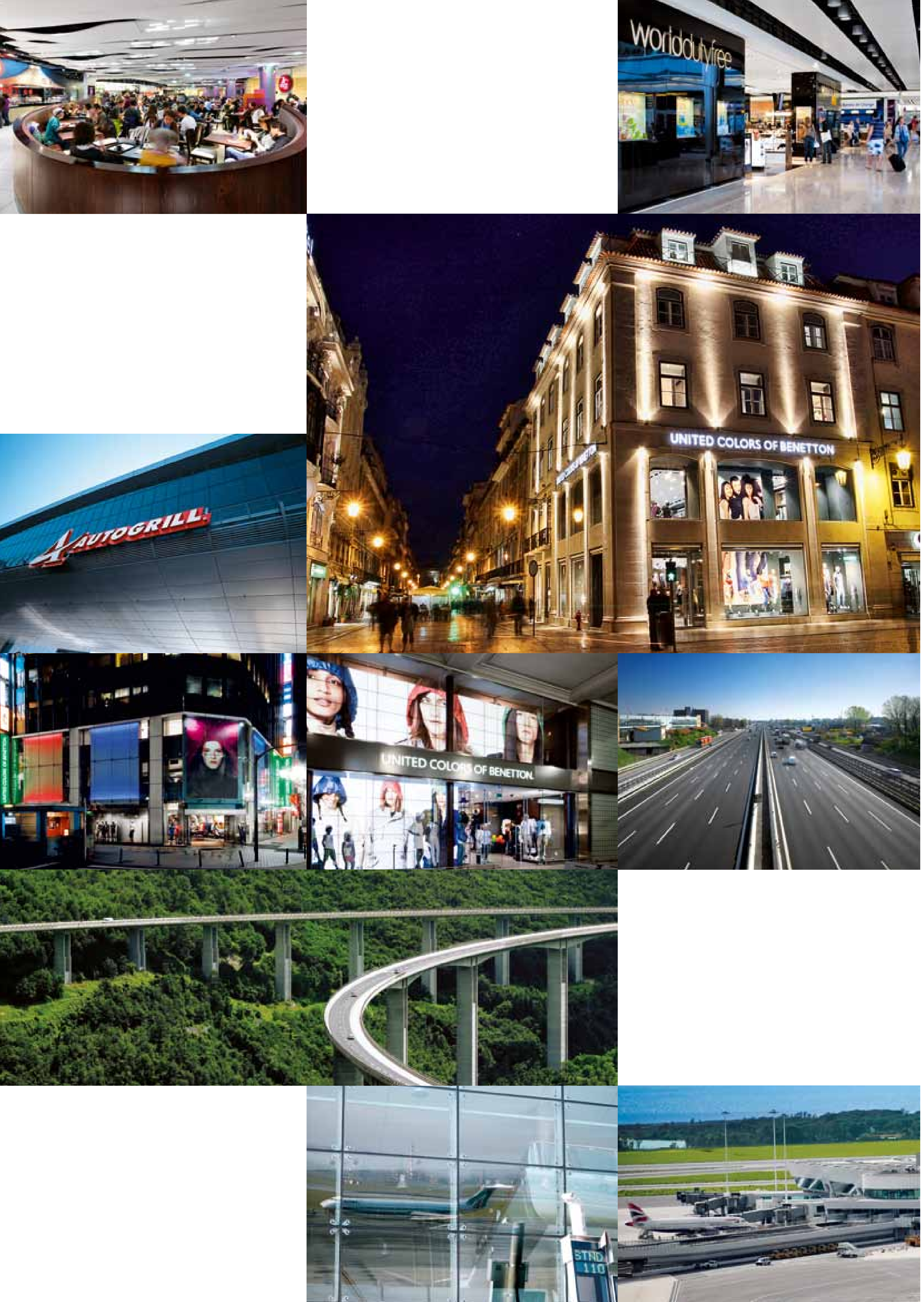


EDIZIONE

2009 Annual Report

EDIZIONE

2009 Annual Report

EDIZIONE

Annual Report at December 31, 2009

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

ANNUAL REPORT AT DECEMBER 31, 2009

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, 2009 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.

