,578

Payables to personnel concern amounts accrued and not paid at December 31, 2012 and the current portion of employee incentive plans.

Payables for the purchase of fixed assets refer to the retail network, manufacturing division and information technology of the Benetton group (Euro 32,479) and to amounts payable in connection with investments by the Autogrill group (Euro 86,412).

Payables to social security institutions consist of contributions due from Group companies and employees. They also include the current portion of liabilities for Group companies' defined contribution plans.

Concession fees payable to grantors and Expropriation fees are due by companies in the Atlantia group.

Guarantee deposits are owed to motorway users who hold accounts with the Atlantia group.

Other payables to third parties include amounts due to directors and statutory auditors, amounts due to insurance companies, and the liability representing the valuation of put options held by minority shareholders of Benetton group subsidiaries.

Accrued expenses and deferred income refer mainly to insurance premiums, lease installments and utilities pertaining to the subsequent year and include Euro 16,372 in deferred income relating to the grant received from the Serbian government for the construction by the Benetton group of the new manufacturing complex in Niš, Serbia.

[36] Current income tax liabilities

Current income tax liabilities represent the amount payable by the Group for current year income tax, stated net of taxes paid in advance, tax credits and withholding taxes.
Most of the change is attributable to the Atlantia group.

[37] Current portion of lease financing

This is the portion of lease financing that is due within one year to the lessor, as described in Note [28].

[38] Current portion of bonds and medium and long-term loans

The current portion of bonds, Euro 752,386, consists of the amounts maturing in 2013 for the Atlanta group (Euro 550,779) and the Autogrill group (Euro 201,607).
The current portion of medium and long-term loans (Euro 639,649) refers mainly to the Atlantia group's loans from credit institutions (Euro 375,070) and other lenders (Euro 3,568), as well as the current portion of loans from credit institutions held by the Parent Company (Euro 195,000), the Autogrill group (Euro 56,521) and some agricultural subsidiaries (Euro 8,235).
In 2012 the Benetton group reimbursed three loans for a total of Euro 400 million.

[39] Other current financial liabilities

This item is broken down as follows:

(Thousands of Euro)	12.31.2012	12.31.2011
Financial accrued expenses and deferred income	385,377	275,745
Derivatives: cash flow hedges	126,331	175,394
Financial payables to Group companies	24,995	42,302
Derivatives: fair value hedges	17,537	6,279
Financial payables due to other companies	39,908	229
Total	594,148	499,949

Financial accrued expenses and deferred income are made up mostly of accrued liabilities on bonds and loans (Euro 345,501) and on derivative transactions (Euro 32,863).

Derivatives: cash flow hedges refer to the fair value recognition of derivatives involved in interest rate and exchange rate hedging transactions. The balance at December 31, 2012 results from the negative valuation of hedges held by Sintonia S.p.A. (Euro 63,955), the Parent Company (Euro 37,215), the Autogrill group (Euro 20,789) and the Benetton group (Euro 4,373).

Financial payables to Group companies concern Società Autostrada Tirrenica p.A. and are no longer eliminated due to the company's deconsolidation.

Derivatives: fair value hedges represent the differentials on forward exchange contracts arising from the fair value measurement of hedges outstanding at December 31, 2012 in relation to exchange rate risk. The balance at December 31, 2012 refers to the Benetton group for Euro 16,535 and the Autogrill group for Euro 1,002.

[40] Bank loans and overdrafts

In detail:

(Thousands of Euro)	12.31.2012	12.31.2011
Advances on receivables and other short-term borrowings	137,409	196,094
Current account overdrafts	59,113	46,033
Total	196,522	242,127

The Benetton group contributed Euro 122,944 to the year-end balance, consisting almost entirely of drawdowns on uncommitted credit facilities (Euro 72 million) and of a one-year revolving credit facility of Euro 50 million, expiring in August 2013.
The amount pertaining to the Autogrill group is Euro 72,348 and consists mainly of current account overdrafts (Euro 57,792).

COMMENTS ON INCOME STATEMENT ITEMS

(All figures in thousands of Euro)

[41] Revenues

Revenues are broken down by type as follows:

(Thousands of Euro)	2012	2011
Net sales	8,524,496	8,475,188
Tolls	3,392,070	3,271,067
Royalties	178,463	195,523
Other revenues	260,446	239,518
Total	12,355,475	12,181,296

The increase in Net sales pertains mostly to the Autogrill group, which offset the decline reported by the Benetton group.

Tolls increased on previous year due essentially to the longer consolidation period of Triangulo do Sol S.A. (Euro 64,157) and the consolidation of the new motorway operators in Chile (Euro 105,226) and Brazil (Euro 92,975). On a like-for-like basis tolls decreased by Euro 141,276, the combined effect of:

» a reduction in traffic on the Italian motorway network, caused by the ongoing economic downturn and aggravated by the unusually bad weather (Euro -213.4 million);
» the positive impact of toll increases as from January 1, 2012 for the Italian motorway operators (Euro 83.6 million).

Most Royalties pertain to the Atlantia group and include fees paid by the sub-concession holders that operate service areas.

Other revenues consist of the Telepass and Viacard income of the Atlantia group (Euro 122,522) and income from various services such as subcontracting and the development of advertising campaigns.

Revenues by business segment are shown below:

(Thousands of Euro)	2012	2011
Food & beverage and Travel retail & duty-free	6,686,707	6,422,193
Infrastructures and services for mobility	3,814,931	3,684,186
Textiles and clothing	1,810,416	2,032,341
Other sectors	43,421	42,576
Total	12,355,475	12,181,296

The following table shows revenues by geographical area:

(Thousands of Euro)	2012	2011
Italy	5,948,429	6,386,813
Europe (excluding Italy)	3,142,500	3,084,838
North and South America	2,629,215	2,125,247
Rest of the world	635,331	584,398
Total	12,355,475	12,181,296

See the Directors' Report for further information.

[42] Revenues from construction services
In detail:

(Thousands of Euro)	2012	2011
Concession rights accruing from construction services for which additional economic benefits are received	740,353	830,554
Revenue from investment in financial concession rights	296,610	40,854
Government grants for services for which additional economic benefits are not received	29,892	68,932
Revenue from services provided by sub-operators	–	36
Total	1,066,855	940,376

This item presents the value of construction services for which additional economic benefits are received, provided during the year by Atlantia group companies. In keeping with IFRIC 12, the Atlantia group recognizes as revenues from construction services the consideration due for services rendered, which it measures at fair value based on total costs incurred, comprised of operating costs and financial charges.

With respect to 2011:
» the decrease in Concession rights accruing from construction services for which additional economic benefits are received is the result of lower revenues from this kind of work, mainly for Autostrade per l'Italia S.p.A.;
» the increase in Revenue from investment in financial concession rights refers to investments in the Eco-Taxe project.

In 2012 the Atlantia group carried out additional construction services for which no additional benefits are received, amounting to Euro 500,580. For this kind of activity, in accordance with IFRIC 12, the Atlantia group recognizes as Revenues from construction services only the government grants accrued on these works (Euro 29,892), while the amount of investments realized, net of those grants, is recognized in item [49] Use of provisions for construction services required by contract and comes to Euro 470,688.

[43] Other revenues and operating income
This item is detailed in the following table:

(Thousands of Euro)	2012	2011
Rents	95,375	100,112
Reimbursement of costs by third parties	72,700	62,574
Promotional contributions by suppliers	63,587	53,491
Capital gains on disposal of non-current assets	26,886	19,656
Release of provisions	22,471	19,592
Commisions on premium product sales	17,668	17,868
Affiliation fees	2,788	3,743
Impairment reversals	471	821
Other operating income	105,998	93,216
Total	407,944	371,073

Rents refer mainly to income from commercial premises used for the sale of Benetton products (Euro 79,363), leasing installments for companies in the Autogrill group (Euro 10,518), and the leasing of properties classified as Investment Property (Euro 2,219).

Reimbursement of costs by third parties includes Euro 60,991 for the Atlantia group and refers to refunds and indemnities received.

Capital gains on disposal of non-current assets refer to the Benetton group for Euro 21,683 and the Autogrill group for Euro 3,804.

The item Other operating income covers the sublease of parts of commercial units, contingent income, operating grants and miscellaneous income.

[44] Purchases of raw materials and consumables
The increase in this item pertains mostly to the Autogrill group.

[45] Payroll costs
This item is broken down as follows:

(Thousands of Euro)	2012	2011
Wages and salaries	1,906,290	1,820,228
Social security charges	437,016	423,085
Directors' fees	15,023	18,707
Provision for employee termination indemnities and similar	6,446	5,291
Other payroll costs	143,901	126,280
Total	2,508,676	2,393,591

Other payroll costs concern the Autogrill group for Euro 104,497, in connection with long-term incentives, health insurance and other benefits, and the Atlantia group for Euro 38,404, and include bonuses, termination incentives and the cost of seconded personnel. The increase with respect to the previous year is due to the change in the Atlantia group's scope of consolidation.
Directors' fees include Euro 7,169 in fees accrued during the year by members of the Parent Company's Board of Directors for their services at other Group companies.

The following table shows the average number of employees by business segment in terms of equivalent full-time employees:

FTE	2012	2011
Food & beverage and Travel retail & duty-free	47,762	46,940
Infrastructures and services for mobility	11,260	10,054
Textiles and clothing	8,784	8,592
Other sectors	576	586
Total	68,382	66,172

The increase in the average headcount in the Infrastructures and services for mobility sector is due essentially to the Atlantia group's consolidation of its new Chilean and Brazilian subsidiaries.

Other operating expenses

[46] Services

Details are as follows:

(Thousands of Euro)	2012	2011
Construction and similar	820,854	971,181
Professional and technical services	211,071	57,804
Maintenance costs	199,114	166,289
Utilities	175,060	166,683
Subcontracted work	170,801	209,308
Transport and distribution	138,155	123,603
Consultants' fees (Tax & Legal)	130,828	143,291
Sales commissions	87,808	104,249
Advertising and promotion	85,314	94,203
Cleaning and disinfestation	66,015	73,268
Banking services	58,054	51,930
Travel expenses and accomodation	46,003	42,864
Insurance	36,116	32,555
Telephone and postal charges	35,206	32,747
Surveillance	25,091	26,942
Statutory Auditors' fees	2,890	3,008
Other services	224,539	206,513
Total	2,512,919	2,506,438

The items Construction and similar and Professional and technical services pertain to the Atlantia group and include construction and professional services relating mostly to motorway infrastructure and maintenance. Specifically, the increase in Consultants' fees reflects the costs incurred for the Eco-taxe project.

Statutory auditors' fees include Euro 158 accrued to the Statutory Auditors of Edizione S.r.l. for their services in other Group companies.

Other services include miscellaneous items such as public relations, graphics and design consulting, personnel recruitment and training, temporary work, money transportation and health inspections.

[47] Leases and rentals

This item increased from Euro 1,790,854 in 2011 to Euro 1,875,563 in 2012. It consists primarily of concession fees paid by the Autogrill group to third parties and by the Atlantia group to the grantor. Most of the increase in the year, Euro 84,709, pertains to the Autogrill group and correlates with revenue growth in the Travel retail & duty-free segment.

[48] Other operating expenses

In detail:

(Thousands of Euro)	2012	2011
Indirect taxes and duties	53,438	46,643
Donations	43,741	35,087
Capital losses from disposal of non-current assets	6,875	6,308
Differences in cash deposits	1,733	3,644
Other expenses	82,192	79,176
Total	187,979	170,858

Indirect taxes and duties refer to the Autogrill group for Euro 24,182, to the Benetton group for Euro 12,661 and to the Atlantia group for Euro 12,499.
Donations concern the Atlantia group for Euro 41,944, for the upgrading of infrastructures operated by other entities located near the motorways.
Other expenses include indemnities paid to third parties, contingent losses and other miscellaneous operating costs.

[49] Use of provisions for construction services required by contract

The use of provisions for construction services required by contract in relation to works for which no additional economic benefits are received equals the value of the relative construction services provided during year. It is recognized as an indirect adjustment of the costs, classified by nature, incurred in 2012 for the construction services provided by operators of the Atlantia group.
The amount is shown net of Euro 29,892 in grants accrued on construction services for which no additional economic benefits are received, as mentioned in Note [42] Revenues from construction services.

Depreciation, amortization, impairment and provisions

[50] Depreciation of property, plant and equipment

This item is summarized as follows:

(Thousands of Euro)	2012	2011
Depreciation of buildings	26,890	26,305
Depreciation of investment property	1,721	1,724
Depreciation of plant, machinery and equipment	156,323	148,449
Depreciation of furniture, furnishings and electronic equipment	39,300	39,715
Depreciation of assets to be relinquished	30,369	27,271
Depreciation of leasehold improvements	91,023	81,147
Depreciation of other tangible assets	15,612	11,907
Total	361,238	336,518

[51] Amortization of intangible assets

In detail:

(Thousands of Euro)	2012	2011
Amortization of intangible assets deriving from concession rights	558,869	454,547
Amortization of industrial patents and intellectual property rights	1,955	1,091
Amortization of concessions, licences, trademarks and similar rights	93,986	94,778
Amortization of deferred charges	16,014	16,535
Amortization of other intangible assets	33,543	36,868
Total	704,367	603,819

The increase in the Amortization of intangible assets deriving from concession rights is explained by the higher values allocated to Concession Rights by the Atlantia group as a result of its business combinations during the year.

[52] Impairment of property, plant and equipment and intangible assets

Amounting to Euro 57,029, this item is made up of Euro 26,541 in impairment of property, plant and equipment and Euro 30,488 in impairment of intangible assets. Details can be found in the impairment testing section of Note [2] Intangible assets.

[53] Impairment of doubtful accounts

This item, totalling Euro 44,884, pertains to impairment of trade receivables for Euro 42,904 and to other receivables for Euro 1,980. Movements in the provision for doubtful accounts are shown in Note [12] Trade receivables.

[54] Provisions for risks

These include provisions for general risks (Euro 34,443), provisions for sales agent indemnities (Euro 433), and other provisions (Euro 3,867) made in 2012.

They also include the net provision for the repair and replacement of assets operated under concession, pertaining to the Atlantia group, in the amount of Euro 60,529.

[55] Share of income/(loss) of associates

This item represents the positive impact of the valuation on an equity basis of Autostrade Sud America S.r.l. (Euro 2,853) and the negative impact of the valuation of Gemina S.p.A. (Euro 1,387). It also includes the dividends received from the associated company Eurostazioni S.p.A. (Euro 1,983).

In 2011 this item included the positive contribution of Autostrade Sud America S.r.l. (Euro 18,869) and Triangulo do Sol S.A. (Euro 5,563), net of the losses arising from the valuation of other associates on an equity basis.

For further information, see Note [4] Equity investments in associates and joint ventures.

[56] Financial income

This item comprises:

(Thousands of Euro)	2012	2011
Gains on the restatement of investments at fair value	171,065	104,555
Capital gains from disposal of investments	66,029	–
Financial income on derivatives	58,395	52,110
Financial income from discounting	55,755	14,636
Interest income from banks	51,350	49,484
Dividends from other companies	10,882	18,109
Dividends and other income from subsidiaries	–	1,939
Financial income from non-current securities	1,923	12,518
Other financial income	76,386	20,416
Total	491,785	273,767

Gains on the restatement of investments at fair value refers to the 45.765% interest previously held in Autostrade Sud America S.r.l., which was revalued when the Group acquired control of the company on April 1, 2012. In 2011, the balance included Euro 90,622 for the Atlantia group's 50% interest in Triangulo do Sol (consolidated starting on July 1, 2011) and Euro 13,933 for the fair value measurement of the residual interest in Società Autostrada Tirrenica p.A., which was no longer a controlling investment.

Capital gains from the disposal of investments include Euro 60,971 for the sale of the interest in IGLI S.p.A. and Euro 5,056 as the consolidated capital gain on the sale of Pirelli & C. S.p.A. shares.

Financial income on derivatives refers to the hedging transactions of the Atlantia group for Euro 44,386, of the Benetton group for Euro 8,761 and of the Parent Company for Euro 4,724.

Financial income from discounting refers essentially to the Atlantia group's discounting to present value of financial assets deriving from concession rights and of provisions for the repair of assets operated under concession.

Interest income from banks pertains mostly to the Atlantia group.

Dividends from other companies were collected in 2012 from Pirelli & C. S.p.A. (Euro 6.1 million), Assicurazioni Generali S.p.A. (Euro 2.9 million), Mediobanca S.p.A. (Euro 0.9 million) and Gruppo Banca Leonardo S.p.A. (Euro 0.5 million).

Financial income from non-current securities consists mainly of investment fund distributions to the subsidiary Schemaquattordici S.p.A. and to the Parent Company.

[57] Impairment of financial assets

This item refers essentially to impairment losses on equity investments classified under IAS 39 as "available for sale", as mentioned in Note [5] Equity investments in other companies.

In 2012 an impairment loss was charged on the associate Sagat S.p.A. to adjust its carrying value to the disposal price specified in binding agreements valid at December 31, 2012.

In addition, impairment losses of about Euro 4 million were charged on non-consolidated subsidiaries in the sport sector.

[58] Financial charges

This item is summarized as follows:

(Thousands of Euro)	2012	2011
Interest on bonds	507,496	427,395
Interest on medium and long-term bank loans	290,241	175,770
Financial charges from derivatives	167,353	181,761
Financial charges from discounting	151,428	187,532
Write-down of financial assets	22,682	–
Interest on loans from third parties	20,173	2,367
Bank expenses and commissions	18,559	7,854
Other financial charges	18,352	11,821
Total	1,196,284	994,500

Interest on bonds pertains to the bond issues of the Atlantia group and the Autogrill group.

