EDIZIONE

2010 ANNUAL REPORT

EDIZIONE

ANNUAL REPORT AT DECEMBER 31, 2010

Edizione S.r.l.
Calmaggiore 23
31100 Treviso – Italy

CONTENTS

GROUP KEY DATA

PARENT COMPANY OFFICERS

BOARD OF DIRECTORS

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

BOARD OF 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, 2010 Edizione S.r.l., a company under the full control of the Benetton family, held equity investments mainly in the following sectors: Textiles & clothing, Food & beverage and Travel retail & duty–free, Infrastructure & 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 companies, while fully respecting their autonomy.

The Group's simplified structure at December 31, 2010 is shown below:

EDIZIONE S.r.l.

TEXTILES & CLOTHING

- BENETTON GROUP S.p.A. **67.08%** (1)

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

- AUTOGRILL S.p.A. **59.28%**

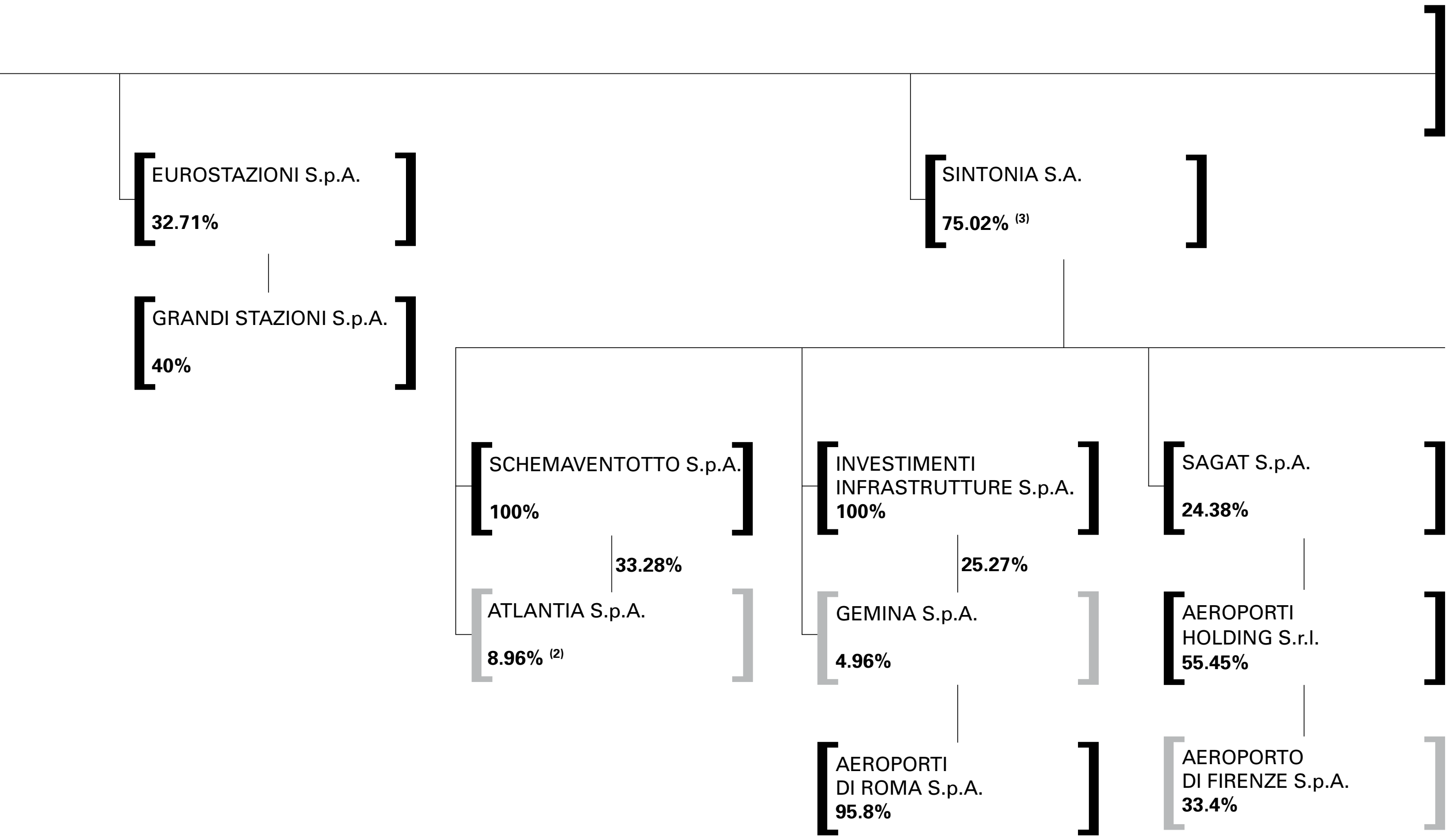
REAL ESTATE & AGRICULTURE

- MACCARESE S.p.A. **100%**
- EDIZIONE PROPERTY S.p.A. **100%**
  - **95%** CIA DE TIERRAS SUD ARGENTINO S.A.
- CIA DE TIERRAS SUD ARGENTINO S.A. **5%**

OTHER

- MEDIOBANCA S.p.A. **2.16%**
- ASSICURAZIONI GENERALI S.p.A. **0.94%**
- PIRELLI & C. S.p.A. **4.77%**
- PRELIOS S.p.A. **2.70%**
- RCS MEDIAGROUP S.p.A. **5.10%**
- IL SOLE 24 ORE S.p.A. **2%**
- CALTAGIRONE EDITORE S.p.A. **2.20%**
- GRUPPO BANCA LEONARDO S.p.A. **1.94%**

[LISTED COMPANIES]



INFRASTRUCTURE & SERVICES FOR MOBILITY

(1) Benetton group holds treasury shares amounting to 5.6634%.
(2) Atlantia holds treasury shares amounting to 2.0074%.
(3) The other shareholders are Sinatra (11.27%), Mediobanca (6.72%) and Elmbridge Investment (6.69%).

FINANCIAL HIGHLIGHTS

The Group's results in 2010 and 2009, audited by KPMG S.p.A., are stated according to the IFRS in force at the reporting date and are summarized as follows.

With respect to the originally published amounts, the figures for the year ended December 31, 2009 have been restated after the application of IFRS 3 and IFRIC 12 and reclassified, in accordance with IFRS 5, to reflect on a single line of the statement of income the results of discontinued operations (the Flight segment of the Autogrill group) and assets held for sale (the motorway concession holder Strada dei Parchi S.p.A.).

(Millions of Euro)	2010	2009
Revenues	**11,638**	**10,745**
Ebitda	3,277	3,077
Operating result	2,218	2,075
Net income, Group	**260**	**(14)**
Net working capital	(915)	(626)
Net assets held for sale	979	393
Property, plant and equipment and intangible assets	17,368	17,862
Non–current financial assets	1,836	1,950
Net deferred assets/(liabilities)	860	942
Total non–current assets	20,064	20,754
Net capital employed	**20,128**	**20,521**
Shareholders' equity attributable to the Parent Company	3,675	3,435
Minority interests	3,518	3,304
Shareholders' equity	**7,193**	**6,739**
Net indebtedness	**12,935**	**13,782**
Operating result/Revenues (ROS)	19.1%	19.3%
Operating result/Capital employed (ROI)	11.0%	10.1%
Net indebtedness/Shareholders' equity – Gearing	1.80	2.05

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 2010 comes to Euro 260 million, showing a strong improvement on 2009, which closed with a loss of Euro 14 million due to some non–recurring impairment losses.
Revenues were on the rise (+8.3%), as were operating margins: Ebitda increased by 6.5% and operating result by 6.9%.

At December 31, 2010, shareholders' equity stood at Euro 7,193 million and net financial indebtedness at Euro 12,935 million, a sizable decrease on the previous year's Euro 13,782 million despite significant investments mainly in the infrastructure sector.

MAIN EVENTS IN 2010

The main events are described briefly below.

BENETTON GROUP

» On May 18, 2010, Bencom S.r.l. acquired the remaining 50% of the share capital of Milano Report S.p.A.
» As part of the process of simplifying corporate structure, Benlim Ltd. sold its 100% interest in Shanghai Sisley Trading Co. Ltd. to Benetton Asia Pacific Ltd. on May 28, 2010.
» As part of the strategy for developing the Tunisian production center, on June 1, 2010 the company Benetton Industrielle Tunisie S.à r.l. was set up in Gafsa (Tunisia) as a subsidiary of Benetton International S.A.

AUTOGRILL GROUP

» In 2010 Autogrill renewed expiring contracts and won new ones of significant size and strategic merit.
» On December 31, 2010 Autogrill finalized the sale of its wholly–owned UK subsidiary Alpha Flight Group Ltd. (provision of catering services onboard airplanes) to Dnata, an international leader in travel and airport services based in Dubai. Dnata paid Euro 118.6 million to Autogrill and took over the debt of Alpha Flight Group Ltd.

ATLANTIA GROUP

» At the extraordinary general meeting of April 14, 2010 the shareholders of Atlantia S.p.A. approved a bonus issue, which was completed on June 7, 2010 with the issue of 28,585,578 new ordinary shares with a par value of Euro 1.00 each, amounting to a total of Euro 28,585,578 and resulting in a corresponding reduction in the extraordinary reserve.
» On September 16, 2010 Atlantia carried out two bond issues, one for Euro 1,000 million (term to maturity 7 years, maturing in September 2017) and the other for Euro 500 million (term to maturity 15 years, maturing in September 2025). The cash raised as a result of the issues, in addition to existing cash reserves, will be used for corresponding intercompany loans to satisfy the funding requirements of Autostrade per l'Italia in connection with the investment plan envisaged in its Single Concession Arrangement, and to ensure that adequate funds are available in view of the approaching repayment of bonds maturing in 2011 and 2014.

THE PARENT COMPANY AND HOLDING COMPANIES

» During the year, Edizione S.r.l. purchased 107,546 convertible bonds of Club Méditerranée S.A. for Euro 1.7 million.
» The demerger of Investimenti Infrastrutture S.p.A., which owns 29.351% of Gemina S.p.A., took effect on February 10, 2010. As a result of the demerger, which involved the exit of Lauro Dieci S.p.A. and UniCredit S.p.A. as shareholders of Investimenti Infrastrutture, the interest in Gemina was split with the beneficiaries Lauro Dieci and UniCredit Partecipazioni S.r.l. by assigning them Gemina shares in proportion to each one's interest in Investimenti Infrastrutture. The share of Gemina now held by Investimenti Infrastrutture amounts to 25.270%.
» On March 26, 2010, Investimenti Infrastrutture and the other participants in the Gemina shareholders' agreement renewed their accord for another three years. The shareholders' agreement also includes Changi Airport International, a major airport sector operator, which holds a 5% share of Gemina and has become an industrial partner of Aeroporti di Roma S.p.A. (AdR), for the purpose of bringing Rome's airport into line with the best international hubs thanks to Changi's airport management expertise.
» In May and June 2010, Sintonia S.A. purchased 5,560,000 ordinary shares of Atlantia S.p.A. in the open market (0.96% of

the share capital) at an average price of Euro 14.89 per share, costing a total of Euro 82.8 million. At December 31, 2010 Sintonia directly owned 53,814,527 ordinary shares of Atlantia, corresponding to 8.965% of the share capital.

» During the year, Elmbridge Investment Pte Ltd. and Mediobanca S.p.A. paid in a further Euro 307.5 million to Sintonia, raising their respective interests in the company to 6.99% and 6.72%. Edizione's controlling share now amounts to 75.02%. Elmbridge Investment has remaining commitments of Euro 566.8 million.
» On November 5, 2010 Schemaventotto S.p.A. acquired 19,350,000 ordinary shares of Atlantia (an interest of 3.22%) from Aabar Infrastructure GmbH, at a price of Euro 16.00 per share for a total of Euro 309.6 million. At December 31, 2010 Schemaventotto owned 199,799,318 ordinary shares of Atlantia, or 33.28% of the share capital.

ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's key results in 2010 and 2009 are as follows:

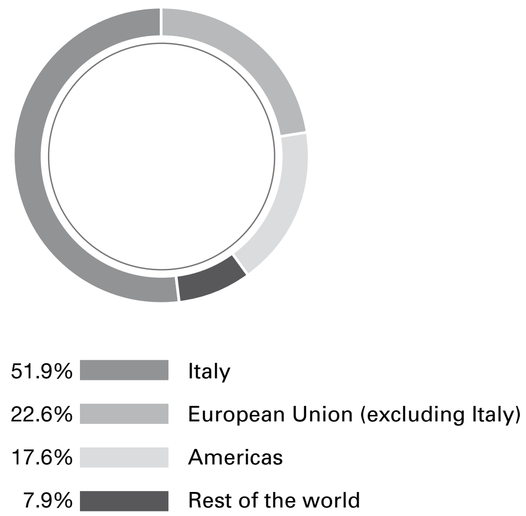
(Millions of Euro)	2010	%	2009	%
Revenues	**11,638**	**100.0**	**10,745**	**100.0**
Materials and subcontracted work	(3,638)	(31.3)	(3,234)	(30.1)
Payroll costs	(2,367)	(20.3)	(2,229)	(20.8)
Other costs and general expenses, net	(2,356)	(20.2)	(2,205)	(20.5)
Ebitda	**3,277**	**28.2**	**3,077**	**28.6**
Depreciation, amortization, provisions and impairment	(1,059)	(9.1)	(1,002)	(9.3)
Operating result	**2,218**	**19.1**	**2,075**	**19.3**
Financial income/(charges), net	(837)	(7.2)	(854)	(7.9)
Income/(losses) from equity investments	(44)	(0.4)	(27)	(0.3)
Net foreign currency hedging gains/(losses) and exchange differences	19	0.2	(2)	–
Income before taxes	**1,356**	**11.7**	**1,192**	**11.1**
Income taxes	(554)	(4.8)	(540)	(5.0)
Profit/(loss) from continuing operations	**802**	**6.9**	**652**	**6.1**
Profit/(loss) from discontinued operations	16	0.1	(307)	(2.9)
Minority interests	(558)	(4.8)	(359)	(3.3)
Net income, Group	**260**	**2.2**	**(14)**	**(0.1)**
Net income, Group/Shareholders' equity (ROE)	7.1%		(0.4%)	
Operating result/ Capital employed (ROI)	11.0%		10.1%	
Cash flow (*)	1,877		1,650	

(*) Net income before Minority interests plus Depreciation, amortization, provisions and impairment. The 2009 figure includes the non–recurring impairment loss on Telecom Italia shares.

Revenues

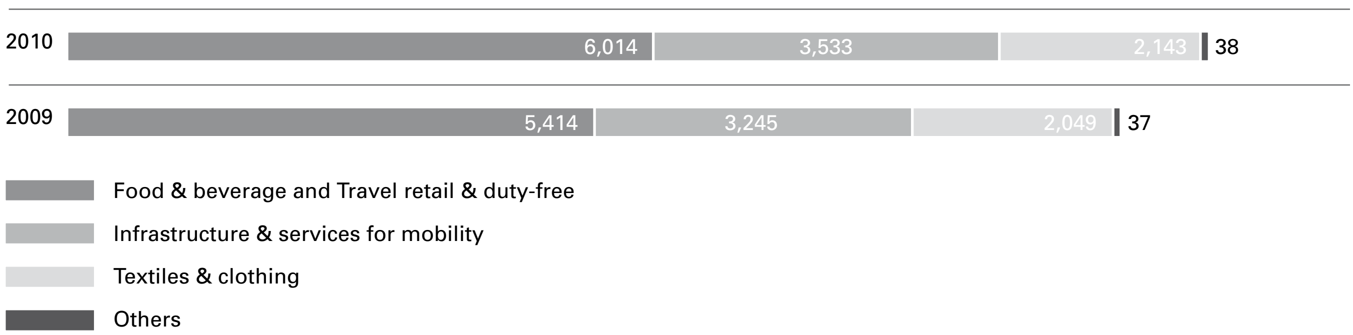
Consolidated revenues increased by Euro 893 million (+8.3%), showing growth in all regions served by the Group: +8.9% in Italy, +5.5% in the rest of the European Union, +9.3% in North and South America and +10.3% in the rest of the world. It should be noted, however, that revenues in Italy benefited from two particular events: the tariff increase for ANAS introduced in July 2009, which affects the Atlantia group's revenues and costs in equal measure with no impact on profit; and the rise in fuel sales thanks to Autogrill's agreement with Esso. These factors account for Euro 371 million of the increase for the year; on a like–for–like basis, revenues were up by 5.0% and those in Italy by 2.2%.

Revenues by geographical area:



Revenues by business segment (net of intercompany sales):

(Millions of Euro)



Operating margins

The significant efforts made by Group companies to boost the efficiency of procedures and organizational structures led to an increase in Ebitda, which rose from Euro 3,077 million to Euro 3,277 million.
As a percentage of revenues, Ebitda fell from 28.6% in 2009 to 28.2% in 2010, due exclusively to the two factors previously mentioned which increase revenues but do not contribute to earnings. On a like–for–like basis, the Ebitda margin comes to 29.1%.
See below for a detailed description of performance by the Group's three main business segments.

Income/(losses) from equity investments

In 2010 there were net losses from equity investments of Euro 44 million, compared with net losses of Euro 27 million the previous year.
For the sake of prudence, in 2010 Edizione S.r.l. recognized impairment losses on its investments in Assicurazioni Generali S.p.A. (Euro 44.5 million) and Il Sole 24 Ore S.p.A. (Euro 2.5 million).

Profit/(loss) from discontinued operations

The balance for 2009 is comprised mainly of the impairment loss of Euro 303 million on the investment in Telecom Italia S.p.A. In early 2010, Sintonia S.A. sold its full stake in Telecom Italia on the open market with no further economic effects.

Net income, Group

The Group's share of net income for the year comes to Euro 260 million, compared with a loss of Euro 14 million in 2009 caused primarily by the impairment loss on the Telecom Italia investment.

Even on a normalized basis, that is, after adjusting for non–recurring impairment losses, 2010 results show a marked improvement on the previous year:

(Millions of Euro)	2010	% on revenues	2009	% on revenues
Net income, Group	**260**	**2.23**	**(14)**	**(0.13)**
Elimination of impairment on equity investments	47		241 (*)	
Net income normalized basis, Group	**307**	**2.63**	**227**	**2.12**

(*) Net of minority interests.

Financial situation

The Group's main financial figures at December 31, 2010 and 2009, duly restated, are as follows:

(Millions of Euro)	12.31.2010	%	12.31.2009	%
Net working capital:				
– inventories	629	3.1	621	3.0
– receivables, accrued income and prepaid expenses	2,076	10.3	2,124	10.3
– payable, accrued expenses and prepaid income	(3,620)	(18.0)	(3,371)	(16.4)
Net working capital	**(915)**	**(4.6)**	**(626)**	**(3.1)**
Net assets held for sale	**979**	**4.9**	**393**	**1.9**
Non–current assets:				
– intangible assets	14,901	74.0	15,367	74.9
– property, plant and equipment	2,467	12.3	2,495	12.2
– non–current financial assets	1,836	9.1	1,950	9.5
– net deferred assets/(liabilities)	860	4.3	942	4.6
Non–current assets	**20,064**	**99.7**	**20,754**	**101.2**
Net capital employed	**20,128**	**100.0**	**20,521**	**100.0**
– shareholders' equity, Group	3,675	18.2	3,435	16.7
– minority interests	3,518	17.5	3,304	16.1
Total shareholders' equity	7,193	35.7	6,739	32.8
Net indebtedness	12,935	64.3	13,782	67.2
Source of fund	**20,128**	**100.0**	**20,521**	**100.0**

Net assets held for sale at December 31, 2010 consist mainly of the net value of assets and liabilities, excluding those of a financial nature, of Strada dei Parchi S.p.A. whose sale to third parties is being finalized.

Net capital employed decreased by Euro 393 million, despite significant investments made by the Group, due in part to Autogrill's sale of the Flight segment.

High cash generation in all sectors allowed an appreciable reduction in net indebtedness, by Euro 847 million with respect to December 31, 2009.

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

(Millions of Euro)	12.31.2010	12.31.2009
Edizione S.r.l. (*)	(315)	(347)
Benetton group	(486)	(556)
Autogrill group	(1,576)	(1,935)
Other companies	(19)	(22)
Total retail sector	**(2,396)**	**(2,860)**
Sintonia S.A.	(890)	(1,177)
Atlantia group	(9,657)	(9,755)
Other companies	8	10
Total infrastructure sector	**(10,539)**	**(10,922)**
Consolidated net indebtedness	**(12,935)**	**(13,782)**

(*) Including the net financial position of certain subholding companies.

OTHER INFORMATION

Neither the Parent Company nor its subsidiaries, at the reporting sheet date, hold shares or quotas in their respective controlling companies either directly or through trust companies or intermediaries, or made acquisitions or disposals of such shares during the year.

SIGNIFICANT EVENTS FOLLOWING THE END OF THE FINANCIAL YEAR

BENETTON GROUP

» On January 31, 2011 Benetton Group S.p.A. signed with the Republic of Serbia and the city of Niš a memorandum of intent for possible cooperation in developing a new production center in the city of Niš. This would involve acquiring an industrial site comprising around 80,000 square meters in land and some 60,000 square meters in buildings. The project will require that the group invest some Euro 32 million and will make it possible, among other things, to verticalize the production cycle for wool garments, which may reach a run–rate capacity of 7 million units per year. Based on the agreement, the group will receive a non–refundable free grant from the Serbian authorities amounting, in stages, to about Euro 20 million as the personnel recruitment and training program progresses.

AUTOGRILL GROUP

» On January 31, 2011 Autogrill group acquired from Impel Group (Warsaw), Poland's leading provider of outsourcing services, the remaining 49% of Autogrill Polska Sp.zo.o. which was set up in 2009 to manage rest areas along Polish motorways.
» On March 3, 2011, through its US division HMSHost, Autogrill group signed a new 10–year contract (2011–2021) to manage Food & beverage operations at John Wayne Airport in Santa Ana, California, which it has served for over 20 years. Revenues of this concession, once fully operating in 2012, are forecasted in about Usd 25 million. Under the terms of the agreement, the number of outlets at John Wayne Airport will rise to seventeen, as eight are opened in the new Terminal C and the existing nine in Terminals A and B are renovated.
» On March 24, 2011, through its US division HMSHost, Autogrill group and Starbucks Corporation extended their partnership for the opening and management of Starbucks locations. Two years ahead of schedule, Autogrill has renewed this exclusive management contract for an additional 10 years (until 2020), including the opening of 120 additional Starbucks locations in North America.

ATLANTIA GROUP

» As announced on January 3, 2011, Autostrade per l'Italia S.p.A. has agreed to sell its 60% interest in Strada dei Parchi S.p.A. to Toto S.p.A. for a total of Euro 89 million. Under the terms of the agreement, Toto will buy 58% of the company for Euro 86 million, with a first installment of Euro 60 million to be paid on transfer of the shares and the remaining Euro 26 million to be paid within 36 months of the sale. The remaining 2% stake held by Autostrade per l'Italia is subject to a call/put option (at a price of Euro 3 million), execution of which is deferred until the conditions described in Art. 156, paragraph 3 of Legislative Decree 163/2006 have been met (e.g. certification of the infrastructure). Execution of the sale agreement is subject to the following conditions, which have already been or are in the process of being met: the positive outcome of the procedure required by Strada dei Parchi's Single Concession Arrangement, which means that ANAS must approve any change in control of the company, the receipt of antitrust clearance, signature of the project finance loan agreement and completion of the first drawdown to fund Strada dei Parchi's investment program.
In this regard, on February 25, 2011 Strada dei Parchi and a syndicate of leading Italian and international banks entered into a project financing agreement worth Euro 571 million.
» Following a tender procedure launched in May 2009, on January 18, 2011 France's Ministry of Ecology, Sustainable Development, Transport and Housing chose Autostrade per l'Italia as the preferred bidder in the process to award a contract for the implementation and operation of a satellite–based toll system for heavy vehicles weighing over 3.5 tonnes (Eco Taxe Poids Lourds) using the country's 15,000–km road network. On February 8, 2011 the Ministry notified Autostrade per l'Italia that it had been awarded the contract, which has a lifetime of 13 years and is worth more than Euro 2 billion in terms of total expected revenue. However, on March 11, 2011 the Administrative Court of Cergy–Pontoise cancelled the tender process following an appeal filed by members of a rival consortium. On March 21, 2011 and March 25, 2011, respectively, the French Cabinet and Autostrade per l'Italia filed separate, independent appeals to the French Council of State to have the Administrative Court decision reversed.

» On January 18, 2011, the evaluating committee of the tender "for the supply and installation of a freeflow toll system on the motorways and motorway link roads operated by ANAS and provision of the related maintenance services, operation of the tolling and toll collection system and provision of on–the–job training for ANAS personnel to prepare them to take over operation of the system" examined the tenders submitted by the qualifying bidders and provisionally awarded the contract to the temporary consortium for which Autostrade per l'Italia is acting as agent.
» On April 18, 2011 Atlantia reached an agreement with the Acciona group for the acquisition of 50% of Sociedad Concesionaria Autopista Vespucio Sur S.A., 50% of Sociedad Concesionaria Litoral Central S.A. and 50% of Sociedad de Operacion y Logistica Infraestructura S.A. The total cost of these investments is around Euro 290 million. The transaction is subject to clearance from the competent authorities and approval from the lending banks. The remaining 50% of the three companies was acquired by the Atlantia group in 2008 and subsequently transferred to Autostrade Sud America S.r.l., the holding company owned 45.76% by Autostrade per l'Italia, 45.76% by Società Iniziative Autostradali e Servizi – SIAS S.p.A. and 8.47% by Mediobanca S.p.A. Atlantia and its partners in Autostrade Sud America are studying how to transfer the investments being acquired to Autostrade Sud America, with the aim of achieving significant operating synergies with the other subsidiaries, including with a view to a possible stock market listing.
» On May 13, 2011 Autostrade per l'Italia S.p.A. reached an agreement with Monte Paschi di Siena S.p.A., Holcoa S.p.A. (a holding company for motorway operators), Vianco S.p.A. (fully owned by Vianini Lavori of the Caltagirone group) and Società Autostrada Ligure Toscana p.A. (SIAS group) for the sale of a 69.1% stake in Società Autostrada Tirrenica p.A., which is currently owned 94% by Autostrade per l'Italia. The sale price amounts to Euro 67.7 million. On completion of the transaction, Società Autostrada Tirrenica's ownership structure will be as follows: Autostrade per l'Italia 24.89%, Holcoa 24.89%, Vianco 24.89%, Monte Paschi di Siena 14.94%, Società Autostrada Ligure Toscana 9.95%, other shareholders approximately 0.4%. Società Autostrada Tirrenica holds the concession for the section of the A12 in service between Livorno and Rosignano (approximately 37 km) and also has the concession for completion of the A12 between Livorno and Civitavecchia, totalling about 206 km, with construction of the first 4 km between Rosignano and San Pietro in Palazzi currently in progress.

OUTLOOK FOR 2011

TEXTILES & CLOTHING

The strong growth in cost, especially for raw materials, will lead to a significant erosion of margins during the year.
The Benetton group aims to increase store profitability by revitalizing the commercial offer of all product lines, strengthening brand attractiveness and reducing time to market, as well as continued improvement of the network where most of the large investment program of the year is directed. These efforts will have a return in the medium term.
Action carried out to date, other being planned and the financial strength of the group allow the continuation of a sustained investment policy, an increase in dividend pay–out, while also permitting further reduction of the financial position.

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

In the first 17 weeks of 2011, revenues grew by 4.5% (on an exchange adjusted basis) with respect to the same period in 2010. Considering the progress achieved thus far – but also the high volatility of traffic, the likely impact of oil prices on traffic scenarios, and the price trend for other raw materials – there is reason to believe that results in 2011 will be essentially in line with those of the year under review.

INFRASTRUCTURE & SERVICES FOR MOBILITY

Figures for the first quarter of 2011 suggest that operating performance will improve this year.
It should be noted, however, that the volume of traffic using the Atlantia group motorway network is affected by numerous factors. These include the overall economic climate and, more specifically, industrial output, consumer spending and, albeit to a limited extent on the basis of historical evidence, fuel prices. Any resulting shift in traffic trends may have an impact on the group's operating results or financial position.

PERFORMANCE BY BUSINESS SEGMENT

At December 31, 2010 the Edizione Group operated in the following business segments:

» Textiles & clothing;
» Food & beverage and Travel retail & duty–free;
» Infrastructure & services for mobility.

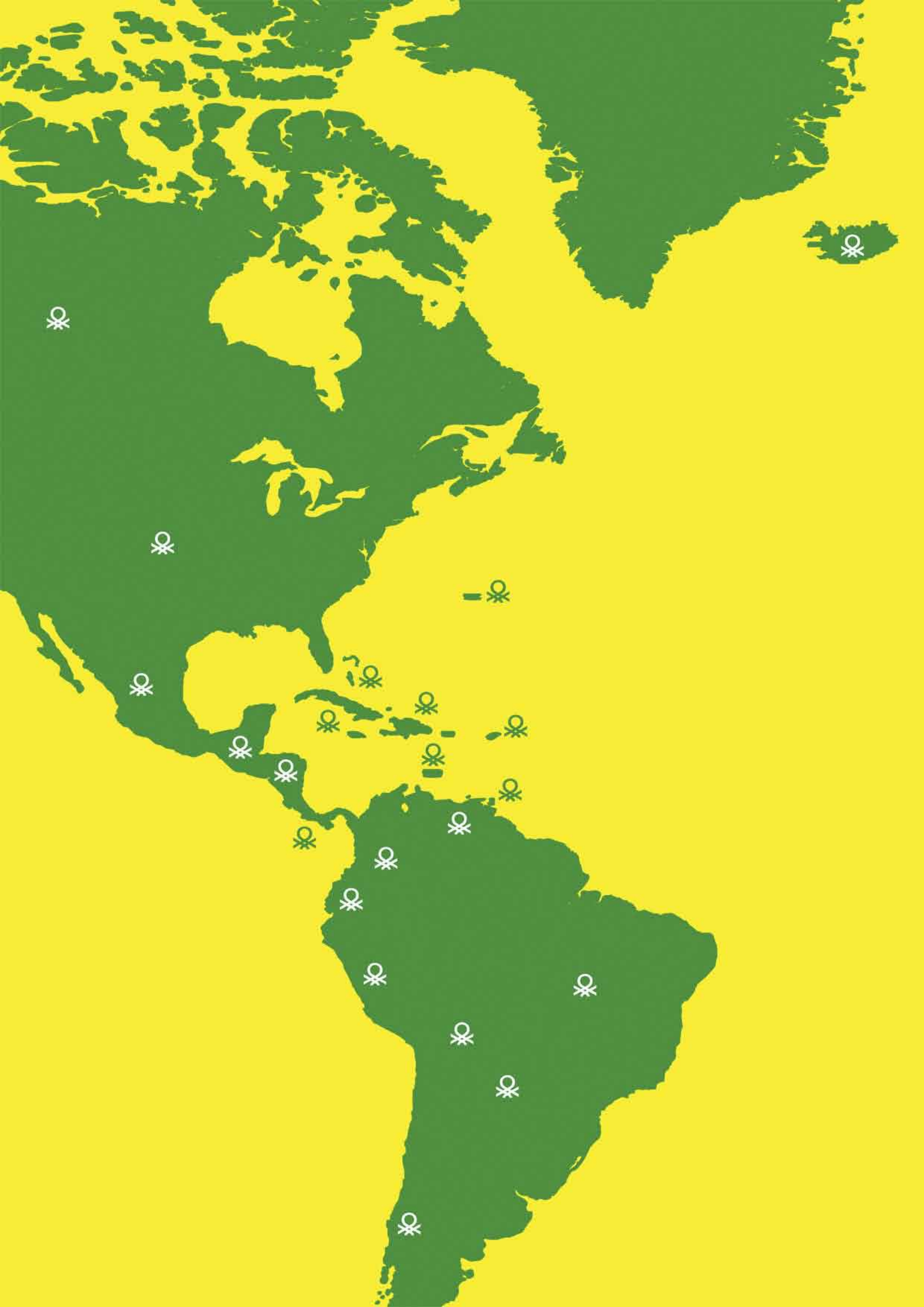
These are headed up respectively by Benetton Group S.p.A., Autogrill S.p.A. and Sintonia S.A., which in turn is the key shareholder of Atlantia S.p.A.

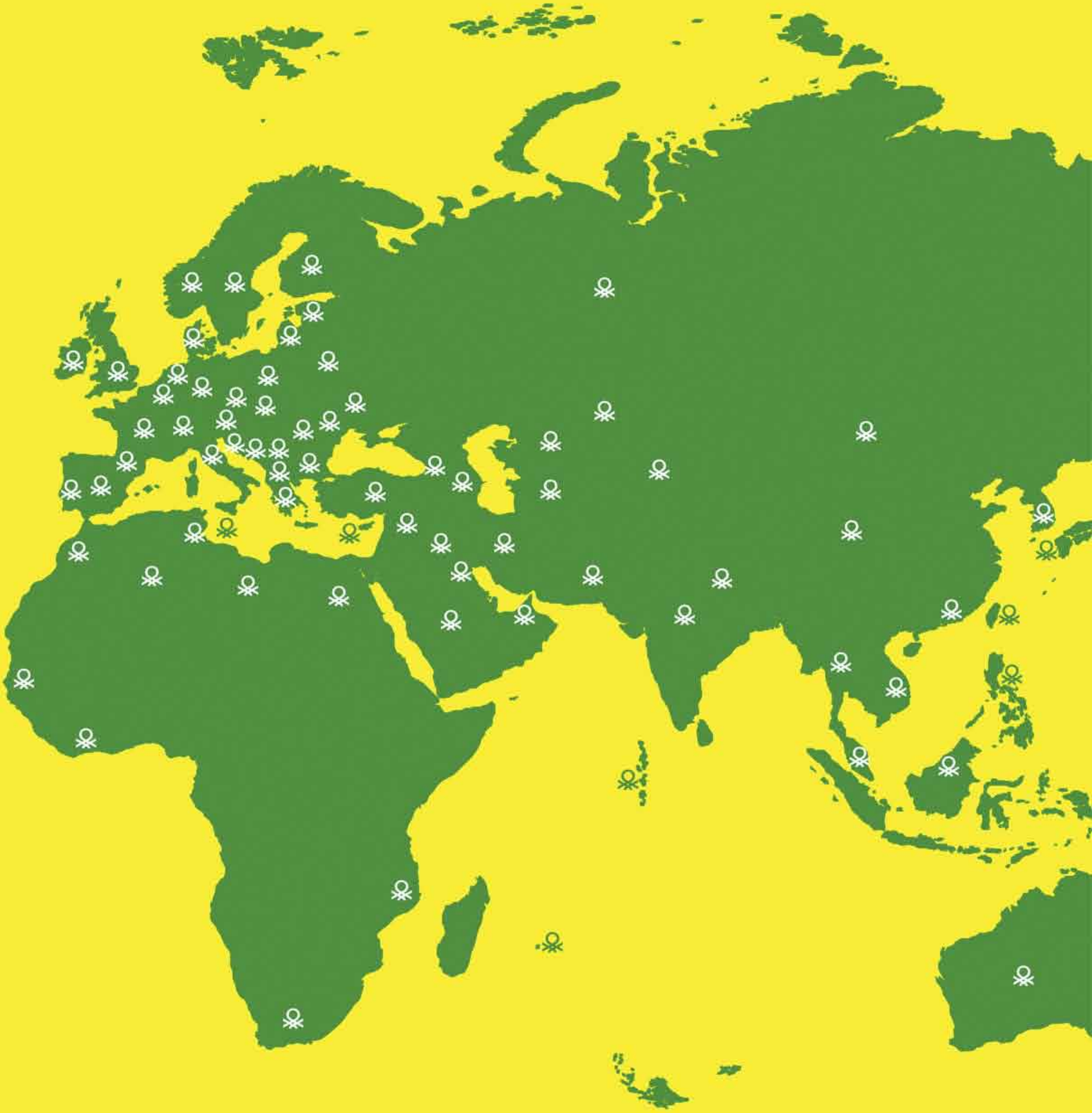
The Group also manages real estate and agricultural operations, other than those directly held by the companies listed above, and has interests in the world of sports.