Until December 31, 2008, the Parent Company operated through two holding companies:

(i) Edizione Holding S.p.A., which headed operations in the traditional retail sectors (Benetton group and Autogrill) and in the Group's businesses in real estate and agriculture, as well as portfolio investments; and

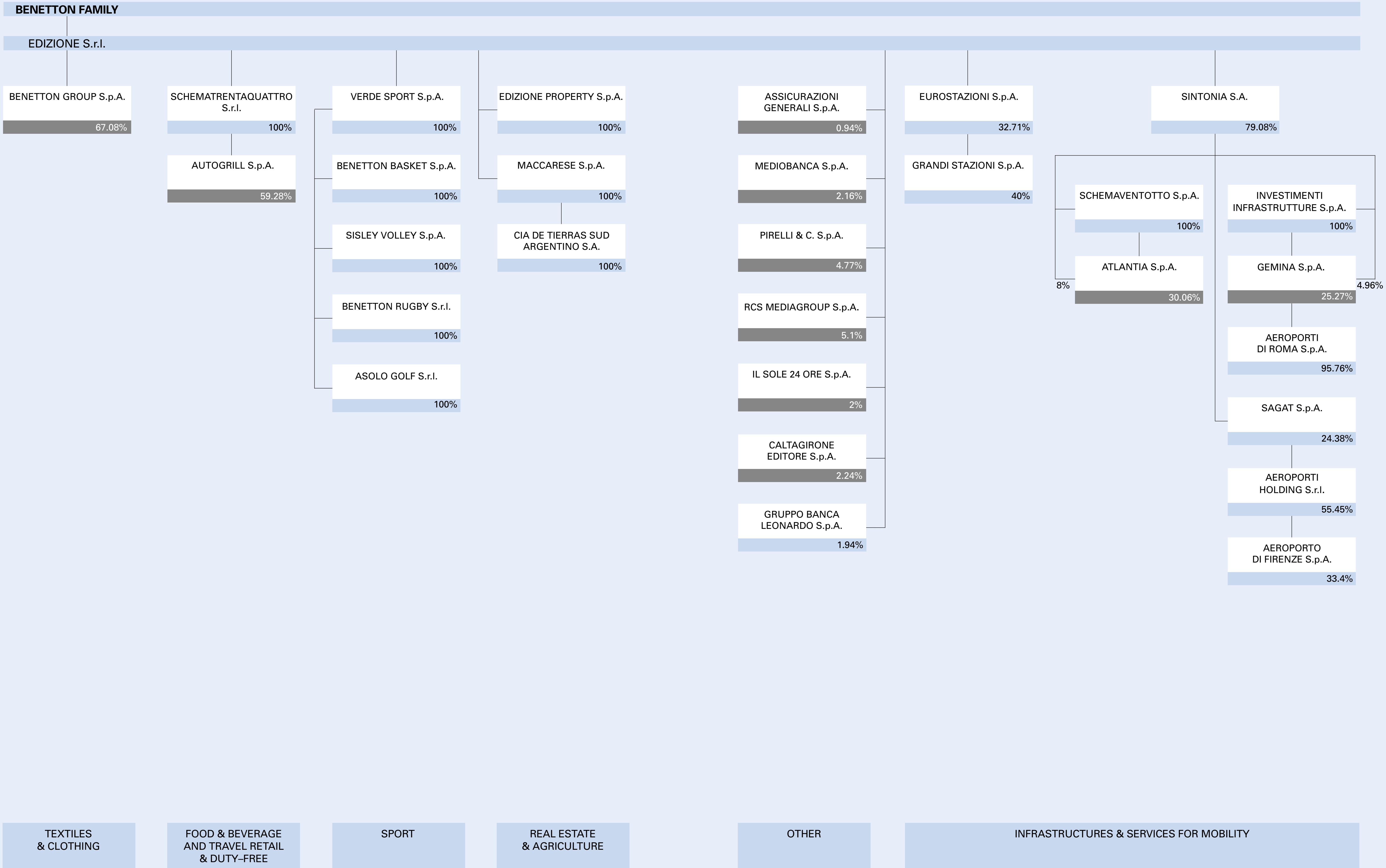
(ii) Sintonia S.p.A., which directly and indirectly held the Group's investments in Atlantia S.p.A., Telco S.p.A., Investimenti Infrastrutture S.p.A., Gemina S.p.A., Eurostazioni S.p.A. and Sagat S.p.A.