The components of Financial charges from derivatives are as follows:

» financial charges from hedges on interest rate risk: Euro 154,090;
» financial charges from hedges on exchange risk: Euro 10,214;
» premiums from capital hedging: Euro 3,049.

The amount of Financial charges from discounting reflects the impact of discounting the provisions for construction services required by contract and the provisions for the repair and replacement of assets operated under concession pertaining to the Atlantia group.

Write-down of financial assets refers to a portion of the financial concession rights held by Autostrade Meridionali S.p.A. and recognized in item [16] Other current financial assets, due to the revised estimate of the value of its takeover rights.

[59] Foreign currency hedging gains/(losses) and exchange differences

This item states the balance of foreign exchange gains and losses over the year and the result of currency hedges, attributable mainly to the Benetton group.

[60] Income taxes

The balance includes current, prepaid and deferred taxes, as detailed below:

(Thousands of Euro)	2012	2011
Current taxes	381,567	321,830
Prepaid and deferred taxes	26,532	207,530
Total	408,099	529,360

The Group's tax charge for the year breaks down as follows:

(Thousands of Euro)	2012	2011
Atlantia group	328,290	404,630
Autogrill group	50,924	80,315
Benetton group	15,629	42,272
Other Group companies and consolidation adjustments	13,256	2,143
Total	408,099	529,360

Current taxes are allocated below by group:

(Thousands of Euro)	2012	2011
Atlantia group	300,708	198,813
Autogrill group	50,420	81,266
Benetton group	17,064	40,992
Other Group companies and consolidation adjustments	13,375	759
Total	381,567	321,830

Current taxes were affected by a corporate income tax refund for the deduction of IRAP (regional business tax) from IRES paid in prior years (pursuant to Decree Law 16/2012 and the Tax authorities decision of December 17, 2012), and by the decrease in Group companies' taxable income.

For the Atlantia group, current taxes in 2011 reflected the impact of the Ministerial Decree of June 8, 2011, the reply to the Atlantia group's 2010 ruling to the Tax authorities, and Law 111 of July 15, 2011, which recognized the complete fiscal relevance of the amounts recalculated in the 2009 financial statements in accordance with IFRIC 12 and essentially confirmed the deduction of certain items. Those effects on current taxes in 2011 were offset by the new estimates of the deferred tax assets and liabilities recognized until 2010 on the items recognized pursuant to IFRIC 12.

Deferred and prepaid taxes can be broken down as follows:

(Thousands of Euro)	2012	2011
Atlantia group	27,582	205,817
Autogrill group	504	(951)
Benetton group	(1,445)	1,280
Other Group companies and consolidation adjustments	(109)	1,384
Total	26,532	207,530

[61] Profit/(loss) from discontinued operations

This item consists of the profit of Autostrada Torino-Savona S.p.A. until the date of deconsolidation (Euro 12,884), net of the capital loss resulting from its disposal (Euro 1,354).

In 2011 it included capital gains (net of tax effects) on the disposal of controlling investments in Strada dei Parchi S.p.A. (Euro 96,689) and Società Autostrada Tirrenica p.A. (Euro 37,925) and their positive contribution to income from discontinued operations (Euro 24,091), and the impairment loss of Euro 20,183 (net of tax effect) on the Portuguese company Lusoponte Concessionaria S.A. to reflect its estimated fair value.

ADDITIONAL INFORMATIONN

[62] Consolidated net financial position

The items making up net financial indebtedness are as follows:

(Millions of Euro)	12.31.2012	12.31.2011
Non-current financial receivables	1,945	1,208
Current financial receivables and trading securities	1,020	311
Cash and cash equivalents	3,223	1,090
Total financial assets	6,188	2,610
Bonds	10,290	7,840
Medium and long-term loans	6,648	5,091
Other non-current financial liabilities	366	250
Bank loans and overdrafts	197	242
Lease financing	18	15
Other current financial liabilities	1,986	1,286
Total financial liabilities	19,505	14,724
Net financial indebtedness	13,317	12,114
– of which medium and long-term	15,359	11,972

[63] Financial risk management

Introduction

The holding companies and the main sub–groups of the Edizione Group, such as Autogrill, Benetton and Atlantia, have always paid close attention to the identification, assessment and coverage of financial risks.
Given the varied nature of the Group's businesses and the different exposure of its companies to financial risks, there is no centralized unit for risk management and hedging transactions.
Each sub–group, consistently with its own aims, strategies and risks, has established general principles and guidelines for the management of financial risks such as market risk (currency rate and interest rate risk), counterparty credit risk and liquidity risk.

For a clearer view of financial risks and their management within the Group, the following analysis is provided by sub–group.

Holding companies

Holding companies, in the context of their investment activities, are exposed to the following kinds of financial risk:

a) market risk: changes in interest rates on financial liabilities assumed (interest rate risk) and changes in the share price of equity investments held (price risk);
b) liquidity risk: availability of financial resources to satisfy liabilities assumed..

Management of these risks is independent and differs from company to company, as described below.

Edizione S.r.l.

Edizione's strategy for the management of financial risks complies with the guidelines stated in its policy and is consistent with the aims and strategies the company has adopted at any given time.

Market risk

Interest rate risk

The management of interest rate risk, according to a prudent approach in line with best practices, has the following objectives:

(i) to stabilize the cost of financial indebtedness; and

(ii) to improve the predictability of future financial outlays in relation to that debt.

To achieve those objectives, Edizione uses Interest Rate Swaps classified as cash flow hedges.

The fair value of these instruments is based on expected discounted cash flows, using the market yield curve at the measurement date.

Derivative financial instruments were tested for effectiveness, which has to range from 80% to 125%. If the effectiveness of a hedge is 100% or greater, changes in fair value are recognized in full in a hedging reserve under shareholders' equity. If effectiveness is less than 100%, or if the derivative does not pass the test, the ineffective portion of the hedge or the entire fair value is recognized in the statement of income.

The following table summarizes all derivative contracts outstanding at December 31, 2012 and specifies the market value of each:

Tipologia	Notional amount (Thousands of Euro)	Date of inception	Date of maturity	Fixed rate	Fair value at 12.31.2012 (Euro)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.87%	(2,693,118)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.77%	(2,617,526)
Interest Rate Swap	50,000	11.01.2010	11.30.2015	3.75%	(5,209,350)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.82%	(2,655,322)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.87%	(2,521,142)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.88%	(2,696,897)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.84%	(2,670,440)
Interest Rate Swap	50,000	11.01.2010	11.30.2015	3.86%	(5,367,338)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.86%	(2,685,559)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.88%	(2,700,677)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.86%	(2,685,559)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.90%	(2,712,016)
Total	350,000			3.84%	(37,214,942)

At December 31, 2012 the hedging reserve included the fair value of effective hedge derivatives outstanding on that date, net of the tax effect and the component already accrued.

The same derivative contracts were outstanding at December 31, 2011 and had a negative fair value of Euro 34.947.

Price risk

Edizione is exposed to the risk of changes in the market price of its financial assets, particularly with respect to its medium and to long-term investments in listed companies that are classified as equity investments "available for sale" on the basis of IAS 39.

There are no financial instruments falling within level 3 of the fair value hierarchy, and in 2012 no transfers took place between the various levels.

Sensitivity analysis

The sensitivity analysis shows the theoretical impact on the statement of income and shareholders' equity of interest rate changes and movements in the stock market price of financial assets held by Edizione.

Specifically, the sensitivity analysis for interest rates is based on average annual exposure to the interest rates of financial instruments, assuming a shift of 100 bps in the interest rate curve at the start of the year for effects on the statement of income, and a shift of 100 bps at the valuation date for the impact of fair value changes on shareholders' equity.

According to these analyses, a 100 bps rise/decrease in market interest rates would have had an impact of ± Euro 75 (± Euro 1.018 in 2011).

Concerning the risk of share price movements in investments "available for sale", we have assumed a 500 bps shock in the price of the shares.

Based on the analyses, the outcome is that a change of ±5% in the stock market price at December 31, 2012 would have affected shareholders' equity by ± Euro 26,939 (± Euro 23,009 in 2011).

Liquidity risk

Liquidity risk is the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due.

Given its cash flows and its non-revocable lines of credit, Edizione believes that it has access to funds whose amounts and maturities are in line with its investment plans.

At December 31, 2012 Edizione had committed credit lines still undrawn in the amount of Euro 430 million, as detailed below:

(Thousands of Euro)	Date of inception	Date of maturity	Available	Drawn	Undrawn
Term Loan MB, ISP, UCI	02.29.2012	02.28.2017	225,000	225,000	–
Revolving MB, ISP, UCI	02.29.2012	02.28.2017	375,000	–	375,000
Revolving Banco Popolare	11.16.2006	11.16.2013	150,000	145,000	5,000
Revolving Banco Popolare	11.16.2006	11.16.2013	100,000	50,000	50,000
Total			850,000	420,000	430,000

The tables below show financial liabilities outstanding at December 31, 2012 by maturity.

(Thousands of Euro)				
Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Term Loan MB, ISP, UCI (Euro 225 million)	(274,761)	(11,949)	(262,812)	–
Revolving Banco Popolare (Euro 150 million)	(145,659)	(145,659)	–	–
Revolving Banco Popolare (Euro 100 million)	(50,450)	(50,450)	–	–
Bank accounts and intercompany accounts	(115)	(115)	–	–
Total	(470,985)	(208,173)	(262,812)	–

(Thousands of Euro)				
Derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Interest rate derivatives	(37,586)	(12,953)	(24,633)	–
Total	(37,586)	(12,953)	(24,633)	–

The tables below show financial liabilities outstanding at December 31, 2011 by maturity.

(Thousands of Euro)				
Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Revolving UniCredit (Euro 250 million)	(204,248)	(2,853)	(201,395)	–
Revolving Intesa Sanpaolo (Euro 300 million)	(30,281)	(30,281)	–	–
Bank accounts and intercompany accounts	(56)	(56)	–	–
Totale	(234,585)	(33,190)	(201,935)	–

(Thousands of Euro)				
Derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Interest rate derivatives	(29,487)	(1,589)	(27,898)	–
Total	(29,487)	(1,589)	(27,898)	–

The distribution of maturities in the tables above is based on the residual contract term or on the earliest date on which payment may be required, unless a better estimate is available.

Sintonia S.p.A.

Market risk

Interest rate risk

The management of interest rate risk, according to a prudent approach in line with best practices, has the following objectives:

» to stabilize the cost of financial indebtedness; and
» to improve the predictability of future financial outlays in relation to that debt.

To achieve those objectives, Sintonia S.p.A. uses Interest Rate Swaps classified as cash flow hedges.
The fair value of these instruments is based on expected discounted cash flows, using the market yield curve at the measurement date.

Derivative financial instruments were tested for effectiveness, which has to range from 80% to 125%.
If the effectiveness of a hedge is 100% or greater, changes in fair value are recognized in full in a hedging reserve under shareholders' equity. If effectiveness is less than 100%, or if the derivative does not pass the test, the ineffective portion of the hedge or the entire fair value is recognized in the statement of income.

The following table summarizes all derivative contracts outstanding at December 31, 2012 and specifies the market value of each:

Tipologia	Notional amount (Thousands of Euro)	Date of inception	Date of maturity	Fixed rate	Fair value at 12.31.2012 (Euro)
Interest Rate Swaps	50,000	10.16.2007	10.09.2014	4.53%	(4,318,242)
Interest Rate Swaps	50,000	10.17.2007	10.09.2014	4.56%	(4,348,276)
Interest Rate Swaps	50,000	10.19.2007	10.09.2014	4.55%	(4,338,265)
Interest Rate Swaps	50,000	10.22.2007	10.09.2014	4.50%	(4,288,209)
Interest Rate Swaps	50,000	10.23.2007	10.09.2014	4.44%	(4,228,142)
Interest Rate Swaps	50,000	11.01.2007	10.09.2014	4.37%	(4,158,063)
Interest Rate Swaps	50,000	11.08.2007	10.09.2014	4.38%	(4,168,074)
Interest Rate Swaps	50,000	11.09.2007	10.09.2014	4.34%	(4,128,029)
Interest Rate Swaps	50,000	11.20.2007	10.09.2014	4.31%	(4,097,996)
Interest Rate Swaps	50,000	11.26.2007	10.09.2014	4.28%	(4,062,957)
Interest Rate Swaps	50,000	01.16.2008	10.09.2014	4.21%	(3,997,884)
Interest Rate Swaps	50,000	04.16.2008	10.09.2014	4.13%	(3,917,794)
Interest Rate Swaps	20,000	04.16.2008	10.09.2014	3.99%	(1,509,053)
Interest Rate Swaps	50,000	04.16.2008	10.09.2014	4.18%	(3,967,850)
Interest Rate Swaps	50,000	04.16.2008	10.09.2014	4.00%	(3,787,648)
Interest Rate Swaps	50,000	10.09.2008	10.09.2014	4.85%	(4,638,601)
Total	770,000			4.36%	(63,955,083)

At December 31, 2012 the hedging reserve included the fair value of effective hedge derivatives outstanding on that date, net of the component already accrued.

In July 2012, derivatives contracts were closed early for a notional amount of Euro 130,000.
At December 31, 2011 the outstanding contracts of notional Euro 900 millions, had a negative fair value of Euro 84,521.

Price risk
Sintonia S.p.A. does not hold financial assets that qualify as investments "available for sale" in accordance with IAS 39.

There are no financial instruments falling within level three of the fair value hierarchy, and in 2012 no transfers took place between the various levels.

Sensitivity analysis
The sensitivity analysis shows the theoretical impact on the statement of income and shareholders' equity of interest rate changes and movements in the stock market price of financial assets held by Sintonia S.p.A.

Specifically, the sensitivity analysis for interest rates is based on average annual exposure to the interest rates of financial instruments, assuming a shift of 100 bps in the interest rate curve at the start of the year for effects on the statement of income, and a shift of 100 bps at the valuation date for the impact of fair value changes on shareholders' equity.
According to the analyses performed, an increase/decrease of 100 bps in market interest rates would have an impact of ± Euro 21 on the statement of income (± Euro 282 in 2011).

Liquidity risk
Liquidity risk is the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due.
Given its cash flows and its and non-revocable lines of credit, Sintonia S.p.A. believes that it has access to funds whose amounts and maturities are in line with its investment plans.

At December 31, 2012 Sintonia had committed credit lines still undrawn in the amount of Euro 430 million, as detailed below:

(Thousands of Euro)	Date of inception	Date of maturity	Available	Drawn	Undrawn
Revolving Royal Bank of Scotland	10.01.2007	10.09.2014	430,000	–	430,000
Term Loan Royal Bank of Scotland	10.01.2007	10.09.2014	770,000	770,000	–
Total			1,200,000	770,000	430,000

The tables below show financial liabilities outstanding at December 31, 2012 by maturity.

(Thousands of Euro) Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Credit line RBS Euro 1,200 million	(778,400)	(4,739)	(773,661)	–
Total	(778,400)	(4,739)	(773,661)	–

(Thousands of Euro) Derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Interest rate derivatives	(64,742)	(32,634)	(32,108)	–
Total	(64,742)	(32,634)	(32,108)	–

The tables below show financial liabilities outstanding at December 31, 2011 by maturity.

(Thousands of Euro) Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Credit line RBS Euro 1,200 million	(804,299)	(12,392)	(791,907)	–
Totale	(804,299)	(12,392)	(791,907)	–

(Thousands of Euro) Derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Interest rate derivatives	(90,659)	(29,500)	(61,159)	–
Total	(90,659)	(29,500)	(61,159)	–

Benetton group
The Benetton group financial policy defines general principles and guidelines for financial management and the management of financial risks, such as market risk (exchange rate and interest rate risk), counterparty credit risk, liquidity risk and commodity risk.
The group's financial model involves centralizing cash flows relating to any positions at risk with the parent company; the cash surpluses of some companies cover the deficits of others, reducing the need for outside sources of finance and so optimizing financial income and expenses. It is the parent company who that generally has recourse to outside finance. The Individual companies' exposures to risk of individual companies areis hedged by the parent company; currency sales by some companies can be reduced or matched by currency purchases by other companies, thereby reducing the amount of hedging transactions with third parties.

Market risks

Foreign exchange rate risk
The group is exposed to exchange rate fluctuations, which can impact on the economic results and the value of shareholders' equity. The following classes of risk can be identified according to the type of exposure:

a) exposure to economic exchange risk: the group's companies may have:
   » costs and revenues denominated in currencies other than a company's functional currency or other currency normally used in its reference market and whose exchange rate fluctuations can impact operating profit;
   » trade receivables or payables denominated in currencies other than a company's functional currency, where an exchange rate fluctuation can determine the realization or the reporting of exchange rate differences;
   » forecast transactions relating to future costs and revenues denominated in currencies other than the functional currency or another currency normally used in the companies' reference market and whose exchange rate fluctuations can impact operating profit;
b) exposure to transaction exchange risk: group companies may have financial receivables or payables denominated in currencies other than their functional currency whose exchange rate fluctuations can cause the realization or the reporting of exchange rate differences;
c) exposure to translation exchange risk: some of the Group's subsidiaries are located in countries which do not belong to the European Monetary Union and their functional currency differs from the Euro, which is the Group's reference currency:
   » the statements of income of these companies are translated into Euro using the period's average exchange rate, and, with revenues and margins being the same in local currency, exchange rate fluctuations can impact on the value inthe Euro amount of revenues, costs and economic results;
   » assets and liabilities of these companies are translated at the period-end exchange rate and therefore can have different values depending on exchange rate fluctuations. As provided for by the accounting standards adopted, the effects of such variations are recognized directly in shareholders' equity as translation differences.