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

The 2010 and 2009 financial statements for the Benetton, Autogrill and Atlantia groups are stated in accordance with the 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
& CLOTHING





TEXTILES & CLOTHING

Benetton Group S.p.A. (controlling interest: 67.08%)

The main consolidated economic and financial highlights in 2010 and 2009 are as follows:

(Millions of Euro)	2010	%	2009	%
Revenues	**2,053**	**100.0**	**2,049**	**100.0**
Cost of sales	(1,105)	(53.8)	(1,106)	(54.0)
Gross operating profit	**948**	**46.2**	**943**	**46.0**
Sales and general expenses	(772)	(37.6)	(737)	(36.0)
Operating result	**176**	**8.6**	**206**	**10.1**
Financial income/(charges), net	(20)	(1.0)	(18)	(0.9)
Net foreign currency hedging gains/(losses) and exchange differences	12	0.6	(2)	(0.1)
Income before taxes	**168**	**8.2**	**186**	**9.1**
Income taxes	(65)	(3.2)	(68)	(3.3)
Minority interests	(1)	–	4	0.2
Net income, group	**102**	**5.0**	**122**	**6.0**
Net income, group /Shareholders' equity (ROE)	6.90%		8.47%	
Operating result/Capital employed (ROI)	8.88%		10.23%	
Capital employed	1,984		2,012	
Shareholders' equity	1,498		1,456	
Net indebtedness	486		556	
Net indebtedness/Shareholders' equity	0.32		0.38	

Revenues

Consolidated net revenues in 2010 came to Euro 2,053 million, compared with Euro 2,049 million the previous year. On the one hand, this trend reflects the difficult economy in some of the group's most important markets, but on the other hand it demonstrates a drive for development in regions with the greatest opportunities for growth. More specifically, it is the combined result of:

- a positive contribution by the collection mix, featuring product categories of higher unit value;
- favourable exchange rate movements against the Euro, which was especially beneficial to the results of directly operated stores;
- the commercial policies adopted in support of the sales network.

Revenues by geographical area are as follows:

(Millions of Euro)	2010	%	2009	%	Change
Italy	931	45.3	974	47.5	(43)
Rest of Europe	757	36.9	704	34.4	53
Americas	79	3.8	70	3.4	9
Rest of the world	286	13.9	301	14.7	(15)
Total	**2,053**	**100.0**	**2,049**	**100.0**	**4**

Operating margins

Gross operating profit came to Euro 948 million, or 46.2% of revenues, and is largely in line with 2009.

Operating result came to Euro 176 million (Euro 206 million in 2009), or 8.6% of revenues (10.1% the previous year). Net of non–recurring items, which had a negative impact on results for 2010, the operating result would amount to Euro 208 million (10.1% of revenues), compared with Euro 229 million (11.1% of revenues) in 2009.

Net foreign currency hedging gains/(losses) and exchange differences

Net gains from foreign currency hedging and exchange differences originate mostly from the positive contribution of hedges against purchases in US dollars, which were partially offset by hedges against sales in other currencies (particularly rubles and Swiss francs) and the local currency performance with respect to the Euro relative to various subsidiaries.

Cash flow and investments

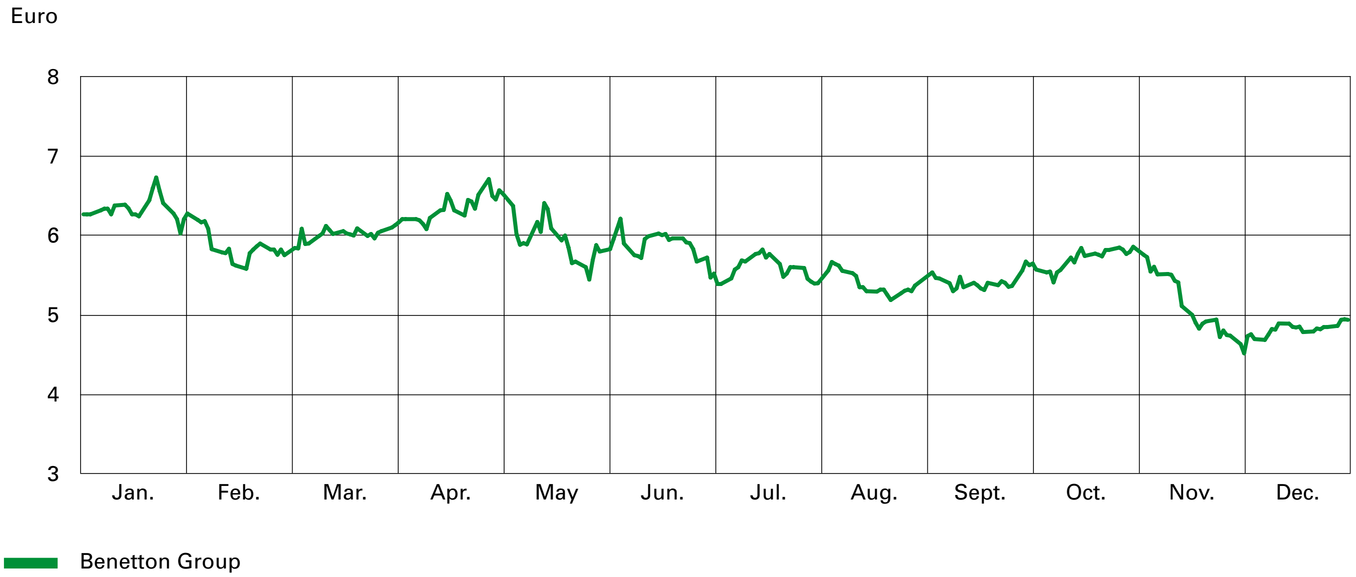
Cash flow from operating activities before changes in working capital came to Euro 331 million for the year (Euro 349 million in 2009).
Cash flow used by investing activities totaled Euro 122 million (Euro 113 million the previous year), due to the stronger focus of group investments.
During the year, dividends were paid in the amount of Euro 41 million.

Performance of Benetton shares

In 2010, ordinary shares of Benetton were traded principally on Borsa Italiana S.p.A.; Benetton also lists and trades its American depositary receipts (AdR) through the international OTCQX system, which gives U.S. investors constant access to the latest news and most recent information on the group.

Share and market data	2010	2009
Earnings per share (in Euro)	0.59	0.71
Equity per share (in Euro)	8.10	8.34
Dividend per share (in Euro)	0.25	0.23
Pay out ratio (%)	42.4	32.4
Dividend yield	5.1	3.7
Price on December, 31 (in Euro)	4.92	6.24
High (in Euro)	6.70	7.56
Low (in Euro)	4.50	4.42
Price per share/earnings per share	8.34	8.79
Price per share/equity per share	0.61	0.75
Market capitalization (millions of Euro)	848	1,075
No. shares outstanding	182,679,012	182,679,012

Benetton Group share performance in 2010



FOOD & BEVERAGE
AND TRAVEL RETAIL & DUTY–FREE

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

Autogrill S.p.A. (controlling interest: 59.28%)
In accordance with IFRS 5, the Autogrill group's income statement figures for 2009 have been restated to reflect the reclassification of items relating to the Flight segment to Profit/(loss) from discontinued operations.

Key figures for the Autogrill group in 2010 and 2009 are shown below:

(Millions of Euro)	2010	%	2009	%
Revenues	**5,703**	**100.0**	**5,325**	**100.0**
Other operating income	139	2.4	146	2.7
Total revenue and income	**5,842**	**102.4**	**5,471**	**102.7**
Cost of raw materials and goods	(2,090)	(36.6)	(1,972)	(37.0)
Rents, concessions and royalties	(1,151)	(20.2)	(1,064)	(20.0)
Payroll costs	(1,442)	(25.3)	(1,327)	(24.9)
Other operating cost	(554)	(9.7)	(544)	(10.2)
Ebitda	**605**	**10.6**	**564**	**10.6**
Amortization, depreciation and impairments	(350)	(6.1)	(340)	(6.4)
Operating result	**255**	**4.5**	**224**	**4.2**
Financial income/(charges), net and financial asset value adjustment	(75)	(1.3)	(93)	(1.7)
Income before taxes and minority interests	**180**	**3.1**	**131**	**2.5**
Income taxes	(90)	(1.6)	(100)	(1.9)
Profit/(loss) from continuing operations	**90**	**1.6**	**31**	**0.6**
Profit/(loss) from discontinued operations	25	0.4	14	0.3
Minority interests	(12)	(0.2)	(8)	(0.1)
Net income, group	**103**	**1.8**	**37**	**0.7**
Net income, group/Shareholders' equity (ROE)	14.9%		7.3%	
Operating result/Capital employed (ROI)	11.1%		9.0%	
Capital employed	2,287		2,498	
Shareholders' equity	712		563	
Net indebtedness	1,576		1,935	
Net indebtedness/Shareholders' equity	2.21		3.44	

Revenues

Autogrill closed the year with consolidated revenues of Euro 5,703 million, an increase of 7.1% (+4.5% on an exchange adjusted basis) with respect to 2009.
Autogrill's earnings and financial performance were positive in 2010, and improved on the previous year, in an economy that showed signs of recovery by way of growth in international trade and mobility. Although the trend was not linear, the year stood out for an upturn in airport traffic that was greater than the rise in motorway traffic. This favored the performance of Travel retail & duty–free, concentrated solely at airports, with respect to Food & beverage, which has a more extensive network along motorways and elsewhere.

Operating margins

In 2010 Autogrill reported consolidated Ebitda of Euro 605 million, an increase of 7.3% for the year (+4.4% on a like–for–like basis).
Ebitda rose in line with the trend in revenue, thanks especially to Travel retail & duty–free. This segment benefited from an improved sales mix, encouraged by the increase in long–range flights and from the ever stronger synergies achieved through the integration process. The continued volatility of traffic made the Food & beverage business less productive, although it still made a strong contribution.
Ebitda amounted to 10.6% of revenue, in line with the previous year. The synergies achieved through the integration of Travel retail & duty–free operations and the strengthening of measures to reduce operating costs (adopted in 2009) offset the rise in personnel expense, especially in the United States and Italy, and the impact in Italy of the less favourable sales mix.
Operating result of Euro 255 million showed an increase of 13.8% (+9.8% on an exchange adjusted basis) with respect to the previous year (Euro 224 million), despite the higher charge for amortization, depreciation and impairment losses.

Financial income/(charges), net and financial asset value adjustment

Financial charges decreased with respect to 2009 and reflect a reduction in debt, thanks to the strong generation of cash by all of the group's operating units. Taxes also went down, despite the improved performance, as taxable income were less polarized than in 2009, when they were concentrated in high–tax countries, and projections are more favourable as to the recoverability of fiscal losses generated during the year.

Net income, group

The group's share of net income for 2010 came to Euro 103 million.
Net income for the Flight segment amounted to Euro 25 million (Euro 14 million in 2009) and includes the net capital gain of Euro 11 million from the disposal of this business.

Financial situation

The sale of the Flight segment to Dnata, the leading airport services company in the Middle East, was finalized at the end of 2010. Autogrill had entered the Flight business in 2007 with the acquisition of Alpha Airports Group Plc., as a first step toward entering the UK airport channel (completed the following year with the purchase of World Duty Free). The sale, which reduced consolidated debt by Euro 165 million, has freed up financial and managerial resources for the two strategic segments of Food & beverage and Travel retail & duty–free.
In 2010 the group also reached and exceeded the deleverage targets it had set in 2008 after its acquisitions in the Travel retail & duty–free business. Strict financial discipline led to net cash flow which, in combination with the sale of the Flight business, reduced the group's indebtedness by Euro 359 million (from Euro 1,935 million to Euro 1,576 million). At constant exchange rates, the reduction in debt would have been Euro 400 million.

Investments

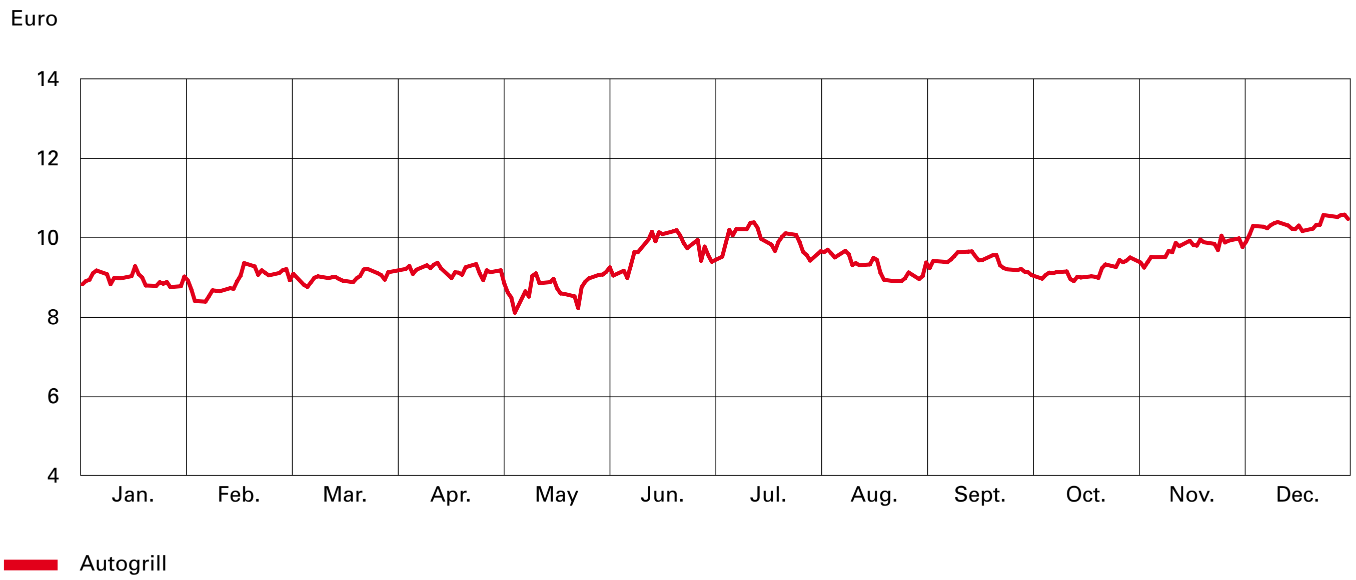
Capital expenditure in 2010 amounted to Euro 225 million, up from Euro 150 million the previous year. The growth reflects greater investments in Italy and the United States, for new openings and renovations, especially in the motorway channel.

(Millions of Euro)	2010	%	2009	%	Change
Food & beverage	192	85.2	122	80.8	70
Travel retail & duty–free	28	12.4	22	14.5	6
Corporate and unallocated	5	2.3	6	4.7	(1)
Total	**225**	**100.0**	**150**	**100.0**	**75**

Performance of Autogrill shares

Share and market data	2010	2009
Earnings per share (in Euro)	0.41	0.15
Equity per share (in Euro)	2.71	2.00
Dividend per share (in Euro)	0.24	–
Pay out ratio (%)	59.0%	–
Dividend yield	2.3%	–
Price on December 31 (in Euro)	10.6	8.8
High (in Euro)	10.7	9.0
Low (in Euro)	8.2	3.2
Price per share/earnings per share	26.0	60.5
Price per share/equity per share	3.9	4.4
Market capitalization (millions of Euro)	2,689	2,238
No. shares outstanding	254,400,000	254,400,000

Autogrill share performance in 2010



INFRASTRUCTURE &
SERVICES FOR MOBILITY

INFRASTRUCTURE & SERVICES FOR MOBILITY

The companies in this segment are owned by the subsidiary Sintonia S.A. which holds, directly and through Schemaventotto S.p.A., 42,25% of Atlantia S.p.A. and the Group's investments in the airport management sector: 30.23% of Gemina S.p.A. and 24.38% of Sagat S.p.A., which respectively manage airports in Rome and in Turin.

The results of Sintonia S.A. in 2010 and 2009 are summarized below:

(Millions of Euro)	2010	2009
Dividends and other income from equity investments	106	156
Operating expenses	(6)	(5)
Financial income/(charges), net	(44)	(43)
Capital losses on disposal of equity investments	–	(2)
Impairment of financial assets	–	(303)
Net income/(loss) for the year	**56**	**(197)**
Shareholders' equity	1,926	1,613
Net indebtedness	815	1,101

Net income in 2010 came to Euro 56 million, compared with a heavy loss in 2009 caused by non–recurring impairment losses. Net indebtedness at the close of the year stood at Euro 815 million, a reduction of Euro 286 million due to the proceeds, early in the year, of Euro 302 million from the sale of the Telecom Italia shares held after divestment from Telco.
During the year Sintonia acquired 0.96% of Atlantia in the open market, at an average price of Euro 14.89 per share, for a total of Euro 82.8 million. Its subsidiary Schemaventotto also increased its stake in Atlantia by acquiring from Aabar Infrastructure GmbH a total of 19,350,000 Atlantia ordinary shares (a 3.22% interest), at a price of Euro 16.00 per share for a total outlay of Euro 309.6 million. At December 31, 2010, therefore, Sintonia S.A. directly and indirectly owned 42.25% of Atlantia.
During the year, the shareholders Elmbridge Investment Pte Ltd. and Mediobanca S.p.A. paid in a capital increase totaling Euro 307.5 million, raising their respective interests to 6.99% and 6.72%. Edizione's controlling share now amounts to 75.02%. Elmbridge Investment has remaining commitments of Euro 566.8 million.

Atlantia S.p.A. (total interest held by Sintonia S.A.: 42.25%)
Consolidated figures for the year ended December 31, 2009 have been restated to reflect the application of IFRIC 12.

The main consolidated economic and financial highlights in 2010 and 2009 are as follows:

(Millions of Euro)	2010	%	2009	%
Revenues	**3,750**	**100.0**	**3,488**	**100.0**
Ebitda	2,285	60.9	2,139	61.3
Ebit	**1,767**	**47.1**	**1,667**	**47.8**
Financial income/(charges), net	(659)	(17.6)	(704)	(20.2)
Income taxes	(400)	(10.7)	(381)	(10.9)
Profit/(loss) from continuing operations	**708**	**18.9**	**582**	**16.7**
Profit/(loss) from discontinued operations	(7)	(0.2)	(20)	(0.6)
Minority interests	(18)	(0.5)	1	–
Net income, group	**683**	**18.2**	**563**	**16.1**
Ebit/Revenues (ROS)	47.1%		47.8%	
Ebit/Capital employed (ROI)	13.3%		12.9%	
Operating cash flow (FFO)	1,428		1,300	
Capital employed	13,244		12,952	
Shareholders' equity	3,587		3,197	
Net indebtedness	9,657		9,755	
Net indebtedness/Ebitda	4.23		4.56	

Due to negotiations aimed at disposing of the controlling interest in Strada dei Parchi, resulting in an agreement for the sale of 60% of the company's share capital, Strada dei Parchi's contribution to the 2010 consolidated results is accounted for in Profit/(loss) from discontinued operations in accordance with IFRS 5, instead of being included on each separate line of the consolidated income statement. In the consolidated income statement for 2009 provided for the sake of comparison, Strada dei Parchi's contribution has likewise been restated with respect to the amounts published in last year's annual report, as required by IFRS 5.

Revenues

Revenues came to Euro 3,750 million, an increase of Euro 262 million (+7.5%) on 2009.
To aid the reader's understanding of certain changes in the operating results, it should be noted that since August 5, 2009, following the enactment of Decree Law 78/2009 (converted into Law 102/2009), an increase in the concession fee payable to ANAS has been included in operating costs and a matching toll increase has been recognized in toll revenue, without this affecting the group's results. In implementation of Law Decree 78/2010, converted into Law 122/2010, from July 1, 2010 a further toll increase has been applied by Italian motorway operators to match a further rise in the concession fee payable to ANAS.
The overall toll increases recognized for 2010 amount to Euro 228 million, compared with the Euro 79 million recognized in 2009 for the period August 5–December 31.
Based on a like–for–like period of contribution for the companies acquired from the Itinere group at the end of June 2009 and after stripping out the above toll increases, the benefit of the different period of application of the annual toll charge increase and non–recurring income for the two comparative periods, total like–for–like revenue shows an increase of Euro 115 million (+3.4%).

Operating margins

Ebitda came to Euro 2,285 million, rising by Euro 146 million (+6.8%) with respect to 2009.
Ebit amounted to Euro 1,767 million, an increase of Euro 100 million (+6.0%) on the previous year's Euro 1,667 million, as the growth in Ebitda was partially offset by higher amortization and depreciation (+Euro 40 million).

Financial situation

Net capital employed increased in 2010, mainly because of the investments carried out by Autostrade per l'Italia and other subsidiaries, which rose by Euro 174 million on 2009 (+15%) to Euro 1,313 million.

At December 31, 2010 the group's net indebtedness stood at Euro 9,657 million, a decrease of Euro 98 million since the end of 2009 (Euro 9,755 million).
Operating activities generated cash flow of Euro 1,641 million for the year (Euro 1,317 million in 2009). The increase in cash flow from operating activities essentially reflects the improved performance of continuing operations (operating cash flow up by Euro 128 million, taking account of non–cash items recognized in the two comparative periods) and the positive contribution of the change in working capital.
Cash flow used by investments in non–financial assets amounts to Euro 1,199 million, a reduction of Euro 95 million with respect to 2009 (Euro 1,294 million).
The figure for 2010 reflects an increase of Euro 190 million in motorway infrastructure investments, net of government grants and the share of investments recognized as an increase in financial asset in the form of takeover rights, and the inflow of Euro 27 million from the sale of three investments in Portuguese companies, while the figure for 2009 reflected the acquisition of investments from the Itinere group, Alitalia, IGLI and Tangenziali Esterne di Milano, totaling Euro 259 million.

The residual weighted average term to maturity of the group's interest bearing debt is approximately 7 years and 96% of it is fixed rate. Of the group's medium/long–term debt, 9% 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 2%), the group is not exposed to currency risk on translation into Euro.
The average cost of medium/long–term borrowings in 2010 was approximately 4.9%.
At December 31, 2010 the Atlantia group had cash reserves of Euro 6,166 million.

Performance of Atlantia shares

Share and market data	2010	2009 (*)
Earnings per share (in Euro)	1.16	0.96
Equity per share (in Euro)	5.30	4.92
Dividend per share (in Euro)	0.75	0.75
Pay our ratio (%)	64.3	77.7
Dividend yield	4.9%	4.1%
Price on December 31 (in Euro)	15.3	18.3
High (in Euro)	18.1	18.3
Low (in Euro)	13.7	9.4
Price per share/earnings per share	13.2	19.0
Price per share/equity per share	2.9	3.7
Market capitalization (millions of Euro)	9,167	10,434
No. shares outstanding (**)	600,297,135	571,711,557
Group's rating		
Standard&Poor's	A– (outlook stable)	A– (outlook stable)
Moody's	A3 (outlook stable)	A3 (outlook stable)
Fitch Ratings	A– (outlook stable)	A– (outlook stable)

(*) 2009 figures have been restated to reflect the application of IFRIC 12.
(**) The bonus issue approved by the extraordinary general meeting of April 14, 2010, pursuant to Art. 2442 of the Italian Civil Code, was completed on June 7, 2010 via the assignment of one new share for every 20 held.

Atlantia share performance in 2010 (*)

(*) Price per share adjusted to take account of bonus issue carried out on June 7, 2010.

Gemina S.p.A. (total interest held by Sintonia S.A.: 30.23%)

Sintonia S.A.'s direct interest in Gemina S.p.A. amounts to 4.96%; a further 25.27% is held through the subsidiary Investimenti Infrastrutture S.p.A.
The latter is a member of the shareholders' agreement that covers 43.09% of Gemina shares.
The investment in Gemina is recognized on an equity basis.

At December 31, 2010 Gemina controlled 95.76% of Aeroporti di Roma (AdR), which is basically its only asset.

Key figures for AdR in 2010 and 2009 are reported below:

(Millions of Euro)	2010	%	2009	%
Revenues	600	100.0	562	100.0
Gross operating profit	280	46.7	254	45.2
Operating result	150	25.0	134	23.8
Net income/(loss) for the year	**22**	**3.7**	**5**	**0.9**
Operating result/Revenues (ROS)	25.0%		23.8%	
Operating result/Capital employed (ROI)	7.5%		6.5%	
Capital employed	1,990		2,049	
Shareholders' equity	750		729	
Net indebtedness	1,240		1,320	

The worldwide air transport market showed significant growth in 2010, with passenger traffic up by 6.2% on the previous year.
For Aeroporti di Roma, passenger traffic increased by 5.9% in 2010, thanks to the higher load factor on airplanes and the growth in international traffic (with a peak of +15.8% for flights outside the European Union).
Fiumicino closed the year with a 7.5% rise in the number of passengers carried. Ciampino, on the other hand, saw a drop of 5.0%, in parallel with the reduction in capacity; movements (–6.2%) decreased due to the transfer of some flights to Fiumicino, which were not fully replaced by other carriers.
Because operating costs (+4.7%) grew more slowly than revenues (+6.7%), gross operating profit increased by 10% to Euro 280 million, and from 45.3% to 46.7% of sales.

Operating result, at Euro 150 million, advanced by 12% on the previous year, despite the increase in depreciation, amortization and provisions for doubtful accounts.

Net income was affected by an additional Euro 14 million in non–recurring charges to cover the dispute with the Customs Office, following the Regional Tax Commission's rejection of the appeal filed by AdR.
In 2009, non–recurring charges amounted to Euro 32 million and included Euro 20 million in restructuring costs.
The AdR group earned net income of Euro 22 million in 2010, up from Euro 5 million the previous year.

Gemina share performance in 2010

Sagat S.p.A. (held 24.38% by Sintonia S.A.)
The main consolidated economic and financial highlights in 2010 and 2009 are as follows:

(Millions of Euro)	2010	2009
Revenues	67	65
Gross operating profit	22	21
Operating result	8	8
Net income/(loss) for the year	**5**	**6**
Capital employed	100	103
Shareholders' equity	91	91
Net indebtedness	9	12

In 2010 the number of passengers in transit through the airport was 3.6 million, and all–time high, an increase of 10.3% with respect to 2009, despite the penalizing effect of the volcanic eruption in Iceland. Total revenues grew by a more modest 2.9%, as the 2009 figure included Euro 2.4 million in non–recurring income, from the release of prior–year provisions against a lawsuit that was resolved in the company's favour.
Gross operating profit was on the rise thanks to cost–cutting measures. Net of the impact of volcanic ash, strikes and construction work on the runway, the increase would have been even greater.
Net income declined due to higher taxes on the same amount of pre–tax profit; in 2009 the non–recurring income mentioned above was not taxed, as it originated from the release of provisions that had not been deducted.
Cash flow generated by operating activities was around Euro 16.9 million, which reduced net indebtedness, after investments of Euro 9.5 million and a dividend distribution of Euro 4 million.

THE PARENT COMPANY

Edizione S.r.l.

Below are the main economic and financial highlights in 2010 and 2009:

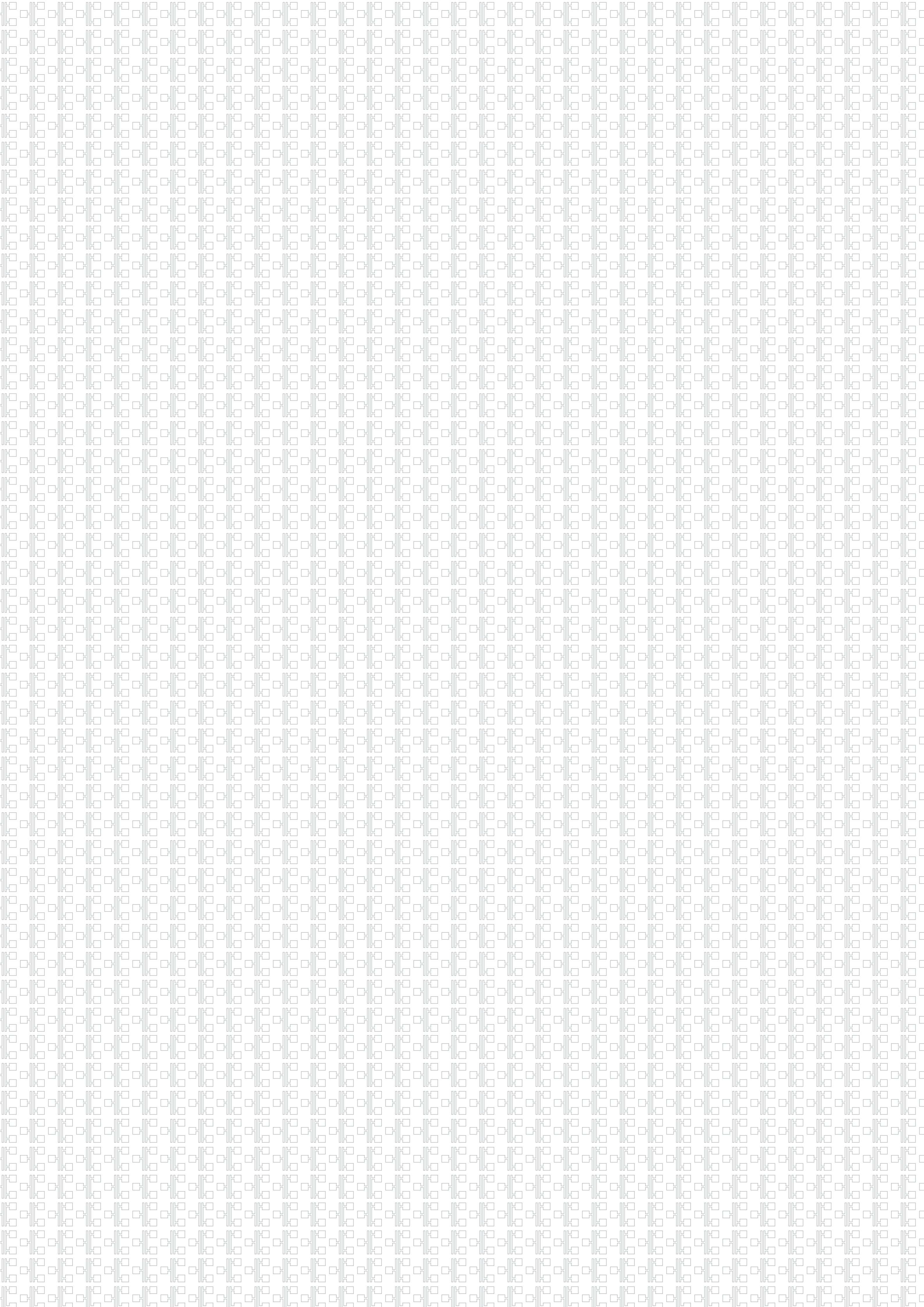
(Millions of Euro)	2010	2009
Dividends and other income from equity investments	87	52
Other revenues and income	8	15
Operating expenses, depreciation and amortization	(18)	(17)
Financial income/(charges), net	(11)	(12)
Impairment of current financial assets	–	(1)
Extraordinary income/(charges), net	(3)	–
Operating income	**64**	**37**
Capital gains on disposal of equity investments, net of capital losses	–	–
Reversal/(impairment) of non–current financial assets	12	(5)
Income taxes	4	4
Net income/(loss) for the year	**80**	**36**
Non–current financial assets	2,613	2,661
Property, plan and equipment and other assets	176	174
Capital employed	**2,789**	**2,835**
Shareholders' equity	2,495	2,456
Net indebtedness	294	379

The 2010 income statement shows an increase in Dividends and other income from investments, thanks to Euro 39,5 million in dividends paid by the subsidiary Sintonia S.A.

Net financial income/(charges) were stable, despite the reduction in net indebtedness, due to a rise in interest rates.

The positive amount shown for Reversal/(impairment) of non–current financial assets results from the partial reversal of impairment losses on Pirelli & C. S.p.A. (Euro 59 million), less new impairment losses on Assicurazioni Generali S.p.A. (Euro 44.5 million) and Il Sole 24 Ore S.p.A. (Euro 2.4 million).

At December 31, 2010, Edizione S.r.l. had shareholders' equity of Euro 2,495 million and net financial indebtedness of Euro 294 million.