Effective January 1, 2009, Edizione Holding S.p.A. and Sintonia S.p.A. were merged into the Parent Company which changed its name and legal status to Edizione S.r.l.

INVESTMENT PHILOSOPHY

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

The Group's simplified structure is shown below:



Listed companies

FINANCIAL HIGHLIGHTS

The Group's results in 2009 and 2008, audited by KPMG S.p.A., are stated according to the IFRS in force at the reporting date and are summarized as follows:

(Millions of Euro)	2009	2008
Revenues	**11,262**	**11,308**
Ebitda	3,176	3,123
Operating profit	2,133	2,171
Net income, Group	**104**	**196**
Net working capital	(263)	(515)
Property, plant and equipment and intangible assets	20,894	20,150
Non–current financial assets	1,907	2,021
Net deferred assets/(liabilities)	187	361
Total non–current assets	22,988	22,532
Net capital employed	**22,725**	**22,017**
– Shareholders' equity attributable to the Parent Company	4,168	4,089
– Minority interests	4,158	3,831
Shareholders' equity	**8,326**	**7,920**
Net indebtedness	**14,399**	**14,097**
Operating result/Revenues (ROS)	18.9%	19.2%
Operating result/Capital employed (ROI)	9.4%	9.9%
Net indebtedness/Shareholders' equity – Gearing	1.73	1.78

Revenues were stable in 2009 and operating margins held up as well, thanks to the Group's efforts to increase the efficiency of procedures and organizational structures.

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

DIRECTORS' REPORT

Dear Shareholders,

The Group's share of net income in 2009 comes to Euro 104 million, down from Euro 196 million in 2008, due mainly to some non-recurring impairment losses that will be analyzed further in this report.
Consolidated revenues amount to Euro 11,262 million, in line with the Euro 11,308 million reported the previous year. Operating margins were also stable.

At December 31, 2009 the shareholders' equity stood at Euro 8,326 million and net financial indebtedness at Euro 14,399 million, a slight increase on the previous year's Euro 14,097 million, despite the significant investments mainly in the infrastructure sector.

MAIN EVENTS IN 2009

The main events are described briefly below:

BENETTON GROUP

» On January 20, 2009, Bencom S.r.l. took over 100% of My Market S.r.l. and Benver S.r.l., which manage 45 stores for the sale of Benetton group merchandise, located mainly in Tuscany and Liguria.
» On March 20, 2009, Limei International Ltd. sold its 50% interest in Benlim Ltd. (585,000 shares) to Benetton Asia Pacific Ltd., which now owns 100% of Benlim Ltd. This transaction is part of a broader plan to redefine relations with the group's Chinese partner, which still acts as supplier for Benetton Asia Pacific.
» On April 24, 2009, Benetton Real Estate International S.A. acquired 100% of Hotel Union L.L.C, based in Pristina (Kosovo), which owns a commercial property.

AUTOGRILL

In 2009 Autogrill renewed expiring contracts and won new ones of significant size and strategic merit. Specific achievements in the Food & beverage segment were as follows:
» build–up in North America. This included a five–year renewal of the catering services agreement at Charlotte Douglas International Airport in North Carolina, with total projected revenues of more than Usd 500 million from June 2009 to June 2015, and an extension of the contract at Chicago O'Hare, which is expected to gross Usd 215 million from June 2009 through June 2012;
» a more visible profile along the German motorway network through an agreement with Tank & Rast for the management of 16 Food & beverage locations;
» in Poland, through the newly formed Autogrill Polska Sp.zo.o. (51% Autogrill, 49% Impel group), acquisition of four Food & beverage units and an agreement to buy another seven along the country's major roadways;
» a stronger and more diversified presence in the Czech Republic through the opening of the first seven Food & beverage locations at the Prague railway station;
» in France, completion of the food court renovation at Carrousel du Louvre and an exclusive new partnership with McDonald's, which will open restaurants at motorway rest stops operated by Autogrill.