It is the Benetton group's policy to manage foreign exchange risk through derivative financial instruments such as currency forwards, currency swaps, currency spot transactions and currency options to reduce or hedge the exposure to such risk. According to the type of risk, the maximum duration of hedging transactions may vary from a minimum of two years to a maximum of five years. The group's financial policy does not allow the undertaking of any transactions for the purposes of realizing gains from exchange rate fluctuations, or any transactions in currencies to which there is not an underlying exposure or transactions in currencies designed to increase the underlying exposure. Financial instruments are designated as part of a hedging relationship at the inception of the hedge. Fluctuations in the market value of hedging instruments are therefore tied to changes in the market value of the underlying hedged item for the entire duration of the hedge.

The notional amount, fair value and pre-tax effects on the statement of income and shareholders' equity of outstanding derivative financial instruments at December 31, 2012 are as follows:

			Effect on:	
(Thousands of Euro)	Notional amounts	Net fair value	Shareholders' equity	Statement of income
Economic exchange risk	**498,961**	**(4,367)**	**(3,742)**	**(625)**
– fair value hedges	243,614	668	–	668
– cash flow hedges	255,347	(5,035)	(3,742)	(1,293)
Translation exchange risk	**581,859**	**7,338**	**7,720**	**(382)**
– fair value hedges	2,441	148	–	148
– cash flow hedges	579,418	7,190	7,720	(530)
Transaction exchange risk	**646,721**	**(12,153)**	**–**	**(12,153)**
– fair value hedges	646,721	(12,153)	–	(12,153)

The notional amounts represent the total absolute value of all transactions valued at the relevant forward exchange rate (or option strike price).
Fair value has been calculated by discounting to present value (using the Black & Scholes model in the case of options) and translating future cash flows using market parameters at the balance sheet date (in particular, interest rates, exchange rates and volatility). Therefore, on the basis of the three-level valuation hierarchy indicated by IFRS 7:

» level one: quoted prices in active markets for the assets or liabilities being valued;
» level two: input other than quoted prices in level one, but based on directly observable data (prices) or indirectly observable market data (derived from prices);
» level three: input which is not based on observable market data;

Benetton group's financial instruments described above can be classified in level two.

In the case of economic exchange risk:

» the effects on shareholders' equity relate to cash flow hedges against future purchases and sales in currencies other than the Euro which, in accordance with international accounting standards, will be recognized in the statement of income during 2013 when the related purchases and sales occur;
» the effects on the statement of income are partially offset by the adjustment of the value of trade receivables and payables underlying the hedging transactions.

In the case of transaction exchange risk, the effects on the statement of income are partially offset by gains arising on adjustment of the value of the financial receivables and payables underlying the hedging transactions.
In the case of translation exchange risk, the effects on shareholders' equity are partially offset by losses arising on the translation of shareholders' equity underlying the hedging transactions.

Sensitivity analysis
At December 31, 2012 the potential pre-tax impact on the statement of income of a hypothetical 10% increase in exchange rates against the Euro, assuming that all other variables remain equal, would be Euro 2 million.

The potential pre-tax impact on the statement of income of a hypothetical 10% decrease in exchange rates would be a positive Euro 1 million.
At December 31, 2011 the potential pre-tax impact on the statement of income of a hypothetical 10% decrease in exchange rates was a negative Euro 4 million, while the potential pre-tax impact on the statement of income of a hypothetical 10% increase in exchange rates was Euro 2 million.

The potential pre-tax effects on shareholders' equity would be as follows:

	12.31.2012		12.31.2011	
(Millions of Euro)	–10%	+10%	–10%	+10%
Economic exchange risk	12	(13)	10	(5)
Transaction exchange risk	–	–	–	–
Translation exchange risk	39	(32)	37	(30)

The analysis includes derivative financial instruments, as well as trade receivables and payables, financial receivables and payables, and, in the case of translation exchange risk, the shareholders' equity of companies in which investments are held.
The effects on shareholders' equity of economic exchange risk relate to hedges taken out against future purchases and sales in currencies other than the Euro (cash flow hedges).
The effects on shareholders' equity of translation exchange risk relate to the shareholders' equity of companies whose capital employed mostly consists of non-monetary assets whose value over time should offset currency fluctuations and which the Benetton group hedges only in a very few cases.

Interest rate risk
The Benetton group's companies use external financial resources in the form of loans and invest available liquidity in money-market and capital-market instruments. Variations in market interest rates influence the cost and revenue of funding and investment instruments, thus impacting on the group's financial expenses and income.
The group's financial policy allows it to use derivative financial instruments to hedge or reduce its exposure to interest rate risk. There are no interest rate hedges in place at December 31, 2012.
Almost all of the interest-bearing debt consists of floating-rate loans and/or deposits and so their fair value is close to the value recognized in the statement of financial position.

Sensitivity analysis
At December 31, 2012 the potential pre-tax impact on the statement of income of a hypothetical 10% increase in interest rates, applied to the group's average interest-bearing debtor or creditor positions, would increase financial expenses by approximately Euro 2 million (Euro 2 million at December 31, 2011). A similar change, but of opposite sign, would occur if rates were to fall by 10%.

Credit risk
The Benetton group has different concentrations of credit risk depending on the nature of the activities which have generated the receivables.
Trade credit risk basically relates to wholesale sales and is limited by only making sales to customers with an established credit history. Sales to retail customers are settled in cash or using credit cards and other debit cards.
The amount of the write-down takes into account a forecast of recoverable cash flows and their relevant collection date, as well as the fair value of warranties. Collective provisions are made for receivables which are not subject to individual write-down, taking into account bad debt history and statistical data.
Financial credit risk lies in the counterpart's or the issuer's inability to settle its financial obligations.
The group uses financial instruments to invest its excess liquidity and hedge financial risks. These instruments must have a minimum long-term issuer and/or counterparty rating of S&P's "A–" (or equivalent) and/or a minimum short-term issuer and/or counterparty rating of S&P's "A–2" (or equivalent) and must be issued or subscribed by issuers or counterparties based in (or under the jurisdiction of) countries which have approved plans in support of their banking systems.
For the purpose of reducing risk concentration, the group may not invest more than 10% of its liquidity (except for bank deposits with a term of under two weeks) with any one issuer or counterparty, with a ceiling of Euro 20 million per issuer and/or counterparty with a rating lower than "AA" (or "A" in the case of sovereign issuers). The maximum concentration per

counterparty when hedging financial risks is 20% of the total value of hedges in place.
Available-for-sale assets (in level one of the IFRS 7 fair value hierarchy) and cash and cash equivalents are stated at their fair value; furthermore, at December 31, 2012 Benetton group does not have any positions with sovereign debtors carrying significant repayment risks.

The Benetton group's exposure to credit risk at December 31, 2012 was as follows:

				Financial receivables individually impaired			Financial receivables not individually impaired				
							Financial receivables not past due		Financial receivables past due		Collateral
(Thousands of Euro)	12.31.2012	Of which due beyond 5 years	Total collateral	Not past due	Past due	Collateral	Total	Of which past due and renegotiated	0-60 days	Beyond 60 days	
Non-current assets											
Guarantee deposits	26,866	4,306	–	–	–	–	25,868	–	67	931	–
Medium and long-term financial receivables	2,003	–	–	–	–	–	2,003	–	–	–	–
Other medium and long-term receivables	25,642	–	–	15,555	–	–	10,087	–	–	–	–
Current assets											
Trade receivables	832,059	15	17,983	54,127	248,418	3,785	294,368	12,783	145,033	90,113	14,198
Other receivables	50,219	2,871	–	–	50	–	49,338	–	223	608	–
Assets held for sale	18,170	–	–	–	–	–	18,170	–	–	–	–
Financial receivables	23,869	–	–	–	–	–	23,865	–	4	–	–

The group's exposure to credit risk at December 31, 2011 was as follows:

				Financial receivables individually impaired			Financial receivables not individually impaired				
							Financial receivables not past due		Financial receivables past due		Collateral
(Thousands of Euro)	12.31.2011	Of which due beyond 5 years	Total collateral	Not past due	Past due	Collateral	Total	Of which past due and renegotiated	0-60 days	Beyond 60 days	
Non-current assets											
Guarantee deposits	24,929	5,455	–	–	–	–	24,171	–	7	751	–
Medium and long-term financial receivables	3,070	–	–	–	–	–	3,070	–	–	–	–
Other medium and long-term receivables	11,720	–	–	5,715	63	–	5,942	–	–	–	–
Current assets											
Trade receivables	889,330	3,146	18,676	100,280	155,272	2,550	418,363	2,848	161,511	53,904	16,126
Other receivables	54,543	3,221	158	–	–	–	52,810	–	1,116	617	158
Financial receivables	62,208	–	–	–	–	–	61,988	–	197	23	–

Liquidity risk
Liquidity risk can arise through the inability to access, at economically viable conditions, the financial resources needed to guarantee the group's ability to operate.
The two main factors influencing the group's liquidity position are the resources generated or used by operating and investing activities, and the maturity and renewal profiles of debt or liquidity profile of financial investments.

Liquidity requirements are monitored by Benetton Group S.p.A. head office functions in order to guarantee effective access to financial resources and/or adequate investment of liquidity.
Benetton Group S.p.A. coordinates credit facility management on the basis of efficiently satisfying group company needs.
At December 31, 2012 the Benetton group had Euro 90 million in unutilized committed credit facilities and Euro 331 million in unutilized uncommitted credit facilities.

Management feels that currently available funds and credit facilities, apart from those which will be generated by operating and financing activities, will allow the group to satisfy its requirements as far as investment, working capital management, and debt repayment at natural maturity are concerned.

The Benetton group's financial liabilities at December 31, 2012 and 2011 are analyzed by due date in the following tables; note that these amounts include cash flows arising from future financial expenses.

(Thousands of Euro)	12.31.2012	Contractual maturity within 1 year	Contractual maturity 1-2 years	Contractual maturity 2-3 years	Contractual maturity 3-4 years	Contractual maturity 4-5 years	Contractual maturity beyond 5 years
Non-current liabilities							
Medium and long-term loans	662,062	9,503	93,389	425,760	56,365	76,599	446
Other medium and long-term payables	39,273	4,900	1,008	27,933	244	1,944	3,244
Lease financing	262	–	232	30	–	–	–
Current liabilities							
Trade payables	465,414	465,269	145	–	–	–	–
Other payables, accrued expenses and deferred income	95,338	75,441	5,861	4,876	4,758	2,178	2,224
Current portion of lease financing	289	289	–	–	–	–	–
Current portion of medium and long-term loans	10,471	10,471	–	–	–	–	–
Financial payables and bank loans	154,635	154,591	26	13	5	–	–

(Thousands of Euro)	12.31.2011	Contractual maturity within 1 year	Contractual maturity 1-2 years	Contractual maturity 2-3 years	Contractual maturity 3-4 years	Contractual maturity 4-5 years	Contractual maturity beyond 5 years
Non-current liabilities							
Medium and long-term loans	336,484	64,010	6,594	9,118	255,778	303	681
Other medium and long-term payables	43,455	2,352	10,563	242	25,649	2,317	2,332
Lease financing	330	–	188	142	–	–	–
Current liabilities							
Trade payables	506,145	506,142	3	–	–	–	–
Other payables, accrued expenses and deferred income	114,357	92,411	4,331	4,801	4,619	4,583	3,612
Current portion of lease financing	188	188	–	–	–	–	–
Current portion of medium and long-term loans	400,709	400,709	–	–	–	–	–
Financial payables and bank loans	88,274	88,274	–	–	–	–	–

Commodity risk

The exposure to commodity risk is represented by the price fluctuation of commodities used in the business cycle, especially cotton and wool, which can adversely affect the company margins. The exposure is represented by the quantity of commodity purchased (direct) or present in purchased products (yarns, fabrics, finished products). The group's financial policy allows it to use derivative financial instruments to hedge or reduce its exposure to commodity risk.

Call options on cotton were purchased during 2012, whose fair value at December 31, 2012 is approximately Euro 17.

Sensitivity analysis

At December 31, 2012, the potential effects on the fair value of the options purchased of a hypothetical 10% change in cotton prices would be immaterial (less than Euro 1 million).

Autogrill group

The group is exposed to the following risks:

» market risk;
» credit risk;
» liquidity risk.

Market risk

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.
Hedging instruments are allocated to companies with significant exposure to interest rate risk where there are borrowings paying a floating rate (thus exposing the group to higher finance costs if interest rates rise) or a fixed rate (which means that lower interest rates do not bring about a reduction in financial expense).
Currently, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) must be, as a matter of policy, in the range of 40% to 60% with reference to the Autogrill group as a whole. At December 31, 2012 the ratio was 42%.
The percentage of fixed-rate debt is higher when considering debt denominated in British pounds (48%) and US dollars (54%) as opposed to debt in Euros (23%).

At December 31, 2012 gross debt denominated in US dollars amounted to Usd 750.6 million. Of the total, Usd 429 million stands for the bond loan. Part of the interest rate risk is hedged by fixed-to-floating Interest Rate Swaps for Usd 75 million, classified as fair value hedges.
Gross debt in British pounds at year end amounted to Gbp 416 million, for draw-downs on committed multicurrency facilities. Part of the interest rate risk is hedged by floating-to-fixed Interest Rate Swaps for a notional amount of Gbp 200 million.

When applying the policy described above, interest rate risk management instruments were accounted for as cash flow hedges in the group companies' financial statements where they were subject to this risk, and thus recognized as financial assets or liabilities with a specific balancing entry in comprehensive income and presented in the hedging reserve under equity. In the year ended December 31, 2012, a fair value gain of Euro 16,598 was recognized in respect of derivatives found to be effective.

The basic details of Interest Rate Swap contracts used as cash flow hedges at December 31, 2012 are as follows:

Underlying		Notional amount (Thousands of)	Expiry	Average fixed rate paid	Floating rate received	Fair value (Thousands of Euro)
Term Loan Euro 200 million	Euro	120,000	06.24.2015	4.66%	Euribor 3 months	(14,381)
Term Loan Gbp 385 million	Gbp	200,000	07.21.2016	1.34%	Gbp Libor 1 month	(6,408)

Below are the details of financial instruments used to hedge fixed-rate debt of Usd 75 million at December 31, 2012:

Underlying		Notional amount (Thousands of)	Expiry	Average fixed rate received	Floating rate paid	Fair value (Thousands of Euro)
Bond	Usd	75,000	05.09.2017	5.73%	Usd Libor 6 months +0.4755%–0.5055%	11,182

These instruments were accounted for as fair value hedges in the financial statements of group companies subject to this risk, and thus recognized as financial assets or liabilities with a balancing entry in the income statement. In 2012, the change in fair value was Usd 0.7 million (Euro 0.5 million), which cancelled the effects on the income statement of changes in the payable's fair value.

The fair value of derivatives is measured using techniques based on parameters other than price, that can be observed in the market. They can therefore be classified in level two of the fair value hierarchy, with no change on the previous year.

A hypothetical unfavourable change of 1% in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at December 31, 2012 would increase financial expense by Euro 9,523.

Currency risk

The objective of currency risk management is to neutralize this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the Euro.

The Autogrill group's exposure to currency risk is detailed below:

(Thousands of)	Usd	Cad	Gbp	Chf
Net equity	416,137	176,557	389,209	189,776
Net income	103,730	9,255	53,343	4,022

If the Euro had risen by 5% against the above currencies, at December 31, 2012 Net equity and Net income for the year would have been reduced as shown in the following table:

(Thousands of)	Usd	Cad	Gbp	Chf
Net equity	15,019	6,400	22,710	7,486
Net income	3,845	343	3,133	159

This analysis was based on the assumption that the other variables, especially interest rates, remained 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 Euro in Autogrill S.p.A. or in its subsidiaries' financial statements of equity investments 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 hedges outstanding at December 31, 2012 is shown below:

(Thousands of)	Notional amount	Expiry	Spot rate	Forward rate	Fair value (Thousands of Euro)
Usd	32,022	03.26.2013	1.3282–1.3288	1.3284–1.3294	214
Usd	10,176	01.16.2013	1.3276–1.3289	1.3276–1.3289	(57)
Usd	14,250	01.10.2013	–	1.3270	60
Usd	7,572	03.26.2013	1.3178–1.3295	1.3185–1.3322	(16)
Gbp	10,162	01.15.2013	–	0.8165	(5)
Gbp	26,000	01.22.2013	0.8130	0.8132	(92)
Chf	4,100	01.22.2013	1.2088–1.2090	1.2082–1.2087	3
Cad	50,000	01.28.2013	1.2850–1.2950	1.2874–1.2966	(753)
Cad	4,240	01.15.2013	–	1.3122	(1)
Kwd	4,650	03.27.2013	1.3719–1.3722	1.3723–1.3734	57
Kwd	964	01.21.2013	–	3.3755	(28)
Sek	25,000	01.22.2013	8.6845	8.6935	35
Pen	29,403	03.26.2013	3.3680	3.3700	(25)
Pen	5,407	01.16.2013	–	3.4217	(25)

For instruments hedging translation risk that are therefore designated as hedges of net investments, the effective component of fair value is recognized in comprehensive income and classified to the translation reserve under equity.