UNITED COLORS OF BENETTON
BOLOGNA MEGASTORE

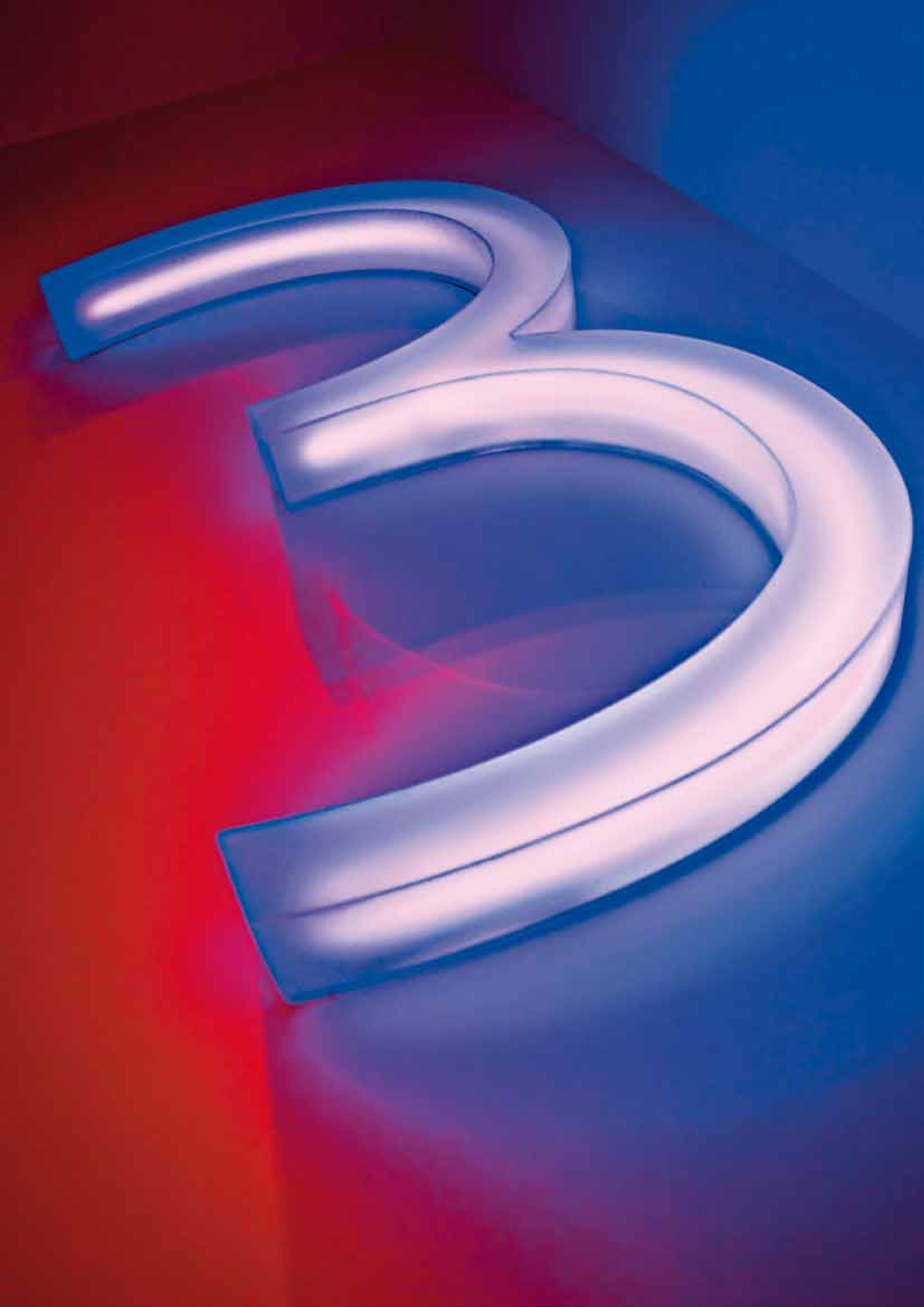
AUTOGRILL
BAR SECCHIA EST SERVICE AREA
A1 BOLOGNA-MILANO

CIAO - TIME CAFE
FIUMICINO AIRPORT
ROME

ATLANTIA
A1 BOLOGNA-MILANO

A13 VENEZIA-BOLOGNA

ADR
FIUMICINO AIRPORT
ROME




4
PLAYLIFE
3
INTIMO
UNDERWEAR
2
UOMO


A14


controll

elettronico


Rent a car


partures
T3


T1


T2

Arrivi
From
Volo
Flight
Geneva
AZ575
AZ437
AZ077
AZ719
AZ732
AZ729

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(Thousands of Euro)	12.31.2010	12.31.2009	01.01.2009	Notes
Non–current assets				
Property, plant and equipment				1
Land and buildings	1,085,156	1,074,507	1,093,021	
Investment property	56,772	58,761	59,537	
Plant, machinery and equipment	515,199	528,486	529,491	
Furniture, furnishings and electronic equipment	110,927	133,703	122,763	
Assets to be relinquished	111,675	117,254	135,191	
Leasehold improvements	367,880	382,822	398,775	
Other tangible assets	73,121	60,748	53,111	
Assets under construction and advances	145,856	138,863	193,081	
Total property, plant and equipment	**2,466,586**	**2,495,144**	**2,584,970**	
Intangible assets				2
Goodwill and other intangible assets of indefinite useful life	6,825,703	6,865,818	6,844,486	
Intangible assets deriving from concession rights	11,725,427	12,318,430	11,709,909	
Intangible assets of finite useful life	1,051,716	1,148,837	1,240,012	
Total intangible assets	**19,602,846**	**20,333,085**	**19,794,407**	
Other non–current assets				
Equity investments in subsidiaries	1,854	2,095	6,494	3
Equity investments in associates and joint ventures	1,081,274	1,142,857	1,022,122	4
Equity investments in other companies	654,731	707,536	929,089	5
Investment securities	62,411	60,789	51,180	6
Guarantee deposits	36,190	36,269	44,643	7
Other non–current financial assets	938,291	853,585	868,989	8
Other non–current receivables	55,828	58,911	54,626	9
Deferred tax assets	2,374,644	2,458,653	2,469,690	10
Total other non–current assets	**5,205,223**	**5,320,695**	**5,446,833**	
Total non–current assets	**27,274,655**	**28,148,924**	**27,826,210**	
Current assets				
Inventories	629,014	621,344	698,002	11
Trade receivables	1,665,410	1,740,372	1,669,286	12
Tax receivables	118,608	124,428	119,936	13
Accrued income and prepaid expenses	59,106	54,508	51,819	14
Other current receivables	229,101	218,213	279,105	15
Other current financial assets	484,418	408,301	406,099	16
Other investments	4,778	13,333	14,380	17
Cash and cash equivalents	3,009,254	1,565,484	678,325	18
Total current assets	**6,199,689**	**4,745,983**	**3,916,952**	
Assets held for sale	1,117,882	392,550	2,425	19
TOTAL ASSETS	**34,592,226**	**33,287,457**	**31,745,587**	

SHAREHOLDERS' EQUITY AND LIABILITIES

(Thousands of Euro)	12.31.2010	12.31.2009	01.01.2009	Notes
Shareholders' equity				
Shareholders' equity attributable to the Parent Company				
Share capital	1,500,000	1,500,000	520	20
Fair value and hedging reserve	(77,465)	(89,548)	(95,361)	21
Other reserves and retained earnings	2,022,169	2,140,279	3,583,229	22
Translation reserve	(29,180)	(102,092)	(99,028)	23
Net income for the year	259,635	(13,819)	–	
Total	**3,675,159**	**3,434,820**	**3,389,360**	
Minority interests	3,517,529	3,304,374	3,093,776	24
Total shareholders' equity	**7,192,688**	**6,739,194**	**6,483,136**	
Liabilities				
Non–current liabilities				
Bonds	7,785,443	8,170,472	6,527,154	25
Medium and long–term loans	5,259,685	6,446,468	6,947,244	26
Other non–current liabilities	159,227	177,608	162,436	27
Lease financing	12,833	10,821	11,584	28
Other non–current financial liabilities	277,036	400,244	385,013	29
Retirement benefit obligations	287,049	318,763	336,005	30
Deferred tax liabilities	201,399	216,932	194,815	31
Other non–current provisions and liabilities	918,966	858,906	799,132	32
Provisions for construction services required by contract	4,315,051	4,383,829	4,191,013	33
Total non–current liabilities	**19,216,689**	**20,984,043**	**19,554,396**	
Current liabilities				
Trade payables	2,387,621	2,314,654	2,211,130	34
Other payables, accrued expenses and deferred income	983,122	796,430	789,618	35
Current income tax liabilities	49,148	45,277	101,803	36
Other current provisions and liabilities	200,686	217,934	221,901	32
Current portion of provisions for construction services required by contract	386,660	582,217	607,929	33
Current portion of lease financing	2,919	3,501	4,879	37
Current portion of bonds and medium and long–term loans	2,519,232	593,091	565,965	38
Other current financial liabilities	500,761	471,839	405,579	39
Bank loans and overdrafts	80,067	539,277	799,251	40
Total current liabilities	**7,110,216**	**5,564,220**	**5,708,055**	
Liabilities held for sale	1,072,633	–	–	19
Total liabilities	**27,399,538**	**26,548,263**	**25,262,451**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**34,592,226**	**33,287,457**	**31,745,587**	

CONSOLIDATED STATEMENT OF INCOME

(Thousands of Euro)	2010	2009	Notes
Revenues	**11,637,679**	**10,744,990**	41
Revenues from construction services	781,733	427,991	42
Other revenues and operating income	350,087	374,796	43
Change in inventories of finished products and work in progress	34,908	14,867	
Purchases and changes of raw materials and consumables	(3,483,972)	(3,047,146)	44
Payroll costs	(2,367,271)	(2,229,123)	45
Other operating expenses:	**(4,261,308)**	**(3,896,694)**	
– services	(2,485,859)	(2,374,377)	46
– leases and rentals	(1,595,187)	(1,357,960)	47
– other operating expenses	(180,262)	(164,357)	48
Use of provisions for construction services required by contract	**605,191**	**716,610**	49
Depreciation, amortization, impairments and provisions:	**(1,078,997)**	**(1,030,956)**	
– depreciation of property, plant and equipment	(339,551)	(341,503)	50
– amortization of intangible assets	(559,056)	(521,529)	51
– impairment of property, plan and equipment and intangible assets	(69,181)	(68,194)	52
– impairment of doubtful accounts	(39,292)	(27,257)	53
– provisions for risks	(71,917)	(72,473)	54
Operating result	**2,218,050**	**2,075,335**	
Share of income/(loss) of associated companies	(12,771)	(64,893)	55
Financial income	217,539	187,855	56
Impairment of financial assets	(47,395)	(734)	57
Financial charges	(1,038,438)	(1,003,465)	58
Foreign currency hedging gains/(losses) and exchange differences	18,500	(2,537)	59
Income before taxes	**1,355,485**	**1,191,561**	
Income taxes	(554,329)	(539,611)	60
Profit/(loss) from discontinued operations	16,288	(306,751)	61
Net income for the year (Group and minorities)	**817,444**	**345,199**	

Income/(Loss) attributable to:		
– Parent Company	259,635	(13,819)
– Minority shareholders	557,809	359,018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)	2010	2009
Net income for the year (Group and minorities)	**817,444**	**345,199**
Fair value gains/(losses) on cash flow hedges	57,669	(107,332)
Fair value gains/(losses) of "available for sale" financial instruments	6,216	53,206
Gains/(losses) from translation of financial statements of foreign operations	151,681	37,713
Other fair value gains/(losses)	5,922	5,184
Tax effect	(14,844)	27,096
Other comprehensive income for the year	**206,644**	**15,867**
Comprehensive income/(loss) for the year attributable to:	**1,024,088**	**361,066**
– Parent Company	346,427	5,529
– Minority shareholders	677,661	355,537

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands of Euro)	Share capital	Fair value and hedging reserve
Balance at 12.31.2008	**520**	**(95,361)**
Impact of IFRIC 12		
Impact of IFRS 3 (2008)		
Balance at 01.01.2009 Restated	**520**	**(95,361)**
Carry forward of 2008 income		
Dividends distributed		
Capital increases	1,499,480	
Formation of new subsidiaries and business combination		
Purchase of treasury shares, Group companies		
Transactions with minority shareholders		
Other movements		
Comprehensive income for the year		5,813
Balance at 12.31.2009	**1,500,000**	**(89,548)**
Carry forward of 2009 loss		
Dividends distributed		
Investimenti Infrastrutture S.p.A. demerger		
Transactions with minority shareholders		
Change in scope of consolidation		
Other movements		
Comprehensive income for the year		12,083
Balance at 12.31.2010	**1,500,000**	**(77,465)**
Notes	20	21

Other reserves and retained earnings	Translation reserve	Net income for the year	Minority interests	Total
4,092,223	**(104,753)**	**196,446**	**3,830,892**	**7,919,966**
(233,200)	392		(692,945)	(925,753)
(472,240)	5,333		(44,170)	(511,077)
3,386,783	**(99,028)**	**196,446**	**3,093,777**	**6,483,136**
196,446		(196,446)	–	–
(40,000)			(293,233)	(333,233)
(1,499,476)			45,801	45,805
			(257)	(257)
			(3,366)	(3,366)
83,647			104,790	188,437
11,382	(15,101)		1,325	(2,395)
1,498	12,037	(13,819)	355,537	361,066
2,140,279	**(102,092)**	**(13,819)**	**3,304,374**	**6,739,194**
(13,819)		13,819	–	–
(40,000)			(310,481)	(350,481)
			(90,199)	(90,199)
(67,810)			(40,859)	(108,669)
10			(21,403)	(21,393)
1,735	(23)		(1,564)	148
1,775	72,935	259,635	677,661	1,024,088
2,022,169	**(29,180)**	**259,635**	**3,517,529**	**7,192,688**
22	23		24	

CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	2010	2009
Operating activities		
Net income/(loss) for the year (Group and minorities)	817,444	345,199
Income taxes	565,112	542,159
Income before taxes	**1,382,556**	**887,358**
Adjustments:		
– depreciation and amortization	937,742	923,765
– (capital gains)/capital losses and impairments of intangible assets and property, plant and equipment	40,507	12,332
– net provisions charged to statement of income	105,039	136,049
– share of (income)/losses of associates	12,771	64,893
– dividends from associated companies	1,006	1,015
– (capital gains)/capital losses and impairments of other equity investments	36,462	285,464
– net financial (income)/charges	876,581	835,156
Cash flow from operating activities before changes in working capital	**3,392,664**	**3,146,032**
Cash flow provided/(used) by changes in working capital	289,015	193,657
Cash flow provided/(used) by changes in non–current assets and liabilities	(45,667)	(6,999)
Payment of taxes	(538,093)	(611,913)
Payment of employee termination indemnities	(25,367)	(61,418)
Net interest received/(paid)	(657,122)	(667,373)
Cash flow provided/(used) by operating activities	**2,415,430**	**1,991,986**
Investing activities		
Operating investments	(1,694,237)	(1,341,538)
Operating divestments	51,892	64,060
Purchase of equity investments	(14,138)	(706,437)
Purchase of consolidated companies	(402,015)	(233,045)
Disposal of equity investments	431,888	328,695
Operations in non–current financial assets	4,525	(1,235)
Cash flow provided/(used) by investing activities	**(1,622,085)**	**(1,889,500)**
Financing activities		
Change in shareholders' equity	307,476	185,443
New medium and long–term loans	2,088,986	1,808,804
Repayment of medium and long–term loans	(1,284,361)	(661,285)
Net changes in other sources of finance	(98,667)	(132,709)
Dividend payments and distribution of capital reserves	(350,481)	(334,109)
Cash flow provided/(used) by financing activities	**662,953**	**866,144**
Increase/(decrease) in cash and cash equivalents	**1,456,298**	**968,630**
Cash and cash equivalents at the beginning of the period	1,505,496	554,324
Cash in companies acquired	-	(19,607)
Translation differences and other movements	8,754	2,149
Cash and cash equivalents at the end of the period	2,970,548	1,505,496
Cash and cash equivalents at the beginning of the period	**1,505,496**	**554,324**
Cash and cash equivalents	1,565,484	678,325
Bank overdrafts	(59,988)	(124,001)
Cash and cash equivalents at the end of the period	**2,970,548**	**1,505,496**
Cash and cash equivalents	3,009,254	1,565,484
Cash and cash equivalents from discontinued operations	15,494	-
Bank overdrafts	(46,144)	(59,988)
Bank overdrafts from discontinued operations	(8,056)	-

In addition, although the Atlantia group holds 51% of the voting rights of the Austrian company Autostrade for Russia GmbH, it is treated as a joint venture due to agreements regarding its governance.

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 2010 are not perfectly comparable with 2009 results, due to the above changes in the scope of consolidation and also to the following factors:

- the inclusion of the companies acquired or formed by the subholding company Autostrade dell'Atlantico S.r.l. (Autostrade Holding do Sur S.A., Sociedad Concesionaria de Los Lagos S.A., Autostrade Portugal S.A., Autostrade Concessoes e Participaçoes Brasil Limitada) as they were consolidated starting on June 30, 2009 and contributed to the Atlantia group's consolidated results for six months in 2009 and 12 months in 2010;
- the Autogrill group's consolidation of Airfayre Heathrow Ltd. from November 20, 2009, whose contribution to the Autogrill group's consolidated results was for one month in 2009 and 12 months in 2010.

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, 2010, the interim statements prepared as of the group reporting date. 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 2010 financial statements refer to the period from January 2, 2010 to December 31, 2010, while the previous year's accounts covered the period from January 3, 2009 to January 1, 2010.

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 IFRS.

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.

On December 31, 2010 the Autogrill group finalized the sale of its UK subsidiary Alpha Flight Group Ltd., head of the Flight segment (airline catering), whose operations are no longer included in the scope of consolidation. The results of that segment are recognized in the income statement under Profit/(loss) from discontinued operations, in accordance with IFRS 5.
Due to the start of negotiations for the Atlantia group's sale of its investment in Strada dei Parchi S.p.A., that company's assets and liabilities are grouped under the statement of financial position headings Assets held for sale and Liabilities held for sale, and its results are shown in the income statement under Profit/(loss) from discontinued operations, in accordance with IFRS 5.

The comparative figures of the Edizione Group's consolidated financial statements have been restated to reflect the adoption of the 2008 revision of international accounting standard IFRS 3 – Business combinations and the interpretation IFRIC 12 – Service concession arrangements, as explained in detail in the section "Impact of IFRS 3 (revised in 2008) and IFRIC 12 on the consolidated financial statements of the Edizione Group". In restating the comparative income statement figures, account was also taken of the transactions concerning the Flight business and the investment in Strada dei Parchi, as mentioned above.

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;
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. minority 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. Minority 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 rates at 12.31.2010	Average exchange rates in 2010
Euro/US Dollar	1.3362	1.3257
Euro/Polish Zloty	3.975	3.995
Euro/Chile Peso	625.275	675.346
Euro/Argentina Peso	5.3099	5.1856
Euro/Brazilian Real	2.2177	2.3314
Euro/Indian Rupia	59.759	60.588
Euro/Czech Krona	25.061	25.284
Euro/Pound Sterling	0.86075	0.85784
Euro/Japanese Yen	108.65	116.24
Euro/Hong Kong Dollar	10.3856	10.2994
Euro/Renminbi	8.822	8.971
Euro/Korean Won	1,499.06	1,531.82
Euro/Canadian Dollar	1.3322	1.3651
Euro/Swiss Franc	1.2504	1.3803

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 (IAS/IFRS) published by the International Accounting Standards Board (IASB) and approved by the European Union and the interpretations issued thereof (IFRIC and SIC).

Application of IFRS

The Group's financial statements for 2010 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, 2010:

» IFRS 3 (2008) – Business combinations and IAS 27 – Consolidated and separated financial statements: because adoption of these standards has had a significant impact on the accounts, the notes include a separate section entitled "Impact of IFRS 3 (revised in 2008) and IFRIC 12 on the consolidated financial statements of the Edizione Group".
» IFRIC 12 – Service Concession Arrangements: this interpretation, too, has had a significant effect on the accounts as described in the section "Impact of IFRS 3 (revised in 2008) and IFRIC 12 on the consolidated financial statements of the Edizione Group".
» IFRS 5 – Non–current assets held for sale and discontinued operations: the amendment, which must be applied prospectively from January 1, 2010, establishes that if an entity is engaged in a disposal program involving the loss of control of a subsidiary, all the assets and liabilities of that subsidiary must be reclassified as assets held for sale, even if the entity continues to hold a minority interest in the subsidiary after the disposal.
» IAS 39 – Financial instruments and IFRIC 9 – Reassessment of embedded derivatives: the IASB issued a revised version of IAS 39 on July 31, 2008 in order to provide guidance as to which risks may be hedged and the portion of fair value or cash flow that it is permitted to hedge. It was also clarified that the intrinsic value of an option purchased to hedge a financial instrument may not be perfectly effective since its intrinsic value only reflects the hedge of part of the risks. The revised standard will become effective for accounting periods commencing on or after July 1, 2009, having been endorsed by the EU in 2009. The IASB published further revisions to IFRIC 9 and IAS 39 on March 12, 2009, clarifying the treatment of derivative financial instruments embedded in other contracts when hybrid financial assets are classified other than as fair value recognized in the income statement. Briefly, the document provides for the mandatory identification of any embedded derivatives by entities opting to reclassify financial instruments from the category "Fair value through profit and loss" to the categories "Loans and receivables" or "Available for sale", and requires an assessment of the need to separate them from the primary instrument in the manner required by IAS 39.
» IFRIC 16 – Hedges of a Net Investment in a Foreign Operation. The interpretation clarifies that when an entity decides to hedge the net exposure of a foreign operation (i.e., a subsidiary, associate or a branch) to exchange rate differences and such hedge meets the requirements for classification as a cash flow hedge in accordance with IAS 39, it is permitted to recognize variations in the fair value of the hedge together with gains or losses derived from the conversion of foreign currency items of the foreign operation. The hedge may be arranged by any group entity with exception of the foreign operation.
» IFRIC 15 – Agreements for the construction of real estate.
» IFRIC 17 – Distributions of non–cash assets to owners.
» IFRIC 18 – Transfers of assets from customers.
» Amendments to IFRS 2 – Group cash–settled share–based payment transactions.

The new standards, with the exception of IFRS 3 (2008), the consequent amendments to IAS 27 and IFRIC 12, have 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 on or after January 1, 2010:

» IAS 32 – Financial instruments: presentation: the IASB published a revision to IAS 32 on October 8, 2009 that clarified the accounting treatment of certain rights issue in a currency other than the issuer's functional currency. When rights are issued on a pro–rata basis to all shareholders for a fixed amount of currency, they must be classified as equity instruments even to the extent that their exercise price is denominated in a currency other than the issuer's functional currency.
  The previous accounting treatment under IAS 32 was that these instruments should be accounted for as derivative liabilities. The revisions to the standard were endorsed by the EU on December 23, 2009 and must be applied to accounting periods commencing after December 31, 2010. Earlier adoption is permitted.
» IFRIC 14 – IAS 19 The limit on a defined benefit asset. Minimum funding requirements and their interaction: the IASB released amendments to IFRIC 14 and IAS 19 on November 26, 2009 that were required because the effects of any prepayments of minimum contributions had not been considered. In certain circumstances, the entity making such prepayments would be required to recognize a charge against income. The amendment to IFRIC 14, however, requires prepayments of minimum contributions to defined benefit plans to be recognized as assets.
» IFRIC 19 – Extinguishing financial liabilities with equity instruments: IFRIC 19 was published on November 26, 2009. The interpretation determines the mandatory accounting treatment to be applied by a debtor when, following a renegotiation of the terms of the liability, the creditor and the debtor agree to a debt for equity swap in full or partial settlement of a financial liability, through the issuance of equity instruments by the debtor. IFRIC 19 is mandatory in financial statements for accounting periods commencing on or after July 1, 2010. Earlier adoption is permitted.
» IAS 24 (Revised 2009) – Related party disclosures.

New accounting standards

Below are the accounting standards, amendments and interpretations issued by the IASB and not yet endorsed by the European Union at January 1, 2011:

» IFRS 9 – Financial instruments: the IASB issued the first part of IFRS 9 on November 12, 2009 that only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. When completed, IFRS 9 will fully replace IAS 39. The IASB subsequently issued a revised version of IFRS 9 on October 28, 2010 that also contained requirements with respect to the classification and measurement of financial liabilities.
  IFRS 9 only provides for two categories of financial assets. It also provides for two accounting methods: amortized 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.
  The accounting requirements relating to financial liabilities as provided by the current IAS 39 have, however, been upheld by the new IFRS 9. Financial liabilities continue to be accounted for at amortized cost or fair value through profit or loss in specific circumstances.
  IFRS 9 is currently being examined by the EU in conjunction with their overall assessment of the revision and replacement of IAS 39.
» IAS 12 – Income taxes: on December 20, 2010 the IASB approved certain revisions to IAS 12 relating to the recovery of deferred taxes associated with certain types of assets. IAS 12, in contrast to the current presumption that deferred tax assets will be recovered through use, now presumes that deferred tax assets relating to investment property and property, plant and equipment and intangible assets carried at fair value will now be recovered and all temporary differences reversed through the sale of the asset unless there is clear proof that the deferred tax asset can be recovered through use.

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 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 of the interests of minority shareholders, or sales of shareholdings to minority shareholders 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 minority interests resulting the Group's loss of control over an entity produces gains or losses that are recognized in statement of income. The purchase of shares from minority 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 (assets to revert or be relinquished to the grantor of the concession on expiry, whether free of charge or in exchange for payment of the residual carrying value of the asset by a replacement concessionaire) 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.

Ordinary maintenance costs are expensed in full as incurred, while maintenance costs which increase the value of the asset are allocated to the related assets and depreciated over their residual useful lives.

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 balance sheet.

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%–10%
Plant and machinery	8%–50%
Industrial and commercial equipment	10%–33%
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 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 in order to attain 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 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 intangible assets in the form of concession rights can include one or more of the following cases:

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, recognized as financial assets and corresponding to 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 toll revenue recognized as financial assets and/or the minimum guaranteed by the Granter. Such cost will be recovered through the tolls paid by users of the infrastructure. Specifically, the following are identified:
    » 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;
    » 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;
    » 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 15 to 25 years, while patents, contractual rights and concession rights are amortized over the life of the related right. Deferred charges are amortized over the residual duration of the lease contract, with the exception of the *fonds de commerce* of the French and Belgian companies, which are amortized over 20 years. Software and software licenses are amortized over a period from three to five years. Development costs are amortized over three 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. The original value of these investments is reinstated in future accounting periods should the reasons for such write–downs no longer apply.

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 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 remeasured 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 basis, or with FIFO method.
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 for a known amount, 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 maintenance 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 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, which are recorded 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.
The shareholders' equity of foreign subsidiaries is subject to hedging, mainly through forward currency sales, 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 (stock options)

The Group's stock option plans provide for the physical delivery of shares on the date of exercise. Share–based payments are measured at fair value on the grant date. 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 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.

Operating grants are recognized to the statement of income in the same year as the costs to which they relate.

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.

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 fixed contributions to a separate entity (a fund) and will have no legal or construed obligation to pay additional contributions if the fund does not have sufficient assets to pay all employee benefits relating to employment in the current financial year and in previous years.

The amount accrued at year end is projected forward to estimate the amount payable on termination of employment and is then discounted using the projected unit credit method, to account for the time that will elapse before actual payment occurs. The interest rate used for discounting reflects the market yield of securities that will mature along with the expected liability.

Due to changes in the system of Italian employee termination indemnities (Trattamento di fine rapporto or TFR) brought about by Law 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, net of any contributions already paid.

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 assets held for sale or included in disposal groups, 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 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 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 is 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, taking account of the effective yield of the asset to which they relate.

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.

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 (not in 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 of, say, three months or less from the date of acquisition.

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 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 statement of income.

IMPACT OF IFRS 3 (REVISED IN 2008) AND IFRIC 12 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EDIZIONE GROUP

Introduction

As mentioned in the introductory comments to these notes, the comparative figures of the Edizione Group's consolidated financial statements have been restated to reflect the adoption of the international accounting standard IFRS 3 – Business combinations (revised in 2008) and of the interpretation IFRIC 12 – Service concession arrangements, whose main aspects and effects on the consolidated accounts are described below.

Adoption of IFRS 3 (revised in 2008)

IFRS 3 (2008) sets the rules for the proper accounting of business combinations, introducing some important changes with respect to the previous version of the standard.
Published by the IASB in January 2008, IFRS 3 (2008) was endorsed by the European Commission with Regulation (EC) 495/2009 of June 3, 2009. It is applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period starting on or after June 30, 2009 (for the Edizione Group, this means full–year 2010). The transitional provisions allow earlier application, but only for annual reporting periods beginning on or after June 30, 2007 (for the Edizione Group, this means full–year 2008). In case of early adoption, the entity must at the same time apply the version of IAS 27 amended by the IASB in January 2008 and endorsed by the European Commission with Regulation (EC) 494/2009 of June 3, 2009.
In 2009, the Autogrill group took that option and applied the new standard to business combinations made in 2008 and 2009. This allowed a more complete representation of the intangibles, especially contractual rights, acquired in the context of these business combinations.
In the 2009 consolidated financial statements, given that no other consolidated company had opted for early application of IFRS 3 (2008), the Edizione Group did not apply the new standard in advance of its effective date. Autogrill's accounts, based on the new rules for business combinations achieved in 2008 and 2009, were therefore restated accordingly.
Although this adjustment was made for the sake of consistent accounting policies throughout the Group, it caused some misalignment between the Autogrill group's consolidated figures, in which the business combinations of 2008 and 2009 were accounted for on the basis of early adoption of the new rules (i.e. with gains allocated to the item Concessions), and the consolidated financial statements of the Edizione Group, in which those business combinations were still accounted for using the rules in force for 2009 (with gains recorded against Goodwill).
IFRS 3 (2008) is mandatory starting with financial year 2010, and management has decided to realign the value of Concessions and Goodwill with respect to the consolidated figures of the Autogrill group, by applying the new standard to the comparative figures of the Edizione Group's consolidated financial statements for 2008 and 2009.
The ex–post adoption of IFRS 3 (2008) (and simultaneously of IAS 27, as explained above) has made it necessary to redetermine the impact of other transactions carried out by the Group in 2008 and 2009, whose accounting treatment has changed with respect to the previous version of the two standards. More specifically, this concerns the Parent Company's purchase and sale of interests in direct or indirect subsidiaries that did not affect its position of control.

Adoption of IFRIC 12

The interpretation IFRIC 12 – Service Concession Arrangements governs the recognition and measurement of public–to–private service concession arrangements.
IFRIC 12, published by the IASB in November 2006, was endorsed by the European Commission with Regulation (EC) 254/2009 of March 25, 2009. Application is mandatory for reporting periods beginning after the date of endorsement, i.e. from financial year 2010 for companies in the Edizione Group.
IFRIC 12 establishes that the operator shall not recognize infrastructure (assets to be handed over) as property, plant and equipment because it does not "control" the infrastructure, but only the right to use it to provide the public service, in accordance with the terms and conditions specified with the grantor. This right may be classified as a financial asset or as an intangible asset, depending on whether there is an unconditional contractual right to receive a consideration regardless of effective use of the infrastructure or a right to charge users of the public service.
The new interpretation was deemed applicable to all the concession arrangements to which the Edizione Group's operators are party, namely the subsidiaries, associates and joint ventures of the Atlantia group and the associate Gemina S.p.A., which controls Aeroporti di Roma S.p.A. (AdR).

On first–time adoption the provisions of IFRIC 12 must be applied retrospectively, reassessing the effects that adoption would have had as at January 1, 2009 (the beginning of the reporting period used for comparative purposes) and attributing the effects to components of equity. However, should it be impracticable to apply the interpretation retrospectively, paragraph 30 of IFRIC 12 allows the operator, at the above date of January 1, 2009, to opt for prospective application instead.
For the Atlantia group companies Autostrade per l'Italia S.p.A., Società Autostrada Tirrenica p.A. and Autostrada Torino–Savona S.p.A., retrospective application concerned the period after February 28, 2003, the date of the business combination that resulted in acquisition of control of those companies and in respect of which, on transition to IFRS, the group had elected to apply the option granted by IFRS 1 and not restate this transaction in accordance with IFRS 3 (2004) in force at that time.
With reference to the Atlantia group companies Stalexport Autostrada Malopolska S.A., Sociedad Concesionaria de Los Lagos S.A. and to the investment in associates and joint ventures held through Autostrade Sud America S.r.l., retrospective application of IFRIC 12 also involved reassessing the effects of the business combinations (occurring, respectively, on June 30, 2007 and June 30, 2009) that resulted in the acquisition of these companies. For all other companies in the Atlantia group, the standard was adopted prospectively.
Regarding the Gemina group, for its subsidiary Aeroporti di Roma, retrospective application concerned the period following January 1, 2001, the year Leonardo S.p.A. merged with AdR and adopted its name. As permitted by IFRS 1, on transition to IFRS the group had opted not to remeasure this transaction in accordance with IFRS 3 (2004) in force at that time.

Key aspects of the adoption of IFRS 3 (2008) and IAS 27

Below is a description of some of the main provisions introduced by IFRS 3 (2008) and the amended version of IAS 27 that have affected the Edizione Group's financial position and results. Comments are limited to the specific aspects of those standards that have had a concrete impact on the consolidated accounts, and do not take into account all other changes.

The Autogrill group applied IFRS 3 (2008) to the acquisitions of World Duty Free Europe Ltd., Aldeasa S.A., Air Czech Catering A.S. and Alpha Future Airport Retail Ltd. in 2008, and to the acquisition of Airfayre Heathrow Ltd in 2009. Adoption of this standard provided a broader opportunity to identify separately the intangibles acquired with these combinations (i.e. contractual rights) and to measure their value taking account of the probability that the rights will be renewed (depending on the "retention capacity" of the concession holder), rather than subsuming that value in goodwill. Autogrill engaged independent appraisers to estimate the main asset acquired with the business combinations (contractual rights) in order to incorporate the value arising from retention capacity, which is especially relevant for World Duty Free Europe and Aldeasa, given their strong local roots and relationships with landlords.
Autogrill's consolidated financial statements for 2008 have therefore been restated in order to recognize contractual rights under concessions and reducing the value recognized in goodwill. In accordance with the new standard, the transaction costs of the acquisition (previously incorporated in the value of the equity investments and therefore in goodwill) have been recorded in the 2008 income statement, along with the amortization of concessions. The final step was to determine the tax effects. In 2009, the value of the concessions was amortized and the resulting tax effect was recognized accordingly. These effects have been incorporated into the Edizione Group's 2010 consolidated financial statements.

The simultaneous application of IFRS 3 (2008) and IAS 27 for 2008 and 2009 has also had an impact on the Parent Company's purchase and sale of interests in direct and indirect subsidiaries that did not change its position of control.
In 2008 the Group acquired additional shares of its main subsidiaries, through direct purchases in the open market and the subsidiaries' own purchase of treasury shares (step–up transactions). These transactions produced gains totalling Euro 480,579, recognized as goodwill, of which Euro 453,466 refers to the increased share of the Atlantia group and the rest to the greater interest in the Autogrill group (Euro 26,409) and the Benetton group (Euro 704).
Also, since 2008 the Parent Company has gradually reduced its interest in Sintonia S.A. (while still maintaining control), by selling shares and by capital increases paid in by non–controlling shareholders (step–down transactions). The capital gains produced by the entrance of non–controlling shareholders in Sintonia S.A. have been recognized in the consolidated income statements for 2008 and 2009.
In paragraphs 30 and 31, IAS 27 states that "Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non–controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non–controlling interests are

adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent."

Therefore, with reference to 2008 and 2009, goodwill recognized due to an increase in interests held has been eliminated and deducted from consolidated equity, and the gains arising from the sale of shares to non–controlling investors and from the dilutive effect of their capital contributions have been treated as movements in consolidated equity and derecognized from the income statement.

Key aspects of the adoption of IFRIC 12

The accounting of concession arrangements in accordance with IFRIC 12 has had significant effects on the Group's financial situation and results.

On the basis of the concession arrangements falling within the scope of application of IFRIC 12, the operator provides the following services: (i) construction and/or upgrade of the infrastructure used in supplying the public service; and (ii) management and maintenance of the infrastructure for a fixed period of time. Due to the fact that the construction and upgrade of infrastructure is analogous with the operations of a construction company, construction costs and revenue, during the period of providing these services, are recognized in the statement of income in accordance with IAS 11.

In return for the construction and/or upgrade services provided by the operator, the grantor gives the operator a consideration to be recognized at fair value. This consideration may grant rights to:

a) a financial asset (the financial asset model), or
b) an intangible asset (the intangible asset model).

The financial asset model is applied to the extent that the operator has an unconditional contractual right to receive contractually guaranteed cash payments for the construction services rendered, regardless of the extent to which the public uses the service.

Under the intangible asset model, on the other hand, in return for the construction and/or upgrade services provided, the operator receives the right to charge users of the public service. Therefore, the cash received by the operator is not guaranteed by the grantor, but is contingent on the extent to which the public uses the service, thus resulting in the operator's exposure to demand risk. This is the risk that cash flows generated by the right to charge users of the public service will not be sufficient to recover the operator's investment.

If the operator is paid for the construction and upgrade services partly by a financial asset and partly by an intangible asset, a mixture of the two models is used. In this case, it is necessary to account separately for the financial asset and intangible asset components of the consideration. In this case, IFRIC 12 requires the operator to first calculate the financial asset component and then the intangible asset for the remainder (with respect to the value of the construction and/or upgrade services rendered).

The intangible asset model is applicable to a number of concession arrangements to which Group companies are party, while the mixed model (where the financial asset and intangible asset models apply to the same concession arrangement) is applicable to others.

In cases where the intangible asset model applies, the arrangements include:

a) arrangements involving the construction of infrastructure;
b) arrangements involving the management of existing infrastructure and its extension or upgrade, in return for which the operator receives additional economic benefits;
c) arrangements involving the management of existing infrastructure and specific obligations to extend or upgrade it, in return for which the operator does not receive additional economic benefits.

On the other hand, in cases in which the operator receives the right to a financial asset in return for the construction and/or upgrade services provided, this asset is represented by:

a) a right to receive a fixed amount in the form of a grant to cover the costs incurred for the construction of the works, and/or
b) a right to receive a fixed amount in the form of guaranteed minimum toll revenue.

If, however, the grantor awards the operator a "takeover right" at the end of the concession term, this right qualifies as a financial asset only if payment for this right to the outgoing operator is no longer subject to demand risk. In other cases, the estimated amount of the "takeover right" represents the residual value of the intangible asset recognized under IFRIC 12, not subject to amortization.

Summary of the financial statement items impacted by IFRIC 12

The main effects of IFRIC 12 on the consolidated statement of financial position concern:

a) property, plant and equipment: due to the elimination of assets to be relinquished, previously recognized as proprietary assets;

b) intangible assets: due to recognition of the concession rights accruing from construction and/or upgrade services, to be recovered via the receipt of payment for use of the public service, to the extent of the portion not guaranteed by the grantor. These concession rights, recognized less accumulated amortization to date, can be broken down into four categories:
   1) rights acquired from third parties, if costs have been incurred to acquire concessions from the grantor or from third parties (the latter relating to the acquisition of companies that hold a concession);
   2) rights accrued in return for the commitment to provide construction services 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 incurred during the construction period), 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 to date;
   3) rights accrued in return for construction services rendered (measured at fair value, including any financial expenses incurred during the construction period) for which the operator receives additional economic benefits, comprised of specific tariff increases and/or significant increases in the number of expected users due to infrastructure expansion;
   4) rights accruing from construction work carried out by service area operators, consisting of investments carried out by these entities which will be relinquished free of charge to motorway operators.

   In accordance with IAS 38, the above intangible assets are amortized over the related concession terms, on a basis that reflects the manner in which the economic benefits of the activity flow to the entity. For this purpose, the amortization rates are calculated taking account of expected changes in traffic over the concession term, if significant. Concession rights are amortized from the accounting period in which they commence generating economic benefits, and no longer from the date the work is available for use or placed in service;

c) financial assets and liabilities: in terms of financial assets, the following receivables have been recognized:
   1) the "takeover rights" to be unconditionally paid by new operators;
   2) the present value of the minimum toll charges guaranteed by the grantor;
   3) the amounts payable by public entities as grants related to construction services.