The fair value of these hedges outstanding at December 31, 2012 is shown in the following table:

(Thousands of)	Notional amount	Expiry	Spot rate	Forward rate	Fair value (Thousands of Euro)
Chf	60,000	01.23.2013	1.2–1.2002	1.1996–1.9930	316

For the purpose of limiting total net exposure in British pounds due to the Autogrill group's presence in the United Kingdom by way of World Duty Free, the Gbp-denominated debt has been partially designated, to the extent allowed by the policy, as a hedge of net investments.
The fair value of derivatives is measured using techniques based on parameters other than price that can be observed in the market. They can therefore be classified in level two of the fair value hierarchy, with no change on the previous year.

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.

Exposure at December 31, 2012 and December 31, 2011 was as follows:

(Thousands of Euro)			
Financial assets	12.31.2012	12.31.2011	Change
Cash and cash equivalents	88,996	146,562	(57,566)
Other current financial assets	15,010	4,899	10,111
Trade receivables	53,599	53,481	118
Other receivables	254,715	205,022	49,694
Derivative instruments	11,866	12,680	(813)
Other non-current financial assets	19,319	17,219	2,100
Other non-current receivables	27,386	32,887	(5,501)
Total	470,891	472,749	(1,858)

Exposure to credit risk depends on the specific characteristics of each customer. The Autogrill group's business model, centred on the relationship with the end consumer, means that trade receivables, and thus the relative degree of risk, are of little 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 consist mainly of amounts due from Inland Revenue and other government agencies, lease instalments 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.

The following tables show the age of trade receivables by category of debtor at December 31, 2012 and 2011:

		12.31.2012				
(Thousands of Euro)		Expired not impaired				
Trade receivables	Not expired	1-3 months	3-6 months	6 months-1 year	Beyond 1 year	Total
Airlines	7,191	2,641	5,264	168	16	15,280
Franchises	2,420	519	–	892	–	3,831
Catering services agreements	2,373	4,091	143	353	–	6,960
Other	16,007	7,004	86	4,415	16	27,529
Total	27,991	14,255	5,493	5,828	32	53,599

		12.31.2011				
(Thousands of Euro)		Expired not impaired				
Trade receivables	Not expired	1-3 months	3-6 months	6 months-1 year	Beyond 1 year	Total
Airlines	4,596	2,404	–	64	6	7,070
Franchises	2,086	1,318	–	2,210	–	5,615
Catering services agreements	3,311	3,508	141	381	25	7,366
Other	15,186	12,830	831	4,246	337	33,430
Total	25,179	20,061	972	6,901	367	53,481

There is no significant concentration of credit risk: the top 10 customers account for 20.9% of total trade receivables, and the largest customer (Eni S.p.A.) for 5.9%.

Liquidity risk
Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities.
The elements that make up the Autogrill 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 2012 and 2011 were as follows:

				12.31.2012			
(Thousands of Euro)				Contractual cash flows			
Non-derivative financial liabilities	Carrying amount	1-3 months	3-6 months	6 months-1 year	1-5 years	Beyond 5 years	Total
Current accounts overdrafts	57,792	54,474	–	3,318	–	–	57,792
Unsecured bank loans	1,264,731	14,540	5	56,531	1,193,654	–	1,264,731
Lease payments due to others	12,179	370	241	491	2,897	8,179	12,179
Other financial liabilities	315	27	–	–	–	288	315
Bonds	326,115	201,607	–	–	124,508	–	326,115
Trade payables	643,958	606,680	31,303	5,720	255	–	643,958
Due to suppliers for investments	86,412	86,398	–	–	14	–	86,412
Total	2,391,503	964,096	31,549	66,060	1,321,328	8,467	2,391,501

				12.31.2012			
(Thousands of Euro)				Contractual cash flows			
Derivative financial liabilities	Carrying amount	1-3 months	3-6 months	6 months-1 year	1-5 years	Beyond 5 years	Total
Forward foreign exchange derivatives	685	685	–	–	–	–	685
Interest Rate Swap	11,182	–	1,336	–	9,846	–	11,182
Total	11,867	685	1,336	–	9,846	–	11,867

	12.31.2011						
(Thousands of Euro)	Contractual cash flows						
Non-derivative financial liabilities	Carrying amount	1-3 months	3-6 months	6 months-1 year	1-5 years	Beyond 5 years	Total
Current accounts overdrafts	32,753	29,698	–	–	–	3,055	32,753
Unsecured bank loans	1,389,611	6	5	150,750	790,463	448,386	1,389,611
Lease payments due to others	13,888	893	646	1,019	2,880	8,449	13,888
Other financial liabilities	665	–	–	–	379	286	665
Bonds	333,065	–	–	–	205,544	127,521	333,065
Trade payables	632,366	630,870	1,210	–	46	240	632,366
Due to suppliers for investments	80,555	80,068	473	–	14	–	80,555
Total	2,482,903	741,535	2,334	151,770	999,326	587,938	2,482,903

	12.31.2011						
(Thousands of Euro)	Contractual cash flows						
Derivative financial liabilities	Carrying amount	1-3 months	3-6 months	6 months-1 year	1-5 years	Beyond 5 years	Total
Forward foreign exchange derivatives	751	751	–	–	–	–	751
Interest Rate Swap	11,929	–	1,326	1,254	9,349	–	11,929
Total	12,680	751	1,326	1,254	9,349	–	12,680

With regard to exposure to trade payables, there is no significant concentration of suppliers, of whom the largest 10 account for 16.1% of the total and the leading supplier (Autostrade per l'Italia S.p.A.) for 4.8%.

In January 2013, HMSHost Corporation contracted a new bond issued for a total amount of Usd 150 million, guaranteed by Autogrill S.p.A., maturing in January 2023 with a six-month coupon at a fixed 5.12%. The proceeds were used, together with credit facilities existing at December 31, 2012, to pay back the private placement issued in 2003. Under this new issue, there are financial ratios to be satisfied with reference to the companies headed up by HMSHost Corporation, and under certain conditions, the issue will no longer be guaranteed by Autogrill S.p.A.
The loan contracts and bonds outstanding at December 31, 2012 require the satisfaction of certain financial ratios, specifically, the leverage ratio (Net debt/Ebitda) and interest coverage (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. The subsidiary World Duty Free Group S.A.U. has loans for which they are calculated with reference to the sub-consolidated group of Travel retail & duty-free companies, and the subsidiary HMSHost Corporation has loans for which the perimeter considered when calculating these ratios is the sub-consolidated entity HMSHost Corporation.

For all loans, the leverage ratio must be less than 3.5 each time it is measured (normally every six months). Over the last two years it has stayed within the range of 2-3.
Interest coverage, measured with the same frequency, must be higher than 4.5. Over the last two years it has stayed within the range of 6.9-18.9.

In February 2013 the Autogrill group made an outlay in excess of Euro 300 million when the subsidiary World Duty Free Group España signed a contract with AENA, Spain's airport management entity, after winning a contract to operate duty-free and duty-paid shops for the period 2013-2020. The contract calls for the advance payment of part of the fixed portion of rent, which will be deducted from future payments throughout the term of the contract, until 2020.
The advance payment to AENA will significantly raise the leverage ratio for a period of 12 to 24 months. It is likely, however, that the ample cash generated by the Travel retail business will soon bring financial leverage back to entirely safe levels for the loans granted to World Duty Free Group S.A.U. and its subsidiaries.
For the loans held at December 31, 2012 by Autogrill S.p.A., whose boundary for these ratios is the entire Autogrill group, if the increased leverage of Travel retail due to the contract with AENA were to be compounded in 2013 by a further significant decline in Food & beverage revenue in Europe, then the leverage ratio could, for a limited period of time, come very close to the limit of 3.5, all the more so given the seasonal nature of Food & beverage whereby the net generation of cash is concentrated in the second and especially the third quarter of the year.

Management believes that the Autogrill group is flexible enough in timing its investments and cutting structural costs to manage any resulting financial tension and continue to satisfy its covenants.

Atlantia group

Financial risk management objectives and policies
In the normal course of business, the Atlantia group is exposed to:
a) market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed;
b) liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the group's operating activities and repayment of the liabilities assumed;
c) credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties.

The Atlantia group's financial risk management strategy is derived from and consistent with the business goals set by the Atlantia Board of Directors that are contained in the various strategic plans approved by the Board. The strategy aims to both manage and control such risks.

Market risk
The adopted strategy for each type of risk aims, whenever possible, to eliminate interest rate and currency risks and minimise borrowing costs, whilst taking account of stakeholders' interests, as defined in the financial policy as approved by Atlantia's Board of Directors.
Management of these risks is based on prudence and best market practice.

The main objectives set out in the policy are as follows:

- to protect the scenario forming the basis of the strategic plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;
- to pursue a potential reduction of the group's borrowing costs within the risk limits determined by Atlantia Board of Directors;
- to manage derivative financial instruments taking account of their potential impact on the results of operations and financial position in relation to their classification and presentation.

The Atlantia group's hedges outstanding as at December 31, 2012 are classified either as cash flow or net investment hedges in accordance with IAS 39.
The fair value of derivative financial instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. Amounts in foreign currencies other than the Euro are translated at closing exchange rates communicated by the European Central Bank.

The residual average term to maturity of the debt as at December 31, 2012 was approximately 7 years.
The average cost of medium to long-term debt for 2012 was 5.2% (4.8% excluding the Chilean and Brazilian companies).

Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

Interest rate risk
Interest rate risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:

- cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce floating rate debt, the Atlantia group has entered into Interest Rate Swaps, classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Tests have shown that the hedges for the year were fully effective. Changes in fair value are recognised in the statement of comprehensive income, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement;
- fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. There were no hedges as at December 31, 2012 that could be classified as fair value hedges in accordance with IAS 39.

New Interest Rate Swaps were arranged in 2012 as cash flow hedges in connection with current and future highly probable risks in connection with loans provided to Autostrade per l'Italia S.p.A. by Cassa Depositi e Prestiti and by SACE.

As a result of cash flow hedges, 93% of interest bearing debt is fixed rate.

Currency risk
Currency risk can result in the following types of exposure:

- economic exposure incurred through purchases and sales denominated in currencies other than the company's functional currency in which financial statements are denominated;
- translation exposure through equity investments in subsidiaries and associates whose financial statements are denominated in a currency other than the Euro;
- transaction exposure incurred by making deposits or obtaining loans in currencies other than the currency in which financial statements are denominated.

The Atlantia group's prime objective of currency risk is to minimise transaction exposure through the assumption of liabilities in currencies other than the euro. Cross Currency Swaps with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the currency risk to which the sterling and yen denominated bonds are exposed. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.
Of total group debt, 20% of group debt is denominated in currencies other than the Euro. Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the country in which the relevant group company operates (around 13%), the group is not exposed to currency risk on translation into Euros.
Non-deliverable forwards arranged in 2012 have been classified as a net investment hedges in accordance with IAS 39 in connection with the forward sale of Chilean pesos to hedge the translation risk of certain assets and investments located in Chile. The differentials settled in 2012 have been recognised in other comprehensive income. As at December 31, 2012 outstanding hedges regard the assets of Los Lagos.

The following table summarises outstanding derivative financial instruments as at December 31, 2012 (compared with December 31, 2011) and shows the corresponding market value and the hedged financial liability.

(Thousands of Euro)				12.31.2012		12.31.2011		Hedged financial liability		
Type	Purpose of hedge	Currency	Contract term	Fair value	Notional amount	Fair value	Notional amount	Description	Par value	Term
Derivatives: cash flow hedges (1)										
Cross Currency Swaps	Currency fluctuations	Gbp	2004-2022	(203,087)	750,000	(188,034)	750,000	Bond 2004-2022 (Gbp)	750,000	2004-2022
Cross Currency Swaps	Currency fluctuations	Jpy	2009-2038	(35,881)	149,176	27,678	149,176	Bond 2009-2038 (Jpy)	149,176	2009-2038
Interest Rate Swaps	Interest rate	Euro	2004-2015	(30,015)	560,000	(32,665)	640,000	Term Loan Facility	560,000	2004-2015
Interest Rate Swaps	Interest rate	Euro	2011-2034	(48,056)	500,000	(13,057)	500,000	Cassa Depositi e Prestiti	500,000	2011-2034
Interest Rate Swaps	Interest rate	Euro	2012-2024	(917)	100,000	–	–	Cassa Depositi e Prestiti and SACE	100,000	2012-2024
Interest Rate Swaps	Interest rate	Euro	2013-2024	(915)	100,000	–	–	Cassa Depositi e Prestiti and SACE	100,000	2013-2024
Interest Rate Swaps	Interest rate	Euro	2012-2024	(42,956)	333,931	(16,266)	11,601	Project financing	198,772	2012-2024
Interest Rate Swaps	Interest rate	Euro	2008-2020	(4,405)	41,699	(2,043)	41,188	50% Project Loan Agreement (Pln)	69,191	2008-2020
Total derivatives: cash flow hedges				(366,232)	2,534,806	(224,387)	**2,091,965**			
Derivatives not accounted for as hedges										
FX Forward	Currency fluctuations	Usd		(32) (2)	18,338	–	–			
Total derivatives not accounted for as hedges				(32)	18,338	–	–			
Derivatives: net investment hedges										
Non-Derivable Forward	Currency fluctuations	Clp		(90) (2)	67,160	–	–	Assets in Chile	67,160	
Total derivatives: net investment hedges				**(90)**	**67,160**	–	–			
Total derivatives				**(366,354)**	**2,620,304**	**(224,387)**	**2,091,965**			
of which:										
– positive fair value				–		27,678				
– negative fair value				(366,354)		(252,065)				

(1) The fair value of derivatives accounted for as hedges excludes the accruals on these instruments as of the reporting date.
(2) The fair value of these derivatives is classified under Current financial liabilities.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the Atlantia group is exposed would have had on the income statement and on equity during the year.

The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the market yield curve at the beginning of the year, whilstwhile, with regard to the impact of changes in fair value on equity, the 10 bps shift in the curve was assumed to have occurred at the measurement date. The analysis produces the following outcomes resulted from the analysis carried out:

» in terms of interest rate risk, an unexpected and unfavourable 0.10% shift in market interest rates would have resulted in a negative impact on the income statement, totalling Euro 625 and on the statement of comprehensive income, totalling Euro 33,457 before the related taxation;
» in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the income statement, for Euro 1,928 and oin the comprehensive income statement, for Euro 211,635 as a result, respectively, of the change in group'sthe overseas companies' net results , and of the change in the translation reserve change.

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Atlantia group believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of committed and uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.

At December 31, 2012 project debt allocated to individual foreign companies of the Atlantia group amounts to Euro 1,918 million. At the same date the Atlantia group has cash reserves of Euro 6,547 million, consisting of:

» Euro 2,811 million in cash and/or investments with terms to maturity of no more than 120 days;
» Euro 663 million primarily in term deposits allocated to finance the execution of specific construction services;

» Euro 3,073 million in undrawn committed lines of credit, details of which are shown in the following table.

(Millions of Euro)				12.31.2012		
Borrower	Facility	Drawdown period	Final maturity	Available	Drawn	Undrawn lines
Autostrade per l'Italia	Medium and long-term committed EIB line - tranche B	12.31.2014	12.31.2036	300	–	300
Autostrade per l'Italia	Medium and long-term committed CDB/SACE line	09.23.2016	12.23.2024	1,000	100	900
Autostrade per l'Italia	Medium and long-term committed CDB/SACE line	11.21.2016	12.20.2027	500	–	500
Autostrade per l'Italia	Committed Revolving Credit Facility	May 2015	June 2015	1,000	–	1,000
Autostrade per l'Italia	Medium and long-term committed EIB line - tranche A	11.30.2012	12.31.2036	1,000	1,000	–
Autostrade per l'Italia	Medium and long-term committed CDB/EIB line	08.01.2013	12.19.2034	500	500	–
Ecomouv'	Bridge Loan/Cassa Depositi e Prestiti	10.20.2013	12.01.2024	582	209	373
Total				4,882	1,809	3,073

The following tables show the time distributions of financial liabilities by term to maturity as at December 31, 2012 and comparable figures as at December 31, 2011.

(Thousands of Euro)			Financial liabilities			
12.31.2012	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	Beyond 5 years
Non-derivative financial liabilities (1):						
Total bond issues (A)	(10,716,933)	(14,085,006)	(1,033,553)	(2,635,183)	(3,620,008)	(6,796,262)
Bank borrowings	(4,156,328)	(5,695,561)	(742,749)	(549,336)	(1,205,710)	(3,197,766)
Other borrowings	(82,091)	(95,275)	(4,036)	(2,492)	(14,210)	(74,537)
Total medium and long-term borrowings (B)	(4,238,419)	(5,790,836)	(746,785)	(551,828)	(1,219,920)	(3,272,303)
Total non-derivative financial liabilities (C = A + B)	(14,955,352)	(19,875,842)	(1,780,338)	(3,187,011)	(4,839,929)	(10,068,565)
Derivatives (2) (3):						
Interest Rate Swap (4)	(127,264)	(260,409)	(40,340)	(33,947)	(64,315)	(121,807)
Cross Currency Swap	(238,968)	(265,244)	(10,363)	(10,363)	(31,619)	(212,899)
Total derivatives	(366,232)	(525,653)	(50,703)	(44,310)	(95,934)	(334,706)

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and held constant to final maturity.
(2) Includes derivative instruments hedging the interest rate and currency risk associated with bon issues and loans outstanding as at December 31, 2012.
(3) Expected cash flows are calculated on the basis of exchange rates established at the measurement date.
(4) Future cash flows deriving from Interest Rate Swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to maturity of the contract.

(Thousands of Euro)			Financial liabilities			
12.31.2011	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	Beyond 5 years
Non-derivative financial liabilities (1):						
Total bond issues (A)	(7,507,101)	(10,213,718)	(379,111)	(379,111)	(5,112,332)	(4,343,164)
Bank borrowings	(2,729,174)	(3,524,862)	(293,599)	(387,188)	(1,134,050)	(1,710,025)
Other borrowings	(58,986)	(63,669)	(4,258)	(3,418)	(1,895)	(54,098)
Total medium and long-term borrowings (B)	(2,788,160)	(3,588,531)	(297,857)	(390,606)	(1,135,945)	(1,764,123)
Total non-derivative financial liabilities (C = A + B)	(10,295,261)	(13,802,249)	(676,968)	(769,717)	(6,248,278)	(6,107,287)
Derivatives (2) (3):						
Interest Rate Swap (4)	(64,031)	(101,355)	(20,099)	(17,701)	(25,123)	(38,432)
Cross Currency Swap	(160,356)	(260,516)	(11,077)	(10,600)	(32,240)	(206,599)
Total derivatives	(224,387)	(361,871)	(31,176)	(28,301)	(57,363)	(245,031)

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and held constant to final maturity.
(2) Includes derivative instruments hedging the interest rate and currency risk associated with bon issues and loans outstanding as at December 31, 2012.
(3) Expected cash flows are calculated on the basis of exchange rates established at the measurement date.
(4) Future cash flows deriving from Interest Rate Swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to maturity of the contract.

The amounts in the above tables include interest payments and exclude the impact of any offset agreements.
The time distribution of terms to maturity is based on the residual contract term or on the earliest date on which repayment of the liability may be required, unless a better estimate is available.
The distribution for transactions with amortisation schedules is based on the date on which each instalment falls due.

The following table shows the time distribution of expected cash flows from cash flow hedges, and the periods in which they will be recognised in the income statement.

	12.31.2012						12.31.2011					
(Thousands of Euro)	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	Beyond 5 years	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	Beyond 5 years
Interest Rate Swap:												
Derivative liabilities	(127,264)	(130,633)	(42,152)	(35,194)	(51,374)	(1,913)	(64,031)	(65,575)	24,155	(71,604)	(31,361)	13,235
Cross Currency Swap:												
Derivative assets	–	–	–	–	–	-	27,678	27,562	(2,471)	(2,473)	(6,675)	39,181
Derivative liabilities	(238,968)	(243,000)	(10,431)	(10,560)	(31,899)	(190,110)	(188,034)	(192,615)	(8,419)	(7,798)	(23,025)	(153,373)
Total cash flow hedges	(366,232)	(373,633)	(52,583)	(45,754)	(83,273)	(192,023)	(224,387)	(230,628)	13,265	(81,875)	(61,061)	(100,957)
Accrued expenses on cash flow hedges	(29,175)	–	–	–	–	–	(27,585)	–	–	–	–	–
Accrued income on cash flow hedges	21,774	–	–	–	–	–	21,344	–	–	–	–	–
Total cash flow hedge derivative assets/(liabilities)	(373,633)	(373,633)	(52,583)	(45,754)	(83,273)	(192,023)	(230,628)	(230,628)	13,265	(81,875)	(61,061)	(100,957)

	12.31.2012					12.31.2011				
(Thousands of Euro)	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	Beyond 5 years	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	Beyond 5 years
Interest Rate Swap:										
Losses on cash flow hedges	(127,264)	(45,164)	(34,714)	(47,658)	272	(64,031)	25,772	(75,797)	(28,329)	14,323
Cross Currency Swap:										
Income on cash flow hedges	1,067,295	42,695	42,553	125,029	857,018	1,078,187	41,981	41,871	121,998	872,337
Losses on cash flow hedges	(1,306,263)	(53,358)	(53,197)	(156,980)	(1,042,728)	(1,238,543)	(52,599)	(52,149)	(151,225)	(982,570)
Total income/(losses) on cash flow hedges	(366,232)	(55,827)	(45,358)	(79,609)	(185,438)	(224,387)	15,154	(86,075)	(57,556)	(95,910)

(1) Swap differentials flows are calculated according to the market trend in effect at the valuation date.

Credit risk

Atlantia group manages credit risk essentially through recourse to counterparties with high credit ratings and does not report significant credit risk concentrations in accordance with the financial policy.

Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions. The group is not party to margin agreements calling for the exchange of cash collateral when a predefined threshold for fair value has been exceeded.

Allowances for impairment losses on individually material items are established when there is objective evidence that the group will not be able to collect all or any of the amount due. The amount of the allowances takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.

[64] Related party transactions

The following table shows income and costs for the year and balance sheet figures at December 31, 2012 as a result of related party transactions. Related party transactions are conducted at arm's length and with the utmost transparency.

(Thousands of Euro)	Receivables	Payables	Operating costs	Revenues	Other operating income	Interest income	Interest charges
Non-consolidated subsidiaries	1,125	223	8,480	466	124	67	–
Associated companies	119,456	32,413	8,992	2,526	2	73,309	163
Total	120,581	32,636	17,472	2,992	126	73,376	163

The amounts shown for Associated companies include Euro 110,000 in financial receivables and Euro 24,560 in financial payables to Società Autostrada Tirrenica p.A., as discussed in Note [16] Other current financial assets and in Note [39] Other current financial liabilities.

[65] Business combinations

Business combinations occurring in 2012 are detailed below.

Autostrade Sud America and holdings

On February 25, 2012 the subsidiary Autostrade per l'Italia S.p.A. entered into agreements with Società Iniziative Autostradali S.p.A. - SIAS and Mediobanca S.p.A. for the acquisition of the remaining 54.235% of Autostrade Sud America S.r.l. , the Italian holding company in which Autostrade per l'Italia already held a 45.765% interest. The total consideration was Euro 669.8 million. Transaction closing was on June 28, 2012 but, under agreements between the shareholders, the Atlantia group acquired control of Autostrade Sud America prior to this date, consolidating the company from the second quarter of 2012, together with the following wholly owned direct and indirect subsidiaries:

a) Sociedad Concesionaria Costanera Norte S.A., which holds the concession for 43 km of urban motorway crossing the city of Santiago in Chile;
b) Sociedad Concesionaria AMB S.A., which holds the concession for 10 km of motorway linking the city to Santiago airport in Chile;
c) Sociedad Concesionaria Autopista Nororiente S.A., which holds the concession for the 21.5 km northeastern bypass in the city of Santiago, linking the city with the province of Chacabuco;
d) Sociedad Gestion Vial S.A., a company that supplies operational management, maintenance and construction services for motorways in Chile, some of them provided to the Chilean operators above;
e) Grupo Costanera S.A. and Inversiones Autostrade Chile Ltda, the Chilean-registered sub-holding companies that hold the listed investments.

In addition, given that Grupo Costanera held 50% of the Chilean-registered holding company, Nueva Inversiones S.A. (with the remaining 50% held by the Atlantia group from June 30, 2011 via Inversiones Autostrade Holding Do Sur Ltda), the latter company, which was subsequently merged with and into Grupo Costanera in 2012, has been consolidated together with the following wholly owned direct and indirect subsidiaries:

a) Sociedad Concesionaria Autopista Vespucio Sur S.A., which holds the concession for the 23.5 km southern section of the orbital toll motorway serving the city of Santiago in Chile;
b) Sociedad Concesionaria Litoral Central S.A., which holds the concession for the toll motorway network of 79 km linking the cities of Algarrobo, Casablanca and Cartagena in Chile;
c) Sociedad Operacion y Infraestructuras S.A., the company that carries out certain maintenance and construction services for the section of motorway operated by Sociedad Concesionaria Autopista Vespucio Sur;
d) Sociedad Concesionaria Autopista Nueva Vespucio Sur S.A., the Chilean-registered sub-holding company that holds the investment in Vespucio Sur.

Regarding the existing 50% interest in Nueva Inversiones, it has been acquired at cost to the Atlantia group of Euro 300.4 million (based on the prevailing Euro/Chilean peso exchange rate at April 1, 2012). In view of this, acquisition of control of Autostrade Sud America had a total cost of Euro 970.2 million.

Pursuant to IFRS 3, the acquisition method has been used to account for the transaction in these consolidated financial statements. This entailed:

a) remeasurement of the fair value of the existing investment in Autostrade Sud America (45.765%, previously measured using the equity method and recognized at March 31, 2012 at Euro 179.3 million), estimated at Euro 350.4 million, which takes account of the estimated control premium paid, with recognition of a gain of Euro 171.1 million in Financial income, Note [56];
b) provisional estimate, as permitted by IFRS 3, of the fair value of the assets acquired and liabilities assumed. This entailed maintaining the carrying amounts of the assets and liabilities previously recognised in the acquirees' financial statements, with the exception of certain financial liabilities (whose value has been increased by an estimated Chilean pesos 29.7 billion, equal to Euro 45.7 million), the concession arrangements to which Costanera Norte, Nororiente, Vespucio Sur and Litoral Central are party (whose value has been increased by an estimated Chilean pesos 1,110.5 billion, equal to Euro 1,709.2 million), in addition to the impact of deferred taxation.

The table below shows the carrying amounts of the assets acquired and liabilities assumed (translated at the Euro/Chilean peso exchange rate of April 1, 2012, the date of first-time consolidation of Autostrade Sud America and its Chilean subsidiaries), in addition to the provisional fair values identified.

(Millions of Euro)	Aggregated carrying amount as at 04.01.2012	Fair value adjustments (provisionals)	Provisional fair value and recognition of effects of transaction
Net assets acquired:			
Property, plant and equipment	14.6		14.6
Intangible assets	569.8	1.709.2	2.279.0
Non-current financial assets	701.7		701.7
Other non-current assets	0.7		0.7
Cash and cash equivalents	41.0		41.0
Other current financial assets	110.1		110.1
Trading and other current assets	131.3		131.3
Non-current financial liabilities	(1.022.3)	(45.7)	(1.068.0)
Deferred tax assets	(31.4)	(640.8)	(672.2)
Other non-current liabilities	(28.7)		(28.7)
Current financial liabilities	(125.0)		(125.0)
Provisions	(30.1)		(30.1)
Trading and other current liabilities	(33.8)		(33.8)
Total net assets acquired	297.9	1.022.7	1.320.6
Carrying amount of the exixting 45.765% shareholding in Autostrade Sud America			(179.3)
Gain from the restatement at fair value of Autostrade Sud America's existing shareholding			(171.1)
Cost of acquisition			970.2
Cash and cash equivalents acquired			(41.0)
Net effective cash outflow for the acquisition			929.2

The newly consolidated companies have reported total revenue and profit from the date of their first-time consolidation of Euro 124.6 million and Euro 38.5 million, respectively. Had these companies been consolidated on a line-by-line basis from January 1, 2012, consolidated revenue and profit for the year would have been Euro 5,138.2 million and Euro 832.2 million, respectively.

As permitted by IFRS 3, measurement of the final fair values of the assets and liabilities of the acquirees will be completed within twelve months from acquisition. The outcome of the current measurement process may have an impact on the following principal items: intangible assets, financial assets and liabilities, and the resultant effect on income of deferred tax assets and liabilities.

Subsequently, the agreement of April 19, 2012 for the transfer to the Canada Pension Plan Investment Board, a leading Canadian pension fund, of a 49.99% interest in Grupo Costanera became effective on August 3, 2012. The total price amounts to Chilean pesos 560 billion (Euro 862 million at the Euro/Chilean peso exchange rate of April 1, 2012). As a result, the group incurred an estimated direct tax charge of approximately Chilean pesos 57 billion (equal to approximately Euro 87 million at the Euro/Chilean peso exchange rate of April 1, 2012). As a result of the transaction, full control of the Chilean intermediate holding company will be transferred to Grupo Costanera.

As required by IAS 27, this transfer of a non-controlling interest in a consolidated subsidiary was equity accounted in the consolidated financial statements, resulting in an increase in consolidated equity of Chilean pesos 36 billion (Euro 56 million at the April 1, 2012 Chilean peso/Euro exchange rate). This was equal to the difference between the consideration paid by Canada Pension Plan Investment Board and the carrying amount of the prorated share of the assets and liabilities transferred.

Atlantia Bertin Concessões and holdings

The agreement entered into with the Bertin group on January 27, 2012, regarding the establishment of a joint venture to which the two partners will contribute their investments in Brazilian toll motorway operators, became effective on June 30, 2012.

As a result, Autostrade Concessões e Participações Brasil Ltda contributed its entire 100% interest in the operator Triangulo do Sol to the Brazilian sub-holding Atlantia Bertin Concessões S.A., thus enabling the Atlantia group to acquire 50% plus one share of the Brazilian holding company, Infra Bertin Participações S.A., and of the following Brazilian motorway operators in which the latter holds indirect interests (via the newly established sub-holding companies, Triangulo do Sol Participações S.A. and Atlantia Bertin Concessões S.A.):

a) Rodovias das Colinas S.A., which holds the concession for five sections of a toll motorway, totalling 307 km, in the area between Campinas, Sorocava and Rio Claro in the state of Sao Paulo, Brazil;
b) Concessionària da Rodovia MG 050 S.A., which holds the concession for 372 km of toll motorway network in the area between Betim, Sao Sebastiao do Paraiso and Belo Horizonte in the state of Minas Gerais, Brazil.

Pursuant to IFRS 3, the above companies have been consolidated using the acquisition method. This entailed provisional estimation, as permitted by IFRS 3, of the fair value, for all of the above companies, of the assets and liabilities acquired. The carrying amounts were retained of the assets and liabilities previously recognised in the acquirees' financial statements, with the exception of concession arrangement held by Colinas (whose value has been increased by an estimated Real 1,850.3 billion, equal to Euro 717.5 million), before deferred taxation.

The table below shows the carrying amounts of the assets and liabilities acquired (translated at the Euro/Brazilian real exchange rate of June 30, 2012, the date of first-time consolidation of Atlantia Bertin Concessões and its subsidiaries), in addition to their provisional fair values. In order to reflect the structure of the transaction to provide better disclosure, the table also includes carrying amounts for the subsidiary, Triangulo do Sol (consolidated from July 1, 2011), at June 30, 2012. The agreements entered into provide for a purchase price adjustment based on the effective toll revenue of Triangulo do Sol and Rodovias das Colinas during the three-year period 2012-2014, the impact of which cannot be reliably estimated at present. This adjustment may increase the Atlantia group's purchase cost by up to Real 135 million (approximately Euro 52 million) or reduce it by up to Real 26 million (approximately Euro 10 million).

(Millions of Euro)	Aggregated carrying amount as at 06.30.2012	Fair value adjustments (provisional)	Provisional fair value and recognition of effects of transaction
Net assets acquired:			
Property, plant and equipment	7.9		7.9
Intangible assets	881.9	717.5	1.599.4
Non-current financial assets	240.6		240.6
Other non-current assets	0.1		0.1
Cash and cash equivalents	253.6		253.6
Trading and other current assets	22.3		22.3
Non-current financial liabilities	(577.4)		(577.4)
Deferred tax assets/(liabilities)	(170.9)	(244.0)	(414.9)
Other non-current liabilities	(49.6)		(49.6)
Current financial liabilities	(155.2)		(155.2)
Provisions	(65.2)		(65.2)
Trading and other current liabilities	(43.5)		(43.5)
Total net assets acquired	**344.6**	**473.5**	**818.1**
Equity attributable to non-controlling interests			(409.1)
Cost of acquisition			**409.0**
of which:			
Carrying amount of Triangulo do Sol's net assets as a result of the transaction			325.0
Cash disboursement by Atlantia as a result of the transaction			**84.0**

The newly consolidated companies have reported total revenue and profit from the date of their first-time consolidation of Euro 116.9 million and Euro 2.1 million, respectively. Had these companies been consolidated on a line-by-line basis from January 1, 2012, consolidated revenue and profit for the year would have been Euro 5,206.5 million and Euro 846.1 million, respectively.

As permitted by IFRS 3, measurement of the final fair values of the assets and liabilities of the acquirees will be completed within twelve months of the acquisition date. The outcome of the current measurement process may have an impact on the following principal items: intangible assets, financial assets and liabilities, deferred tax assets and liabilities and the related effects on profit or loss.

Completion of identification and measurement of the fair value of Triangulo do Sol's assets and liabilities
During the first half of 2012 identification and measurement of the fair value of the assets and liabilities of Triangulo do Sol was completed. The Atlantia group acquired control of this company in the second half of 2011.

The table below shows the carrying amounts of the assets and liabilities acquired (translated at the Euro/Brazilian real exchange rate of July 1, 2011, the date of first-time consolidation of the Brazilian company), in addition to the final fair values identified.