   Financial liabilities have been adjusted on the basis of the accounting models described above, applying certain reclassifications;

d) provisions for construction services required by contract: in arrangements involving the management of existing infrastructure and specific obligations to extend or upgrade it, in return for which the operator does not receive additional economic benefits, the obligation to provide future construction services is deemed to be part of the consideration deriving from the arrangement. As previously described, in this case the operator initially recognizes a liability equal to the present fair value of the construction services to be rendered in future, with a contra entry for the concession rights recognized in intangible assets. Measurement of this liability is periodically reassessed and changes to the measurement of the liabilities for the residual obligation (such as, for example, changes to the estimated cash outflows necessary to extinguish the obligation, a change in the discount rate or a change in the construction period) are recognized as a matching increase or reduction in the corresponding intangible asset;

e) provisions: as a result of the new models used to account for concession arrangements, provisions for repair and maintenance obligations, representing the contractual obligation to maintain and replace infrastructure in order to ensure that it is in good working condition, have been adjusted. This is because operators, under IFRIC 12, are not required to replace proprietary assets (for which the accounting treatment would have been the disposal of the asset replaced and recognition of a new asset), but rather have an obligation to the grantor to maintain infrastructure in good working condition;

f) other liabilities: deferred income relating to the portion of toll revenue collected as a result of tariff increases applied on the basis of investments not yet completed by the subsidiary Autostrade per l'Italia (known as "X investments") has been eliminated given that, further to IFRIC 12 adoption, these tariff increases are received in connection with the provision of specific construction services giving rise to additional economic benefits. As mentioned above, these are recognized as a specific form of concession right, which is amortized from the date on which the rights begin to produce the related economic benefits.

The most significant effects on components of the Group's consolidated income statement, in addition to those previously described regarding the absence of depreciation of property, plant and equipment to be relinquished (no longer recognized), recognition of the amortization of concession rights, and changes to net provisions (for construction services required by contract and for the maintenance and replacement of motorway infrastructure), concern the following:

a) <u>toll revenue:</u> the minimum guaranteed portion of which receivable from the grantor and the financial income accrued on amounts to be received in future accounting periods are lower than the pre–IFRIC 12 accounting model. Conversely, revenue on toll rate increases received for construction services and/or the upgrading of works not yet completed has increased due to its immediate recognition, whereas prior to IFRIC 12 it was treated as deferred income until the works entered service;
b) <u>construction service revenue and costs:</u> the costs incurred in the execution of construction services for which additional economic benefits are received are recognized in the statement of income based on the stage of completion. Construction and/or upgrade service revenue represents the consideration receivable by the operator for the services provided and is measured at fair value, calculated on the basis of the total construction costs incurred. These primarily consist of the costs of materials and external services, the cost of internal staff used to provide the services, and attributable financial expenses (the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits). These costs are classified in the statement of income by nature. Solely in the case of construction services for which no additional economic benefits are received, the related costs are offset not only by grants recognized in construction service revenue but also by use of the Provisions for construction services required by contract, which is allocated with a positive balance to a specific component of operating costs;
c) <u>financial income and expenses:</u> compared with the pre–IFRIC 12 accounting model, financial income and expenses are adjusted for:
   1) expenses accruing during the period in relation to the discounting of provisions and for construction services required by contract;
   2) financial expenses relating to construction services for which the operator does not receive additional economic benefits, which are no longer capitalized under assets;
   3) financial income accruing on financial assets recognized on the basis of the present value of minimum toll revenue guaranteed by the grantor.

In accordance with IAS 12, the tax effects of the impact of first–time adoption of IFRIC 12, determined applying the above criteria, have been calculated and deferred tax assets and liabilities have been recognized accordingly.

The impacts described above refer solely to the consolidated financial statements of the Atlantia group, as the Gemina group–an associate of the Edizione Group–is not consolidated on a line–by–line basis.
Because the Gemina group is accounted for using the equity method, the effects of IFRIC 12 on its financial position and results are reflected only in the item Equity investments in associates and joint ventures in the consolidated statement of financial position, and in the item Share of income/(loss) of associated companies in the consolidated income statement.

Impact of IFRS 3 (2008) and of IFRIC 12 on the Group's financial situation and results

The following paragraphs compare equity, earnings and financial figures pre– and post–adoption of IFRS 3 (2008), IAS 27 and of IFRIC 12, by means of the following:

a) reconciliation of consolidated equity at January 1, 2009 and December 31, 2009;
b) consolidated statement of financial position comparisons at January 1, 2009 and December 31, 2009;
c) consolidated income statement and cash flow statement comparisons for full–year 2009.

The adoption of IFRIC 12 required some adjustments to items in the consolidated financial statements, hence to certain information regarding earnings, equity and financial position.

Reconciliation of consolidated equity at January 1, 2009 and December 31, 2009 and of consolidated net result for 2009

The following schedule reconciles equity at the beginning and end of 2009 and net income for 2009 with restated figures reflecting the adoption of IFRS 3 (2008), IAS 27 and IFRIC 12.

(Thousands of Euro)	Equity at 01.01.2009	Equity at 12.31.2009
attributable to the Parent Company	4,089,075	4,168,290
attributable to Minority interests	3,830,891	4,157,646
Total shareholders' equity	**7,919,966**	**8,325,936**
Effects of IFRS 3 (2008) early adoption by the Autogrill group	(30,499)	(69,650)
Elimination of goodwill deriving from step up transactions	(480,578)	(480,578)
Total IFRS 3 (2008) and IAS 27 adjustments	**(511,077)**	**(550,228)**
IFRIC 12 adjustments attributable to the Atlantia group	(949,041)	(1,058,253)
Other IFRIC 12 adjustments	23,288	23,288
IFRIC 12 adjustments attributable to the Gemina group	–	(1,549)
Total IFRIC 12 adjustments	**(925,753)**	**(1,036,514)**
Total shareholders' equity restated	**6,483,136**	**6,739,194**
attributable to the Parent Company	3,389,360	3,434,820
attributable to Minority interests	3,093,776	3,304,374

(Thousands of Euro)	Income/(Loss) 2009
attributable to the Parent Company	104,039
attributable to Minority interests	454,638
Income/(Loss) for the period	**558,677**
Effects of IFRS 3 (2008) early adoption by the Autogrill group	(32,866)
Elimination of badwill deriving from step up transactions	(1,591)
Reclassification to equity of "dilution" gains on Sintonia S.A.	(56,549)
Total IFRS 3 (2008) and IAS 27 adjustments	**(91,006)**
IFRIC 12 adjustments attributable to the Atlantia group	(120,923)
IFRIC 12 adjustments attributable to the Gemina group	(1,549)
Total IFRIC 12 adjustments	**(122,472)**
Income/(Loss) for the period restated	**345,199**
attributable to the Parent Company	(13,819)
attributable to Minority interests	359,018

Reconciliation of the consolidated statement of financial position at January 1, 2009 and December 31, 2009 and of the consolidated income statement and cash flow statement for 2009, pre– and post–adoption of IFRS 3 (2008) and IFRIC 12

The consolidated accounts below compare figures prior to the adoption of IFRS 3 (2008), IAS 27 and IFRIC 12 with the restated figures consequent to their application.
To improve understanding of how the new standards and interpretation have affected the financial statements, each type of adjustment is shown in a separate column.

Also, in the interests of clarity, the consolidated statement of financial position was subject to some reclassifications of which the more important are as follows:

» amounts due from and to operators for interconnecting motorways (Atlantia group) have been reclassified from Other current receivables and Other payables, accrued expenses and deferred income to Trade receivables and Trade payables, respectively;
» tolls in the process of settlement have been reclassified from Other payables, accrued expenses and deferred income to Trade payables;
» personnel incentive plans have been reclassified from Retirement benefit obligations to Other non–current liabilities;
» concession fees payable to the grantor have been reclassified from Trade payable to Other payables, accrued expenses and deferred income.

Regarding the consolidated income statement, due to the start of negotiations at the end of the first half of 2010 with a view to disposing of the 60% interest in the Atlantia group subsidiary Strada dei Parchi, that company's contribution to the 2010 consolidated results is accounted for in the item Profit/(loss) from discontinued operations in accordance with IFRS 5 – Non–current assets held for sale and discontinued operations. As a result, in the restated 2009 figures as well, Strada dei Parchi's contribution has been reported according to the rules of IFRS 5.
The same applies to the 2009 and 2010 costs and income of Autogrill's Flight segment (provision of meal and retail services onboard airplanes), since Alpha Flight Group Ltd. (which headed up the segment) was sold with effect from December 31, 2010 to Dnata, an international leader in travel and airport services based in Dubai.
In the consolidated income statement, some reclassifications have been made for the sake of precision, including the reclassification of directors' fees to payroll costs.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JANUARY 1, 2009

ASSETS

(Thousands of Euro)	12.31.2008	IFRS 3 (2008) adjustments	IFRIC 12 adjustments	Other reclassifications and adjustments	01.01.2009 Restated
Non–current assets					
Property, plant and equipment					
Land and buildings	1,092,819		202		1,093,021
Investment property	59,537				59,537
Plant, machinery and equipment	478,672		24,862	25,957	529,491
Furniture, furnishings and electronic equipment	122,769		(6)		122,763
Assets to be relinquished	9,106,545		(8,971,354)		135,191
Leasehold improvements	398,775				398,775
Other tangible assets	79,062		6	(25,957)	53,111
Assets under construction and advances	191,852		1,229		193,081
Total property, plant and equipment	**11,530,031**	**–**	**(8,945,061)**	**–**	**2,584,970**
Intangible assets					
Goodwill and other intangible assets of indefinite useful life	7,901,405	(1,080,207)		23,288	6,844,486
Intangible assets deriving from concession rights	–		11,709,909		11,709,909
Intangible assets of finite useful life	717,899	673,870	(151,757)		1,240,012
Total intangible assets	**8,619,304**	**(406,337)**	**11,558,152**	**23,288**	**19,794,407**
Other non–current assets					
Equity investments in subsidiaries	6,494				6,494
Equity investments in associates and joint ventures	993,970		28,152		1,022,122
Equity investments in other companies	929,089				929,089
Investment securities	51,180				51,180
Guarantee deposits	44,643				44,643
Other non–current financial assets	587,224		281,765		868,989
Other non–current receivables	51,422		3,204		54,626
Deferred tax assets	2,042,207		427,483		2,469,690
Total other non–current assets	**4,706,229**	**–**	**740,604**	**–**	**5,446,833**
Total non–current assets	**24,855,564**	**(406,337)**	**3,353,695**	**23,288**	**27,826,210**
Current assets					
Inventories	698,002				698,002
Trade receivables	1,646,983		5,757	16,546	1,669,286
Tax receivables	119,924		12		119,936
Accrued income and prepaid expenses	51,819				51,819
Other current receivables	291,186		4,465	(16,546)	279,105
Other current financial assets	301,591		104,508		406,099
Other investments	14,380				14,380
Cash and cash equivalents	678,325				678,325
Total current assets	**3,802,210**	**–**	**114,742**	**–**	**3,916,952**
Assets held for sale	2,425				2,425
TOTAL ASSETS	**28,660,199**	**(406,337)**	**3,468,437**	**23,288**	**31,745,587**

SHAREHOLDERS' EQUITY AND LIABILITIES

(Thousands of Euro)	12.31.2008	IFRS 3 (2008) adjustments	IFRIC 12 adjustments	Other reclassifications and adjustments	01.01.2009 Restated
Shareholders' equity					
Shareholders' equity attributable to the Parent Company					
Share capital	520				520
Fair value and hedging reserve	(95,361)				(95,361)
Other reserves and retained earnings	4,288,669	(472,240)	(290,094)	56,894	3,583,229
Translation reserve	(104,753)	5,333	392		(99,028)
Total	**4,089,075**	**(466,907)**	**(289,702)**	**56,894**	**3,389,360**
Minority interests	3,830,891	(44,170)	(659,339)	(33,606)	3,093,776
Total shareholders' equity	**7,919,966**	**(511,077)**	**(949,041)**	**23,288**	**6,483,136**
Liabilities					
Non–current liabilities					
Bonds	6,527,154				6,527,154
Medium and long–term loans	7,023,148		(75,904)		6,947,244
Other non–current liabilities	174,972		(45,220)	32,684	162,436
Lease financing	11,584				11,584
Other non–current financial liabilities	385,013				385,013
Retirement benefit obligations	368,689			(32,684)	336,005
Deferred tax liabilities	110,630	104,740	(20,555)		194,815
Other non–current provisions and liabilities	1,075,469		(276,337)		799,132
Provisions for construction services required by contract	–		4,191,013		4,191,013
Total non–current liabilities	**15,676,659**	**104,740**	**3,772,997**	**–**	**19,554,396**
Current liabilities					
Trade payables	1,773,430			437,700	2,211,130
Other payables, accrued expenses and deferred income	1,227,275		43	(437,700)	789,618
Current income tax liabilities	101,803				101,803
Other current provisions and liabilities	222,669		(768)		221,901
Current portion of provisions for construction services	–		607,929		607,929
Current portion of lease financing	4,879				4,879
Current portion of bonds and medium and long–term loans	525,767		40,198		565,965
Other current financial liabilities	408,500		(2,921)		405,579
Bank loans and overdraft	799,251				799,251
Total current liabilities	**5,063,574**	**–**	**644,481**	**–**	**5,708,055**
Total liabilities	**20,740,233**	**104,740**	**4,417,478**	**–**	**25,262,451**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**28,660,199**	**(406,337)**	**3,468,437**	**23,288**	**31,745,587**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2009

ASSETS

(Thousands of Euro)	12.31.2009	IFRS 3 (2008) adjustments	IFRIC 12 adjustments	Other reclassifications and adjustments	12.31.2009 Restated
Non–current assets					
Property, plant and equipment					
Land and buildings	1,074,130		377		1,074,507
Investment property	58,761				58,761
Plant, machinery and equipment	471,836		24,097	32,553	528,486
Forniture, furnishings and electronic equipment	133,712		(9)		133,703
Assets to be relinquished	9,935,618		(9,845,041)	26,677	117,254
Leasehold improvements	382,822				382,822
Other tangible assets	93,285		16	(32,553)	60,748
Assets under construction and advances	137,590		1,273		138,863
Total property, plant and equipment	**12,287,754**	**–**	**(9,819,287)**	**26,677**	**2,495,144**
Intangible assets					
Goodwill and other intangible assets of indefinite useful life	7,938,981	(1,096,403)	(48)	23,288	6,865,818
Intangible assets deriving from concession rights	–		12,345,107	(26,677)	12,318,430
Intangible assets of finite useful life	667,111	642,579	(160,853)		1,148,837
Total intangible assets	**8,606,092**	**(453,824)**	**12,184,206**	**(3,389)**	**20,333,085**
Other non–current assets					
Equity investments in subsidiaries	2,095				2,095
Equity investments in associates and joint ventures	1,099,974		42,883		1,142,857
Equity investments in other companies	707,536				707,536
Investment securities	60,789				60,789
Guarantee deposits	36,269				36,269
Other non–current financial assets	382,799		470,786		853,585
Other non–current receivables	89,414		(30,503)		58,911
Deferred tax assets	1,954,503		504,150		2,458,653
Total other non–current assets	**4,333,379**	**–**	**987,316**	**–**	**5,320,695**
Total non–current assets	**25,227,225**	**(453,824)**	**3,352,235**	**23,288**	**28,148,924**
Current assets					
Inventories	621,202		142		621,344
Trade receivables	1,716,720		5,606	18,046	1,740,372
Tax receivables	124,426		2		124,428
Accrued income and prepaid expenses	54,868		(360)		54,508
Other current receivables	222,620		13,639	(18,046)	218,213
Other current financial assets	302,838		105,463		408,301
Other investments	13,333				13,333
Cash and cash equivalents	1,565,484				1,565,484
Total current assets	**4,621,491**	**–**	**124,492**	**–**	**4,745,983**
Assets held for sale	392,550				392,550
TOTAL ASSETS	**30,241,266**	**(453,824)**	**3,476,727**	**23,288**	**33,287,457**

SHAREHOLDERS' EQUITY AND LIABILITIES

(Thousands of Euro)	12.31.2009	IFRS 3 (2008) adjustments	IFRIC 12 adjustments	Other reclassifications and adjustments	12.31.2009 Restated
Shareholders' equity					
Shareholders' equity attributable to the Parent Company					
Share capital	1,500,000				1,500,000
Fair value and hedging reserve	(89,676)			128	(89,548)
Other reserves and retained earnings	2,761,486	(414,277)	(290,050)	83,120	2,140,279
Translation reserve	(107,559)	1,606	3,861		(102,092)
Net income for the year	104,039	(77,432)	(40,426)		(13,819)
Total	**4,168,290**	**(490,103)**	**(326,615)**	**83,248**	**3,434,820**
Minority interests	4,157,646	(60,125)	(733,187)	(59,960)	3,304,374
Total shareholders' equity	**8,325,936**	**(550,228)**	**(1,059,802)**	**23,288**	**6,739,194**
Liabilities					
Non–current liabilities					
Bonds	8,170,472				8,170,472
Medium and long–term loans	6,447,887		(1,419)		6,446,468
Other non–current liabilities	207,470		(69,856)	39,994	177,608
Lease financing	10,821				10,821
Other non–current financial liabilities	400,244				400,244
Retirement benefit obligations	358,757			(39,994)	318,763
Deferred tax reserve	121,209	96,404	(681)		216,932
Other non–current provisions and liabilities	1,166,167		(307,261)		858,906
Provisions for construction services required by contract	–		4,383,829		4,383,829
Total non–current liabilities	**16,883,027**	**96,404**	**4,004,612**	**–**	**20,984,043**
Current liabilities					
Trade payables	1,788,182		1,365	525,107	2,314,654
Other payables, accrued expenses and deferred income	1,330,794		(9,257)	(525,107)	796,430
Current income tax liabilities	45,277				45,277
Other current provisions and liabilities	220,316		(2,382)		217,934
Current portion of provisions for construction services	–		582,217		582,217
Current portion of lease financing	3,501				3,501
Current portion of bonds and medium and long–term loans	629,956		(36,865)		593,091
Other current financial liabilities	475,000		(3,161)		471,839
Bank loans and overdraft	539,277				539,277
Total current liabilities	**5,032,303**	**–**	**531,917**	**–**	**5,564,220**
Total liabilities	**21,915,330**	**96,404**	**4,536,529**	**–**	**26,548,263**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**30,241,266**	**(453,824)**	**3,476,727**	**23,288**	**33,287,457**

CONSOLIDATED STATEMENT OF INCOME 2009

(Thousands of Euro)	2009	IFRS 5 adjustments	IFRS 3 (2008) adjustments	IFRIC 12 adjustments	Other reclassifi– cations and adjustments	2009 Restated
Revenues	**11,262,058**	**(541,210)**		**22,369**	**1,773**	**10,744,990**
Revenues from construction services	–			455,362	(27,371)	427,991
Other revenues and operating income	392,653	(7,474)		(37,754)	27,371	374,796
Change in inventories of finished products and work in progress	14,867					14,867
Purchases and changes of raw materials and consumables	(3,107,133)	170,307		(110,320)		(3,047,146)
Payroll costs	(2,321,229)	155,633		(41,853)	(21,674)	(2,229,123)
Other operating expenses:	**(3,036,143)**	**109,600**	**–**	**(991,825)**	**21,674**	**(3,896,694)**
– services	(1,505,083)	70,543		(961,511)	21,674	(2,374,377)
– leases and rentals	(1,390,471)	32,883		(372)		(1,357,960)
– other operating expenses	(140,589)	6,174		(29,942)		(164,357)
Use of provisions for construction services required by contract	**–**			**716,610**		**716,610**
Depreciation, amortization, impairments and provisions:	**(1,071,970)**	**62,763**	**(46,544)**	**24,795**	**–**	**(1,030,956)**
– depreciation of property, plant and equipment	(695,899)	54,216		301,100	(920)	(341,503)
– amortization of intangible assets	(117,228)	6,517	(46,544)	(365,194)	920	(521,529)
– impairment of property, plan and equipment and intangible assets	(94,330)			26,136		(68,194)
– impairment of doubtful accounts	(27,459)	202				(27,257)
– provisions for risks	(137,054)	1,828		62,753		(72,473)
Operating result	**2,133,103**	**(50,381)**	**(46,544)**	**37,384**	**1,773**	**2,075,335**
Share of income/(loss) of associated companies	(68,954)			4,061		(64,893)
Financial income	240,875	(388)	(58,140)	5,508		187,855
Impairment of financial assets	(734)					(734)
Financial charges	(818,555)	49,705		(234,615)		(1,003,465)
Foreign currency hedging gains/(losses) and exchange differences	(2,914)	(374)		751		(2,537)
Income before taxes	**1,482,821**	**(1,438)**	**(104,684)**	**(186,911)**	**1,773**	**1,191,561**
Income taxes	(620,006)	2,548	13,678	64,169		(539,611)
Profit/(loss) from discontinued operations	(304,138)	(1,110)		270	(1,773)	(306,751)
Income/(Loss) for the year (Group and minorities)	**558,677**	**–**	**(91,006)**	**(122,472)**	**–**	**345,199**
Income/(Loss) attributable to:						
– Parent Company	104,039	–	(77,432)	(40,426)	–	(13,819)
– Minority shareholders	454,638	–	(13,574)	(82,046)	–	359,018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2009

(Thousands of Euro)	2009	2009 Restated	Change
Net income for the year (Group and minorities)	**558,677**	**345,199**	**(213,478)**
Fair value gains/(losses) on cash flow hedges	(107,332)	(107,332)	–
Fair value gains/(losses) of "available for sale" financial instruments	53,206	53,206	–
Gains/(losses) from translation of financial statements of foreign operations	40,521	37,713	(2,808)
Other fair value gains/(losses)	5,184	5,184	–
Tax effect	10,839	27,096	16,257
Other comprehensive income for the year	**2,418**	**15,867**	**13,449**
Comprehensive income/(loss) for the year attributable to:	**561,095**	**361,066**	**(200,029)**
– Parent Company	118,130	5,529	(112,601)
– Minority shareholders	442,965	355,537	(87,428)

CONSOLIDATED STATEMENT OF CASH FLOWS 2009

(Thousands of Euro)	2009	2009 Restated	Change
Operating activities			
Net income/(loss) for the year (Group and minorities)	558,677	345,199	(213,478)
Income taxes	620,006	542,159	(77,847)
Income before taxes	**1,178,683**	**887,358**	**(291,325)**
Adjustments:			
– depreciation and amortization	813,127	923,765	110,638
– (capital gains)/capital losses and impairments of intangible assets and property, plant and equipment	38,468	12,332	(26,136)
– net provisions charged to statement of income	198,802	136,049	(62,753)
– share of (income)/losses of associates	68,954	64,893	(4,061)
– dividends from associated companies	1,015	1,015	–
– (capital gains)/capital losses and impairments of other equity investments	227,324	285,464	58,140
– net financial (income)/charges	654,735	835,156	180,421
Cash flow from operating activities before changes in working capital	**3,181,108**	**3,146,032**	**(35,076)**
Cash flow provided/(used) by changes in working capital	205,664	193,657	(12,007)
Cash flow provided/(used) by changes in non–current assets and liabilities	(6,999)	(6,999)	–
Payment of taxes	(611,913)	(611,913)	–
Payment of employee termination indemnities	(61,418)	(61,418)	–
Net interest received/(paid)	(667,373)	(667,373)	–
Cash flow provided/(used) by operating activities	**2,039,069**	**1,991,986**	**(47,083)**
Investing activities			
Operating investments	(1,388,621)	(1,341,538)	47,083
Operating divestments	64,060	64,060	–
Purchase of equity investments	(706,437)	(706,437)	–
Purchase of consolidated companies	(233,045)	(233,045)	–
Disposal of equity investments	328,695	328,695	–
Operations in non–current financial assets	(1,235)	(1,235)	–
Cash flow provided/(used) by investing activities	**(1,936,583)**	**(1,889,500)**	**47,083**
Financing activities			
Change in shareholders' equity	185,443	185,443	–
New medium and long–term loans	1,808,804	1,808,804	–
Repayment of medium and long–term loans	(661,285)	(661,285)	–
Net changes in other sources of finance	(132,709)	(132,709)	–
Dividend payments and distribution of capital reserves	(334,109)	(334,109)	–
Cash flow provided/(used) by financing activities	**866,144**	**866,144**	**–**
Net decrease in cash and cash equivalents	**968,630**	**968,630**	**–**
Cash and cash equivalents at the beginning of the period	554,324	554,324	–
Cash in companies acquired	(19,607)	(19,607)	–
Translation differences and other movements	2,149	2,149	–
Cash and cash equivalents at the end of the period	1,505,496	1,505,496	
Cash and cash equivalents at the beginning of the period	**554,324**	**554,324**	**–**
Cash and cash equivalents	678,325	678,325	–
Bank overdrafts	(124,001)	(124,001)	–
Cash and cash equivalents at the end of the period	1,505,496	**1,505,496**	**–**
Cash and cash equivalents	**1,565,484**	1,565,484	–
Bank overdrafts	(59,988)	(59,988)	–

COMMENTS ON ASSET ITEMS

(All figures in thousands of Euro)

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:

	12.31.2010			12.31.2009		
(Thousands of Euro)	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Land and buildings	1,397,528	(312,372)	1,085,156	1,359,278	(284,771)	1,074,507
Investment property	77,228	(20,456)	56,772	77,540	(18,779)	58,761
Plant, machinery and equipment	1,700,614	(1,185,415)	515,199	1,659,148	(1,130,662)	528,486
Furniture, furnishings and electronic equipment	422,807	(311,880)	110,927	446,398	(312,695)	133,703
Assets to be relinquished	469,195	(357,520)	111,675	464,352	(347,098)	117,254
Leasehold improvements	1,186,179	(818,299)	367,880	1,147,279	(764,457)	382,822
Other tangible assets	143,960	(70,839)	73,121	123,761	(63,013)	60,748
Assets under construction and advances	145,856	–	145,856	138,863	–	138,863
Total	**5,543,367**	**(3,076,781)**	**2,466,586**	**5,416,619**	**(2,921,475)**	**2,495,144**

The following table reports movements in 2010 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
Balance at 01.01.2010	**1,074,507**	**58,761**	**528,486**	**133,703**
Additions	37,607	–	100,635	43,940
Disposals	(3,297)	(234)	(6,002)	(1,610)
Depreciation	(26,678)	(1,662)	(152,557)	(43,179)
Impairments	(9,519)	–	(2,869)	(7,234)
Impairment reversals	–	–	–	–
Changes in scope of consolidation	(24,821)	–	(12,549)	(20,927)
Translation differences	20,262	34	14,411	3,821
Other movements	17,095	(127)	47,024	2,866
Reclassification to assets held for sale	–	–	(1,380)	(453)
Balance at 12.31.2010	**1,085,156**	**56,772**	**515,199**	**110,927**

Additions in 2010 amounted to Euro 411,120. Of the total, Euro 225,463 is attributable to the Autogrill group, Euro 122,297 to the Benetton group and Euro 56,904 to the Atlantia group.
Capital expenditure by the Autogrill group was 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 in commercial properties and in the modernization and upgrading of stores in Italy, Russia, Spain, Germany, Kazakhstan and Mongolia; it also increased production capacity in Croatia and completed the logistical hub in Castrette.

Disposals for the year totalled Euro 39,992 and concern the sale of an aircraft, textile plant and machinery and some investment properties by the Benetton group (Euro 24,597), the sale of assets by the Autogrill group (Euro 6,636), and other disposals in the agriculture business.

Impairment losses for the year, of Euro 38,086, stem from the write–down to recoverable value of some commercial assets and properties held by the Autogrill group (Euro 23,190) and the Benetton group (Euro 14,896). The subsidiary Benair S.p.A., with a view to rationalize its aircraft fleet, decided to sell a plane and charged an impairment loss of Euro 3,379 for adjusting its amount to fair value.

The impairment reversal on assets to be relinquished pertains to the Autogrill group.

Changes in the scope of consolidation refer mainly to the deconsolidation of the Autogrill group companies operating in the Flight segment, which were sold with effect from December 31, 2010.

The positive impact of the translation differences, pertaining to the Autogrill group for Euro 46,563 and the Benetton group for Euro 16,087, relates to the appreciation of the British pound and the US dollar.

The item Reclassification to assets held for sale refers to property, plant and equipment being disposed of by the Atlantia group company Strada dei Parchi S.p.A.

Assets to be relinquished are goods that will revert to the grantor upon expiry of the concession or subconcession, 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.

Assets to be relinquished	Leasehold improvements	Other tangible assets	Assets under construction and advances	Total
117,254	**382,822**	**60,748**	**138,863**	**2,495,144**
14,325	54,315	35,049	125,249	411,120
(2,299)	(4,313)	(20,458)	(1,779)	(39,992)
(26,997)	(88,297)	(11,970)	–	(351,340)
(3,271)	(11,731)	(3,379)	(83)	(38,086)
3,968	–	–	64	4,032
–	(21,001)	–	(856)	(80,154)
–	22,004	34	4,676	65,242
8,695	34,081	15,839	(120,278)	5,195
–	–	(2,742)	–	(4,575)
111,675	**367,880**	**73,121**	**145,856**	**2,466,586**

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)	12.31.2010	12.31.2009
Land and buildings	12,174	2,869
Plant, machinery and equipment	15,084	15,161
Assets to be relinquished	13,809	13,809
Leasehold improvements	247	247
Other assets	3,669	13,638
(Accumulated depreciation)	(37,012)	(32,177)
Total	**7,971**	**13,547**

The long–term portion of the residual amount of lease repayments at December 31, 2010 is recognized as Lease financing under non–current liabilities in Note [28] (Euro 12,833); the short–term portion is reported in Note [37] Current portion of lease financing (Euro 2,919).
At December 31, 2009, Other assets included means of transport used by Autogrill's Flight business and assets held under finance leases by Strada dei Parchi. The latter have been reclassified to Assets held for sale in Note [19].

The fair value of investment property, based on external appraisals updated as of December 2010, is greater than the stated balance sheet value. Rental income from these assets in 2010 amounted to Euro 1,978.

[2] Intangible assets

Movements in the principal intangible asset items in 2010 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 01.01.2010	**6,865,818**	**12,318,430**	**5,114**	**905,240**	**154,437**	**84,046**	**20,333,085**
Additions	–	37,992	51	11,088	9,982	36,646	95,759
Additions due to execution of construction services	–	582,167	–	–	–	–	582,167
Changes due to update of concession plans	–	202,480	–	–	–	–	202,480
Disposals	–	–	–	–	(825)	(85)	(910)
Amortization	–	(431,331)	(695)	(100,626)	(18,531)	(35,219)	(586,402)
Impairments	(22,161)	–	(1,273)	(3,783)	(2,588)	(1,290)	(31,095)
Impairment reversals	–	16,106	–	15	–	–	16,121
Changes in scope of consolidation	(91,989)	–	–	(21,596)	–	(108)	(113,693)
Translation differences	74,734	12,436	200	25,327	2,082	650	115,429
Other movements	(699)	(63,858)	(2)	8,908	1,724	(5,677)	(59,604)
Reclassification to assets held for sale	–	(948,995)	–	(864)	–	(632)	(950,491)
Balance at 12.31.2010	**6,825,703**	**11,725,427**	**3,395**	**823,709**	**146,281**	**78,331**	**19,602,846**

At December 31, 2010 the balance of Goodwill and other intangible assets of indefinite useful life consists mainly of goodwill pertaining to the Atlantia group (Euro 5,396,074) and the Autogrill group (Euro 1,341,085).

All such assets are subject to impairment testing once a year. In 2010 the Autogrill group recognized impairment of Euro 22,161.

Changes in the scope of consolidation include the reporting–date value of goodwill pertaining to the companies in the Flight business, which were deconsolidated as of December 31, 2010.

Translation differences mostly concern the Autogrill group and reflect the appreciation of the British pound and the US dollar.

Concession rights can be broken down as follows:

(Thousands of Euro)	12.31.2010	12.31.2009
Acquired concession rights	201,796	800,845
Concession rights accruing from construction services for which no additional economic benefits are received	9,257,335	9,380,460
Concession rights accruing from construction services for which additional economic benefits are received	2,216,866	2,089,042
Concession rights accruing from construction services provided by suboperators	49,430	48,083
Total	**11,725,427**	**12,318,430**

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 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 main changes in this item are an increase of Euro 582,167 in the amount of investments carried out in 2010 relating to construction and/or upgrade services for which additional economic benefits are received; an increase of Euro 202,480, 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; amortization of Euro 431,331; and the reclassification to Assets held for sale of the concession rights held by the subsidiary Strada dei Parchi (Euro 948,995, of which Euro 619,155 in acquired concession rights and Euro 329,128 accruing from construction services for which additional economic benefits are received).

Impairment reversals refer entirely to the motorway operator Raccordo Autostradale Valle d'Aosta S.p.A., whose cash flows are expected to improve thanks to the new concession arrangement enacted in 2010. According to the results of impairment testing at December 31, 2010, the revision of business and financial plans on the basis of the new concession arrangement made it possible to reverse part of the Euro 209,949 in impairment losses charged on the company's concession rights in previous years.

Concessions, licenses, trademarks and similar rights at December 31, 2010 refer mostly to the Autogrill group (Euro 800,308) and include the amounts determined upon fair value allocation of the assets and liabilities of Aldeasa and World Duty Free, acquired in 2008. More specifically, these are contractual rights (Euro 651,761) and the trademark World Duty Free (Euro 105,853).
During the year the Autogrill group charged impairment losses of Euro 3,806 on this item, due to the outcome of future profitability testing by individual store or contract.

The remainder of this item consists primarily of licenses held by the Atlantia group and trademarks owned by the Benetton group. The brands United Colors of Benetton and Sisley are subject to restraints on sale in guarantee of loans whose outstanding repayments total Euro 648 million at December 31, 2010.

Changes in the scope of consolidation concern the deconsolidation of the Flight business, which was sold with effect from December 31, 2010.

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 2,588.

Other intangible assets include the cost of purchasing and developing software, of which Euro 12,894 pertains to the Autogrill group, Euro 27,228 to the Benetton group (Euro 5,576 internally generated) and Euro 14,158 to the Atlantia group. This item also includes assets under construction and advances (Euro 14,623).

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 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 cash generating unit; the only exceptions are fonds de commerce and buildings, which are measured at fair value by way of independent appraisal if there is any indication of impairment.

Impairment losses recognized in 2010 against the commercial assets of certain stores reflect a reduction in their cash flows, caused by a decline in actual and projected sales, and include furniture and fittings, key money and leasehold improvements. These stores are located primarily in the United Kingdom, Germany, Spain, France, Japan and Italy.
Further to appraisals, impairment losses were also charged on two buildings (Euro 2,371) and an aircraft (Euro 3,379).

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 2011 budget and forecasts for 2012–2015, 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 2010 the goodwill allocated to the Dutch Food & beverage cash generating unit (Euro 22,161), comprised mostly of hotel services, was found to be fully non–recoverable due to the intensity of the investments required to regain adequate room occupancy rates in a market hampered by excess supply, and to the Autogrill group's focus on core businesses.

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 cash generating units.
The recoverability of goodwill and concession rights was assessed using the long–term plans approved by the companies' boards of directors derived from the business and financial plans annexed to concession arrangements signed with the grantor which contain traffic, investment, cost and revenue projections for the full term of the concession period.
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. The nominal growth rate (g rate) of projected cash flows not stated expressly in financial plans ranges from 2% to 3.5%. The specific forecast period does not exceed five years, with the exception of the Atlantia group cash generating units, for which projections are based on business and financial plans annexed to the concession agreements that include traffic forecasts, investments, costs and revenues for the full term of the concession period.