(Millions of Euro)	Carrying value at 07.01.2012	Fair value adjustments	Final fair value and recognition of transaction effects
Net assets acquired:			
Intangible assets	133.1	503.7	636.8
Non-current financial assets	0.3		0.3
Other non-current assets	7.4		7.4
Cash and cash equivalents	14.2		14.2
Other current financial assets	22.2		22.2
Trading and other current assets	12.9		12.9
Non-current financial liabilities	(54.2)		(54.2)
Deferred tax assets	3.5	(171.3)	(167.8)
Other non-current liabilities	(40.5)		(40.5)
Current financial liabilities	(24.6)		(24.6)
Trading and other current liabilities	(17.6)		(17.6)
Total net assets acquired	56.7	332.4	389.1
Equity attributable to non-controlling interests (1)			(116.7)
Goodwill/(Gains on acquisition)			(15.9)
Carrying amount of the existing 50% shareholding in Triangulo do Sol			(117.3)
Gains on acquisition from the fair value restatement of the existing 50% investment in Triangulo do Sol			(77.3)
Cost of acquisition			61.9
Cash and cash equivalents acquired			(14.2)
Net effective cash outflow for the acquisition (2)			47.7

(1) The percentage of non-controlling interests on the acquisition date was 30%.
(2) Cash outflows refer to the 20% shareholding bringing the group to an overall 70% shareholding in the company.

Completion of the measurement process has resulted in an increase in the net fair value of the assets acquired of approximately Euro 332.4 million (reflecting an increase in the value of the concession held by the company of approximately Euro 503.7 million) which, after adjusting for non-controlling interests (30% at the time of acquiring control), has led to recognition of the following principal effects:

a) a financial gain from remeasurement of the fair value of the existing interest in the acquiree (equal to 50%), totalling Euro 77.3 million, compared with the original estimate of Euro 36.5 million;
b) a gain resulting from the acquisition of the 20% interest, assessed in accordance with IFRS 3, totalling Euro 15.9 million.

As required by IFRS 3, the above final amounts have been recognised retrospectively from July 1, 2011, resulting in the restatement of items in the statement of financial position and the income statement at and for the year ended December 31, 2011, including the amortisation of the intangible assets arising from the service concession arrangements acquired.

[66] Significant events following the end of the financial year

Autogrill group

» After being awarded the concession for the management of travel retail shops located in Spanish airports in December 2012, on February 14, 2013 World Duty Free Group signed a contract with AENA to operate at the 26 airports in question until 2020. As agreed in the contract, the company then paid an advance of about Euro 280 million to cover part of the concession fees, as well as Euro 26 million in caution money. The advance payment will be deducted from scheduled installments over the duration of the contract.
» On February 1, 2013, Autogrill announced that it had begun to study the feasibility of a possible industrial and corporate reorganization designed to separate its two business sectors, Food & beverage and Travel retail & duty-free.
» On April 10, 2013 the Board of Directors, confirming its interest in the possible separation of the Food & beverage and Travel retail & duty-free segments, appointed Merrill Lynch International, Banca IMI S.p.A. and Banco Santander S.A. as financial advisors and law firms Bonelli Erede Pappalardo and Uría Menéndez as legal advisors.
» On May 3, 2013 Autogrill's Board of Directors approved a demerger plan by which Autogrill will transfer to the wholly-owned subsidiary World Duty Free S.p.A. the entire share capital of World Duty Free Group S.A.U., the Spanish company that holds the group's operations in the Travel retail & duty-free segment. The purpose of the demerger is mainly industrial: the creation of two separate groups, focused respectively on Food & beverage and on Travel retail & duty-free, will allow each of them to concentrate more closely on their own strategies and improve their results by playing on their different strengths. Also, separation of the two segments could help the financial markets understand and thus independently evaluate each one's strategies, as well as facilitate any future mergers and acquisitions in their respective markets. Due to be submitted for the approval of the company's shareholders, the demerger will be proportional, so that shares of the beneficiary company World Duty Free will be assigned to Autogrill shareholders on a one-to-one basis, i.e. each shareholder will receive a number of World Duty Free shares equal to the number of Autogrill shares held on the date the operation takes effect. As of that date, World Duty Free and Autogrill shareholders will essentially be one and the same. While preparing for the demerger, World Duty Free will ask the authorities to admit its shares for trading on the official market of a member state of the European Union, to be announced before the shareholders of Autogrill and of World Duty Free are called to approve the plan. The demerger, which at present appears as if it could take effect by the end of September 2013, will be based on the values recognized in Autogrill's financial statements at December 31, 2012 (due for approval by the shareholders at the Annual General Meeting of June 6) and in World Duty Free's statement of financial position at April 15, 2013.

Atlantia and Gemina group

» On March 7, 2013, the rating agency Standard & Poor's increased the long-term rating of Gemina from BB+ to BBB– and confirmed a positive outlook. S&P stressed that with the substantial improvement of the company's financial situation in 2012, along with the final approval of the new Planning Agreement, the company's credit profile is durably reinforced and it has eliminated uncertainties over regulations, rates, and its ability to follow through with development plans. On March 11, 2013 Moody's also upgraded Gemina's rating from Ba2 to Baa3.
» On March 8, 2013 the Boards of Directors of Gemina S.p.A. and Atlantia S.p.A. approved the plan to have Gemina incorporated by Atlantia, along with the preliminary documentation and the share exchange ratio, as follows: (i) for Gemina ordinary shares, one ordinary Atlantia share with par value Euro 1 and the same ex-dividend date as the ordinary Atlantia shares outstanding as of the effective date of the merger, for every nine Gemina ordinary shares held; (ii) for Gemina savings shares, one ordinary Atlantia share with par value Euro 1 and the same ex-dividend date as the ordinary Atlantia shares outstanding as of the effective date of the merger, for every nine Gemina savings shares held. No cash payments will take place.

The integration of Atlantia and Gemina will create a group with geographically diversified assets, combining, on the one hand, Atlantia's increasing exposure to fast growing overseas markets (Chile and Brazil) and, on the other, traffic trends of the main Italian airport, which is benefitting from growth in inbound traffic from emerging markets. In addition, the combination of complementary regulatory systems – typically applied to the motorway and airport sectors – will offer a more balanced growth profile. Also, Atlantia's proven experience will strengthen Aeroporti di Roma's ability to access the capital markets, enabling it to diversify its sources of funding and expand its investor base in order to better manage the financial requirements linked to its investment program. The structure of the transaction involves Gemina's incorporation by Atlantia, which will remain the sole holding company, highly capitalized and with a large free float.

» On March 26, 2013 the Ministry of the Environment filed a civil claim in connection with a criminal case pending before the Court of Florence. The case, which dates back to 2007 and relates to events in 2005, involves two of Autostrade per l'Italia's managers and another 18 people from contractors, and regards alleged violations of environmental laws during construction of the Variante di Valico. The Ministry of Environment is claiming "equivalent damages" of approximately Euro 800 million for joint liability of the accused.
» On April 29, 2013 the Region of Lazio approved the regional Finance Act for the current year, including indications on IRESA (Regional Tax on Aircraft Sound Emissions), which as of May 1, 2013 is due by carriers at all airports in Lazio (the tax is paid to the airport handling companies which will periodically transfer it on to the Region). Aeroporti di Roma is assessing the rule validity, in light of the disparity of treatment from one region to another, and is coordinating its efforts – which may include legal action – with the trade associations of operators and carriers.
» On April 30, 2013 the extraordinary general meetings of Gemina and Atlantia approved the merger plan on the basis of the share exchange ratio determined by their Boards of Directors. Completion of the merger is subordinated to certain suspensive conditions, which have all been met, including approval by the Antitrust Authority.
» On May 8, 2013, Gemina's Board of Directors hired a panel of independent experts to assist it in legal and technical investigations to help assess the possible impact on the share exchange ratio of the filing of this claim by the Ministry of the Environment. At the outcome of these investigations, Gemina's Board of Directors will assess whether and what action to take in the context of the merger with Atlantia.

Sintonia S.p.A. and other holding companies

» On January 15, 2013 the shareholders' agreement of Pirelli & C. S.p.A. was renewed without any changes in its participants and the participating shares. The agreement is now set to expire on April 15, 2014.
» On January 15, 2013 Sintonia's share capital was increased by Euro 221 million by its shareholder Pacific Mezz Investco S.àr.l. (a subsidiary of GIC - Government of Singapore Investment Corporation). As a result, Edizione now owns 66.40% of Sintonia's share capital.
» On January 21, 2013 Sintonia finalized the sale of its 24.385% interest in Sagat S.p.A., which runs Turin Caselle airport under concession, under a contract signed with F2i – Fondo Italiano per le Infrastrutture on December 21, 2012. Sintonia's interest was sold for the same price at which F2 had successfully bid for a 28% share of Sagat S.p.A., put up for sale by the City of Turin, in December 2012. The selling price was thus approximately Euro 30.5 million.
» In early 2013, Sintonia purchased 10,239,719 shares of Atlantia S.p.A. in the open market for a total investment of Euro 138 million. It now owns 47.96% of Atlantia. Sintonia also purchased 2 million Gemina savings shares for a total of Euro 3.5 million, giving it possession of 53.17% of all savings shares.

[67] Atypical and/or unusual transactions

As required by the CONSOB Communication DEM/6064293 dated July 28, 2006, the Group companies have not undertaken any atypical and/or unusual transactions, meaning those whose significance/materiality, nature of the counterparties, purpose, method of determining the transfer price, or timing might give rise to doubts as to the fairness or completeness of the information contained in the financial statements, conflicts of interest, the safekeeping of assets and the interests of minority shareholders.

[68] Guarantees given, commitments and other contingent liabilities

(Thousands of Euro)	12.31.2012	12.31.2011
Unsecured guarantees given		
Sureties	461,909	564,542
Commitments		
Purchase commitments	14,412	52,821
Sale commitments	9,347	6,438
Total	485,668	623,801

Unsecured guarantees given are made up as follows:

» guarantees given by the Benetton group (Euro 91,850) as guarantee VAT credits offset under the group VAT settlement for Italian companies;
» sureties and other guarantees given by the Autogrill group in favour of concession grantors and commercial counterparties (Euro 197,208);
» Atlantia's corporate counterindemnity issued on behalf of the subsidiary, Electronic Transaction Consultants Co., to the insurance companies which have issued performance bonds totalling Euro 94,340 for free-flow tolling projects; bank guarantees provided by Tangenziale di Napoli S.p.A. (Euro 32,213) to the Ministry of Infrastructure and Transport, as required by the commitments assumed under the concession arrangement; and the guarantee issued by Atlantia in favour of credit institutions on behalf of Strada dei Parchi S.p.A. as a safeguard against the impact on cash flow hedges of movements in interest rates. The amount of the guarantee, based on the fair value of the hedges, has been capped at Euro 40,000. Toto Costruzioni Generali S.p.A. is under an obligation to assume Atlantia's guarantee obligations, as a result of its acquisition of the controlling interest in Strada dei Parchi S.p.A., within 36 months from the date of the issuance of the guarantee (November 27, 2010), and has issued a counterindemnity for the amount of its obligation which is, however, capped as described above.

Purchase commitments chiefly relate to the amount to be paid for the purchase of commercial properties by Benetton and Autogrill groups and also include payments to be made to investment funds held by Schemaquattordici S.p.A. (Euro 1,253) and by the Parent Company (Euro 7,874).

Sale commitments mainly consist of the value of sale-or-return products held at the premise of Autogrill group companies (Euro 5,752).

Moreover, at December 31, 2012, a portion of Atlantia holding of shares in Pune-Solapur Expressways Private Ltd., Lusoponte Concessionaria S.A. and Bologna & Fiera Parking S.p.A. is pledged as collateral to credit institutions.

At the reporting date, the future payments due by the Group for rents and operational leases which cannot be terminated were as follows:

(Thousands of Euro)	12.31.2012
Within 1 year	783,540
From 1 to 5 years	2,538,384
Beyond 5 years	1,815,762
Total	5,137,686

[69] Other commitments and rights

Benetton group

Benetton Korea Inc. (Korea)

Benetton Korea Inc. is a Korean company, of which 50% is owned by Benetton Japan Co., Ltd. (a company indirectly wholly-owned by Benetton Group S.p.A.), 15% by Mr. Chang Sue Kim (a natural person) and 35% by F & F Co. Ltd. (a Korean company controlled by Mr. Chang Sue Kim).

The shareholders' agreement gives Benetton a call option and the Korean shareholders a put option over the latter's equity interests. These options can be exercised upon expiry of the partnership agreement, which has been renewed for another 5 years (2010-2015). Benetton can also exercise its call option if specific contract "termination" events should occur, primarily involving breach of contract.

The option exercise price is calculated using a formula based on shareholders' equity at the option exercise date and a perpetuity calculated on the basis of average net income in the previous two years. Upward or downward adjustments are made to the option exercise price, depending on the circumstances.

The estimated cost of the put option granted to the shareholders has been recognized in the group's liabilities.

Ben-Mode A.G. (Switzerland)

In May 2008 the Benetton group acquired, through its subsidiary Bencom S.r.l., 10% of the shares in Ben-Mode A.G., a Swiss registered company which manages a megastore in Zurich. At the same time as the acquisition, an agreement was made with the shareholder who owns 80% of the shares, under which Bencom S.r.l. has a call option and the other shareholder a put option exercisable in 2013.

The estimated cost of the put option granted to the other shareholder has been recognized in the group's liabilities.

[70] Contingent liabilities

Benetton group

Benetton group has not recognized any provisions against an estimated amount of Euro 15.2 million in liabilities associated with unsettled litigation, insofar as it considers that the risk of a related financial outlay is only "possible", in compliance with IAS 37.

Contingent liabilities for the subsidiary Bencom S.r.l. include the tax disputes (IRES/IRAP) for tax years 2004 to 2007 concerning the claimed disallowance of certain costs for commissions paid to agents resident in low-tax jurisdictions, already commented on previously and extensively described in previous financial statements. With reference to this matter, it should be noted that during the month of January 2013, the company filed appeals with Venice Provincial Tax Commission against the notices of assessments issued by the Italian Revenue Office for tax year 2007.

Autogrill group

In 2010 and 2011 Autogrill S.p.A. was audited by the Tax authorities for, respectively, the year 2007 and the years 2008-2009, leading to preliminary assessment reports that mostly address the subject of "transfer prices".

After providing documentation of its proper conduct to the Tax authorities (which agreed with its theoretical arguments), for the sole purpose of concluding the issue without a legal battle, Autogrill opted to pay the assessments, but under considerably more favorable terms than those initially proposed.

In 2012 the Spanish company World Duty Free España S.A. was also audited by the local Tax authorities which concluded with certain findings. Management, as well as local tax experts, believes that the findings are legally unfounded and that they are highly likely to be rejected when disputed in a court of law.

Atlantia group

With regard to the actions brought by Autostrade per l'Italia S.p.A. challenging the grantor's decision regarding approval of the revised design for the A4 motorway between Milan and Bergamo (Lots 1,2 and 3) – in respect of the decision not to recognise, for the purposes of setting the related tolls, the increased costs resulting from the changes – at the hearing of January 23, 2013 the Commission adjourned proceedings until June 19, 2013.

With regard to tolls, Court order 4330 of March 2012 dismissed the actions filed with Lazio Regional Administrative Court by Codacons and other consumers' associations challenging the toll increases introduced in 2003.

On March 21, 2011 Autostrade per l'Italia – together with Genoa Provincial Authority, the City of Genoa, the Ministry of Infrastructure and Transport, Genoa Port Authority and ANAS - were notified of legal action brought before Liguria Regional Administrative Court by several hundred members of the public requesting an injunction annulling the Memorandum of Understanding signed on February 8, 2010, relating to construction of the "Genoa Road and Motorway Interchange" (the so-called Gronda di Ponente). The plaintiffs have subsequently presented further challenges during 2012 regarding regional authority resolutions and decisions, as well as the related ministerial documents and/or documents linked to the Memorandum of Understanding arising subsequent to the filing of the legal action. A date for the related hearing has yet to be set.

Finally, Autostrade per l'Italia is the defendant in a number of legal actions regarding expropriations, tenders and claims for damages deriving from motorway use.

Edizione S.r.l.

When the interest in Olimpia S.p.A. was sold to Telco S.p.A., all tax risks concerning periods up to the date of disposal remained the sellers' responsibility by contract.

Between 2006 and 2009, the Revenue Office issued assessment notices for 2001, 2002, 2003 and 2004. Olimpia S.p.A. has appealed all of these, and considering the very high number of clearly favourable decisions by the Tax Commission, no tax liabilities are likely to arise from these disputes.

[71] Fees paid to the external auditors

The following table presents the fees paid to the Parent Company's external auditors (KPMG S.p.A.) and its network for all services provided to companies in the Edizione Group in 2012.

(Thousands of Euro)	2012
Type of service:	
Auditing	3,395
Attestation services	915
Other services	721
Total	**5,031**

ANNEXES

LIST OF COMPANIES CONSOLIDATED AT DECEMBER 31, 2012

Name	Registered office	Currency	Share capital	Percentage held
Companies consolidated on a line-by-line basis				
Parent Company and holding companies				
Edizione S.r.l.	Italy	Euro	1,500,000,000	
Schemaquattordici S.p.A.	Italy	Euro	1,067,494	58.99%
Sintonia S.p.A.	Italy	Euro	1,337,550	69.53%
Schematrentaquattro S.r.l.	Italy	Euro	100,000,000	100.00%
Food & beverage and Travel retail & duty-free				
Autogrill S.p.A.	Italy	Euro	132,288,000	59.28%
Ac Restaurants & Hotels Beheer N.V.	Belgium	Euro	6,650,000	100.00%
Airport Retail Pvt Ltd.	India	Inr	601,472,800	100.00%
Airside C F&B Joint Venture	USA	Usd	–	70.00%
Airside E Joint Venture	USA	Usd	–	50.00%
Aldeasa Atlanta Joint Venture	USA	Usd	1,672,000	76.00%
Aldeasa Atlanta Llc	USA	Usd	–	100.00%
Aldeasa Cabo Verde S.A.	Cabo Verde	Cve	6,000,000	100.00%
World Duty Free Group Canada Inc.	Canada	Cad	1,000	100.00%
Aldeasa Chile Ltda	Chile	Usd	2,516,819	100.00%
Aldeasa Colombia Ldta	Colombia	Cop	2,356,075,724	100.00%
Aldeasa Curaçao N.V.	Netherlands Antilles	Usd	500,000	100.00%
Aldeasa Duty Free Comercio e Importacion de Productos Ltda	Brazil	Brl	1,000,000	100.00%
Aldeasa Italia S.r.l.	Italy	Euro	10,000	100.00%
Aldeasa Jordan Airports Duty Free Shops Ltd.	Jordan	Usd	705,219	100.00%
Aldeasa Mexico S.A. de CV	Mexico	Mxn	60,962,541	100.00%
World Duty Free Group España S.A.	Spain	Euro	10,772,462	99.89%
Aldeasa Servicios Aeroportuarios Ltda (in liquidation)	Chile	Usd	15,000	99.99%
World Duty Free Group US Inc.	USA	Usd	49,012,087	100.00%
WDFG Keyes Orlando Llc (in liquidation)	USA	Usd	–	100.00%
WDFG Vancouver Lp	Canada	Cad	12,676,000	100.00%
Aldeasa Jamaica Ltda	Jamaica	Usd	23,740,395	100.00%
WDFG Jersey Ltd.	United Kingdom	Gbp	4,100	100.00%
Alpha Airport Retail Holdings Pvt Ltd.	India	Inr	404,714,590	100.00%
World Duty Free US Inc.	USA	Usd	1,400,000	100.00%
Alpha Airports Group (Channel Island) Ltd. (in liquidation)	United Kingdom	Gbp	21	100.00%
World Duty Free Group International Ltd.	United Kingdom	Gbp	2	100.00%
Alpha Keys Orlando Retail Associates Llp (in liquidation)	USA	Usd	100,000	85.00%
Alpha Kreol (India) Pvt Ltd.	India	Inr	100,000	50.00%
Alpha Retail Ireland Ltd. (in liquidation)	Ireland	Euro	1	100.00%
WDFG Italia S.r.l.	Italy	Euro	10,000	100.00%
Anton Airfood Inc.	USA	Usd	1,000	100.00%
Anton Airfood JFK Inc.	USA	Usd	–	100.00%
Anton Airfood of Boise Inc.	USA	Usd	–	100.00%
Anton Airfood of Cincinnati Inc.	USA	Usd	–	100.00%
Anton Airfood of Minnesota Inc.	USA	Usd	–	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Anton Airfood of Newark Inc.	USA	Usd	–	100.00%
Anton Airfood of North Carolina Inc.	USA	Usd	–	100.00%
Anton Airfood of Ohio Inc.	USA	Usd	–	100.00%
Anton Airfood of Seattle Inc.	USA	Usd	–	100.00%
Anton Airfood of Texas Inc.	USA	Usd	–	100.00%
Anton Airfood of Tulsa Inc.	USA	Usd	–	100.00%
Anton Airfood of Virginia Inc.	USA	Usd	–	100.00%
Audioguiarte Servicios Culturales SL	Spain	Euro	251,000	100.00%
Autogrill Aéroports S.a.s.	France	Euro	2,207,344	100.00%
Autogrill Austria AG	Austria	Euro	7,500,000	100.00%
Autogrill Belux N.V.	Belgium	Euro	10,000,000	100.00%
Autogrill Catering UK Ltd.	United Kingdom	Gbp	2,154,578	100.00%
Autogrill Centres Campus S.àr.l.	France	Euro	501,960	100.00%
Autogrill Commercial Catering France S.àr.l.	France	Euro	2,916,480	100.00%
Autogrill Coté France S.A.	France	Euro	31,579,526	100.00%
Autogrill Czech S.r.o.	Czech Republic	Czk	154,463,000	100.00%
Autogrill Deutschland GmbH	Germany	Euro	205,000	100.00%
Autogrill D.o.o.	Slovenia	Euro	1,342,670	100.00%
World Duty Free Group S.A.U.	Spain	Euro	1,800,000	100.00%
Autogrill FFH Autoroutes S.àr.l.	France	Euro	375,000	100.00%
Autogrill FFH Centres Villes S.àr.l.	France	Euro	375,000	100.00%
Autogrill Gares Métropoles S.àr.l.	France	Euro	4,500,000	100.00%
HMSHost Corporation	USA	Usd	–	100.00%
Autogrill Hellas EpE	Greece	Euro	1,696,350	100.00%
Autogrill Holdings UK Pension Trustee Ltd.	United Kingdom	Gbp	100	100.00%
Autogrill Holdings UK Ltd.	United Kingdom	Gbp	1,000	100.00%
Autogrill Iberia Slu	Spain	Euro	7,000,000	100.00%
Autogrill Nederland B.V.	The Netherlands	Euro	41,371,500	100.00%
Autogrill Nederland Hotels B.V.	The Netherlands	Euro	1,500,000	100.00%
Autogrill Nederland Hotel Amsterdam B.V.	The Netherlands	Euro	150,000	100.00%
Autogrill Polska Sp.zo.o.	Poland	Pln	14,050,000	100.00%
Autogrill Restauration Carrousel S.a.s.	France	Euro	2,337,000	100.00%
Autogrill Restauration Services S.a.s.	France	Euro	15,394,500	100.00%
World Duty Free Group UK Ltd.	United Kingdom	Gbp	360,000	100.00%
Autogrill Schweiz AG	Switzerland	Chf	23,183,000	100.00%
Autogrill Trois Frontières S.àr.l.	France	Euro	621,999	100.00%
Bay Area Restaurant Group	USA	Usd	–	49.00%
Ben-Zey/Host Lottery Joint Venture	USA	Usd	–	40.00%
Cancouver Uno Slu	Spain	Euro	3,010	100.00%
Carestel Nord S.àr.l. (in liquidation)	France	Euro	76,225	100.00%
Cbr Speciality Retail Inc.	USA	Usd	–	100.00%
Fresno AAI Inc.	USA	Usd	–	100.00%
Gladieux Corporation	USA	Usd	750	100.00%
HK Travel Centres GP Inc.	Canada	Cad	–	51.00%
HK Travel Centres Lp	Canada	Cad	–	51.00%
HMS-Airport Terminal Services Inc.	USA	Usd	1,000	100.00%
HMSHost Family Restaurants Inc.	USA	Usd	2,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
HMSHost Family Restaurants Llc	USA	Usd	–	100.00%
HMS Host Holdings F&B GP Inc.	Canada	Cad	–	100.00%
HMS Host Holdings GP Inc.	Canada	Cad	–	100.00%
HMSHost Motorways Inc.	Canada	Cad	–	100.00%
HMSHost Motorways Lp	Canada	Cad	–	100.00%
HMSHost New Zealand Ltd.	New Zealand	Nzd	1,520,048	100.00%
HMSHost Tollroads Inc.	USA	Usd	–	100.00%
HMSHost USA Inc.	USA	Usd	–	100.00%
HMSHost USA Llc	USA	Usd	–	100.00%
HMSHost/Coffee Partners Joint Venture	USA	Usd	–	50.01%
HMS/Blue Ginger Joint Venture	USA	Usd	–	55.00%
HMS Host Egypt Catering & Services Ltd.	Egypt	Egp	1,000,000	60.00%
HMSHost International Inc.	USA	Usd	–	100.00%
HMSHost Ireland Ltd.	Ireland	Euro	13,600,000	100.00%
HMSHost Services India Private Ltd.	India	Inr	668,441,680	100.00%
HMSHost Singapore Pte Ltd.	Singapore	Sgd	8,470,896	100.00%
HMSHost Sweden AB	Sweden	Sek	2,500,000	100.00%
HMSHost Costa Rica S.A. (in liquidation)	Costa Rica	Crc	–	100.00%
HMSHost Yiyecek ve Icecek Hizmetleri AS	Turkey	Try	50,000	100.00%
Holding de Participations Autogrill S.a.s.	France	Euro	84,581,920	100.00%
Horeca Exploitatie Maatschappij Schiphol B.V.	The Netherlands	Euro	45,378	100.00%
East Terminal Chili's Joint Venture	USA	Usd	–	55.00%
Host - Prose Joint Venture II	USA	Usd	–	70.00%
Host - Prose Joint Venture III	USA	Usd	–	51.00%
Host - Tinsley Joint Venture	USA	Usd	–	84.00%
Host & Garrett Joint Venture	USA	Usd	–	75.00%
Host (Malaysia) Sdn Bhd	Malaysia	Myr	–	100.00%
Host/Tarra Enterprises Joint Venture	USA	Usd	–	75.00%
Host Adevco Joint Venture	USA	Usd	–	70.00%
Host Bush Lubbock Airport Joint Venture	USA	Usd	–	90.00%
Host Canada Lp	Canada	Cad	–	100.00%
Host Chelsea Joint Venture # 1	USA	Usd	–	65.00%
Host CTI Denver Airport Joint Venture	USA	Usd	–	90.00%
Host D&D St. Louis Airport Joint Venture	USA	Usd	–	75.00%
Host Honolulu Joint Venture Company	USA	Usd	–	90.00%
Host-Houston 8 San Antonio Joint Venture	USA	Usd	–	63.00%
Host International (Poland) Sp.zo.o. (in liquidation)	Poland	Pln	–	100.00%
Host International Inc.	USA	Usd	–	100.00%
Host International of Canada (RD) Ltd.	Canada	Cad	–	100.00%
Host International of Canada Ltd.	Canada	Cad	75,351,237	100.00%
Host International of Kansas Inc.	USA	Usd	1,000	100.00%
Host International of Maryland Inc.	USA	Usd	1,000	100.00%
Host of Kahului Joint Venture Company	USA	Usd	–	90.00%
HMS - D/FW Joint Venture	USA	Usd	–	65.00%
HMS - D/FW Joint Venture II	USA	Usd	–	75.00%
Host of Holland B.V.	The Netherlands	Euro	18,151	100.00%
Host of Santa Ana Joint Venture Company	USA	Usd	–	75.00%

Name	Registered office	Currency	Share capital	Percentage held
Host PJJD Jacksonville Joint Venture	USA	Usd	–	51.00%
Host Services Inc.	USA	Usd	–	100.00%
Host Services of New York Inc.	USA	Usd	1,000	100.00%
Host Services Pty Ltd.	Australia	Aud	6,252,872	100.00%
Host Shellis Atlanta Joint Venture	USA	Usd	–	70.00%
Host-Taco Joy Joint Venture	USA	Usd	–	80.00%
Host/Aranza Services Joint Venture	USA	Usd	–	50.01%
Host/Coffee Star Joint Venture	USA	Usd	–	50.01%
Host/Diversified Joint Venture	USA	Usd	–	90.00%
Host/Forum Joint Venture	USA	Usd	–	70.00%
Host/Howell - Mickens Joint Venture III	USA	Usd	–	51.00%
Host/Howell - Mickens Joint Venture	USA	Usd	–	65.00%
Host/JQ Raleigh Durham	USA	Usd	–	75.00%
Host/JV Ventures McCarran Joint Venture	USA	Usd	–	60.00%
Host/JQ RDU Joint Venture	USA	Usd	–	75.00%
Host/LJA Joint Venture	USA	Usd	–	85.00%
Host/NCM Atlanta E Joint Venture	USA	Usd	–	75.00%
Host-Chelsea Joint Venture #3	USA	Usd	–	63.80%
Host-Chelsea Joint Venture #4	USA	Usd	–	63.00%
Host-CJ & Havana Joint Venture	USA	Usd	–	70.00%
Host-Grant Park Chili's Joint Venture	USA	Usd	–	60.00%
Host-TFC-RSL Llc	USA	Usd	–	65.00%
Host-Houston 8 Terminal E Llc	USA	Usd	–	60.00%
Houston 8/Host Joint Venture	USA	Usd	–	60.00%
Islip AAI Inc.	USA	Usd	–	100.00%
Islip Airport Joint Venture	USA	Usd	–	50.00%
Host GRL LIH F&B Llc	USA	Usd	–	85.00%
Host DLFJV DAL F&B Llc	USA	Usd	–	51.00%
La Rambertine S.n.c.	France	Euro	1,524	100.00%
Las Vegas Terminal Restaurants Inc.	USA	Usd	–	100.00%
Marriott Airport Concessions Pty Ltd.	Australia	Aud	3,910,102	100.00%
Metro-Host Joint Venture	USA	Usd	–	70.00%
Miami Airport Retail Partners Joint Venture	USA	Usd	–	70.00%
Michigan Host Inc.	USA	Usd	1,000	100.00%
Nuova Sidap S.r.l.	Italy	Euro	100,000	100.00%
Autogrill Lanka Ltd.	Sri Lanka	Lkr	30,000,000	99.00%
Palacios y Museos Slu	Spain	Euro	160,000	100.00%
Palm Springs AAI Inc.	USA	Usd	–	100.00%
Panalboa S.A.	Panama	Pab	150,000	80.00%
Phoenix - Host Joint Venture	USA	Usd	–	70.00%
Prestadora de Servicios en Aeropuertos S.A. de CV	Mexico	Mxn	50,000	100.00%
Restair UK Ltd.	United Kingdom	Gbp	1	100.00%
Restoroute de Bavois S.A.	Switzerland	Chf	2,000,000	73.00%
Restoroute de la Gruyère S.A.	Switzerland	Chf	1,500,000	54.30%
Savannah Airport Joint Venture	USA	Usd	–	45.00%
Seattle Restaurant Associates	USA	Usd	–	70.00%
Shenzen Host Catering Company Ltd. (in liquidation)	Cina	Cny	–	100.00%