The results of impairment testing in 2010 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 & clothing	Food & beverage and Travel retail & duty–free	Infrastructure & services for mobility	Total
Property, plant and equipment				
Buildings	2,371	7,148	–	9,519
Plant, machinery and equipment	99	2,770	–	2,869
Furniture, furnishings and electronic equipment	5,896	1,338	–	7,234
Leasehold improvements	3,151	8,580	–	11,731
Other	3,379	3,354	–	6,733
Total property, plant and equipment	**14,896**	**23,190**	**–**	**38,086**
Intangible assets				
Intangible assets of indefinite useful life	–	22,161	–	22,161
Intangible assets of finite useful life	2,563	3,816	2,555	8,934
Total intangible assets	**2,563**	**25,977**	**2,555**	**31,095**
Total	**17,459**	**49,167**	**2,555**	**69,181**

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:

	12.31.2010		12.31.2009	
(Thousands of Euro)	% held	Carrying value	% held	Carrying value
Gemina S.p.A.	30.23%	653,921	34.31%	754,334
Autostrade Sud America S.r.l.	45.76%	163,037	45.00%	75,502
Triangulo do Sol Autoestradas S.A.	50.00%	116,534	50.00%	109,331
Eurostazioni S.p.A.	32.71%	50,790	32.71%	50,790
Sagat S.p.A.	24.38%	34,416	24.38%	34,332
Autostrade per il Cile S.r.l.	–	–	50.00%	51,216
IGLI S.p.A.	33.33%	13,079	33.33%	28,249
Tangenziali Esterne di Milano S.p.A.	32.00%	9,509	32.00%	8,342
Pune Solapur Expressway Private Ltd.	50.00%	9,161	50.00%	3,785
Società Infrastrutture Toscane S.p.A.	46.60%	6,345	46.60%	6,614
Other investments	–	24,482	–	20,362
Total		1,081,274		1,142,857

The decrease in the carrying value of Gemina S.p.A. is explained by the attribution to the former shareholders of Investimenti Infrastrutture S.p.A., demerged on February 9, 2010, of their share of Gemina and by the company's valuation on an equity basis (Euro 10,709).

The increase shown for Autostrade Sud America S.r.l. stems from its merger by incorporation of Autostrade per il Cile S.r.l. on January 1, 2010 (Euro 51,216) and its valuation on an equity basis (Euro 36,319).

The change in the value of Triangulo do Sol Autoestradas S.A. derives from its valuation on an equity basis.
Based on certain trigger events, the investment in IGLI S.p.A., key shareholder of Impregilo S.p.A., was tested for impairment. The testing showed that the carrying value of the investment was below its fair value, based on the stock price of Impregilo, its only asset. The combined effect of valuation on an equity basis and impairment losses reduced IGLI's value by a total of Euro 15,170.
The increase in value shown for Sagat S.p.A., Tangenziali Esterne di Milano S.p.A. and Società Infrastrutture Toscane S.p.A. derives from their valuation on an equity basis.
The higher value of the investment in Pune Solapur Expressway Private Ltd. includes Euro 4,709 for additional capital paid in.

[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 2010.

Investments in other companies are as follows:

	12.31.2010		12.31.2009	
(Thousands of Euro)	% held	Carrying value	% held	Carrying value
Assicurazioni Generali S.p.A.	0.94%	213,985	0.94%	265,040
Pirelli & C. S.p.A.	4.77%	140,411	4.77%	106,776
Mediobanca S.p.A.	2.16%	126,082	2.16%	153,591
Alitalia – Compagnia Aerea Italiana S.p.A.	8.85%	100,000	8.85%	100,000
RCS MediaGroup S.p.A.	5.10%	38,680	5.10%	48,420
Gruppo Banca Leonardo S.p.A.	1.94%	11,026	1.95%	16,481
Prelios S.p.A.	2.70%	9,686	–	–
Il Sole 24 Ore S.p.A.	2.00%	3,308	2.00%	5,309
Acegas–Aps S.p.A.	1.94%	4,079	1.94%	4,158
Other investments	–	7,474	–	7,761
Total		**654,731**		**707,536**

The fair value recognition at December 31, 2010 of Assicurazioni Generali S.p.A. showed a decrease of Euro 51 million, of which Euro 45 million was charged to the income statement as an impairment loss and the remainder was allocated to the fair value reserve.
In 2010, Pirelli & C. S.p.A. carried out a reverse stock split at the ratio of one new share for every eleven held; it later reduced the share capital by assigning one Prelios S.p.A. share for every Pirelli share possessed.
At December 31, 2010 the fair value recognition of the Group's investments in Pirelli & C. S.p.A. and Prelios S.p.A. led to additions of Euro 44 million and Euro 0.3 million, respectively, to the fair value reserve.
The decrease of Euro 27.5 million in the investment in Mediobanca S.p.A. is due exclusively to its fair value measurement at December 31, 2010, as reflected in the fair value reserve. The value of this investment at December 31, 2009 included Euro 2 million as the fair value of the warrants that Mediobanca distributed free of charge during that year. The warrants entitled the bearers, at any time from January 1, 2010 until March 18, 2011, to purchase one share for every seven warrants submitted, at a price of Euro 9.00 per share including a premium of Euro 8.50. At the reporting date the company still held a limited amount of these warrants.

The fair value measurement at December 31, 2010 of RCS MediaGroup S.p.A. led to a reduction of Euro 10 million with respect to the previous year, as reflected in the fair value reserve.
In 2010, Gruppo Banca Leonardo S.p.A. made an extraordinary distribution from the share premium reserve in the amount of Euro 5,455.
The reduction in value of the investment in Il Sole 24 Ore S.p.A. is considered to be permanent and the relative impairment loss has been recognized in the income statement. The lower value of the investment in Acegas–Aps S.p.A. is due exclusively to its adjustment to fair value, as charged to the relative reserve.

[6] Investment securities
The balance refers to investments in closed–end funds, held by the subsidiary Schemaquattordici S.p.A. for Euro 29,902 and by the Parent Company for Euro 20,005. These funds are measured at fair value at December 31, 2010.
This item also includes the fair value of the 708,000 convertible Club Méditerranée bonds acquired by the Parent Company in 2009 (Euro 10,527). From June 8, 2010 until they mature on June 8, 2012, the bonds can be converted at Edizione's request into ordinary shares of Club Méditerranée at a ratio of one to one. At maturity, they will be automatically converted into shares.
In 2010 the Parent Company purchased an additional 107,456 convertible Club Méditerranée bonds, which can be converted into ordinary shares upon request, at a ratio of one to one, before January 1, 2015 at a conversion price of Euro 16.365.

[7] Guarantee deposits
The balance mainly includes deposits made under lease contracts held by the Japanese, Indian and Korean subsidiaries of the Benetton group.

[8] Other non–current financial assets
The balance at the end of 2010 includes the following:

(Thousands of Euro)	12.31.2010	12.31.2009
Non–current portion of financial assets deriving from concession rights	373,719	288,034
Financial assets deriving from government grants related to construction services	201,538	180,355
Convertible term deposits	285,930	336,717
Derivatives: cash flow hedges	40,209	–
Other financial receivables and assets	36,895	48,479
Total	**938,291**	**853,585**

Non–current portion of financial assets deriving from concession rights are made up of:
» the takeover right (Euro 304,387) to be paid to the subsidiary, Autostrade Meridionali S.p.A. at the end of its concession term;
» the present value of the minimum guaranteed payments (Euro 69,332) that the Chilean subsidiary Sociedad Concesionaria de Los Lagos will receive from the grantor in accordance with the concession agreement.

Of the change in this item since the previous year, Euro 68,712 derives from motorway construction investments performed by Autostrade Meridionali in 2010, which increase the amount of its takeover right.

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.

Convertible term deposits consist of the non–current portion of the loans disbursed by Intesa Sanpaolo and Crediop in order to access the government grants provided under Laws 662/1996, 345/1997 and 135/1997 for the construction of new infrastructure. The deposits will be released and made available to the Atlantia group based on percentage of completion of these works.

The item Derivatives: cash flow hedges refer entirely to the positive fair value of the derivatives hedging the bond of Jpy 20,000 million issued by the Atlantia group.

Other financial receivables and assets include Euro 10,008 due from ANAS to the subsidiary Autostrada Torino–Savona S.p.A. for grants provided under Law 662/1996; Euro 10,209 in loans to employees; Euro 7,629 in non–current prepayments; and Euro 4,090 in loans accruing interest at market rates, granted to third parties by subsidiaries of the Benetton group.

Financial receivables are broken down below by maturity:

(Thousands of Euro)	12.31.2010
From 1 to 5 years	737,228
Beyond 5 years	201,063
Total	**938,291**

[9] Other non–current receivables

This item includes receivables from joint venture partners in the United States (Euro 3,061), amounts due for interest–bearing balances with third parties (Euro 5,082), premiums due from suppliers under long–term agreements and concession rent paid in advance (Euro 33,931), with reference to the Autogrill group; trade receivables due beyond one year (Euro 6,083), with reference to the Benetton group; VAT credits (Euro 2,057) and other tax receivables (Euro 2,323), including credits for tax advances paid on employee termination indemnities by the Italian companies in the Atlantia group.

[10] Deferred tax assets

The balance includes net tax assets generated by the Atlantia group (Euro 2,101,817), the Benetton group (Euro 156,413), the Autogrill group (Euro 95,750) and other Group companies.

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

(Thousands of Euro)	12.31.2010	12.31.2009
Tax effect on deductible intercompany goodwill	1,093,725	1,199,525
Tax effect on provisions, costs and revenues relating to future periods for fiscal purposes	310,394	295,344
Tax effect on different basis for amortization and depreciation	229,371	270,136
Benefit on carried forward tax losses	48,642	56,835
Tax effect on intercompany profits elimination	4,627	4,904
Other deferred tax assets	128,574	154,795
Effect of the adoption of IFRIC 12	686,139	612,059
Total deferred tax assets	**2,501,472**	**2,593,598**
Total offsettable deferred tax liabilities	(126,828)	(134,945)
Total deferred tax assets, net	**2,374,644**	**2,458,653**

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 at December 31, 2010 is principally comprised of residual deferred tax assets (Euro 1,093,725) for the reversal of the gain arising in 2003 due to the transfer of motorway assets to Autostrade per l'Italia, which corresponded to goodwill deducted by this company, as well as deferred tax assets of Euro 686,139 originating from the adoption of IFRIC 12 by the subsidiary Autostrade per l'Italia. It also includes deferred tax assets of Euro 237,997 for the non–deducted portion of provisions, mostly with reference to the repair and replacement of assets held under concession, and of Euro 87,177 for impairment losses charged by Raccordo Autostradale Valle d'Aosta and non–deducted depreciation of property, plant and equipment.

Benetton group

The balance of this item 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 profitability of the tax benefits associated with corporate restructuring in 2003. The potential tax benefit from the carried forward tax losses of group companies (Euro 290 million at December 31, 2010) 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 refer to:

» the US units for Euro 33,800, mostly as a result of the different amortization period of leasehold improvements and the deferred deductibility of provisions for concession fees;

» the Spanish units for Euro 34,268, mostly in relation to tax losses carried forward and the deferred deductibility of provisions for concession fees;

» the French units for Euro 10,348, in connection chiefly with tax losses carried forward and the different amortization and depreciation periods for tax purposes.

Testing the recoverability of the deferred tax assets, on the basis of the companies' prospects for taxable income, led to impairment losses in the amount of Euro 1,646.
Tax losses existing at December 31, 2010 on which deferred tax assets have not been recognized amount to Euro 128,897.

CURRENT ASSETS

[11] Inventories

Inventories are broken down below:

(Thousands of Euro)	12.31.2010	12.31.2009
Raw materials, other materials and consumables	374,615	362,477
Work in progress and semi–manufactured products	80,787	74,399
Finished goods	171,640	184,280
Advances	1,972	188
Total	**629,014**	**621,344**

Inventories are stated net of the write–down provision of Euro 29,670.
The increase in raw materials, other materials and consumables reflects higher inventories of fuel (Euro 8,951), due to the takeover of 78 Esso stations in Italy during the course of 2010 by a subsidiary of the Autogrill group.

The decrease in finished goods results from the Benetton group's efforts to reduce time to market, by reorganizing production sources and optimizing the supply chain.

[12] Trade receivables

At December 31, 2010, trade receivables, net of the provision for doubtful accounts, were as follows:

(Thousands of Euro)	12.31.2010	12.31.2009
Trade receivables	1,832,017	1,906,571
Provision for doubtful accounts	(166,607)	(166,199)
Total	1,665,410	1,740,372

Trade receivables include amounts due from non–consolidated subsidiaries (Euro 379) and associates (Euro 15,637), referring essentially to the Atlantia group, and from operators of interconnecting motorways (Euro 4,498), relating to tolls pertaining to the Atlantia group that were collected by third–party operators.

Movements in the provision for doubtful accounts are summarized below:

(Thousands of Euro)	01.01.2010	Additions	Uses	Releases to statement of income	Change in scope of consoli–dation	Translation differences and other movements	12.31.2010
Provision for doubtful accounts	166,199	34,013	(37,169)	(1,854)	(3,533)	8,951	166,607

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

[13] Tax receivables

This item includes:

» VAT credits of Euro 60,545 (Euro 48,043 at the end of 2009), of which Euro 27,524 pertains to the Benetton group, Euro 11,036 to the Autogrill group and Euro 19,839 to the Atlantia group;
» income tax credits of Euro 35,088 (Euro 52,751 at the close of 2009), of which Euro 18,254 pertains to the Atlantia group, Euro 3,928 to the Benetton group, Euro 5,677 to the Autogrill group and Euro 7,130 to the Parent Company;
» other tax receivables of Euro 8,512 (Euro 9,313 at December 31, 2009), including Euro 1,187 for the Atlantia group, Euro 1,284 for the Autogrill group and Euro 5,397 for the Benetton group;
» the IRES (corporate income tax) refund due under Art. 6 of Decree Law 185/2008, which allows companies to request reimbursement of the amount of tax corresponding to the IRAP (regional business tax) not deducted in fiscal years 2004 through 2007. The total amount of receivables recognized by the Group is Euro 14,463.

[14] Accrued income and prepaid expenses

These are made up as follows:

(Thousands of Euro)	12.31.2010	12.31.2009
Rents and leases	33,985	29,874
Other accrued income and prepaid expenses	25,121	24,634
Total	59,106	54,508

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)	12.31.2010	12.31.2009
Advances paid to suppliers	129,087	110,132
Receivables due from motorway end–users and insurance companies for damages	30,817	26,993
Credit card receipts	10,598	10,604
Advances to employees and agents	6,633	9,334
Receivables for disposal of assets	4,415	5,684
Receivables from Group companies	398	1,555
Other receivables	47,153	53,911
Total	**229,101**	**218,213**

This item is shown net of provisions for doubtful accounts (Euro 38,090), of which Euro 31,301 pertains to the Atlantia group.

Advances paid to suppliers concern the Autogrill group for Euro 75,671, comprised of amounts paid in advance for services, promotional contributions and bonuses awaiting settlement, and the Atlantia group for Euro 42,707, consisting of advances to awarders of contracts. The increase relates entirely to the higher volume of work in 2010 done by the Atlantia group companies.
Receivables due from motorway end–users and insurance companies (Atlantia group) refer to the reimbursement of road damages.
Other receivables include amounts due from subconcessionaires, advances to concession grantors for investments made on their behalf or on behalf of subconcessionaires and receivables on business generating commissions, with respect to the Autogrill group, and amounts due from public entities with respect to the Atlantia group.

[16] Other current financial assets

In detail:

(Thousands of Euro)	12.31.2010	12.31.2009
Current portion of financial assets deriving from concession rights	8,853	14,280
Financial assets deriving from government grants related to construction services	189,436	88,007
Convertible term deposits	180,947	181,620
Derivatives: fair value hedges	22,562	10,630
Derivatives: cash flow hedges	9,876	3,843
Financial receivables from Group companies	8,896	11,302
Financial receivables from third parties	23,130	19,302
Other financial receivables and assets	40,718	79,317
Total	**484,418**	**408,301**

Current financial assets deriving from concession rights, Financial assets deriving from government grants related to construction services and Convertible term deposits consist of the current portion of the Atlantia group assets discussed in Note [8] Other non–current financial assets.
The item Derivatives: fair value hedges includes the differentials on forward exchange contracts of the Benetton group (Euro 12,332) and the Autogrill group (Euro 10,230), deriving from the adjustment to market value of exchange rate hedges outstanding at December 31, 2010.

The item Derivatives: cash flow hedges consists exclusively of the fair value accounting of the Benetton group's hedges against exchange risk.

Financial receivables from Group companies concern associates of the Autogrill group (Euro 2,852), associates of the Atlantia group (Euro 1,643) and certain non–consolidated subsidiaries in relation to current intercompany accounts settled at market interest rates (Euro 3,308).
Financial receivables from third parties consist mostly of short–term financial investments by the Stalexport Autostrady group.

Other financial receivables and assets include Euro 21,864 in accrued income on derivative transactions by the Atlantia group, Euro 6,000 in receivables for sales and repurchase agreements held by the Atlantia group and Euro 10,942 in financial accrued income and prepayments. The reduction on the previous year is due to the termination of a fair value hedge derivative.

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

(Thousands of Euro)	12.31.2010	12.31.2009
Caltagirone Editore S.p.A.	4,676	5,002
Other investments	102	8,331
Total	**4,778**	**13,333**

The decrease in the value of the investment in Caltagirone Editore with respect to December 31, 2009 is attributable to fair value accounting and has been charged to the fair value reserve under equity.

[18] Cash and cash equivalents
This item can be broken down as follows:

(Thousands of Euro)	12.31.2010	12.31.2009
Bank accounts	448,376	574,507
Time deposits	2,397,461	824,761
Checks	81,578	83,809
Cash in hand	81,839	82,407
Total	**3,009,254**	**1,565,484**

Bank accounts are liquid funds held at major banks. Average interest rates reflect market returns for the various currencies concerned.
Time deposits refer mainly to the funds raised by the Atlantia group through bond issues in 2010.
Checks reflect receipts from customers in the last few days of the year.
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.

[19] Assets and liabilities held for sale
At December 31, 2010 the balance was made up of:

a) Euro 39,852 in residual minority investments held by the Atlantia group (Euro 67,255 at December 31, 2009) and Euro 1,643 in financial receivables due from these companies (Euro 17,076 at the end of 2009), which were acquired in 2009 as part of the transaction with the Itinere group and are due to be sold in the near term;
b) Euro 1,066,239 and Euro 1,072,633 in assets and liabilities, respectively, of the subsidiary Strada dei Parchi, which are classified as held for sale due to the start of negotiations aimed at selling the interest in that company to third parties;
c) the fair value, net of costs to sell, of some Benetton group manufacturing plants that are no longer in use and of other assets undergoing disposal.

At December 31, 2009 this item included Euro 301,816 in Telecom Italia S.p.A. shares held by Sintonia S.A., which were sold in early 2010.

The following table shows assets and liabilities held for sale at December 31, 2010:

(Thousands of Euro)			
	Assets		Liabilities
Property, plant and equipment	15,600	Non–current financial liabilities	658,841
Intangible assets	950,491	Other non–current liabilities	8,591
Non–current financial assets	49,632	Non–current provisions	15,741
Other non–current assets	63,243		
Total non–current assets	**1,078,966**	**Total non–current liabilities**	**683,173**
Other current assets	23,422	Current financial liabilities	299,980
Cash and cash equivalents	15,494	Other current liabilities	69,272
		Current provisions	20,208
Total current assets	**38,916**	**Total current liabilities**	**389,460**
Total assets	**1,117,882**	**Total liabilities**	**1,072,633**

COMMENTS ON SHAREHOLDERS' EQUITY ITEMS

(All figures in thousands of Euro)

SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

On June 28, 2010, the annual general meeting of Edizione S.r.l. approved a dividend totalling Euro 40 million. The dividend was paid on July 1, 2010.

[20] Share capital

At December 31, 2010 the share capital of Edizione S.r.l. amounted to Euro 1,500,000,000.00, fully subscribed and paid in, and is 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 2,022,169 at the close of the year (Euro 2,140,279 at December 31, 2009), this item includes:

» Euro 1,898 for the Parent Company's legal reserve;
» Euro 913,727 for the Parent Company's other reserves;
» Euro 1,106,544 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 foreign currencies 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	57,669	(19,697)	37,972
Fair value gains/(losses) of "available for sale" financial instruments	6,313	(1,442)	4,871
Gains/(losses) from translation of financial statements of foreign operations	151,681	6,677	158,358
Other fair value gains/(losses)	5,825	(382)	5,443
Other comprehensive income for the year	**221,488**	**(14,844)**	**206,644**

Below is the reconciliation between the shareholders' equity and net income of Edizione S.r.l. and the corresponding consolidated amounts:

	12.31.2010	
(Thousands of Euro)	Shareholders' equity	Net income
As shown in the separate financial statements of Edizione S.r.l. prepared according to Italian GAAP	**2,495,196**	**79,571**
IFRS adjustments to separate financial statements of Edizione S.r.l.	(11,351)	(61,233)
As shown in the separate financial statements of Edizione S.r.l. prepared according to IFRS	**2,483,845**	**18,338**
Group share of net income and shareholders' equity of consolidated subsidiaries, net of their carrying value	213,094	564,490
Elimination of dividends paid to the Parent Company by consolidated subsidiaries	–	(316,011)
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	1,158,072	–
Elimination of capital gains from intercompany transactions	(78,476)	2,916
Adjustment to reflect the equity value of associated companies	(78,664)	(11,182)
Net effect of other consolidation postings	(22,712)	1,084
Group's consolidated financial statements	**3,675,159**	**259,635**

[24] Minority interests

At December 31, 2010 and 2009, the interests held by minority shareholders in the net equity of consolidated companies were as follows:

(Thousands of Euro)	12.31.2010	12.31.2009
Atlantia group	2,214,367	2,105,435
Sintonia	465,738	412,823
Benetton group	529,874	434,027
Autogrill group	300,944	261,496
Investimenti Infrastrutture	–	90,199
Schemaquattordici	14,259	16,137
Other companies and consolidation postings	(7,653)	(15,743)
Total	**3,517,529**	**3,304,374**

The increase in minority interests in the Benetton and Autogrill groups is due to their positive results for the year.

During the year, the Group increased its interest in the Atlantia group both by buying shares in the open market (5,560,000 ordinary shares, or 0.96% of the share capital) and by acquiring the 19,350,000 shares (3.22% of the share capital) held by Aabar Infrastructure GmbH. This involved a corresponding reduction in minority interests, which was amply offset by their pro–quota share of the Atlantia group's positive results, which increased minority interests with respect to the previous year.

Minority interests in Sintonia went up due to the capital increases reserved to minority shareholders, which were paid in during the course of 2010.

The elimination of minority interests in Investimenti Infrastrutture results from the company's demerger at the start of 2010; it is now wholly owned by the Group.

The decrease in minority interests in Schemaquattordici is 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 7,466,600 and to the Autogrill group for Euro 318,843.

As for the Atlantia group, the balance at December 31, 2010 refers to bonds issued by Atlantia S.p.A. as part of its medium–term note program, for a total of Euro 10 billion.
Most of the change compared with the balance at 31 December 2009 (Euro 7,836,018) results from the reclassification to current liabilities (Note [38] Current portion of bonds and loans) of the Euro 2,000,000 bond maturing on June 9, 2011, partially offset by new bonds issued during the year with a nominal value of Euro 1,500,000.

The balance at December 31, 2010 is therefore made up of the following bond issues:
a) 2004–2014 bond with a nominal value of Euro 2,750,000 and 5.00% coupon, maturing on June 9, 2014, carried for Euro 2,706,363;
b) 2004–2022 bond with a nominal value of Gbp 500,000 thousand and 5.99% coupon, maturing on June 9, 2022, carried for Euro 568,940;
c) 2004–2024 bond with a nominal value of Euro 1,000,000 and 5.875% coupon, maturing on June 9, 2024, carried for Euro 973,244;
d) 2009–2016 bond with a nominal value of Euro 1,500,000 and fixed–rate 5.625% coupon, maturing on May 6, 2016, carried for Euro 1,549,877;
e) 2009–2038 bond with a nominal value of Jpy 20,000 million and fixed–rate 5.30% coupon, maturing on December 10, 2038, carried for Euro 183,444;
f) 2010–2017 bond with a nominal value of Euro 1.000.000 and 3.38% coupon, maturing on September 18, 2017, carried for Euro 990,510;
g) 2010–2025 bond with a nominal value of Euro 500,000 and 4.38% coupon, maturing on September 16, 2025, carried for Euro 494,222.

All bonds are measured at amortized cost.

In order to hedge the above liabilities (excluding the bond described at letter d), the Atlantia group has taken out interest rate swaps and cross currency interest rate swaps, whose fair value at December 31, 2010 is discussed in Note [29] Other non–current financial liabilities.

At December 31, 2010, the figure mentioned for the Autogrill group refers to:

» a private placement carried out on January 23, 2003 by Autogrill Group Inc. for a total of Usd 370 million. The issue was guaranteed by Autogrill S.p.A. and is in three tranches of Usd 44 million (reimbursed at maturity in January 2010), Usd 60 million and Usd 266 million, the latter two maturing in January 2011 and January 2013, respectively. The tranches pay half–yearly interest at respective rates of 5.66% and 6.01%. The tranche maturing in 2011 (Euro 44,903) has been reclassified to current liabilities (Note [38] Current portion of bonds and medium and long–term loans);
» a private placement carried out on May 9, 2007 by Autogrill Group Inc. for a total of Usd 150 million. Guaranteed by Autogrill S.p.A., these bonds pay fixed annual interest of 5.73% half–yearly and mature on May 9, 2017. Exposure to fair value fluctuations is hedged by an interest rate swap with a notional value of Usd 75 million.

The private placement regulations include covenants requiring the periodic monitoring of Autogrill's financial ratios (leverage and interest coverage), which must stay within certain limits. The "leverage ratio" must not exceed 3.5, although it can reach 4.0 for a maximum of three half–years (not necessarily in a row), and the "interest coverage ratio" cannot be lower than 4.5. For the calculation of the "leverage ratio" and "interest coverage", net debt, Ebitda and financial charges are measured according to definitions in the loan contracts and therefore differ from the amounts in the financial statements.
At December 31, 2010, as in all previous observation periods, these covenants were satisfied.

[26] Medium and long–term loans

This item consists of loans from credit institutions (Euro 5,173,152) and payables to other lenders (Euro 86,533).
During the year, new loans were granted for Euro 601 million, payments on loans totalled Euro 811 million, Euro 367 million was reclassified to current liabilities (Note [38] Current portion of bonds and medium and long–term loans). Translation differences were negative for Euro 45 million while the reclassification to Liabilities held for sale (Note [19]) of payables to other lenders by the subsidiary Strada dei Parchi, amounted to Euro 657 million.

Medium and long–term loans from credit institutions at December 31, 2010 were as follows:

(Thousands of Euro)	12.31.2010	12.31.2009
Pool loan totalling Euro 1,800 million, floating rate, maturing on October 2014 (1)	896,251	1,100,243
Loans from European Bank of Investments (EIB) maturing from 2010 to 2022	900,455	950,631
Senior Secured Long Term Facility of Euro 800 million, floating interest, maturing on June 30, 2015 (5)	632,750	709,582
Term2 loan of Gbp 397,9 million, granted on March 19, 2008 amortizing, annual payments, floating rate, maturity March 19, 2013 (2)	368,690	444,536
Revolving syndicated loan granted on May 25, 2007 of Euro 500 million, maturity May 25, 2014 (2)	–	432,195
Grant loans	340,568	381,169
Revolving syndicated line (Intesa Sanpaolo) December 10, 2010 multicurrency, Euro 300 million, floating rate, maturity June 9, 2012 (2)	297,242	–
Term1 loan of Euro 275 million granted on March 19, 2008, floating rate, bullet payment, maturity March 19, 2013 (2)	274,103	273,391
Club Deal loan, floating rate, maturity 2015 (4)	248,405	–
Mediobanca term loan of Euro 200 million granted on June 24, 2005, floating rate, bullet repayment, maturity June 24, 2015 (2)	200,000	200,000
Revolving credit line of Euro 250 million, floating rate, maturity June 2013 (3)	194,648	219,506
Intesa Sanpaolo loan of Euro 150 million, floating rate, maturity 2012 (4)	149,903	149,846
UniCredit Banca d'Impresa loan of Euro 150 million, floating rate, maturity 2012 (4)	149,903	149,846
Loans from Cassa Depositi e Prestiti totalling Euro 150 million, floating rate, maturity December 2013	143,912	143,532
BNL loan of Euro 100 million, floating rate, maturity 2012 (4)	99,935	99,897
Club Deal Aldeasa of Euro 125 million, floating rate, in two tranches: Tranche B, amortizing with half–yearly repayments; Tranche C, bullet repayment on July 29, 2011 (2)	–	97,022
Evergreen credit line of Euro 150 million, floating rate, minimum maturity of 13 months rolling (3)	–	94,881
Revolving syndicated line of Euro 300 million, granted on June 24, 2005, floating rate, maturity June 24, 2012 (2)	20,000	86,702
Revolving credit line of Euro 400 million, floating rate, maturity July 2010, extendable at the company's discretion for up to two additional years (July 2012) (3)	–	24,955
Revolving credit line (Intesa Sanpaolo), Euro 125 million, floating rate, maturity March 7, 2013 (2)	20,282	–
Other loans	236,105	161,424
Total	**5,173,152**	**5,719,358**

Notes:

(1) For the loan to Sintonia S.A., the ratio of Sintonia's debt to the fair value of its equity investments must remain below a certain threshold, and the ratio of dividends received to net financial charges must stay above a given amount. At December 31, 2010 these covenants were satisfied.

(2) The revolving syndicated facilities and loans of Autogrill call for the periodic monitoring of financial ratios (leverage and interest coverage), which must stay within certain limits. At December 31, 2010 these covenants were satisfied.

(3) The revolving credit lines granted to Edizione S.r.l. require a certain ratio between the company's net indebtedness (including the debt of certain subholding companies) and the fair value of its equity investments. At December 31, 2010 these covenants were satisfied.

(4) The loans granted to the Benetton group include two financial covenants (satisfied at December 31, 2010), compliance with which is computed half–yearly on the basis of the consolidated financial statements:
- the ratio of Ebitda to net financial charges must be greater than or equal to 4;
- the debt/Ebitda ratio must be less than or equal to 3.5.

(5) The Term Loan Facility agreement imposes certain covenants on the borrower, which have always been satisfied. In particular, the ratios of Funds from Operations (FFO) to net financial expenses and FFO to net financial indebtedness, as well as the borrower's equity, must remain within a certain range.

Grant loans were provided by Dexia Crediop and Sanpaolo IMI to Autostrade per l'Italia and Autostrada Torino–Savona and refer to the activation of government grants made available by Laws 135/1997, 345/1997 and 662/1996. The loans will be reimbursed by ANAS, according to the Atlantia group's investment financing program based on the disbursement of the above grants.

The table below breaks down medium and long–term loans by maturity.

Year	12.31.2010
2012	901,492
2013	1,137,564
2014	1,276,968
2015	757,235
2016 and beyond	1,099,893
Total	**5,173,152**

Payables to other lenders amount to Euro 86,533. The change with respect to December 31, 2009 (Euro 727,108) is due to the reclassification to Liabilities held for sale (Note [19]) of the interest–bearing payables to ANAS by Strada dei Parchi, which is currently being sold. The balance refers mainly to the Atlantia group, as follows:

» non–interest bearing loans from the Central Guarantee Fund for motorways and metropolitan railways (Euro 36,526), relating to the subrogation of the fund in the repayment of loans by subsidiaries of the Atlantia group;
» Euro 45,857 due by the Stalexport Autostrady group to the Polish government, to be reimbursed in future years upon achieving certain economic and financial targets.

[27] Other non–current liabilities

This item can be broken down as follows:

(Thousands of Euro)	12.31.2010	12.31.2009
Tolls as contributions to investments	13,074	23,213
Long–term deferred income	30,596	32,035
Payables to personnel	14,889	30,119
Payables to social security institutions	22,555	19,270
Other payables to third parties	78,113	72,971
Total	**159,227**	**177,608**

Tolls as contributions to investments refer to the amounts collected by the subsidiary Autostrade Meridionali as a result of toll charge increases recognized as long–term deferred income, as required by laws and regulations. These revenues are not recognized in the income statement; only upon completion of the works and their entry into service will the sums be respectively released to income statement in correlation with the depreciation of the works, or deducted from the cost of the works and thus from the relative depreciation charges. A portion of the deferred income (Euro 10,139) has been reclassified to current liabilities.

Long–term deferred income also concerns the Atlantia group and consists of rent, contributions and reimbursements received that pertain to future years.

Payables to personnel include Euro 12,505 in relation to the long–term incentive plans of a US subsidiary of the Autogrill group. The decrease is explained by the reclassification to current liabilities (Note [35] Other payables, accrued liabilities and deferred income) of the Atlantia group's employee incentive plan.

Payables to social security institutions relate primarily to the defined contribution plans of the Autogrill group.

Other payables to third parties include the value attributed to the put options held by minority investors of Benetton group subsidiaries; long–term guarantee deposits received on properties leased out by the Benetton group (Euro 3,963); amounts due for the purchase of fixed assets (Euro 4,449) and prior years' concession fees to be settled by the Autogrill group by the end of 2012 (Euro 17,612).

[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. The portion due beyond one year amounts to Euro 12,833, while payments due within one year come to Euro 2,919 and are shown under current liabilities (Note [37]).

Future installments (principal portion)		
(Thousands of Euro)	12.31.2010	12.31.2009
Within 1 year	2,919	3,501
From 1 to 5 years	7,136	9,697
Beyond 5 years	5,697	1,124
Total	15,752	14,322

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

(Thousands of Euro)	12.31.2010	12.31.2009
Minimum payments due	27,994	15,805
Outstanding financial expenses	(12,242)	(1,483)
Present value of lease financing	15,752	14,322

[29] Other non–current financial liabilities

At December 31, 2010, the full balance of this item pertains to the Atlantia group, as follows:

» Euro 253,599 as the negative fair value of outstanding derivatives, which include a cross currency interest rate swap used to hedge foreign exchange and interest rate risk on the bond loan of Gbp 500 million and the bond loan of Jpy 20,000 million, as well as interest rate swaps used to hedge interest rate risk on other bond issues and on medium and long–term loans.
  The derivatives classified as fair value hedges, taken out in 2009 to hedge fair value changes in the Euro 1,500 million bond loan issued that year, were terminated early in September 2010;
» Euro 23,437 in long–term deferred financial income associated mainly with interest grants pertaining to future years.

[30] Retirement benefit obligations

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 257,091).

Since December 31, 2007, the actuarial valuations for TFR reflect the changes introduced by the Law of December 27, 2006 (Italy’s 2007 Finance Act) and the subsequent decrees and regulations issued in early 2007. As a result of those changes:

» TFR accruing from January 1, 2007, whether the employee opts for a complementary pension fund or the traditional INPS system, 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 01.01.2010	**318,764**
Unrecognized actuarial (gains)/losses	8,060
Present value of obligation at 01.01.2010	**326,824**
Service cost	6,604
Financial (gains)/expenses	13,091
Actuarial (gains)/losses	(22,170)
Contributions paid by the Group and by employees	(9,978)
Indemnities paid	(25,367)
Translation differences	2,566
Other movements	(4,579)
Reclassification to liabilities held for sale	(9,292)
Present value of obligation at 12.31.2010	**277,699**
Unrecognized actuarial (gains)/losses	(9,350)
Balance at 12.31.2010	**287,049**

Of the total, at December 31, 2010, Euro 144,015 refers to the Atlantia group, consisting mainly of Italian termination indemnities. The Autogrill group accounts for Euro 94,719, with Euro 69,506 pertaining to termination indemnities of Italian companies. The amount for the Benetton group is Euro 45,225, including Euro 40,729 in termination indemnities 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, 2010 amounted to Euro 189,771.

The table below summarizes the main financial and actuarial assumptions used to calculate retirement benefit obligations at the close of the year:

	12.31.2010
Discounting rate	1.2%–6.0%
Inflation rate	0.8%–3.6%
Expected rate of salary increases	0.2%–6.8%
Expected rate of return on assets	2.7%–4.6%

The wide range for some of the above assumptions is explained by the differences in the countries where the Group's companies are active.

[31] Deferred tax liabilities
This item refers chiefly to the Autogrill group (Euro 159,112) and the Atlantia group (Euro 33,666) and covers deferred tax liabilities that cannot be offset by deferred tax assets.

[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
Balance at 01.01.2010	**50,843**	**23,555**	**53,336**
Provisions	3,907	2,460	7,947
Uses	(3,806)	(1,957)	(7,310)
Released to statement of income	(2,081)	–	(2,594)
Changes in scope of consolidation	(2,430)	–	(7,925)
Translation differences and other movements	7,667	–	4,024
Reclassification to liabilities held for sale	–	–	–
Balance at 12.31.2010	**54,099**	**24,058**	**47,478**

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, 2010 Provisions for risk totalled Euro 125,614. The Atlantia group contributed Euro 71,306 to this item (current portion: Euro 56,692), representing the estimated charges to be incurred in connection with pending litigation, including those with contractors regarding contract reserves. The provision for disputes of Strada dei Parchi, Euro 20,208, has been reclassified to Liabilities held for sale, Note [19].

The amount of Euro 46,365 pertains to the Autogrill group (current portion: Euro 11,388) and is detailed as follows:

» a self–insurance provision (Euro 21,795) to cover the excess on third–party liability provided for in insurance plans. The allocation for the year came to Euro 10,917 and Euro 9,105 was taken out for settlements;
» provisions for restructuring (Euro 507), mostly in connection with the integration plan in the Travel retail & duty–free division;
» provisions for legal disputes (Euro 6,979) involving the Autogrill group, which take account of the opinions of its legal advisors.

The Benetton group's contribution of Euro 7,546 (current portion: Euro 3,435) covers tax litigation and disputes with former commercial partners, former employees and holders of industrial property rights in potential conflict with products distributed by Benetton.

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 55,308, pertains to the Autogrill group for Euro 31,548 (current portion: Euro 2,219), the Benetton group for Euro 16,966 (current portion: Euro 5,453) and the Atlantia group for Euro 6,613 (current portion: Euro 130).

The balance at December 31, 2010 for the Autogrill group includes:

» a provision for the refurbishment of third party assets (Euro 9,146), representing estimated liabilities for ensuring that leased assets are returned in the contractually agreed condition;
» a provision against onerous contracts (Euro 13,946), relating to loss–making commercial units where earnings are not expected to cover the amount of the lease, from which the Autogrill group cannot withdraw in advance;

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
731,172	**858,906**	**86,081**	**5,469**	**126,384**	**217,934**
434,451	448,765	26,286	4,477	–	30,763
–	(13,073)	(12,574)	(1,485)	–	(14,059)
(404,211)	(408,886)	(4,807)	(934)	(3,401)	(9,141)
–	(10,355)	–	(75)	–	(75)
38,368	50,058	(3,263)	378	(1,642)	(4,528)
(6,449)	(6,449)	(20,208)	–	–	(20,208)
793,331	**918,966**	**71,515**	**7,830**	**121,341**	**200,686**

» a tax risk provision (Euro 8,456; current portion: Euro 2,219), of which the non–current portion refers mostly to tax litigation in the Travel retail & duty free segment and the current portion to disputes regarding US subsidiaries' direct and indirect taxation.

The amount for the Benetton group includes provisions for charges it will probably incur for the closure of some directly operated stores and the provision of Euro 7,114 for the amount of extra tax payable (IRES and IRAP) arising from the matters raised by the tax authorities with the subsidiary Bencom S.r.l. concerning the disallowance of certain costs for commissions paid to agents resident in low–tax jurisdictions (from 2004 to 2007). The decision to make this provision results from a prudent assessment of the chance that the company's appeals will be rejected.

Provisions for the repair and replacement of assets operated under concession (Euro 914,672) refer to the Atlantia group (Euro 911,622) and the Autogrill group (Euro 3,050).
For the Atlantia group, the balance at December 31, 2010 is split between the non–current portion (Euro 790,281) and the current portion (Euro 121,341) and covers the estimated cost of repairing or replacing assets held under concession in accordance with the concession arrangement between the group's motorway operators and the grantors of those concessions.
The current portion of Strada dei Parchi's provisions for repair and replacement (Euro 6,449) has been reclassified to Liabilities held for sale, Note [19].
For the Autogrill group, this provision represents estimated liabilities for ensuring that assets to be relinquished are returned in the contractually agreed condition.

Changes in the scope of consolidation refer to the Autogrill group's sale of the Flight business with effect from December 31, 2010.

[33] Provisions for construction services required by contract non–current and current portion
These provisions amount to the present value of the motorway infrastructure construction/upgrading services that some operators in the Atlantia group, in particular Autostrade per l'Italia, 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 2010 and movements during the year, broken down by current/non–current portion and by type of construction service.

(Thousands of Euro)	Balance at 01.01.2010	Non–current portion	Current portion
Upgrade of Florence–Bologna section	2,281,060	1,791,747	489,313
Third and fourth lanes	19,585	18,986	599
Other construction services	2,665,401	2,573,096	92,305
Provisions for construction services required by contract	**4,966,046**	**4,383,829**	**582,217**

CURRENT LIABILITIES

[34] Trade payables

These represent the Group's liabilities for the purchase of goods and services, including intercompany trade payables of Euro 4,713.

They also include the Atlantia group's tolls in the process of settlement (Euro 446,037) and payables to operators of interconnecting motorways (Euro 110,367).

[35] Other payables, accrued expenses and deferred income

In detail:

(Thousands of Euro)	12.31.2010	12.31.2009
Other payables		
Payable to expropriated companies	63,167	50,773
Concession fees payable to ANAS	114,968	65,530
Payables to personnel	249,898	199,785
Payables to social security institutions	91,261	84,414
Other payables to tax authorities	39,840	43,695
Payables for the purchase of fixed assets	116,123	82,136
VAT payables	38,422	54,366
Guarantee deposits	55,460	52,171
Payables for the purchase of equity investments	–	38
Other payables to third parties	140,484	94,494
Total other payables	**909,623**	**727,402**
Accrued expenses and deferred income		
Leases and rentals	18,083	15,836
Other	55,416	53,192
Total accrued expenses and deferred income	**73,499**	**69,028**
Total other payables, accrued expenses and deferred income	**983,122**	**796,430**

Concession fees payable to ANAS are due by companies in the Atlantia group. The change on the previous year is due to the fee increases mandated by Law 102/2009 and Law 122/2010.

Financial provisions	Additions to revise present value of contract commitments	Reduction for completed works	Grants accrued on completed works	Translation differences	Balance at 12.31.2010	Non–current portion	Current portion
51,224	157,101	(626,752)	217,195	–	2,079,828	1,757,220	322,608
399	847	344	–	–	21,175	19,804	1,371
82,685	44,532	(195,978)	–	4,068	2,600,708	2,538,027	62,681
134,308	**202,480**	**(822,386)**	**217,195**	**4,068**	**4,701,711**	**4,315,051**	**386,660**

Payables to personnel concern amounts accrued and not paid at December 31, 2010 and the current portion of employee incentive plans. The change with respect to last year is explained by the reclassification to current liabilities of the Atlantia group's incentive plan (Euro 30,823).
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.
Payables for the purchase of fixed assets refer to the retail network, information technology and manufacturing division of the Benetton group (Euro 38,316) and to investments by the Autogrill group (Euro 77,915).
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.

[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.

[37] Current portion of lease financing

This is the portion of lease financing that is due within one year to the lessor.

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

This item includes Euro 478,273 as the current portion of medium and long–term loans and Euro 2,040,959 as the current portion of bonds.
Regarding the Atlantia group, it includes Euro 179,939 for the current portion of loans due to credit institutions and Euro 79,191 for the current portion of loans due to other lenders, as well as the reclassification of the Euro 2,000,000 bond (with a carrying value of Euro 1,996,056 at the close of the year) that will mature on June 9, 2011.
For the Autogrill group, Euro 115,340 refers to the current portion of loans due to credit institutions, including Euro 92,460 for the acquisition of World Duty Free Europe Ltd., which expired in March 2011; Euro 44,903 concerns the bond tranche that matured in January 2011.
The remainder refers to the Parent Company (Euro 95,000), for a loan maturing in June 2011 and to the current portion of loans owed by subsidiaries in the agriculture business.

[39] Other current financial liabilities

This item is broken down as follows:

(Thousands of Euro)	12.31.2010	12.31.2009
Financial payables due to other companies	993	367
Derivatives: fair value hedges	15,056	9,682
Derivatives: cash flow hedges	218,017	163,958
Financial payables from Group companies	1,269	1,455
Financial accrued expenses and deferred income	265,426	296,377
Total	500,761	471,839

Derivatives: fair value hedges represent the differentials on forward exchange contracts arising from the fair value measurement of hedges outstanding at December 31, 2010 in relation to exchange rate risk. The balance at December 31, 2010 refers to the Benetton group for Euro 13,968 and the Autogrill group for Euro 1,088.

Derivatives: cash flow hedges refer to the fair value recognition of derivatives involved mainly in interest rate hedging transactions. The balance at December 31, 2010 results from the negative valuation of hedges held by Sintonia S.A. (Euro 84,975), the Autogrill group (Euro 65,415), the Parent Company (Euro 27,158) and the Atlantia group (Euro 25,994). The amount for the Benetton group, Euro 14,475, refers to exchange rate hedges.

Financial accrued expenses and deferred income include accrued liabilities on bonds and loans (Euro 233,961) and on derivative transactions (Euro 31,465).

[40] Bank loans and overdrafts

In detail:

(Thousands of Euro)	12.31.2010	12.31.2009
Advances on receivables and other short–term borrowings	33,923	479,289
Current account overdrafts	46,144	59,988
Total	80,067	539,277

The Atlantia group contributed Euro 26,431 to the year–end balance: Euro 19,857 in current account overdrafts and Euro 6,574 in short–term loans. The Benetton group accounted for Euro 30,397, mostly for drawdowns on uncommitted credit facilities. The amount pertaining to the Autogrill group is Euro 19,268.

COMMENTS ON INCOME STATEMENT ITEMS
(All figures in thousands of Euro)

[41] Revenues
Revenues are broken down by type as follows:

(Thousands of Euro)	2010	2009
Net sales	8,083,510	7,479,379
Tolls	3,118,872	2,845,195
Royalties	195,952	185,752
Other revenues	239,345	234,664
Total	**11,637,679**	**10,744,990**

The increase in Net sales pertains mostly to the Autogrill group, thanks in part to higher fuel sales in Italy due to the agreement with the Esso group (Euro 221,587) and to exchange gains of Euro 134,400.
Tolls increased by Euro 273,677 with respect to the previous year. Since August 5, 2009, tolls have included a surcharge consequent to the revision of concession fees mandated by Law 102/2009 and subsequently by Law 122/2010 (which established an increase from July 1, 2010). The revision increased toll revenues but entailed a corresponding rise in the concession fees due to ANAS (see Note [47] Leases and rentals). In 2010, the impact of the surcharge came to Euro 227,662, an increase of Euro 148,600 on the previous year. The actual rise in Tolls thus amounts to Euro 125,077.
Most Royalties pertain to the Atlantia group and include fees paid by the subconcession holders that operate rest areas.
Other revenues consist of the Telepass and Viacard income of the Atlantia group (Euro 112,352) and income from services such as processing, cost recharges and miscellaneous services including the development of advertising campaigns.

Revenues by business segment are shown below:

(Thousands of Euro)	2010	2009
Food & beverage and Travel retail & duty–free	6,014,184	5,414,439
Infrastructure & services for mobility	3,533,668	3,246,585
Textiles & clothing	2,052,049	2,048,319
Other sectors	37,778	35,647
Total	**11,637,679**	**10,744,990**

The following table shows revenues by geographical area:

(Thousands of Euro)	2010	2009
Italy	6,043,845	5,549,252
Europe (excluding Italy)	2,993,486	2,826,865
Americas	2,050,960	1,877,103
Other countries	549,388	491,770
Total	**11,637,679**	**10,744,990**

See the Directors' Report for further information.

[42] Revenues from construction services

In detail:

(Thousands of Euro)	2010	2009
Concession rights accruing from construction services for which additional economic benefits are received	560,919	302,542
Government grants for services for which additional economic benefits are not received	217,195	119,424
Services provided by suboperators	3,619	6,025
Total	781,733	427,991

This item presents the value of construction services provided during the year by Atlantia group companies and shows a strong increase on 2009.

Regarding construction services for which additional economic benefits are received, in keeping with IFRIC 12, the Atlantia group recognizes the consideration for services rendered at fair value based on total costs incurred, which are treated as operating costs.

In 2010 the Atlantia group performed additional construction services for which no additional economic benefits are received, amounting to Euro 822,386. For this kind of service, IFRIC 12 calls for the recognition as revenues of the government grants accrued on these works (Euro 217,195) and use of the Provisions for construction services required by contract for the portion pertaining to the Atlantia group (Euro 605,191). See Note [33] Provisions for construction services required by contract and Note [49] Use of Provisions for construction services required by contract.

[43] Other revenues and operating income

This item is detailed in the following table:

(Thousands of Euro)	2010	2009
Rents	93,504	91,199
Promotional contributions by suppliers	59,784	63,207
Reimbursement of costs by third parties	39,773	53,258
Capital gains on disposal of fixed assets	20,153	28,961
Commissions on premium product sales	17,590	13,753
Impairment reversals	13,195	32,188
Release of provisions	12,774	9,493
Affiliation fees	3,498	3,859
Other operating income	89,816	78,878
Total	350,087	374,796

Rents refer mainly to income from commercial premises used for the sale of Benetton label products (Euro 75,094), leasing instalments for companies in the Autogrill group (Euro 12,334) and the leasing of properties classified as investment property (Euro 1,978).

Reimbursement of costs by third parties includes Euro 32,005 for the Atlantia group and refers to refunds and indemnities received.

Impairment reversals concern the concession rights of an Atlantia group subsidiary for Euro 16,106, and the Autogrill group's Assets to be relinquished for Euro 3,968.

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

Capital gains on the disposal of fixed assets refers to income generated by the sale of some of the Group's properties.

[44] Purchases and changes of raw materials and consumables

The increase in this item pertains mostly to the Autogrill group and is correlated with revenue growth.

[45] Payroll costs

This item is broken down as follows:

(Thousands of Euro)	2010	2009
Wages and salaries	1,778,196	1,658,375
Social security charges	413,357	398,196
Provision for employee termination indemnities and similar	6,604	8,689
Other payroll costs	149,470	143,354
Directors’ emoluments	19,644	20,509
Total	2,367,271	2,229,123

Other payroll costs concern the Autogrill group for Euro 106,390, in connection with long–term incentives, health insurance and other benefits, and the Atlantia group for Euro 39,482, and include bonuses, leaving incentives and the cost of seconded personnel.

Directors’ emoluments include Euro 8,989 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	2010	2009
Food & beverage and Travel retail & duty–free	46,451	52,072
Infrastructure & services for mobility	9,686	10,021
Textiles & clothing	8,523	8,784
Other sectors	652	638
Total	65,312	71,515

The average headcount in the Food & beverage and Travel retail & duty–free division decreased due to the sale of the Flight business, which at December 31, 2009 counted 4,959 employees.

The average headcount in 2010 of the Infrastructure & services for mobility division excludes the employees of Strada dei Parchi, who numbered an average of 493 the previous year.

Other operating expenses

[46] Services
This item can be broken down as follows:

(Thousands of Euro)	2010	2009
Construction and similar	1,017,239	1,006,207
Subcontracted work	188,644	201,365
Administrative, legal and tax advisory services	179,251	144,749
Maintenance costs	171,812	148,747
Utilities	154,426	155,044
Transport and distribution	136,869	121,073
Sales commissions	103,622	102,898
Advertising and promotion	89,044	85,833
Cleaning and disinfestation	70,201	61,873
Banking services	48,419	41,250
Travel expenses and accommodation	40,761	35,178
Telephone and postal charges	34,010	32,474
Insurance	30,421	29,835
Surveillance	23,797	19,974
Statutory auditors' emoluments	2,619	3,156
Other services	194,724	184,721
Total	2,485,859	2,374,377

Statutory auditors' emoluments include Euro 141 accrued to the statutory auditors of Edizione S.r.l. for their services at 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 1,357,960 in 2009 to Euro 1,595,187. It consists primarily of concession fees paid by the Autogrill group to third parties, which went up in correlation with revenue growth during the year and with the higher fees charged under new or extended contracts.
This item also includes the fees paid by the Atlantia group to ANAS, amounting to Euro 309,634.
The new toll surcharge rules, pertaining exclusively to ANAS, have increased the concession fees paid by motorway operators. In 2010, the impact of the surcharge came to Euro 227,662, a rise of Euro 148,600 with respect to the previous year. The fee increase is recovered by way of an equivalent rise in tolls, as explained in Note [41] Revenues.

[48] Other operating expenses

In detail:

(Thousands of Euro)	2010	2009
Indirect taxes and duties	47,981	48,978
Capital losses from disposal of fixed assets	4,674	5,505
Donations	44,044	15,504
Differences in cash deposits	1,632	1,974
Other expenses	81,931	92,396
Total	180,262	164,357

The increase in Donations is explained by the costs incurred by the Atlantia group, in particular the subsidiary Autostrade per l'Italia, 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 2010 for the construction services provided by operators of the Atlantia group.
The amount is shown net of Euro 217,195 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, impairments and provisions

[50] Depreciation of property, plant and equipment

In detail:

(Thousands of Euro)	2010	2009
Depreciation of buildings	26,118	27,340
Depreciation of investment property	1,662	1,703
Depreciation of plant, machinery and equipment	148,805	136,535
Depreciation of furniture, furnishings and electronic equipment	43,179	42,282
Depreciation of assets to be relinquished	26,997	26,261
Depreciation of leasehold improvements	85,174	86,919
Depreciation of other tangible assets	7,616	20,463
Total	339,551	341,503

[51] Amortization of intangible assets

In detail:

(Thousands of Euro)	2010	2009
Amortisation of intangible assets deriving from concession rights	409,003	373,094
Amortization of industrial patents and intellectual property rights	695	1,027
Amortization of concessions, licences, trademarks and similar rights	94,708	92,717
Amortization of deferred charges	18,531	20,539
Amortization of other intangible assets	36,119	34,152
Total	559,056	521,529

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

Amounting to Euro 69,181, this item is made up of Euro 38,086 in impairment of property, plant and equipment and Euro 31,095 in impairment of intangible assets. Details can be found in the note on impairment testing under non–current assets.

[53] Impairment of doubtful accounts

This item, totalling Euro 39,292, pertains to trade receivables for Euro 34,013 and to other receivables for Euro 5,279. 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 30,193), provisions for sales agent indemnities (Euro 2,460) and other provisions (Euro 12,424) made in 2010. They also include the net provision for the repair of assets operated under concession, pertaining to the Atlantia group, in the amount of Euro 26,839.

[55] Share of income/(loss) of associated companies

This item accounts for the negative impact of the valuation on an equity basis of the associates IGLI S.p.A. (Euro 24,235, which include Euro 15,170 in impairment losses) and Gemina S.p.A. (Euro 10,709).
It also includes the positive effect of the valuation on an equity basis of Autostrade Sud America S.r.l. (Euro 17,282, thanks to the positive results of the Chilean subsidiary Costanera Norte S.A.), Triangulo do Sol S.A. (Euro 3,166) and other associates.
For further information, see Note [4] Equity investments in associates and joint ventures.

[56] Financial income

This item comprises:

(Thousands of Euro)	2010	2009
Capital gains on disposal of equity investments	116	20,700
Revaluations of equity investments	–	196
Dividends from subsidiaries	108	2,481
Dividends from other companies	16,231	15,655
Interest income from banks	27,390	18,014
Financial income on derivatives	140,437	116,321
Financial income from discounting	20,066	8,925
Other financial income	13,191	5,563
Total	**217,539**	**187,855**

Dividends from other companies in 2010 were collected from Assicurazioni Generali S.p.A. (Euro 5.1 million), Pirelli & C. S.p.A. (Euro 3.6 million), Mediobanca S.p.A. (Euro 3.2 million) and Eurostazioni S.p.A. (Euro 1.5 million).

The components of financial income on derivatives are as follows:

» financial income from hedges on interest rate risk: Euro 134,163 (Euro 102,083 in 2009);
» financial income from hedges on exchange risk: Euro 5,598 (Euro 13,591 in 2009);
» financial income from capital hedging: Euro 676 (Euro 647 in 2009).

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

[57] Impairment of financial assets

This item refers to impairment losses on equity investments classified under IAS 39 as "available for sale", as mentioned in Note [5] Equity investments in other companies. More specifically, the 2010 balance pertains to impairment of the investments in Assicurazioni Generali S.p.A. (Euro 44,520) and Il Sole 24 Ore S.p.A. (Euro 2,449).

[58] Financial charges

This item breaks down as follows:

(Thousands of Euro)	2010	2009
Interest on medium and long–term bank loans	196,374	180,836
Interest on bonds	407,542	374,030
Financial charges from derivatives	225,766	231,974
Financial charges from discounting	186,843	206,140
Interest on loans from third parties	329	318
Bank expenses and commissions	11,269	6,026
Capital losses on disposal of equity investments	183	21
Other financial charges	10,132	4,120
Total	1,038,438	1,003,465

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 219,936 (Euro 218,577 in 2009);
» financial charges from hedges on exchange risk: Euro 5,033 (Euro 12,979 in 2009);
» financial charges from capital hedging: Euro 797 (Euro 418 in 2009).

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.

[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 and Atlantia groups.

[60] Income taxes

The balance includes current taxes and deferred tax assets and liabilities, detailed below:

(Thousands of Euro)	2010	2009
Current taxes	558,034	509,342
Prepaid and deferred taxes	(3,705)	30,269
Total	554,329	539,611

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

(Thousands of Euro)	2010	2009
Atlantia group	400,300	380,742
Autogrill group	89,414	100,009
Benetton group	64,737	66,786
Other Group companies and consolidation postings	(122)	(7,926)
Total	554,329	539,611

Current taxes are allocated below by group:

(Thousands of Euro)	2010	2009
Atlantia group	391,586	359,313
Autogrill group	103,090	91,850
Benetton group	62,671	59,412
Other Group companies and consolidation postings	687	(1,233)
Total	558,034	509,342

Current taxes relating to prior years amount to Euro 1,046.
In 2009, current taxes were reduced by the income booked for the future IRES (corporate income tax) refund (Euro 14,321) provided by Art. 6 of Decree Law 185/2008, which allows companies to claim back the amount of tax corresponding to the IRAP (regional business tax) not deducted in fiscal years 2004 through 2007.

Deferred tax assets and liabilities can be broken down as follows:

(Thousands of Euro)	2010	2009
Atlantia group	8,714	21,428
Autogrill group	(13,676)	8,160
Benetton group	2,066	7,374
Other Group companies and consolidation postings	(809)	(6,693)
Total	(3,705)	30,269

[61] Profit/(loss) from discontinued operations
This item represents the profit of the Flight business sold by the Autogrill group on December 31, 2010, including the capital gain and transaction costs, and the loss incurred by Strada dei Parchi, which was reclassified to this item due to an agreement signed by the Atlantia group to sell 60% of this company to third parties.
In 2009, it concerned the valuation according to IFRS 5 of the Telecom Italia S.p.A. shares held by Sintonia S.A., which were sold in early 2010 (Euro 305,259).

The table below shows the breakdown of profit/(loss) from discontinued operations:

(Thousands of Euro)	2010
Operating income	647,521
Operating expenses	(572,749)
Financial income/(charges)	(54,743)
Income before taxes	20,029
Income taxes	(7,078)
Other income/(charges)	10,377
Net income/(loss) attributable to minority shareholders	(7,100)
Net profit/(loss) from discontinued operations	16,228

ADDITIONAL INFORMATION

[62] Consolidated net financial position

The items making up net financial indebtedness are shown in detail below:

(Millions of Euro)	12.31.2010	12.31.2009
Non–current financial receivables	942	857
Current financial receivables and trading securities	485	434
Cash and cash equivalents	3,009	1,565
Total financial assets	**4,436**	**2,856**
Bonds	7,785	8,170
Medium and long–term loans	5,260	6,447
Other non–current financial liabilities	277	400
Bank loans and overdrafts	80	539
Lease financing	16	14
Other current financial liabilities	3,020	1,068
Total financial liabilities	**16,438**	**16,638**
Financial liabilities held for sale	**933**	**–**
Net financial indebtedness	**12,935**	**13,782**
– of which medium and long–term	12,380	14,160

[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.

Financial risk management objectives and policies

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, 2010 and specifies the market value of each:

Type	Notional amount (Thousands of Euro)	Date of inception	Date of maturity	Fixed rate	Fair value at 12.31.2010 (Euro)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.87%	(1,976,391)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.77%	(1,855,759)
Interest Rate Swap	50,000	11.01.2010	11.30.2015	3.75%	(3,670,503)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.82%	(1,916,075)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.87%	(1,970,359)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.88%	(1,982,422)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.84%	(1,940,201)
Interest Rate Swap	50,000	11.01.2010	11.30.2015	3.86%	(3,922,623)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.86%	(1,964,327)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.88%	(1,988,454)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.86%	(1,964,328)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.90%	(2,006,549)
Total					**(27,157,991)**

At December 31, 2010 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, 2009 and had a negative fair value of Euro 18,690.

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 2010 no transfers took place between the various levels.

Sensitivity analysis

The following table 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 in market interest rates would have had a negative impact of Euro 345 (Euro 436 in 2009) on the statement of income, while a decrease of the same amount would have had a positive impact of Euro 345 (Euro 498 in 2009).

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, 2010 would have affected shareholders' equity by ± Euro 27,655 (± Euro 29,888 in 2009).

(Thousands of Euro)			Interest rate risk shock –100 bps	
Financial instruments	Carrying value at 12.31.2010	Average carrying value in 2010	Impact on statement of income	Impact on shareholders' equity
Assets				
Equity investments "available for sale"	564,126	–	–	–
Bank accounts and intercompany accounts	10,917	11,721	(117)	–
Total assets	**585,043**	**–**	**(117)**	**–**
Liabilities				
Bank loans	(299,592)	(320,661)	3,207	–
Bank accounts and intercompany accounts	(3,838)	(7,713)	77	–
Total liabilities	**(303,430)**	**–**	**3,284**	**–**
Derivatives: cash flow hedge	**(27,158)**	**–**	**(3,512)**	**(16,642)**
Total			**(345)**	**(16,642)**

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.

The tables below show financial liabilities outstanding at December 31, 2010 by maturity:

(Thousands of Euro)				
Non–derivative financial liabilities	**Total contractual amount**	**Within 1 year**	**1–5 years**	**Beyond 5 years**
Liabilities				
Revolving loan, UniCredit (Euro 250 million)	(200,540)	(2,222)	(198,318)	–
Revolving loan, Banca Popolare di Verona (Euro 150 million)	(96,658)	(1,658)	(95,000)	–
Revolving loan, Intesa Sanpaolo (Euro 300 million)	(10,201)	(128)	(10,073)	–
Bank accounts and intercompany accounts	(1,756)	(1,756)	–	–
Total	**(309,155)**	**(5,764)**	**(303,391)**	**–**

(Thousands of Euro)				
Derivative financial liabilities	**Total contractual amount**	**Within 1 year**	**1–5 years**	**Beyond 5 years**
Interest rate derivatives	(34,985)	(8,815)	(26,170)	–
Total	**(34,985)**	**(8,815)**	**(26,170)**	**–**

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.

Interest rate risk		Price risk			
shock +100 bps		shock –500 bps		shock +500 bps	
Impact on statement of income	Impact on shareholders' equity	Impact on statement of income	Impact on shareholders' equity	Impact on statement of income	Impact on shareholders' equity
–	–	–	(27,655)	–	27,655
117	–	–	–	–	–
117	**–**	**–**	**(27,655)**	**–**	**27,655**
(3,207)	–	–	–	–	–
(77)	–	–	–	–	–
(3,284)	**–**	**–**	**–**	**–**	**–**
3,512	**15,686**	**–**	**–**	**–**	**–**
345	**15,686**	**–**	**(27,655)**	**–**	**27,655**

The tables below show financial liabilities outstanding at December 31, 2009 by maturity.

(Thousands of Euro)				
Non–derivative financial liabilities	**Total contractual amount**	**Within 1 year**	**1–5 years**	**Beyond 5 years**
Revolving loan, Banca di Roma (Euro 250 million)	(226,184)	(1,770)	(224,414)	–
Revolving loan, Banca Popolare di Verona (Euro 150 million)	(96,434)	(1,322)	(95,112)	–
Revolving loan, Intesa Sanpaolo (Euro 300 million)	(25,602)	(234)	(25,368)	–
Bank accounts and intercompany accounts	(1,756)	(1,756)	–	–
Total	**(349,976)**	**(5,082)**	**(344,894)**	**–**

(Thousands of Euro)				
Derivative financial liabilities	**Total contractual amount**	**Within 1 year**	**1–5 years**	**Beyond 5 years**
Cash flow hedges	(19,450)	(7,283)	(12,167)	–
Total	**(19,450)**	**(7,283)**	**(12,167)**	**–**

Sintonia S.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:
(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, Sintonia S.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, 2010 and specifies the market value of each:

Type	Notional amount (Thousands of Euro)	Date of inception	Date of maturity	Fixed rate	Fair value at 12.31.2010 (Euro)
Interest Rate Swap	50,000	10.16.2007	10.09.2014	4.53%	(5,157,663)
Interest Rate Swap	50,000	10.17.2007	10.09.2014	4.56%	(5,216,193)
Interest Rate Swap	50,000	10.19.2007	10.09.2014	4.55%	(5,196,683)
Interest Rate Swap	50,000	10.22.2007	10.09.2014	4.50%	(5,099,133)
Interest Rate Swap	50,000	10.23.2007	10.09.2014	4.44%	(4,982,073)
Interest Rate Swap	50,000	11.01.2007	10.09.2014	4.37%	(4,845,502)
Interest Rate Swap	50,000	11.08.2007	10.09.2014	4.38%	(4,865,012)
Interest Rate Swap	50,000	11.09.2007	10.09.2014	4.34%	(4,786,972)
Interest Rate Swap	50,000	11.20.2007	10.09.2014	4.31%	(4,728,442)
Interest Rate Swap	50,000	11.26.2007	10.09.2014	4.28%	(4,660,157)
Interest Rate Swap	50,000	01.16.2008	10.09.2014	4.21%	(4,533,342)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	4.13%	(4,377,261)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	3.95%	(4,026,080)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	3.99%	(4,094,365)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	4.18%	(4,474,811)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	4.00%	(4,123,631)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	3.95%	(4,026,080)
Interest Rate Swap	50,000	10.09.2008	10.09.2014	4.85%	(5,781,985)
Total					**(84,975,385)**

At December 31, 2010 the hedging reserve included the fair value of effective hedge derivatives outstanding on that date, net of the component already accrued.
At December 31, 2009 the outstanding contracts had a negative fair value of Euro 79,536.

Price risk
Sintonia S.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 3 of the fair value hierarchy and in 2010 no transfers took place between the various levels.

Sensitivity analysis
The following table shows the theoretical impact on the 2010 statement of income and shareholders' equity of interest rate changes and movements in the stock market price of financial assets held by Sintonia S.A.

(Thousands of Euro)			Interest rate risk			
			shock –100 bps		shock +100 bps	
Financial instruments	Carrying value at 12.31.2010	Average carrying value in 2010	Impact on statement of income	Impact on shareholders' equity	Impact on statement of income	Impact on shareholders' equity
Assets						
Bank accounts and deposits	91,210	44,096	(441)	–	441	–
Liabilities						
Bank loans	(896,251)	(855,190)	8,552	–	(8,552)	–
Derivatives						
Cash flow hedges	(84,975)	–	(8,995)	(34,434)	8,995	32,924
Total			(884)	(34,434)	884	32,924

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 884 on the statement of income (± Euro 562 in 2009).

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 its and non–revocable lines of credit, Sintonia S.A. believes that it has access to funds whose amounts and maturities are in line with its investment plans.

The tables below show financial liabilities outstanding at December 31, 2010 by maturity.

(Thousands of Euro)				
Non–derivative financial assets and liabilities	Total contractual amount	Within 1 year	1–5 years	Beyond 5 years
Assets				
Bank accounts and deposits	91,210	91,210	–	–
Liabilities				
RBS credit line (Euro 1,800 million)	(944,923)	(11,899)	(933,024)	–
Total	**(853,713)**	**79,311**	**(933,024)**	**–**

(Thousands of Euro)				
Derivative financial liabilities	Total contractual amount	Within 1 year	1–5 years	Beyond 5 years
Cash flow hedges	(94,372)	(26,925)	(67,447)	–
Total	**(94,372)**	**(26,925)**	**(67,447)**	**–**

The tables below show financial liabilities outstanding at December 31, 2009 by maturity.

(Thousands of Euro)				
Non–derivative financial liabilities	Total contractual amount	Within 1 year	1–5 years	Beyond 5 years
RBS credit line (Euro 1,800 million)	(1,157,145)	(10,920)	(1,146,226)	–
Total	**(1,157,145)**	**(10,920)**	**(1,146,226)**	**–**

(Thousands of Euro)				
Derivative financial liabilities	Total contractual amount	Within 1 year	1–5 years	Beyond 5 years
Cash flow hedges	(81,588)	(31,152)	(50,436)	–
Total	**(81,588)**	**(31,152)**	**(50,436)**	**–**

Benetton group

The Benetton group's 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 and liquidity 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 generally has recourse to outside finance, meaning that over 90% of the group's exposure to the banking system was held by Benetton Group S.p.A. at December 31, 2010.
The exposures to risk of individual companies are 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

Currency 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 in Euro 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 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, 2010 are as follows:

			Effect on:	
(Thousands of Euro)	Notional amounts	Net fair value	Shareholders' equity	Statement of income
Economic exchange risk	**416,655**	**(3,552)**	**(1,658)**	**(1,894)**
– fair value hedge	188,559	(2,373)	–	(2,373)
– cash flow hedge	228,096	(1,179)	(1,658)	479
Transaction exchange risk	**588,713**	**(3,230)**	**(2,939)**	**(291)**
– fair value hedge	842	11	–	11
– cash flow hedge	587,871	(3,241)	(2,939)	(302)
Translation exchange risk	**615,380**	**1,081**	**–**	**1,081**
– fair value hedge	615,380	1,081	–	1,081

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 (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,

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

In the case of economic exchange risk, the effects on comprehensive income for the year, accumulated in an equity reserve, 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 2011 when the related purchases and sales occur.
In the case of transaction exchange risk, the effects on the statement of income are offset by gains arising on adjustment of the value of the financial receivables and payables underlying the hedging transaction.
In the case of translation exchange risk, the effects on comprehensive income for the year, accumulated in an equity reserve, are partially offset by losses arising on the translation of shareholders' equity underlying the hedging transaction.

Sensitivity analysis
At December 31, 2010 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 1 million. The potential pre–tax impact on the statement of income of a hypothetical 10% decrease in exchange rates would be a reduction of about Euro 2 million. At December 31, 2009 the potential pre–tax impact on the statement of income of a hypothetical 10% decrease in exchange rates was not material (less than Euro 1 million), while the potential pre–tax impact on the statement of income of a hypothetical 10% increase in exchange rates was approximately Euro 1 million.

Potential impacts (before tax) on net equity should be as follows:

Pre–tax shareholders' equity effects	12.31.2010		12.31.2009	
(Millions of Euro)	–10%	+10%	–10%	+10%
Economic exchange risk	14	(10)	10	(10)
Transaction exchange risk	–	–	–	–
Translation exchange risk	25	(20)	24	(18)

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 group hedges only in a very few cases.

Interest rate risk
The group's companies use external financial resources in the form of loans and invest available liquidity in money–market and capital–market instruments. 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, 2010.
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 balance sheet.

Sensitivity analysis
At December 31, 2010 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 1 million (Euro 2 million at December 31, 2009). A similar change, but of opposite sign, would occur if rates were to fall by 10%.