Name	Registered office	Currency	Share capital	Percentage held
SMSI Travel Centres Inc.	Canada	Cad	9,800,100	100.00%
Sociedad de Distribucion Aeroportuarios de Canarias S.L.	Spain	Euro	667,110	60.00%
Société Berrichonne de Restauration S.a.s. (Soberest)	France	Euro	288,000	50.01%
Société de Gestion de Restauration Routière S.A. (Sgrr)	France	Euro	1,537,320	100.00%
Société Porte de Champagne S.A. (Spc)	France	Euro	153,600	53.00%
Société de Restauration de Bourgogne S.A. (Sorebo)	France	Euro	144,000	50.00%
Société de Restauration de Troyes-Champagne S.A. (Srtc)	France	Euro	1,440,000	70.00%
Société Regionale de Saint Rambert d'Albon S.A. (Srsra) (in liquidation)	France	Euro	515,360	50.00%
Southwest Florida Airport Joint Venture	USA	Usd	–	80.00%
Tinsley/Host - Tampa Joint Venture Company	USA	Usd	–	49.00%
Volcarest S.A.	France	Euro	1,050,144	50.00%
World Duty Free Group Holdings UK Ltd.	United Kingdom	Gbp	12,484,002	100.00%
HMSHost-Shangai Enterprise Ltd.	China	Cny	–	100.00%
Host Fox PHX F&B Llc	USA	Usd	–	75.00%
Host-CMS SAN F&B Llc	USA	Usd	–	65.00%
World Duty Free Group Germany GmbH	Germany	Euro	250,000	100.00%
Societé de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	France	Euro	8,000	100.00%
HSTA JV	USA	Usd	–	60.00%
Host FDY ORF F&B Llc	USA	Usd	–	90.00%
LTL ATL JV Llc	USA	Usd	–	70.00%
Host ATL Chefs JV 3 Llc	USA	Usd	–	97.00%
Host ATL Chefs JV 5 Llc	USA	Usd	–	95.00%
Host LGO PHX F&B Llc	USA	Usd	–	80.00%
Host CTI F&B II Llc	USA	Usd	–	80.00%
Host Havana LAX F&B Llc	USA	Usd	–	90.00%
Host H8 Terminal E F&B Llc	USA	Usd	–	60.00%
Host Grove SLC F&B I Llc	USA	Usd	–	87.50%
Dubai Branch	Dubai	Aed	–	100.00%
Host Howell Mickens Terminal A Retail Llc	USA	Usd	–	65.00%
Host-Love Field Partners I Llc	USA	Usd	–	51.00%
Host-Love Field Partners II Llc	USA	Usd	–	51.00%
Host-True Flavors SAT Terminal A FB	USA	Usd	–	65.00%
Host Solai MDW Retail Llc	USA	Usd	–	67.00%
Host TCC BHM F&B Llc	USA	Usd	–	70.00%
Host-ELN MSP Terminal 2 Retail llc	USA	Usd	–	90.00%
Host-DMV DTW Retail llc	USA	Usd	–	79.00%
Host Lee JAX FB Llc	USA	Usd	–	70.00%
Alpha ASD Ltd. (in liquidation)	United Kingdom	Gbp	20,000	100.00%
Textiles and clothing				
Benetton Group S.p.A.	Italy	Euro	237,482,716	100.00%
Bencom S.r.l.	Italy	Euro	150,000,000	100.00%
Benetton 2 Retail Comercio de Produtos Texteis S.A.	Portugal	Euro	500,000	100.00%
Benetton Asia Pacific Ltd.	Hong Kong	Hkd	41,400,000	100.00%
Benetton Australia Pty Ltd.	Australia	Aud	500,000	100.00%
Benetton Canada Inc.	Canada	Cad	7,500,000	100.00%
Benetton Comercio de Produtos Texteis do Brasil Ltda	Brazil	Brl	3,500,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Benetton Hellas Agency of Clothing Single Partner Epe	Greece	Euro	50,010	100.00%
Benetton Commerciale Tunisie S.àr.l.	Tunisia	Tnd	2,429,000	100.00%
Benetton de Commerce International Tunisie S.àr.l.	Tunisia	Tnd	150,000	100.00%
Benetton Denmark Aps	Denmark	Dkk	125,000	100.00%
Benetton France Commercial S.a.s.	France	Euro	10,000,000	100.00%
Benetton France S.àr.l.	France	Euro	99,495,712	100.00%
Benetton Giyim Sanayi ve Ticaret As	Turkey	Try	37,000,000	100.00%
Benetton Holding International N.V. S.A.	The Netherlands	Euro	92,759,000	100.00%
Benetton India Pvt Ltd.	India	Inr	2,900,000,000	100.00%
Benetton Industrielle Tunisie S.àr.l.	Tunisia	Tnd	2,000,000	100.00%
Benetton International Kish Pjsc	Iran	Irr	100,000,000	100.00%
Benetton International S.A.	Luxembourg	Euro	133,538,470	100.00%
Benetton Pars Pjsc	Iran	Irr	50,000,000	100.00%
Benetton Istanbul Real Estate Emlak Yatirim ve Insaat Ticaret Ltd.	Turkey	Try	34,325,000	100.00%
Benetton Tekstil D.o.o.	Croatia	Hrk	155,750,000	100.00%
Benetton Japan Co. Ltd.	Japan	Jpy	400,000,000	100.00%
Benetton Korea Inc.	South Korea	Krw	2,500,000,000	50.00%
Benetton Mexicana S.A. de CV	Mexico	Mxn	357,000,405	100.00%
Benetton Manufacturing Tunisia S.àr.l.	Tunisia	Tnd	700,000	100.00%
Benetton Real Estate Austria GmbH	Austria	Euro	2,500,000	100.00%
Benetton Real Estate Belgique S.A.	Belgium	Euro	14,500,000	100.00%
Benetton Real Estate International S.A.	Luxembourg	Euro	116,600,000	100.00%
Hotel Union Llc	Kosovo	Euro	3,200,000	100.00%
Kaliningrad Real Estate Zao	Russia	Rub	10,000	100.00%
Kazan Real Estate Zao	Russia	Rub	10,000	100.00%
Benetton Real Estate Kazakhstan Llp	Khazakistan	Kzt	62,920,000	100.00%
Benetton Realty France S.A.	France	Euro	94,900,125	100.00%
Benetton Realty Portugal Imobiliaria S.A.	Portogallo	Euro	100,000	100.00%
Benetton Russia Ooo	Russia	Rub	473,518,999	100.00%
Benetton Realty Spain SL	Spain	Euro	15,270,450	100.00%
Benetton Realty Sukhbaatar Llc	Mongolia	Mnt	115,000	100.00%
Benetton Nekretnine Doo Sarajevo - Benetton Real Estate Ltd.	Bosnia-Herzegovina	Bam	20,000	100.00%
Benetton Retail (1988) Ltd.	United Kingdom	Gbp	61,000,000	100.00%
Benetton Retail Deutschland GmbH	Germany	Euro	2,000,000	100.00%
Benetton Retail Italia S.r.l.	Italy	Euro	5,100,000	100.00%
Benetton Retail Poland Sp.zo.o.	Poland	Pln	7,400,000	100.00%
Benetton Retail Spain SL	Spain	Euro	10,180,300	100.00%
Benetton Serbia D.o.o.	Serbia	Euro	10,000	100.00%
Benetton Services S.A. de CV	Mexico	Mxn	50,000	100.00%
Benetton Services II S.A. de CS.A.	Mexico	Mxn	50,000	100.00%
Benetton Trading Ungheria Kft	Hungary	Huf	50,000,000	100.00%
Benetton Trading USA Inc.	USA	Usd	959,147,833	100.00%
Benetton Trading Taiwan Ltd.	Taiwan	Twd	115,000,000	100.00%
Benetton Ungheria Kft	Hungary	Euro	89,190	100.00%
Benetton USA Corp.	USA	Usd	215,654,000	100.00%
Ben Mode AG	Switzerland	Chf	500,000	10.00%

Name	Registered office	Currency	Share capital	Percentage held
Benind S.p.A.	Italy	Euro	26,000,000	100.00%
Sc Benrom S.r.l.	Romania	Ron	1,416,880	100.00%
Fabrica S.p.A.	Italy	Euro	4,128,000	100.00%
Filatura di Vittorio Veneto S.r.l.	Italy	Euro	110,288	50.00%
Fynlab S.r.l.	Italy	Euro	100,000	100.00%
La Cantina delle Nostre Ville Venete - Società agricola a r.l.	Italy	Euro	110,000	100.00%
Lairb Property Ltd.	Ireland	Euro	260,000	100.00%
Milano Report S.r.l.	Italy	Euro	1,000,000	100.00%
New Ben GmbH	Germany	Euro	5,000,000	100.00%
Olimpias S.p.A.	Italy	Euro	47,988,000	100.00%
Aerre S.r.l.	Italy	Euro	15,000	60.00%
SC Anton Industries S.r.l.	Romania	Ron	1,162,460	60.00%
Olimpias Tunisia S.àr.l.	Tunisia	Tnd	100,000	100.00%
Olimpias Serbia D.o.o.	Serbia	Euro	10,000	100.00%
Olimpias Knitting Serbia D.o.o.	Serbia	Euro	10,000	60.00%
Ponzano Children S.r.l.	Italy	Euro	110,000	100.00%
Property Russia Zao	Russia	Rub	10,000	100.00%
Benetton Latvia Llc	Lettonia	Lvl	630,000	100.00%
Real Estate Russia Zao	Russia	Rub	10,000	100.00%
Real Estate Ukraine Llc	Ukraine	Usd	7,921	100.00%
Shanghai Benetton Trading Company Ltd.	China	Usd	26,321,056	100.00%
United Colors Communication S.A.	Switzerland	Chf	1,000,000	100.00%
Infrastructures and services for mobility				
Atlantia S.p.A.	Italy	Euro	661,827,592	46.41%
Atlantia Bertin Concessões S.A.	Brazil	Brl	678,253,135	50.00%
AD Moving S.p.A.	Italy	Euro	1,000,000	100.00%
Autostrade Concessões e Participações Brasil Ltda	Brazil	Brl	729,590,863	100.00%
Autostrade dell'Atlantico S.r.l.	Italy	Euro	1,000,000	100.00%
Autostrade Holding do Sur S.A.	Chile	Clp	51,496,771,000	100.00%
Autostrade Indian Infrastructure Development Pvt Ltd.	India	Inr	500,000	100.00%
Autostrade Mazowsze S.A.	Poland	Pln	20,000,000	88.36%
Autostrade Meridionali S.p.A.	Italy	Euro	9,056,250	58.98%
Autostrade per l'Italia S.p.A.	Italy	Euro	622,027,000	100.00%
Autostrade Portugal - Concessões de Infraestructuras S.A.	Portugal	Euro	30,000,000	100.00%
Autostrade Sud America S.r.l.	Italy	Euro	100,000,000	100.00%
Autostrade Tech S.p.A.	Italy	Euro	1,120,000	100.00%
Concessionaria de Rodovia MG 050 S.A.	Brazil	Brl	45,976,020	50.00%
Electronic Transactions Consultants Co.	USA	Usd	16,692	61.41%
Ecomouv' D&B S.a.s.	France	Euro	500,000	75.00%
Ecomouv' S.a.s.	France	Euro	30,000,000	70.00%
Essediesse Società di Servizi S.p.A.	Italy	Euro	500,000	100.00%
Giove Clear S.r.l.	Italy	Euro	10,000	100.00%
Grupo Costanera S.p.A.	Chile	Clp	465,298,430,419	50.01%
Infoblu S.p.A.	Italy	Euro	5,160,000	75.00%
Infra Bertin Participações S.A.	Brazil	Brl	643,166,231	50.00%
Mizard S.r.l.	Italy	Euro	10,000	100.00%
Newpass S.p.A.	Italy	Euro	1,747,084	51.00%

Name	Registered office	Currency	Share capital	Percentage held
Pavimental Polska Sp.zo.o.	Poland	Pln	3,000,000	99.40%
Pavimental S.p.A.	Italy	Euro	10,116,452	99.40%
Raccordo Autostradale Valle d'Aosta S.p.A.	Italy	Euro	343,805,000	24.46%
Rodovias das Colinas S.A.	Brazil	Brl	226,145,401	50.00%
Sociedad Concesionaria AMB S.A.	Chile	Clp	5,875,178,700	50.01%
Sociedad Concesionaria Autopista Nororiente S.A.	Chile	Clp	22,738,904,654	50.01%
Sociedad Concesionaria Autopista Nueva Vespucio Sur S.A.	Chile	Clp	166,967,672,229	50.01%
Sociedad Concesionaria Vespucio Sur S.A.	Chile	Clp	52,967,792,704	50.01%
Sociedad Concesionaria de Los Lagos S.A.	Chile	Clp	37,433,282,600	100.00%
Sociedad Concesionaria Costanera Norte S.A.	Chile	Clp	58,859,765,519	50.01%
Sociedad Concesionaria Litoral Central S.A.	Chile	Clp	18,368,224,675	50.01%
Sociedad Gestion Vial S.A.	Chile	Clp	397,237,788	50.01%
Sociedad Operacion y Logistica de Infrasestructuras S.A.	Chile	Clp	11,736,819	50.01%
Società Italiana p.A. per il Traforo del Monte Bianco	Italy	Euro	109,084,800	51.00%
Spea Ingegneria Europea S.p.A.	Italy	Euro	5,160,000	100.00%
Spea do Brasil Projectos e Infraestrutura Ldta	Brazil	Brl	25,000	100.00%
Stalexport Autoroute S.àr.l.	Luxembourg	Euro	56,149,500	61.20%
Stalexport Autostrada Dolnoslaska S.A.	Poland	Pln	10,000,000	61.20%
Stalexport Autostrada Malopolska S.A.	Poland	Pln	66,753,000	61.20%
Stalexport Autostrady S.A.	Poland	Pln	185,446,517	61.20%
Tangenziale di Napoli S.p.A.	Italy	Euro	108,077,490	100.00%
Tech Solutions Integrators S.a.s.	France	Euro	2,000,000	100.00%
Telepass S.p.A.	Italy	Euro	26,000,000	100.00%
Telepass France S.a.s.	France	Euro	1,000,000	100.00%
TowerCo S.p.A.	Italy	Euro	20,100,000	100.00%
Triangulo do sol Auto Estradas S.A.	Brazil	Brl	71,000,000	50.00%
Triangulo do Sol Participações S.A.	Brazil	Brl	1,027,052,252	50.00%
VIA4 S.A.	Poland	Pln	500,000	33.66%
Other companies				
Edizione Property S.p.A.	Italy	Euro	8,780,500	100.00%
Edizione Alberghi S.r.l.	Italy	Euro	5,000,000	100.00%
Verde Sport S.p.A.	Italy	Euro	12,912,000	100.00%
Edizione Realty Czech S.r.o.	Czech Republic	Czk	100,000,000	100.00%
Realty Capri S.r.l.	Italy	Euro	100,000	100.00%
Maccarese S.p.A. Società Agricola	Italy	Euro	31,135,805	100.00%
Cia de Tierras Sud Argentino S.A.	Argentina	Ars	239,000,000	100.00%
San Giorgio S.r.l.	Italy	Euro	100,000	100.00%
Allevamento San Giorgio S.r.l.	Italy	Euro	50,000	100.00%
Asolo Golf Club S.r.l.	Italy	Euro	100,000	100.00%
Companies carried on a proportional basis				
ITDC - Aldeasa India Pvt Ltd.	India	Inr	100,000	50.00%
Caresquick N.V.	Belgium	Eur	3,300,000	50.00%
Associated valued on an equity basis				
Dewina Host Sdn Bhd	Malaysia	Myr	–	49.00%
TGIF National Airport Restaurant Joint Venture	USA	Usd	–	25.00%
HKSC Developments Lp (Projecto)	Canada	Cad	–	49.00%
HKSC Opco Lp (Opco)	Canada	Cad	–	49.00%

Name	Registered office	Currency	Share capital	Percentage held
Souk al Mouhajir S.A. (in liquidation)	Morocco	Dhs	6,500,000	35.84%
Creuers del Port de Barcelona S.A.	Spain	Eur	3,005,061	23.00%
Gemina S.p.A.	Italy	Euro	1,472,960,320	35.93%
Sagat S.p.A.	Italy	Euro	12,911,000	24.38%
Autostrade for Russia GmbH	Austria	Euro	60,000	25.50%
Atlantia Bertin Participações S.A.	Brazil	Brr	97,121,733	50.00%
Biuro Centrum Sp.zo.o.	Poland	Pln	80,000	40.63%
Arcea Lazio S.p.A.	Italy	Euro	1,983,469	34.00%
Bologna & Fiera Parking S.p.A.	Italy	Euro	9,000,000	32.50%
GEIE del Traforo del Monte Bianco	Italy	Euro	2,000,000	50.00%
Pedemontana Veneta S.p.A. (in liquidation)	Italy	Euro	6,000,000	29.77%
Società Infrastrutture Toscane S.p.A.	Italy	Euro	30,000,000	46.60%
Tangenziali Esterne di Milano S.p.A.	Italy	Euro	53,616,422	26.40%
Pune-Solapur Expressways Pvt Ltd.	India	Inr	100,000,000	50.00%
Società Autostrada Tirrenica p.A.	Italy	Euro	24,460,800	24.98%
Subsidiaries and associated carried on at cost or fair value				
Schematrentatre S.r.l.	Italy	Euro	15,000	100.00%
Schematrentasei S.r.l.	Italy	Euro	15,000	100.00%
Volley Treviso S.p.A.	Italy	Euro	1,000,000	100.00%
Benetton Rugby Treviso S.r.l.	Italy	Euro	52,000	100.00%
Pallacanestro Treviso S.p.A.	Italy	Euro	2,510,000	100.00%
Eurostazioni S.p.A.	Italy	Euro	160,000,000	32.71%
Anton Industries Macedonia Llc (non operating)	Republic of Macedonia	Euro	10,000	60.00%
Bensec S.ca.r.l.	Italy	Euro	110,000	78.00%
Benetton Beograd D.o.o.	Serbia	Euro	500	100.00%
Benetton Real Estate Azerbaijan Llc	Azerbaijan	Usd	130,000	100.00%
Benetton Real Estate Csh S.r.l.	Moldova	Mld	30,000	100.00%
Happykids S.A. (in liquidation)	Switzerland	Chf	100,000	100.00%
Pavimental Est Ao	Russia	Rub	4,200,000	100.00%
Petrostal S.A. (in liquidation)	Poland	Pln	2,050,500	100.00%
Stalexport Wielkopolska Sp.zo.o.	Poland	Pln	8,080,475	97.96%

↳ REPORT OF THE
INDEPENDENT AUDITORS

REPORT OF THE INDEPENDENT AUDITORS

KPMG S.p.A.
Revisione e organizzazione contabile
Via Rosa Zalivani, 2
31100 TREVISO TV

Telefono +39 0422 576711
Telefax +39 0422 410891
e-mail it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 14 of Legislative decree no. 39 of 27 January 2010 and article 165-bis of Legislative decree no. 58 of 24 February 1998

To the quotaholders of
Edizione S.r.l.

1 We have audited the consolidated financial statements of the Edizione Group as at and for the year ended 31 December 2012, comprising the statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity, cash flow statement and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the parent's directors restated some of the corresponding figures included in the prior year consolidated financial statements, as required by IFRS 3 – "Business combinations" and IFRS 5 – "Non-current assets held for sale and discontinued operations". We audited such consolidated financial statements and issued our report thereon on 8 June 2012. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2012.

3 In our opinion, the consolidated financial statements of the Edizione Group as at and for the year ended 31 December 2012 comply with the International Financial Reporting Standards endorsed by the European Union. Therefore, they are clearly stated and give a true and fair view of the financial position of the Edizione Group as at 31 December 2012, the results of its operations and its cash flows for the year then ended.

4 The directors of Edizione S.r.l. are responsible for the preparation of a directors' report on the financial statements in accordance with the applicable laws and regulations.

Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report is consistent with the consolidated financial statements of the Edizione Group as at and for the year ended 31 December 2012.

Treviso, 7 June 2013

KPMG S.p.A.

(signed on the original)

Alessandro Ragghianti
Director of Audit

CONTACTS

Edizione S.r.l.
Calmaggiore. 23
31100 Treviso – Italy

Tel. +39 0422 5995
Fax +39 0422 412176
mailbox@edizione.it
www.edizione.it

Fiscal code, VAT and Treviso Companies'
Register number 00778570267
REA CCIAA Treviso 148942
Share capital Euro 1,500,000,000.00 fully paid–in

Translation from the Italian original which remains the definitive version

Design
Fabrica – Catena di Villorba/Treviso/Italia
Consultancy & Co-ordination
zero3zero9/Milan/Italy
Layouts
t&t/Milan/Italy
Printing
Grafiche Tintoretto – Treviso/Italy