Credit risk
The 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

The group's exposure at December 31, 2010 was as follows:

				Financial receivables individually impaired	
(Thousands of Euro)	12.31.2010	Of which due beyond 5 years	Total collateral	Not past due	Past due
Non–curret assets					
Guarantee deposits	27,050	5,351	–	–	6
Medium/long–term financial receivables	4,090	527	–	–	–
Other medium/long–term receivables	6,338	–	–	4,722	61
Current assets					
Trade receivables	798,320	16	3,363	90,911	95,347
Other receivables	41,100	2,361	–	–	1
Financial receivables	29,502	–	–	–	–

The group's exposure at December 31, 2009 was as follows:

				Financial receivables individually impaired	
(Thousands of Euro)	12.31.2009	Of which due beyond 5 years	Total collateral	Not past due	Past due
Non–curret assets					
Guarantee deposits	26,223	5,772	–	–	–
Medium/long–term financial receivables	4,711	675	–	–	–
Other medium/long–term receivables	6,930	–	–	3,494	60
Current assets					
Trade receivables	786,476	–	48,879	82,057	76,793
Other receivables	45,388	115	–	–	–
Financial receivables	18,267	–	–	–	–

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 the parent company's head office functions in order to guarantee effective access to financial resources and/or adequate investment of liquidity.

	Financial receivables not individually impaired				
	Not past due		Past due		Collateral
Collateral	Total	Of which past due and renegotiated	0–60 days	Beyond 60 days	
–	26,792	–	220	32	–
–	4,041	–	49	–	–
–	1,555	–	–	–	–
2,879	439,726	7,518	131,053	41,283	2,737
8	40,048	–	549	502	–
–	29,502	–	–	–	–

	Financial receivables not individually impaired				
	Not past due		Past due		Collateral
Collateral	Total	Of which past due and renegotiated	0–60 days	Beyond 60 days	
–	25,095	–	175	953	–
–	4,711	–	–	–	–
–	3,376	566	–	–	–
4,622	474,517	14,150	132,114	20,995	41,872
–	39,636	967	1,075	4,677	–
–	18,267	–	–	–	–

The parent company coordinates credit facility management on the basis of efficiently satisfying group company needs.
At December 31, 2010 the group had Euro 210 million in unutilized committed credit facilities and Euro 424 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 group's financial liabilities at December 31, 2010 and 2009 are analyzed by due date in the following tables; note that these amounts include cash flows arising from future financial expenses.

(Thousands of Euro)	12.31.2010	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/long–term loans	708,638	15,047	413,343	11,216	12,333	255,930	769
Other medium/long–term payables	39,354	5,867	1,814	6,919	142	23,661	951
Lease financing	612	–	222	222	168	–	–
Current liabilities							
Trade payables	441,659	441,659	–	–	–	–	–
Other payables, accrued expenses and deferred income	91,284	84,327	1,433	1,414	827	723	2,560
Current portion of lease financing	372	372	–	–	–	–	–
Current portion of medium/long–term loans	296	296	–	–	–	–	–
Financial payables and bank loans	63,371	63,352	19	–	–	–	–

(Thousands of Euro)	12.31.2009	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/long–term loans	428,094	6,142	11,498	409,160	535	77	682
Other medium/long–term payables	21,412	479	13,266	518	5,658	199	1,292
Lease financing	914	–	327	213	213	161	–
Current liabilities							
Trade payables	403,911	403,911	–	–	–	–	–
Other payables, accrued expenses and deferred income	72,264	66,741	1,247	955	673	802	1,846
Current portion of lease financing	529	529	–	–	–	–	–
Current portion of medium/long–term loans	251	251	–	–	–	–	–
Financial payables and bank loans	311,621	311,616	4	1	–	–	–

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.
There is a single, centralized risk management unit for all group companies.

Interest rate risk

The aim of risk management is to control finance cost within a risk limit, i.e., a range of variability of the amount of liabilities and/or the finance cost itself. 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 as a matter of policy be in the range of 40 to 60% with reference to the Autogrill group as a whole. Temporarily, that ratio was slightly higher at the close of 2010 (64%) due to significant payments made late in the year on floating–rate facilities, thanks in part to the proceeds of the sale of the Flight catering business carried out by a subsidiary of World Duty Free Europe Ltd. The percentage of fixed–rate debt is higher when considering debt denominated in British pounds and US dollars as opposed to debt in Euros.

At December 31, 2010 gross debt denominated in US dollars amounted to Usd 802.1 million. Of the total, Usd 487 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 403 million: Gbp 398 million for use of the term loan taken out for the acquisition of World Duty Free and the rest for drawdowns 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 400 million.

When applying the policy described above, interest rate risk management instruments were accounted for as cash flow hedges in group companies' financial statements where they were subject to this risk and thus recognized as financial assets or liabilities with a balancing entry in specific comprehensive income and presented in the hedging reserve under equity. In the year ended December 31, 2010, a fair value change negative for Euro 1,940, 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, 2010 are as follows:

Underlying		Notional amount in currency (Thousands of)	Expiry	Average fixed rate paid	Floating rate received	Fair value (Thousands of Euro)
Euro 200 million term loan	Euro	120,000	06.24.2015	4.66%	3–month Euribor	(14,275)
Euro 275 million term loan	Euro	120,000	03.07.2013	4.59%	1–month Euribor +0.165%	(8,815)
Term Loan Gbp 402,9 million	Gbp	400,000	03.07.2013	5.39%	1–month Gbp Libor +0.32%	(42,325)

Below are the details of financial instruments used to hedge fixed–rate debt of Usd 75 million at December 31, 2010:

Underlying		Notional amount in currency (Thousands of)	Expiry	Average fixed rate received	Floating rate paid	Fair value (Thousands of Euro)
Bond	Usd	75,000	09.05.2017	5.73%	6–month Usd Libor +0.4755%–0.5055%	8,877

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 2010, the change in fair value was Usd 3.7 million (Euro 2.8 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 valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy, 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, 2010 would increase financial expense by Euro 8,665 .

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 group’s exposure to currency risk is detailed in the following table:

(Thousands of)	Usd	Cad	Gbp	Chf
Net assets	209,122	198,762	234,831	331,483
Net profit	97,003	4,915	129,562	143,631

If the euro had risen by 5% against the above currencies, at December 31, 2010 net equity and net profit would have been reduced as shown in the following table:

(Thousands of)	Usd	Cad	Gbp	Chf
Net assets	8,237	7,853	14,359	13,953
Net profit	3,851	189	7,949	5,477

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 Euros in the parent company's or its subsidiaries' accounts 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 the income statement, as is the corresponding change in the value of the hedged assets and liabilities.

The fair value of hedges outstanding at December 31, 2010 is shown below:

Currency	Notional amount	Expiry	Spot rate	Forward rate	Fair value (Thousands of Euro)
Thousands of Usd	12,119	06.30.2011	1.3175–1.3368	1.315–1.334	(109)
Thousands of Usd	3,000	06.30.2011	1.4585	1.4549	183
Thousands of Pen	4,500	06.30.2011	3.7660	3.7785	1
Thousands of Czk	13,000	01.13.2011	25.3000	25.3120	(5)
Thousands of Cad	55,500	02.25.2011	1.3425–1.3438	1.344–1.3454	263
Thousands of Gbp	38,298	01.31.2011	0.8510	0.8512	(509)
Thousands of Gbp	35,000	01.18.2011	0.8540	0.8542	(318)
Thousands of Pln	4,000	03.10.2011	4.0350	4.0580	(15)
Thousands of Sek	6,000	01.27.2011	9.0800	9.0938	(9)
Thousands of Chf	146,100	01.13.2011	1.2605	1.2600	907

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, 2010 is shown in the following table:

Currency	Notional amount	Expiry	Spot rate	Forward rate	Fair value (Thousands of Euro)
Thousands of Chf	60,000	01.31.2011	1.253–1.254	1.2526–1.2535	(123)

For the purpose of limiting total net exposure in British pounds due to the group's presence in the UK 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 valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy, 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 debtors 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, 2010 and December 31, 2009 was as follows:

(Thousands of Euro)	12.31.2010	12.31.2009 (*)	Change
Trade receivables	59,732	63,003	(3,272)
Other current receivables	198,196	211,824	(13,628)
Cash and cash equivalents	176,149	194,116	(17,967)
Derivatives instruments	10,230	6,800	3,430
Other financial assets	20,784	22,061	(1,276)
Total	**465,091**	**497,805**	**(32,714)**

(*) 2009 figures are net of Flight business activities.

Exposure to credit risk depends on the specific characteristics of each customer. The group's business model, centred on the relationship with the end consumer, means that trade receivables and thus the relative degree of risk is 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 current receivables consist mainly of amounts due from Inland Revenue and other government agencies, fees paid in advance, and advances for services or commercial investments made on behalf of concession grantors, for which the degree of credit risk is low.

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

The following tables show the age of trade receivables by category of debtor at December 31, 2010 and 2009:

		12.31.2010				
(Thousands of Euro)		Expired not written down				
Trade receivables	Not expired	1–3 months	3–6 months	6 months– 1 year	Over 1 year	Total
Airlines	5,535	1,829	404	28	4	7,800
Franchises	3,785	476	–	1,061	–	5,322
Catering services agreements	2,893	2,175	452	500	11	6,032
Other	11,479	23,783	1,885	3,325	106	40,579
Total	**23,692**	**28,262**	**2,741**	**4,914**	**122**	**59,732**

		12.31.2009 (*)				
(Thousands of Euro)		Expired not written down				
Trade receivables	Not expired	1–3 months	3–6 months	6 months– 1 year	Over 1 year	Total
Airlines	3,930	1,522	312	84	121	5,969
Franchises	4,722	668	–	–	1,177	6,567
Catering services agreements	2,233	2,659	164	124	1,376	6,556
Other	9,924	27,332	2,458	207	3,989	43,911
Total	**20,809**	**32,181**	**2,934**	**415**	**6,663**	**63,003**

(*) 2009 figures are net of Flight business activities.

There is no significant concentration of credit risk: the top 10 customers account for 10.4% of total trade receivables, and the largest customer (Total Erg S.p.A.) for 1.8%.

Liquidity risk

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

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

The group has ensured adequate financial coverage with respect to amounts and maturities, and has no significant imminent payments to meet on existing debt.

Exposure and maturity data at the close of 2010 and 2009 were as follows:

		12.31.2010					
(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	Over 5 years	Total
Current accounts	19,267	18,779	–	–	–	488	19,267
Unsecured loans	1,295,658	210,192	–	18,560	1,066,906	–	1,295,658
Lease payables	13,762	731	733	1,466	4,334	6,500	13,763
Other financial liabilities	832	–	–	104	449	278	831
Bonds	363,746	43,924	–	–	199,072	120,749	363,746
Trade payables	674,581	671,120	3,163	298	–	–	674,581
Due to suppliers for investments	77,915	77,709	193	–	14	–	77,916
Total	**2,445,761**	**1,022,455**	**4,089**	**20,427**	**1,270,774**	**128,015**	**2,445,761**

		12.31.2009 (*)					
(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	Over 5 years	Total
Current accounts	14,369	14,180	–	189	–	–	14,369
Unsecured loans	1,678,235	123,262	62	14,523	1,540,388	–	1,678,235
Lease payables	10,192	276	1,037	1,282	6,156	1,441	10,192
Other financial liabilities	825	2	–	87	86	650	825
Bonds	364,996	30,543	–	–	225,028	109,425	364,996
Trade payables	655,488	644,473	10,079	893	44	–	655,489
Due to suppliers for investments	60,426	59,854	572	–	–	–	60,426
Total	**2,784,532**	**872,590**	**11,750**	**16,975**	**1,771,701**	**111,516**	**2,784,532**

(*) 2009 figures are net of Flight business activities.

With regard to exposure to trade payables, there is no significant concentration of suppliers, of whom the largest 10 account for 19% of the total and the leading supplier (Autostrade per l'Italia S.p.A.) for 5%.

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 variations of 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, wherever possible, to eliminate interest rate and currency risks and minimize borrowing costs, whilst taking account of stakeholders' interests, as defined in the financial policy 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 this policy are as follows:

a) 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;
b) to pursue a potential reduction of the group's borrowing costs within the risk limits determined by the board of directors;
c) 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 group's derivative hedging instruments as at December 31, 2010 are classified as cash flow hedges in accordance with IAS 39.
The fair value of financial derivative 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 group's debt is around 7 years.
The average cost of medium and long–term borrowings in 2010 was approximately 4.9%.
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:

a) cash flow risk: this is linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce floating rate debt, the 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 were fully effective during the year. Changes in fair value are recognized 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 recognized simultaneously in the income statement;
b) fair value risk: this represents the risk of losses deriving from an unexpected change in the value of fixed rate financial assets and liabilities following an unfavourable shift in the market interest rate curve. There were no hedges on the books as at December 31, 2010 that could be classified as fair value hedges in accordance with IAS 39, partially due to the unwinding of hedges of the bond issue with a par value of Euro 1,500,000 maturing in May 2016.

As a result of hedging interest rates, 96% of interest bearing debt is fixed rate.

Currency risk

Currency risk can result in the following types of exposure:

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

The group's prime objective of currency risk is to minimize 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 Gbp and Jpy denominated bonds are exposed. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.
9% of the group's medium/long–term 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 2%), the group is not exposed to currency risk on translation into Euros. The translation risk associated with the investments in companies with functional currencies other than the Euro. is not hedged.

The following table summarizes outstanding derivative financial instruments as at December 31, 2010 (compared with December 31, 2009) and shows the corresponding market value and the hedged financial liability. In order to assure full disclosure, the table also shows outstanding derivative contracts, the contract for the forward purchase of US dollars to hedge any need for Usd 21,800 thousand in connection with the possible exercise of the call option on an additional 16% of Electronic Transaction Consultants's share capital. Due to the fact that all of the requirements of IAS 39 have not been satisfied to classify the forward purchase as a hedge, it has been classified as a trading asset recognized at fair value through profit or loss.

There are no financial instruments falling within level 3 of the fair value hierarchy and in 2010 no transfers took place between the various levels.

(Thousands of Euro)			
Type	Purpose of hedge	Currency	Contract term
Cash flow hedges			
Cross Currency Swap	Exchange rate fluctuations	Euro	2004–2022
Cross Currency Swap	Exchange rate fluctuations	Euro	2009–2038
Interest Rate Swap	Interest rate fluctuations	Euro	2004–2011
Interest Rate Swap	Interest rate fluctuations	Euro	2004–2015
Interest Rate Swap	Interest rate fluctuations	Euro	2008–2020
Total cash flow hedges			
Fair value hedges			
Interest Rate Swap	Interest rate fluctuations	Euro	2009–2016
Total fair value hedges			
Total			
Derivatives not accounted for as hedges			
Euro Put/Usd Call option	Exchange rate fluctuations	Euro	2007–2011
Total derivatives not accounted for as hedges			
Total			

(1) The fair value of hedging derivatives excludes accruals at the end of the reporting period.
(2) The amount is included in the current portion of medium/long–term borrowings.
(3) The amount is included in the current portion of medium/long–term financial assets.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign exchange movements to which the 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 interest rate curve at the beginning of the year, whilst, 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 following outcomes resulted from the analysis carried out:

a) 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 648 thousand, and on the statement of comprehensive income, totalling Euro 2,546 thousand, before the related taxation;
b) 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, totalling approximately Euro 119 thousand, before the related taxation.

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 group believes that its ability to generate cash assures an ample diversification of funding sources and the availability of committed and uncommitted lines of credit provides sufficient alternative sources of finance to meet projected financial needs.

Notional amount 12.31.2009	Notional amount 12.31.2010	Fair value (1) 12.31.2009	Fair value (1) 12.31.2010	Hedged financial liabilities: Description	Par value	Term
750,000	750,000	(247,596)	(217,990)	Bond Loan 2004–2022 (Gbp)	750,000	2004–2022
149,176	149,176	(6,890)	40,209	Bond Loan 2009–2038 (Jpy)	149,176	2009–2038
2,000,000	2,000,000	(75,680)	(25,994) (2)	Bond Loan 2004–2011	2,000,000	2004–2011
800,000	720,000	(32,962)	(34,511)	Term Loan Facility	720,000	2004–2015
17,054	47,799	(321)	(1,098)	50% Project Loan Agreement (Pln)	47,799	2008–2020
		(363,449)	**(239,384)**			
1,500,000	–	(11,330)	–			
		(11,330)	**–**			
		(374,779)	**(239,384)**			
15,133	16,315	857	1,194 (3)	Option to acquire an additional 16% Electronic Transaction Consultants	16,315	2007–2011
		857	**1,194**			
		(373,922)	**(238,190)**			

As at December 31, 2010 the group has cash reserves of Euro 6,166 million, consisting of:

a) Euro 2,533 million in cash or invested for a period shorter than the redemption date of the par value Euro 2,000 million bond issue (June 9, 2011);
b) Euro 16 million in cash held by Strada dei Parchi and included in assets related to discontinued operations;
c) Euro 467 million primarily in term deposits allocated to finance the execution of specific construction services;
d) Euro 3,150 million in undrawn committed lines of credit, details of which are shown in the following table.

(Millions of Euro)	12.31.2010 Drawdown period	Final maturity	Available	Drawn	Undrawn lines
Committed Revolving Credit Facility	May 2015	June 2015	1,000	–	1,000
Medium/long–term commited EIB line – tranche A	11.30.2012	12.31.2036	1,000	500	500
Medium/long–term commited EIB line – tranche B	12.31.2014	12.31.2036	300	–	300
Medium/long–term committed Cassa Depositi e Prestiti/EIB line	08.01.2013	12.19.2034	500	150	350
Medium/long–term committed Cassa Depositi e Prestiti/SACE line	09.23.2014	12.23.2024	1,000	–	1,000
Total lines of credit			**3,800**	**650**	**3,150**

The following tables show the time distributions of financial liabilities by term to maturity as at December 31, 2010 and comparable figures as at December 31, 2009.

(Thousands of Euro)	Financial liabilities					
12.31.2010	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non–derivative financial liabilities (1)						
Bond issues						
Bond 2004–2011	(1,996,056)	(2,014,954)	(2,014,954)	–	–	–
Bond 2004–2014	(2,706,363)	(3,300,000)	(137,500)	(137,500)	(3,025,000)	–
Bond 2004–2022 (Gbp)	(568,940)	(1,016,555)	(36,306)	(36,306)	(108,917)	(835,028)
Bond 2004–2024	(973,244)	(1,822,500)	(58,750)	(58,750)	(176,250)	(1,528,750)
Bond 2009–2016	(1,549,877)	(2,006,250)	(84,375)	(84,375)	(253,125)	(1,584,375)
Bond 2009–2038 (Jpy)	(183,444)	(324,786)	(5,025)	(5,025)	(15,076)	(299,659)
Bond 2010–2017	(990,510)	(1,236,250)	(33,750)	(33,750)	(101,250)	(1,067,500)
Bond 2010–2025	(494,222)	(828,125)	(21,875)	(21,875)	(65,625)	(718,750)
Total bond issues (A)	**(9,462,656)**	**(12,549,421)**	**(2,392,535)**	**(377,581)**	**(3,745,243)**	**(6,034,062)**
Bank borrowings						
Term Loan Facility	(709,580)	(756,253)	(91,161)	(89,976)	(575,116)	–
EIB	(950,631)	(1,399,494)	(92,360)	(71,264)	(251,890)	(983,980)
Cassa Depositi e Prestiti S.p.A.	(143,912)	(204,874)	(3,768)	(3,973)	(25,437)	(171,696)
Other banks	(233,080)	(171,357)	(17,480)	(20,041)	(55,067)	(78,769)
Total borrowings linked to grants	(381,202)	(381,202)	(40,640)	(42,680)	(181,872)	(116,010)
Total bank borrowings	**(2,418,405)**	**(2,913,181)**	**(245,409)**	**(227,935)**	**(1,089,382)**	**(1,350,455)**
Other borrowings						
ANAS	(32,611)	(32,611)	(32,611)	–	–	–
Central Guarantee Fund	(56,479)	(104,155)	(44,192)	(2,484)	(8,234)	(49,244)
Other	(52,101)	(69,093)	(3,860)	(3,694)	(5,459)	(56,080)
Total other borrowings	**(141,191)**	**(205,858)**	**(80,663)**	**(6,178)**	**(13,693)**	**(105,324)**
Total medium/long–term borrowings (B)	**(2,559,596)**	**(3,119,039)**	**(326,072)**	**(234,113)**	**(1,103,074)**	**(1,455,780)**
Total non–derivative financial liabilities (C = A + B)	**(12,022,252)**	**(15,668,460)**	**(2,718,607)**	**(611,694)**	**(4,848,317)**	**(7,489,842)**
Derivative liabilities (2) (3)						
Interest Rate Swap (4)	(61,603)	(91,824)	(50,544)	(15,617)	(23,751)	(1,912)
Cross Currency Swap	(177,781)	(329,648)	(12,299)	(12,607)	(36,514)	(268,228)
Total	**(239,384)**	**(421,472)**	**(62,843)**	**(28,224)**	**(60,265)**	**(270,140)**

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.
(2) Includes derivative instruments hedging the interest rate and foreign currency risks associated with bond issues and loans outstanding at December 31, 2010.
(3) Expected cash flows are calculated on the basis of exchange rates determined 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 the maturity of the contract.

(Thousands of Euro)	Financial liabilities					
12.31.2009	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non–derivative financial liabilities (1)						
Bond issues						
Bond 2004–2011	(1,987,211)	(2,035,464)	(23,664)	(2,011,800)	–	–
Bond 2004–2014	(2,695,077)	(3,437,500)	(137,500)	(137,500)	(3,162,500)	–
Bond 2004–2022 (Gbp)	(550,148)	(1,020,437)	(35,187)	(35,187)	(105,562)	(844,499)
Bond 2004–2024	(971,989)	(1,881,250)	(58,750)	(58,750)	(176,250)	(1,587,500)
Bond 2009–2016	(1,482,041)	(2,090,625)	(84,375)	(84,375)	(253,125)	(1,668,750)
Bond 2009–2038 (Jpy)	(149,553)	(269,105)	(4,100)	(4,100)	(12,301)	(248,603)
Total bond issues (A)	**(7,836,019)**	**(10,734,381)**	**(343,577)**	**(2,331,713)**	**(3,709,738)**	**(4,349,353)**
Bank borrowings						
Term Loan Facility	(786,087)	(841,162)	(90,521)	(89,427)	(500,104)	(161,110)
BEI	(1,039,969)	(1,534,783)	(135,288)	(92,360)	(236,651)	(1,070,484)
Cassa Depositi e Prestiti S.p.A.	(143,531)	(200,970)	(4,244)	(3,337)	(16,957)	(176,432)
Other banks	(171,540)	(172,145)	(1,735)	(11,517)	(53,889)	(105,004)
Total borrowings linked to grants	(419,861)	(801,104)	(40,640)	(160,991)	(179,572)	(419,901)
Total bank borrowings	**(2,560,988)**	**(3,550,164)**	**(272,428)**	**(357,632)**	**(987,173)**	**(1,932,931)**
Other borrowings						
ANAS	(783,191)	(1,283,605)	(166,413)	(55,860)	(167,579)	(893,753)
Central Guarantee Fund	(56,664)	(106,378)	(44,062)	(2,353)	(7,843)	(52,120)
Other	(53,219)	(71,071)	(3,927)	(3,745)	(8,856)	(54,543)
Total other borrowings	**(893,074)**	**(1,461,054)**	**(214,402)**	**(61,958)**	**(184,278)**	**(1,000,416)**
Total medium/long–term borrowings (B)	**(3,454,062)**	**(5,011,218)**	**(486,830)**	**(419,590)**	**(1,171,451)**	**(2,933,347)**
Total non–derivative financial liabilities (C = A + B)	**(11,290,081)**	**(15,745,599)**	**(830,407)**	**(2,751,303)**	**(4,881,189)**	**(7,282,700)**
Derivative liabilities (2) (3)						
Interest Rate Swap (4)	(120,294)	41,768	(63,308)	(25,627)	48,355	82,348
Cross Currency Swap	(254,486)	(435,033)	(14,298)	(14,342)	(42,996)	(363,397)
Total	**(374,780)**	**(393,265)**	**(77,606)**	**(39,969)**	**5,359**	**(281,049)**

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.
(2) Includes derivative instruments hedging the interest rate and foreign currency risks associated with bond issues and loans outstanding at December 31, 2009.
(3) Expected cash flows are calculated on the basis of exchange rates determined 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 the 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 payment may be required, unless a better estimate is available.
The distribution for liabilities with repayment 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 recognized in the income statement.

(Thousands of Euro)	12.31.2009 Carrying amount	Expected cash flows [1]	Within 12 months	Between 1 and 2 years	Between 3 and 5 years
Interest rate swap					
Liabilities	(108,963)	(113,216)	(81,024)	(29,306)	(3,112)
Cross currency swap					
Assets	–	–	–	–	–
Liabilities	(254,486)	(260,551)	(14,229)	(14,088)	(40,256)
Accrued expense on cash flow hedges	(30,308)				
Accrued income on cash flow hedges	19,990				
Total	**(373,767)**	**(373,677)**	**(95,164)**	**(43,394)**	**(43,368)**

(Thousands of Euro)	12.31.2009 Expected cash flows [1]	Within 12 months	Between 1 and 2 years	Between 3 and 5 years
Interest rate swap				
Losses on cash flow hedges	(108,963)	(79,726)	(26,799)	(2,551)
Cross currency swap				
Income from cash flow hedges	855,473	38,651	37,656	105,719
Losses on cash flow hedges	(1,109,959)	(52,815)	(51,767)	(145,655)
Total income/(expenses) on cash flow hedges	**(363,449)**	**(93,890)**	**(40,910)**	**(42,487)**

(1) Expected cash flows are calculated on the basis of market curves at the measurement date.

Credit risk

The 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.

Allowances for impairment 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.

	12.31.2010					
After 5 years	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
226	(61,603)	(65,633)	(46,673)	(12,843)	(6,078)	(39)
–	40,209	40,026	(2,996)	(2,830)	(7,412)	53,264
(191,978)	(217,990)	(223,194)	(9,217)	(9,413)	(25,877)	(178,687)
	(30,087)					
	20,670					
(191,752)	**(248,801)**	**(248,801)**	**(58,886)**	**(25,086)**	**(39,367)**	**(125,462)**

	12.31.2010				
After 5 years	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
113	(61,603)	(42,756)	(12,767)	(6,040)	(41)
673,447	960,657	40,555	40,242	114,403	765,457
(859,722)	(1,138,438)	(52,773)	(52,116)	(147,510)	(886,039)
(186,162)	**(239,384)**	**(54,974)**	**(24,641)**	**(39,147)**	**(120,623)**

[64] Related party transacations

The following table shows income and costs for the year and balance sheet figure at December 31, 2010 as a result of related party transactions, which had only marginal impact on the group's statement of income, assets and liabilities. Related party transactions are conducted at arm's length and with transparency.

(Thousands of Euro)	Receivables	Payables	Operating costs	Revenues	Other operating income	Interest income	Interest charges
Non–consolidated subsidiaries	4,287	782	12,307	580	–	112	12
Associated companies	18,335	6,321	19,354	47	1,607	100	–
Joint ventures	2,600	–	–	–	3,800	–	–
Other Group companies	3,700	21,700	33,800	–	400	–	–
Total	**28,922**	**28,803**	**65,461**	**627**	**5,807**	**212**	**12**

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

Benetton group

On January 31, 2011 Benetton Group S.p.A. signed with the Republic of Serbia and the city of Niš a memorandum of intent for possible cooperation in developing a new production center in the city of Niš. This would involve acquiring an industrial site comprising around 80,000 square meters in land and some 60,000 square meters in buildings. The project will require that the group invest some Euro 32 million and will make it possible, among other things, to verticalize the production cycle for wool garments, which may reach a run–rate capacity of 7 million units per year. Based on the agreement, the group will receive a non–refundable free grant from the Serbian authorities amounting, in stages, to about Euro 20 million as the personnel recruitment and training program progresses.

Autogrill group

On January 31, 2011 Autogrill group acquired from Impel Group (Warsaw), Poland's leading provider of outsourcing services, the remaining 49% of Autogrill Polska Sp.zo.o. which was set up in 2009 to manage rest areas along Polish motorways.

On March 3, 2011, through its US division HMSHost, Autogrill group signed a new 10–year contract (2011–2021) to manage Food & beverage operations at John Wayne Airport in Santa Ana, California, which it has served for over 20 years. Revenues of this concession, once fully operating in 2012, are forecasted in about Euro 25 million. Under the terms of the agreement, the number of outlets at John Wayne Airport will rise to seventeen, as eight are opened in the new Terminal C and the existing nine in Terminals A and B are renovated.

On March 24, 2011, through its US division HMSHost, Autogrill group and Starbucks Corporation extended their partnership for the opening and management of Starbucks locations. Two years ahead of schedule, Autogrill has renewed this exclusive management contract for an additional 10 years (until 2020), including the opening of 120 more Starbucks locations in North America.

Atlantia group

As announced to the market on January 3, 2011, Autostrade per l'Italia S.p.A. has agreed to sell its 60% interest in Strada dei Parchi S.p.A. to Toto S.p.A. for a total of Euro 89 million. Under the terms of the agreement, Toto will buy 58% of the company for Euro 86 million, with a first installment of Euro 60 million to be paid on transfer of the shares and the remaining Euro 26 million to be paid within 36 months of the sale. The remaining 2% stake held by Autostrade per l'Italia is subject to a call/put option (at a price of Euro 3 million), execution of which is deferred until the conditions described in Art. 156, paragraph 3 of Legislative Decree 163/2006 have been met (e.g. certification of the infrastructure). Execution of the sale agreement is subject to the following conditions, which have already been or are in the process of being met: the positive outcome of the procedure required by Strada dei Parchi's Single Concession Arrangement, which means that ANAS must approve any change in control of the company; the receipt of antitrust clearance; signature of the project finance loan agreement and completion of the first drawdown to fund Strada dei Parchi's investment program.
In this regard, on February 25, 2011 Strada dei Parchi and a syndicate of leading Italian and international banks entered into a project financing agreement worth Euro 571 million.

Following a tender procedure launched in May 2009, on January 18, 2011 France's Ministry of Ecology, Sustainable Development, Transport and Housing chose Autostrade per l'Italia as the preferred bidder in the process to award a contract for the implementation and operation of a satellite–based toll system for heavy vehicles weighing over 3.5 tonnes (Eco Taxe Poids Lourds) using the country's 15,000–km road network. On February 8, 2011 the Ministry notified Autostrade per l'Italia that it had been awarded the contract, which has a lifetime of 13 years and is worth more than Euro 2 billion in terms of total expected revenue. However, on March 11, 2011 the Administrative Court of Cergy–Pontoise cancelled the tender process following an appeal filed by members of a rival consortium. On March 21 and March 25, respectively, the French Cabinet and Autostrade per l'Italia filed separate, independent appeals to the French Council of State to have the Administrative Court decision reversed.

On January 18, 2011, the evaluating committee of the tender "for the supply and installation of a freeflow toll system on the motorways and motorway link roads operated by ANAS and provision of the related maintenance services, operation of the tolling and toll collection system and provision of on–the–job training for ANAS personnel to prepare them to take over operation of the system" examined the tenders submitted by the qualifying bidders and provisionally awarded the contract to the temporary consortium for which Autostrade per l'Italia is acting as agent.

On April 18, 2011 Atlantia reached an agreement with the Acciona group for the acquisition of 50% of Sociedad Concesionaria Autopista Vespucio Sur S.A., 50% of Sociedad Concesionaria Litoral Central S.A. and 50% of Sociedad de Operacion y Logistica Infraestructura S.A. The total cost of these investments is around Euro 290 million. The transaction is subject to clearance from the competent authorities and approval from the lending banks. The remaining 50% of the three companies was acquired by the Atlantia group in 2008 and subsequently transferred to Autostrade Sud America S.r.l., the holding company owned 45.76% by Autostrade per l'Italia, 45.76% by Società Iniziative Autostradali e Servizi – SIAS S.p.A. and 8.47% by Mediobanca S.p.A. Atlantia and its partners in Autostrade Sud America are studying how to transfer the investments being acquired to Autostrade Sud America, with the aim of achieving significant operating synergies with the other subsidiaries, including with a view to a possible stock market listing.

On May 13, 2011 Autostrade per l'Italia S.p.A. reached an agreement with Monte Paschi di Siena S.p.A., Holcoa S.p.A. (a holding company for motorway operators), Vianco S.p.A. (fully owned by Vianini Lavori of the Caltagirone group) and Società Autostrada Ligure Toscana p.A. (SIAS group) for the sale of a 69.1% stake in Società Autostrada Tirrenica p.A., which is currently owned 94% by Autostrade per l'Italia. The sale price amounts to Euro 67.7 million. On completion of the transaction, Società Autostrada Tirrenica's ownership structure will be as follows: Autostrade per l'Italia 24.89%, Holcoa 24.89%, Vianco 24.89%, Monte Paschi di Siena 14.94%, Società Autostrada Ligure Toscana 9.95%, other shareholders approximately 0.4%. Società Autostrada Tirrenica holds the concession for the section of the A12 in service between Livorno and Rosignano (approximately 37 km) and also has the concession for completion of the A12 between Livorno and Civitavecchia, totalling about 206 km, with construction of the first 4 km between Rosignano and San Pietro in Palazzi currently in progress.

[66] Atypical and/or unusual transactions

As required by the CONSOB Circular 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, conflict of interest, the safekeeping of assets and interests of minority shareholders.

[67] Guarantees given, commitments and other contingent liabilities

(Thousands of Euro)	12.31.2010	12.31.2009
Unsecured guarantees given		
Sureties	619,989	806,898
Commitments		
Purchase commitments	19,252	24,521
Sale commitments	8,492	6,422
Total	**647,733**	**837,841**

Unsecured guarantees are made up as follows:

» guarantees given to third parties by the Benetton group: Euro 216,222, mainly referring to payment obligations to guarantee VAT credits offset within the group;
» sureties and other guarantees given by the Autogrill group in favour of concession grantors and commercial counterparties: Euro 181,486;

» unsecured guarantees issued to third parties by the Atlantia group, including Euro 13,479 guaranteed by Autostrade per l'Italia to Assicurazioni Generali for the issue of a surety in favour of ANAS, on behalf of Strada dei Parchi; sureties of Euro 69,913 given by Atlantia for the loan granted to the subholding company Autostrade per il Cile absorbed, following a merger by incorporation, in Autostrade Sud America; and a surety of Euro 120.350 given by Atlantia on behalf of the Chilean holding company Autopista do Pacifico to secure the loan the latter received for the acquisition of Chilean concession holder Costanera Norte.

Purchase commitments essentially relate to payments to be made to investment funds held by Schemaquattordici (Euro 4.1 million) and by the Parent Company (Euro 13.2 million), as well as the amount to be paid for the purchase of the two commercial properties by the Autogrill group.

Sale commitments include the value of sale–or–return motorway toll cards held at the premises of Autogrill group companies.

At December 31, 2010, the shares held in foreign operators, Strada dei Parchi and Bologna e Fiera Parking, have been pledged to collateralise loans granted to certain group companies and to back up commitments made to certain grantors.

At the end of the year, the future payments due by the Group for rents and operational leases which cannot be terminated was as follows:

(Thousands of Euro)	12.31.2010
Within 1 year	231,590
From 1 to 5 years	2,509,251
Beyond 5 years	2,174,454
Total	**4,915,295**

[68] Other commitments and rights

Benetton group

Benetton Korea Inc.
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.

Benetton Giyim Sanayi ve Ticaret A.S.

Benetton International S.A. owns 50% of the shares in Benetton Giyim Sanayi A.S. (Turkey).
The shareholders' agreement gives Benetton a call option over the remaining 50% of the shares which may be exercised in the event of strategic "deadlock" in its management or breach of contract. Likewise, Boyner Holding A.S., the other shareholder, has a put option over its 50% shareholding.

The exercise prices of these options are calculated as follows:

» in the event of "deadlock", Benetton shall pay a price for exercising its call option corresponding to the fair value of the shares plus a margin of 20%. Likewise, if Boyner Holding A.S. exercises its put option, the price receivable would be the fair value less 20%;

» in the event of breach, the fair value of the shares shall be reduced by 30% for the party causing the breach.

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

New Ben GmbH

In October 2008 the group reached an agreement through Benetton Retail Deutschland GmbH to purchase the shares from the four shareholders who own the other 50% of this company. Benetton Retail Deutschland GmbH and the four shareholders have given each other respectively a call option, to be exercised from 2011 until 2013, and a put option, to be exercised during 2013.
The estimated cost of the put option granted to the other shareholders has been recognized in the group's liabilities.

Ben–Mode AG

In May 2008 the the Benetton group acquired, through its subsidiary Bencom S.r.l., 10% of the shares in Ben–Mode AG, 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.

Aerre S.r.l.

In 2008, Olimpias S.p.A. acquired 49% of Aerre S.r.l. and 30% of its 50% subsidiary S.C. Anton Industries S.r.l. (Romania). The shareholders' agreement between the Benetton group's subsidiary and Aerre S.r.l. contains a reciprocal call and put option over 11% of the latter's shares between 2010 and 2012.
The estimated cost of the put option granted to the other shareholder has been recognized in the group's liabilities.

[69] Contingent liabilities

Benetton group

The group has not recognized any provisions against an estimated amount of Euro 28.5 million in liabilities associated with unsettled litigation, insofar as it considers that the risk of a related financial outlay is only "possible" and so, in accordance with IAS 37, only requires disclosure but not provision.

The subsidiary Benind S.p.A. has an unsettled dispute with the Italian customs authorities, which could give rise to a liability of approximately Euro 7.5 million, plus penalties. The company has obtained four rulings in its favor from the Treviso Provincial Tax Commission, involving the total cancellation of the extra customs duties and penalties applied.
On April 27, 2010 the Venice Regional Tax Commission accepted the appeal by the Treviso Customs Agency, overturning the first of the above four first–level rulings. The total amount of customs duties disputed in this ruling is approximately Euro 2.6 million plus penalties and interest. In view of the incompleteness and insufficiency of the reasons expressed by the panel of judges in this ruling, the company has lodged an appeal with the highest Court of Appeal.

On November 25, 2010 the Venice Regional Tax Commission passed sentence on the other three rulings by the Treviso Provincial Tax Commission, partially accepting the appeal by the Treviso Customs Agency and recognizing its right to recover the extra duties, while declaring the penalties as invalid. The total amount of customs duties disputed in this ruling is approximately Euro 4.9 million. The company is evaluating whether to lodge an appeal with the highest Court of Appeal against these latest three rulings handed down by the Regional Tax Commission.
The board of directors of Benind S.p.A. are of the opinion, also on the basis of authoritative outside professional advice, that the matters raised by the tax inspectors concerning the customs duties are unsubstantiated and that the reasons behind the above second–level rulings are insufficient and inadequate, and so it has decided not to make any provisions for the related disputes since they qualify as only "possible" risks, in compliance with definitions under the accounting standards.

With reference to the alleged tax evasive nature of the formation of permanent establishments of Bencom S.r.l. abroad – already discussed in the note on "contingent liabilities" in previous consolidated financial statements – it is reported that, in view the arguments that led to the partial court settlement with the tax authorities in December 2010 of the assessment relating to tax year 2004, and the failure to dispute the same matter with the same subsidiary in the assessment for the following tax year (2005), the group is reasonably confident that the reasons behind these disputes no longer apply.

Autogrill group

For the sake of continuity of information, we report that in October 2004, the former controlling shareholders of Receco S.A. (Spain) began an arbitration proceeding requesting termination of the purchase and sale agreement. On 6 February 2006 the arbitral tribunal issued an award which states, inter alia, that purchase and sale agreement is valid and orders that once the amount of the guarantee to be given by the sellers has been determined, the shares making up the remaining 15% of Receco S.A. shall be transferred against simultaneous payment of the sum of Euro 6.5 million. The award also orders that a bank guarantee be issued in favour of the buyer, Autogrill Participaciones S.L.U., for the amount of the guarantee determined. The sellers, faced with this injunction, failed to comply and instead initiated two further arbitration proceedings before the International Chamber of Commerce.
In 2007, the arbitral tribunal accepted a request from Autogrill Participaciones that the two proceedings be unified.
On 23 October 2009, after completing all evidence gathering and other preliminary steps, the arbitral tribunal issued a partial award in favour of Autogrill Participaciones confirming that the final sale price should be based on Ebit for 2006, and appointed a new accounting expert to determine that amount.
The new expert substantially confirmed the conclusions of the first, but remitted to the arbitral tribunal the interpretation of some contract provisions relevant to computing the final price of Receco shares.
Autogrill's legal team is confident that a final decision will be reached during the first half of 2011.

Atlantia group

Dispute over tolls applied by Strada dei Parchi

The Lazio Regional Administrative Court sentence deposited on 30 March 2010 upheld the appeals brought in 2006 by the Abruzzo Regional Authority, Teramo Provincial Authority and the Gran Sasso Mountain Community against ANAS and Strada dei Parchi, annulling the tariff increase introduced in 2006, and the revised toll charge for the Basciano–Teramo section introduced in 2008.
The Fourth Section of the Council of State, sitting in its judicial capacity, issued a sentence on December 9, 2010, upholding the company's appeals and, as a result, cancelling the appealed sentences. The Council found that the toll increase applied was legitimate, as was the revised toll charge for the Basciano–Teramo section introduced in 2008.

Other ongoing litigations

Autostrade per l'Italia is the defendant in two actions, which are still pending, brought before Lazio Regional Administrative Court regarding toll charges. The actions, which have been brought by Codacons and other consumers' associations, aim to challenge the toll increases introduced in 1999 and 2003.

With regard to the preliminary design for the "Rosignano Marittimo–Civitavecchia" section of the A12 motorway approved by the CIPE resolution of December 18, 2008 (published in the Official Journal of May 14, 2009), Autostrada Tirrenica is party, together with the other public bodies involved, to a number of legal actions pending before Lazio Regional Administrative Court, and to a number of extraordinary appeals to the Head of State, contesting the above CIPE resolution of December 18, 2008.

The Antitrust Authority's appeal to the Council of State requesting annulment of Lazio Regional Administrative Court sentences 4994/09 and 5005/09 is still pending. These sentences at first instance partly upheld the appeals brought by ACI Global S.p.A. and Europ Assistance VAI S.p.A. requesting annulment of Antitrust Authority ruling 19021 of October 23, 2008 regarding emergency breakdown services. Autostrade per l'Italia is a party to the appeals with file numbers R.G. 8813/09 and 8814/09.

Finally, Autostrade per l'Italia is the defendant in a number of legal actions regarding expropriations, tenders and claims for damages deriving from motorway activities.
At the present time, the outcomes of the above litigation proceedings are not expected to result in significant charges to be incurred by group companies, in addition to the amounts already provided at December 31, 2010 and reported in the consolidated financial statements.

Edizione S.r.l.

Guarantees granted upon the sale of Olimpia S.p.A. by the mergee Sintonia S.p.A.

When the interest in Olimpia S.p.A. was sold to Telco S.p.A. in 2007, all tax risks concerning periods up to the date of disposal remained the sellers' responsibility by contract.
The tax disputes currently in progress can be summarized as follows:

» in 2006, an assessment for fiscal year 2001 was received in relation to IRAP (regional business tax); the assessment was then cancelled by the Provincial Tax Commission. The Revenue Office appealed the decision with the Regional Tax Commission; in the second–instance decision of May 29, 2009, the Regional Commission once again rejected the claims of the Revenue Office; the State Prosecutor's Office, however, filed an appeal with the Court of Cassation against which the company filed a counterclaim;
» in 2007 an assessment was received for fiscal year 2002, qualifying Olimpia as a "dummy company"; an appeal to the Provincial Tax Commission received a favourable ruling in early 2009 and the Revenue Office was also ordered to pay for the legal expenses. Nevertheless, the Revenue Office filed its own appeal which was heard before the Regional Tax Commission, but the final decision is still pending;
» in 2008 an assessment was received for fiscal year 2003, again alleging that Olimpia was a "dummy company"; this, too, was appealed to the Provincial Tax Commission; the appeal was granted;
» in 2009 the Revenue Office issued yet another assessment for fiscal year 2004, on the same "dummy company" grounds. In February 2010 an appeal was filed with the Provincial Tax Commission. Subsequently, in October, the Commission once again found in favour of the claimant.

In light of the numerous favourable findings, it is unlikely that any fiscal liabilities will emerge from these disputes.

[70] Fees paid to the external auditors

The following table presents the fees paid to the Parent Company's external auditors (KPMG S.p.A.) for all services provided to companies in the Group in 2010.

(Thousands of Euro)	2010
Type of service:	
Auditing	4,345
Certification	1,024
Other services	1,115
Total	6,484

ANNEX

LIST OF COMPANIES CONSOLIDATED AT DECEMBER 31, 2010

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	Eur	1,500,000,000	
Schemaquattordici S.p.A.	Italy	Eur	19,214,893	58.99%
Schematrentaquattro S.r.l.	Italy	Eur	100,000	100.00%
Sintonia S.A.	Luxembourg	Eur	1,239,685	75.02%
Schemaventotto S.p.A.	Italy	Eur	548,048,000	100.00%
Investimenti Infrastrutture S.p.A.	Italy	Eur	118,924,533	100.00%
Textile & clothing				
Benetton Group S.p.A.	Italy	Eur	237,482,716	67.08%
Aerre S.r.l.	Italy	Eur	15,000	49.00%
Ben–Mode AG	Switzerland	Chf	500,000	10.00%
Benair S.p.A.	Italy	Eur	1,548,000	100.00%
Bencom S.r.l.	Italy	Eur	150,000,000	100.00%
Benetton 2 Retail Comercio de Produtos Texteis S.A.	Portugal	Eur	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 Commerciale Tunisie S.àr.l.	Tunisia	Tnd	2,429,000	100.00%
Benetton Denmark Aps	Denmark	Dkk	125,000	100.00%
Benetton France Commercial S.a.s.	France	Eur	10,000,000	100.00%
Benetton France S.àr.l.	France	Eur	99,495,712	100.00%
Benetton Giyim Sanayi ve Ticaret A.S.	Turkey	Try	7,000,000	50.00%
Benetton Holding International N.V. S.A.	The Netherlands	Eur	92,759,000	100.00%
Benetton India Pvt Ltd.	India	Inr	2,900,000,000	100.00%
Benetton International Kish Co. Pjsc	Iran	Irr	100,000,000	100.00%
Benetton International Property N.V. S.A.	The Netherlands	Eur	17,608,000	100.00%
Benetton International S.A.	Luxembourg	Eur	133,538,470	100.00%
Benetton Istanbul Real Estate Yatirim Ve Insaat Ticaret Limited Sirketi	Turkey	Try	34,325,000	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 Manufacturing Tunisia S.àr.l.	Tunisia	Tnd	700,000	100.00%
Benetton Mexicana S.A. de CV	Mexico	Mxn	297,000,405	100.00%
Benetton Pars Pjsc	Iran	Irr	50,000,000	100.00%
Benetton Real Estate Austria GmbH	Austria	Eur	2,500,000	100.00%
Benetton Real Estate Belgique S.A.	Belgium	Eur	14,500,000	100.00%
Benetton Real Estate International S.A.	Luxembourg	Eur	116,600,000	100.00%
Benetton Real Estate Kazakhstan LLP	Kazakistan	Kzt	62,920,000	100.00%
Benetton Realty France S.A.	France	Eur	94,900,125	100.00%
Benetton Realty Portugal Imobiliaria S.A.	Portugal	Eur	100,000	100.00%
Benetton Realty Spain SL	Spain	Eur	15,270,450	100.00%
Benetton Realty Sukhbaatar LLC	Mongolia	Mnt	115,000	100.00%
Benetton Retail (1988) Ltd.	United Kingdom	Gbp	61,000,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Benetton Retail Deutschland GmbH	Germany	Eur	2,000,000	100.00%
Benetton Retail Italia S.r.l.	Italy	Eur	5,100,000	100.00%
Benetton Retail Poland Sp.zo.o.	Poland	Pln	4,900,000	100.00%
Benetton Retail Spain SL	Spain	Eur	10,180,300	100.00%
Benetton Russia O.o.o.	Russia	Rub	473,518,999	100.00%
Benetton Services S.A. de CV	Mexico	Mxn	50,000	100.00%
Benetton Tekstil D.o.o.	Croatia	Hrk	155,750,000	100.00%
Benetton Trading Taiwan Ltd.	Taiwan	Twd	115,000,000	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 Ungheria Kft	Hungary	Eur	89,190	100.00%
Benetton USA Corp.	USA	Usd	215,654,000	100.00%
Benind S.p.A.	Italy	Eur	26,000,000	100.00%
Benlim Ltd.	Hong Kong	Hkd	16,000,000	100.00%
Bentec S.p.A.	Italy	Eur	12,900,000	100.00%
Fabrica S.p.A.	Italy	Eur	4,128,000	100.00%
Filatura di Vittorio Veneto S.r.l.	Italy	Eur	110,288	50.00%
Fynlab S.r.l. (in liquidation)	Italy	Eur	100,000	100.00%
Hotel Union Llc	Kossovo	Eur	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%
La Cantina delle Nostre Ville Venete – Società agricola a r.l.	Italy	Eur	110,000	100.00%
Lairb Property Ltd.	Eire	Eur	260,000	100.00%
Milano Report S.p.A.	Italy	Eur	1,000,000	100.00%
New Ben GmbH	Germany	Eur	5,000,000	50.00%
Olimpias S.p.A.	Italy	Eur	47,988,000	100.00%
Olimpias Tunisia S.àr.l.	Tunisia	Tnd	100,000	100.00%
Ponzano Children S.r.l.	Italy	Eur	110,000	100.00%
Property Russia Zao	Russia	Rub	10,000	100.00%
Real Estate 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%
SC Anton Industries S.r.l.	Romania	Ron	1,162,460	54.50%
SC Benrom S.r.l.	Romania	Ron	1,416,880	100.00%
Shanghai Benetton Trading Co. Ltd.	China	Usd	25,000,000	100.00%
Shanghai Sisley Trading Co. Ltd.	China	Cny	10,000,000	100.00%
Società Investimenti e Gestioni Immobiliari (S.I.G.I.) S.r.l.	Italy	Eur	36,150,000	100.00%
United Colors Communication S.A.	Switzerland	Chf	1,000,000	100.00%
Food & beverage and Travel retail & duty–free				
Autogrill S.p.A.	Italy	Eur	132,288,000	59.28%
Ac Apeldoorn B.V.	The Netherlands	Eur	45,378	100.00%
Ac Bodegraven B.V.	The Netherlands	Eur	18,151	100.00%
Ac Heerlen B.V.	The Netherlands	Eur	23,143	100.00%
Ac Hendrik Ido Ambacht B.V.	The Netherlands	Eur	2,596,984	100.00%
Ac Holding N.V.	The Netherlands	Eur	150,000	100.00%
Ac Holten B.V.	The Netherlands	Eur	34,034	100.00%
Ac Leiderdrop B.V.	The Netherlands	Eur	18,151	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Ac Meerkerk B.V.	The Netherlands	Eur	18,151	100.00%
Ac Nederweert B.V.	The Netherlands	Eur	34,034	100.00%
Ac Nieuwegein B.V.	The Netherlands	Eur	18,151	100.00%
Ac Oosterhout B.V.	The Netherlands	Eur	18,151	100.00%
Ac Restaurants & Hotels Beheer N.V.	Belgium	Eur	5,500,000	100.00%
Ac Restaurants & Hotels B.V.	The Netherlands	Eur	90,756	100.00%
Ac Restaurants & Hotels S.A.	Luxembourg	Eur	1,250,000	100.00%
Ac Sevenum B.V.	The Netherlands	Eur	18,151	100.00%
Ac Vastgoed B.V.	The Netherlands	Eur	18,151	100.00%
Ac Vastgoed I B.V.	The Netherlands	Eur	18,151	100.00%
Ac Veenendaal B.V.	The Netherlands	Eur	18,151	100.00%
Ac Zevenaar B.V.	The Netherlands	Eur	57,176	100.00%
Alpha Future Airport Retail Pvt Ltd.	India	Inr	97,416,000	100.00%
Airside C F & B Joint Venture	USA	Usd	–	70.00%
Airside e Joint Venture	USA	Usd	–	50.00%
Airport Duty Free Shops Ltd. (in liquidation)	United Kingdom	Gbp	2	100.00%
Aldeasa Atlanta Joint Venture	USA	Usd	2,200,000	76.00%
Aldeasa Atlanta Llc	USA	Usd	1,122,000	100.00%
Aldeasa Cabo Verde S.A.	Cabo Verde	Cve	6,000,000	100.00%
Aldeasa 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 Curacao N.V.	Curacao	Usd	500,000	100.00%
Aldeasa Duty Free Comercio e Importacion de Produtos Ltda	Brazil	Brl	145,300	100.00%
Aldeasa Internacional S.A.	Spain	Eur	1,352,250	100.00%
Aldeasa Italia S.r.l.	Italy	Eur	10,000	100.00%
Aldeasa Jordan Airports Duty Free Shops (Ajadfs)	Jordan	Usd	705,219	100.00%
Aldeasa Mexico S.A. de CV	Mexico	Mxn	60,962,541	100.00%
Aldeasa Projets Culturels S.a.s.	France	Eur	1,301,400	100.00%
Aldeasa S.A.	Spain	Eur	10,772,462	99.96%
Aldeasa Servicios Aeroportuarios Ltda (in liquidation)	Chile	Usd	15,000	99.96%
Aldeasa US Inc.	USA	Usd	49,012,087	100.00%
Aldeasa Vancouver Lp	Canada	Cad	32,701,000	100.00%
Alpha Airport Group (Jersey) Ltd.	United Kingdom	Gbp	4,100	100.00%
Alpha Airport Holdings B.V.	The Netherlands	Eur	74,874	100.00%
Alpha Airport Retail Holdings Pvt Ltd.	India	Inr	404,743,809	100.00%
Alpha Airport Services Inc.	USA	Usd	1,400,000	100.00%
Alpha Airports (Furbs) Trustees Ltd. (in liquidation)	United Kingdom	Gbp	26,000	100.00%
Alpha Airports Group (Channel Island) Ltd. (in liquidation)	United Kingdom	Gbp	21	100.00%
Alpha Airports Group Ltd.	United Kingdom	Gbp	2	100.00%
Alpha ESOP Trustee Ltd.	United Kingdom	Gbp	100	100.00%
Alpha Euroservices Ltd. (in liquidation)	United Kingdom	Usd	170	100.00%
Alpha Keys Orlando Retail Associates Ltd.	USA	Usd	100,000	85.00%
Alpha Kreol (India) Pvt Ltd.	India	Inr	100,000	50.00%
Alpha Mvkb Maldives Pvt Ltd.	Maldives	Mvr	20,000	60.00%
Alpha Retail Ireland Ltd.	Eire	Eur	1	100.00%
Alpha Retail Italia S.r.l.	Italy	Eur	10,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
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%
Anton Airfood of Newark Inc.	USA	Usd	–	100.00%
Anton Airfood of North Carolina Inc.	USA	Usd	–	100.00%
Anton Airfood of Ohio Inc. (in liquidation)	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%
Anton/JQ RDU Joint Venture	USA	Usd	–	100.00%
Audioguiarte Servicios Culturales SL	Spain	Eur	251,000	100.00%
Autogrill Aéroports S.a.s.	France	Eur	2,207,344	100.00%
Autogrill Austria AG	Austria	Eur	7,500,000	100.00%
Autogrill Belgie N.V.	Belgium	Eur	20,750,000	100.00%
Autogrill Belux N.V.	Belgium	Eur	10,000,000	100.00%
Autogrill Catering UK Ltd.	United Kingdom	Gbp	2,154,578	100.00%
Autogrill Centres Commerciaux S.àr.l.	France	Eur	501,960	100.00%
Autogrill Commercial Catering France S.A.	France	Eur	2,916,480	100.00%
Autogrill Coté France S.A.	France	Eur	31,579,526	100.00%
Autogrill Czech Sro	Czech Republic	Czk	126,000,000	100.00%
Autogrill Deutschland GmbH	Germany	Eur	205,000	100.00%
Autogrill D.o.o.	Slovenia	Eur	2,480,000	100.00%
Autogrill España Sau	Spain	Eur	1,800,000	100.00%
Autogrill Europe Nord–Ouest S.A.	Luxembourg	Eur	41,300,000	100.00%
Autogrill FFH Autoroutes S.àr.l.	France	Eur	375,000	100.00%
Autogrill FFH Centres Villes S.àr.l.	France	Eur	375,000	100.00%
Autogrill Finance S.A.	Luxembourg	Eur	250,000	100.00%
Autogrill Gares Métropoles S.àr.l.	France	Eur	4,500,000	100.00%
Autogrill Group Inc.	USA	Usd	33,793,055	100.00%
Autogrill Hellas Epe	Grecia	Eur	1,696,350	100.00%
Autogrill Holdings UK Pension Trustee Ltd.	United Kingdom	Gbp	100	100.00%
Autogrill Holdings UK Plc	United Kingdom	Gbp	24,249,234	100.00%
Autogrill Participaciones Slu (now Autogrill Iberia SL)	Spain	Eur	7,000,000	100.00%
Autogrill Nederland B.V.	The Netherlands	Eur	41,371,500	100.00%
Autogrill Polska Sp.zo.o.	Poland	Pln	10,050,000	51.00%
Autogrill Restauration Carrousel S.a.s.	France	Eur	2,337,000	100.00%
Autogrill Restauration Services S.a.s.	France	Eur	15,394,500	100.00%
Autogrill Retail 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. (formerly Carestel Trois Frontières)	France	Eur	621,999	100.00%
Bay Area Restaurant Group	USA	Usd	–	49.00%
Ben–Zey/Host Lottery JV	USA	Usd	–	40.00%
Cancouver Uno SL	Spain	Eur	3,010	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Carestel Beteilingungs GmbH & Co. (in liquidation)	Germany	Eur	25,000	100.00%
Carestel Motorway Services N.V.	Belgium	Eur	9,000,000	100.00%
Carestel Nord S.àr.l. (in liquidation)	France	Eur	76,225	99.98%
CBR Speciality Retail Inc.	USA	Usd	–	100.00%
Cleveland Airport Services Inc. (in liquidation)	USA	Usd	–	100.00%
CS Host Joint Venture	USA	Usd	–	70.00%
Dynair B.V.	The Netherlands	Eur	18,000	100.00%
East Terminal Chili's Joint Venture	USA	Usd	–	55.00%
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%
HMS–Airport Terminal Services Inc.	USA	Nzd	–	100.00%
HMS Host Family Restaurants Inc.	USA	Usd	2,000	100.00%
HMS Host 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%
HMS Host Motorways Inc.	Canada	Cad	–	100.00%
HMS Host Motorways LP	Canada	Cad	–	100.00%
HMS Host New Zealand Ltd.	New Zealand	Nzd	1,520,048	100.00%
HMS Host Tollroads Inc.	USA	Usd	–	100.00%
HMS Host USA Inc.	USA	Usd	–	100.00%
HMS Host USA Llc	USA	Usd	–	100.00%
HMS Host/Coffee Partners Joint Venture	USA	Usd	–	50.01%
HMS/Blue Ginger Joint Venture	USA	Usd	–	55.00%
HMSHost Egypt Catering & Services Ltd.	Egypt	Egp	1,000,000	60.00%
HMSHost Corporation	USA	Usd	–	100.00%
HMSHost International Inc.	USA	Usd	–	100.00%
HMSHost Ireland Ltd.	Eire	Eur	13,600,000	100.00%
HMSHost Services India Private Ltd.	India	Inr	668,441,683	100.00%
HMSHost Shellis Trans Air Joint Venture	USA	Usd	–	60.00%
HMSHost Singapore Pte Ltd.	Singapour	Sgd	8,470,896	100.00%
HMSHost Sweden AB	Sweden	Sek	2,500,000	100.00%
Holding de Participations Autogrill S.a.s.	France	Eur	84,581,920	100.00%
Horeca Exploitatie Maatschappij Schiphol B.V.	The Netherlands	Eur	45,378	100.00%
Host – Chelsea Joint Venture #2	USA	Usd	–	75.00%
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 Atlanta Duty Free Joint Venture	USA	Usd	–	25.00%
Host Bush Lubbock Airport Joint Venture	USA	Usd	–	90.00%
Host Canada Ltd. Partnership	Canada	Cad	–	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Host Chelsea Joint Venture	USA	Usd	–	65.00%
Host CTI Denver Airport Joint Venture	USA	Usd	–	90.00%
Host D and 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.	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	79,576	100.00%
Host of Kahului Joint Venture Company	USA	Usd	–	90.00%
Host Marriott Services – D/FW Joint Venture	USA	Usd	–	65.00%
Host Marriott Services – D/FWorth Joint Venture II	USA	Usd	–	75.00%
Host of Holland B.V.	The Netherlands	Eur	–	100.00%
Host of Santa Ana Joint Venture Company	USA	Usd	–	75.00%
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 JV	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/JZ 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–Chelle–Ton Sunglass Joint Venture	USA	Usd	–	80.00%
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%
La Rambertine S.n.c.	France	Eur	1,524	100.00%
Las Vegas Terminal Restaurants Inc.	USA	Usd	–	100.00%
Maison Ledeboer B.V.	The Netherlands	Eur	69,882	100.00%
Marriott Airport Concessions Pty Ltd.	Australia	Aud	3,910,102	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Metro–Host Joint Venture	USA	Usd	–	70.00%
MIA Airport Retail Partners Joint Venture	USA	Usd	–	70.00%
Michigan Host Inc.	USA	Usd	1,000	100.00%
Nuova Sidap S.r.l.	Italy	Eur	100,000	100.00%
Orient Lanka Ltd.	Sri Lanka	Lkr	30,000,000	99.98%
Palacios y Museos	Spain	Eur	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%
Pratt & Leslie Jones Ltd. (in liquidation)	United Kingdom	Gbp	8,900	100.00%
Prestadora de Servicios en Aeropuertos S.A. de CV	Mexico	Mxn	50,000	100.00%
RDU A&W JV–Anton	USA	Usd	–	100.00%
Restair Uk Ltd. (in liquidation)	United Kingdom	Gbp	1	100.00%
Restauracion de Centros Comerciales S.A. (Receco)	Spain	Eur	108,182	85.00%
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%
Shenzhen Host Catering Company, Ltd.	China	Cny	–	100.00%
Smsi Travel Centres Inc.	Canada	Cad	9,800,000	100.00%
Sociedad de Distribucion Aeroportuaria de Canarias SL	Spain	Eur	667,110	60.00%
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	France	Eur	288,000	50.01%
Société de Gestion de Restauration Routière S.A. (Sgrr S.A.)	France	Eur	1,537,320	100.00%
Société Porte de Champagne S.A. (Spc)	France	Eur	153,600	53.44%
Société de Restauration Autoroutière Dromoise S.a.s. (Srad)	France	Eur	1,136,000	100.00%
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	France	Eur	144,000	50.00%
Société de Restauration de Troyes–Champagne S.A. (Srtc)	France	Eur	1,440,000	70.00%
Société Régionale de Saint Rambert d'Albon S.A. (Srsra)	France	Eur	515,360	50.00%
Southwest Florida Airport Joint Venture	USA	Usd	–	80.00%
SPB S.àr.l.	France	Eur	4,500	100.00%
The American Lunchroom Co. B.V.	The Netherlands	Eur	18,151	100.00%
Tinsley – Host – Tampa Joint Venture	USA	Usd	–	49.00%
Tj2d S.n.c.	France	Eur	1,000	100.00%
Transportes y Suministros Aeroportuarios S.A.	Spain	Eur	1,202,000	100.00%
Vert Pré St. Thiébault S.c.i.	France	Eur	457	100.00%
Volcarest S.A.	France	Eur	1,050,144	50.00%
World Duty Free Europe Ltd.	United Kingdom	Gbp	12,484,397	100.00%
Infrastructure & services for mobility				
Atlantia S.p.A.	Italy	Eur	600,297,135	42.25%
AD Moving S.p.A.	Italy	Eur	1,000,000	75.00%
Autostrada Torino–Savona S.p.A.	Italy	Eur	161,720,000	99.98%
Autostrade Concessões e Participações Brasil Ltda	Brazil	Brl	70,000,000	100.00%
Autostrade dell'Atlantico S.r.l.	Italy	Eur	1,000,000	100.00%
Autostrade Holding do Sur S.A.	Chile	Clp	51,496,771,000	99.99%
Autostrade Indian Infrastructure Development Pvt Ltd.	India	Inr	500,000	100.00%
Autostrade International of Virginia O&M Inc.	USA	Usd	1	100.00%
Autostrade International US Holdings Inc.	USA	Usd	4	86.87%

Name	Registered office	Currency	Share capital	Percentage held
Autostrade Mazowsze S.A.	Poland	Pln	20,000,000	100.00%
Autostrade Meridionali S.p.A.	Italy	Eur	9,056,250	58.98%
Autostrade Participations S.A.	Luxembourg	Eur	5,000,800	100.00%
Autostrade per l'Italia S.p.A.	Italy	Eur	622,027,000	100.00%
Autostrade Portugal – Concessôes de Infraestruturas S.A.	Portugal	Eur	30,000,000	100.00%
Autostrade Service – Servizi al Territorio S.p.A.	Italy	Eur	1,671,000	100.00%
Autostrade Tech S.p.A.	Italy	Eur	1,120,000	100.00%
Biuro Centrum Sp.zo.o.	Poland	Pln	80,000	41.83%
Electronic Transaction Consultants Co.	USA	Usd	3,235	45.00%
EsseDiEsse Società di Servizi S.p.A.	Italy	Eur	500,000	100.00%
Giove Clear S.r.l.	Italy	Eur	10,000	100.00%
Infoblu S.p.A.	Italy	Eur	5,160,000	75.00%
Mizard S.r.l.	Italy	Eur	10,000	100.00%
Newpass S.p.A.	Italy	Eur	1,747,084	51.00%
Pavimental Polska Sp.zo.o.	Poland	Pln	3,000,000	71.67%
Pavimental S.p.A.	Italy	Eur	4,669,132	71.67%
Port Mobility S.p.A.	Italy	Eur	1,610,000	70.00%
Raccordo Autostradale Valle d'Aosta S.p.A.	Italy	Eur	343,805,000	24.46%
Sociedad Concesionaria de Los Lagos S.A.	Chile	Clp	37,433,282,600	99.99%
Società Autostrada Tirrenica p.A.	Italy	Eur	24,460,800	94.00%
Società Italiana p.A. per il Traforo del Monte Bianco	Italy	Eur	109,084,800	51.00%
Spea Ingegneria Europea S.p.A.	Italy	Eur	5,160,000	100.00%
Stalexport Autoroute S.àr.l.	Luxembourg	Eur	47,565,000	56.24%
Stalexport Autostrada Dolnoslaska S.A.	Poland	Pln	10,000,000	56.24%
Stalexport Autostrada Malopolska S.A.	Poland	Pln	29,553,000	56.24%
Stalexport Autostrady S.A.	Poland	Pln	494,524,046	56.24%
Stalexport Transroute Autostrada S.A.	Poland	Pln	500,000	30.93%
Strada dei Parchi S.p.A.	Italy	Eur	67,764,700	60.00%
Tangenziale di Napoli S.p.A.	Italy	Eur	108,077,490	100.00%
Telepass S.p.A.	Italy	Eur	26,000,000	100.00%
Tirreno Clear S.r.l.	Italy	Eur	10,000	100.00%
TowerCo S.p.A.	Italy	Eur	20,100,000	100.00%
Other companies				
San Giorgio S.r.l.	Italy	Eur	100,000	100.00%
Asolo Golf Club S.r.l.	Italy	Eur	312,000	100.00%
Edizione Property S.p.A.	Italy	Eur	8,780,500	100.00%
Edizione Realty Czech Sro	Czech Republic	Czk	100,000,000	100.00%
Realty Capri S.r.l.	Italy	Eur	100,000	100.00%
Maccarese S.p.A.	Italy	Eur	31,135,805	100.00%
Cia de Tierras Sud Argentino S.A.	Argentina	Ars	186,000,000	100.00%
Allevamento San Giorgio S.r.l.	Italy	Eur	50,000	100.00%
Fabril Patagonica S.A.	Argentina	Ars	23,000,000	70.00%
Edizione Alberghi S.r.l.	Italy	Eur	5,000,000	100.00%
Verde Sport S.p.A.	Italy	Eur	12,912,000	100.00%
Companies carried on a proportional basis				
Alpha Ads Limited	United Kingdom	Gbp	20,000	50.00%
Caresquick N.V.	Belgium	Eur	3,300,000	50.00%

Name	Registered office	Currency	Share capital	Percentage held
Steigenberger Gastronomie GmbH	Germany	Eur	750,000	49.00%
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%
Souk al Mouhajir S.A.	Morocco	Dhs	6,500,000	25.84%
Creuers del Port de Barcelona S.A.	Spain	Eur	7,700,000	23.00%
Eurostazioni S.p.A.	Italy	Eur	160,000,000	32.71%
Gemina S.p.A.	Italy	Eur	1,472,960,320	30.23%
Sagat S.p.A.	Italy	Eur	12,911,000	24.38%
Arcea Lazio S.p.A.	Italy	Eur	1,983,469	34.00%
Autostrade Sud America S.r.l.	Italy	Eur	100,000,000	45.76%
Bologna & Fiera Parking S.p.A.	Italy	Eur	13,000,000	32.50%
GEIE del Traforo del Monte Bianco	Italy	Eur	2,000,000	50.00%
IGLI S.p.A.	Italy	Eur	24,120,000	33.33%
Pedemontana Veneta S.p.A.	Italy	Eur	6,000,000	28.00%
Società Infrastrutture Toscane S.p.A.	Italy	Eur	30,000,000	46.60%
Tangenziali Esterne di Milano S.p.A.	Italy	Eur	27,929,991	32.00%
Autostrade for Russia GmbH	Austria	Eur	60,000	51.00%
Pune Solapur Expressways Pvt Ltd.	India	Inr	100,000,000	50.00%
Triangulo do Sol Autoestradas S.A.	Brazil	Brl	61,000,000	50.00%
Subsidiaries and associated carried on at cost or fair value				
Anton Industries Macedonia Llc (recently incorporated)	Republic of Macedonia	Eur	10,000	54.50%
Benetton Beograd D.o.o.	Serbia	Eur	500	100.00%
Benetton de Commerce International Tunisie S.àr.l. (recently incorporated)	Tunisia	Tnd	150,000	100.00%
Benetton Industrielle Tunisie S.àr.l. (recently incorporated)	Tunisia	Tnd	2,000,000	100.00%
Benetton Real Estate Azerbaijan Llc	Azerbaijan	Usd	130,000	100.00%
Benetton Real Estate Csh S.r.l. (non operating)	Moldova	Mld	30,000	100.00%
Benetton Realty Netherlands N.V. (in liquidation)	The Netherlands	Eur	45,000	100.00%
Bensec S.c.ar.l.	Italy	Eur	110,000	78.00%
Pavimental Est S.p.A.	Russia	Rub	4,200,000	100.00%
Petrostal S.A. (in liquidation)	Poland	Pln	2,050,500	100.00%
Stalexport Wielkopolska Sp.zo.o. (in liquidation)	Poland	Pln	8,080,475	97.96%
Benetton Rugby Treviso S.r.l.	Italy	Eur	52,000	100.00%
Pallacanestro Treviso S.p.A.	Italy	Eur	2,510,000	100.00%
Schematrentatrè S.r.l.	Italy	Eur	15,000	100.00%
Schematrentasei S.r.l.	Italy	Eur	15,000	100.00%
Volley Treviso Società Sportiva Dilettantistica p.A.	Italy	Eur	1,000,000	100.00%

REPORT OF THE INDEPENDENT AUDITORS

REPORT OF THE INDEPENDENT AUDITORS

KPMG S.p.A.
Revisione e organizzazione contabile
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(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 2010, 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 and the Italian regulations implementing article 9 of Legislative decree no. 38/05. 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 and the statement of financial position as at 1 January 2009 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 and statement of financial position as at 1 January 2009, which derives from the consolidated financial statements at 31 December 2008. We audited the 2009 and 2008 consolidated financial statements and issued our reports thereon on 31 May 2010 and 5 June 2009, respectively. 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 2010.

3 In our opinion, the consolidated financial statements of the Edizione Group as at and for the year ended 31 December 2010 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true

and fair view of the financial position of the Edizione Group as at 31 December 2010, 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 they refer, 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 2010.

Treviso, 10 June 2011

KPMG S.p.A.

(signed on the original)

Alessandro Ragghianti
Director of Audit

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