In the Travel retail & duty–free segment, the group:
» reinforced its presence in the United Kingdom with a new seven–year contract to manage Travel retail & duty–free operations at Bristol International Airport, with projected total revenue of Gbp 135 million over the life of the contract;
» launched operations at the new T1 terminal at Barcelona Airport in Spain.

Finally, in the Flight segment, the group:
» obtained a 10–year renewal of the on–board catering contract with British Airways, its largest source of business in the United Kingdom;
» obtained a 10–year renewal of the contract with Royal Jordanian for the exclusive supply of on–board catering services for all flights leaving from airports in Jordan;
» set up a joint venture with Journey group for the supply of on–board catering services at London Heathrow airport, with estimated sales exceeding Gbp 70 million per year.

SCHEMAVENTOTTO – ATLANTIA

- On January 28, 2009, Decree Law no. 185/2008 was converted into Law no. 2/2009. Article 3 of the decree suspended toll increases on Italian motorways until May 1, 2009, and required the government to make a series of regulatory interventions aimed at simplifying and accelerating investment plans.
- On February 17, 2009, the 50–50 consortium formed by Atlantia and Navinya Buildcon Private Limited (NBPL) – a wholly–owned subsidiary of the Tata group – won the concession for a 110 km section of motorway between Pune and Solapur in the Indian state of Maharashtra.
- On May 6, 2009 Atlantia issued a Euro 1.5 billion bond with a term to maturity of seven years. The bonds pay a fixed–rate annual coupon with an effective yield to maturity of 5.637%, or 260 basis points higher than the benchmark (mid–swap) rate.
- On June 26, 2009 Autostrade per l'Italia finalized the purchase of the equity investments covered by the agreements of December 1, 2008 and March 31, 2009 with Citi Infrastructure Partners and Sacyr Vallehermoso. A total price of Euro 434 million was paid for the acquisition of interests in several motorway concession holders in Chile, Brazil and Portugal. The Chilean investments have been grouped under the subholding company Autostrade per il Cile. Once clearance was obtained from the European Commission, on June 30, 2009, S.I.A.S. – Società Iniziative Autostradali e Servizi S.p.A. (SIAS) increased the share capital of Autostrade per il Cile (including share premiums) and raised its interest in the company to 50%.
- On June 11, 2009 Autostrade per l'Italia S.p.A., Immobiliare Lombarda S.p.A. and Argo Finanziaria S.p.A. agreed on a one–year renewal of the shareholders' agreement concerning their interests in IGLI S.p.A., which owns 29.96% of Impregilo S.p.A. (listed on the Italian Stock Exchange). The terms of the agreement are essentially unchanged.
- In 2009 the new Single Concession Agreements were signed by the Italian concession holders controlled by Autostrade per l'Italia (except for Traforo del Monte Bianco, which operates under a different concession regime, and Autostrade per l'Italia itself, whose Single Concession Agreement took effect in 2008). Article 2(202) of Law no. 191 of December 23, 2009 (Italy's Finance Act for 2010), in amending Article 8–*duodecies* of Decree Law no. 59/2008, approved all the concession agreements with ANAS signed by motorway concession holders at 31 December 2009 "on condition that the above agreements comply with the provision contained in the CIPE resolutions approving the agreements, in order to ensure that there is no change in impact on the public finances, without prejudice to the concession agreements already approved". The above mentioned Single Concession Agreements will be applied once the relevant procedure (still in progress at December 31, 2009 for any company controlled by Autostrade per l'Italia) oriented to the acknowledgement of CIPE requirements will be concluded.

THE PARENT COMPANY AND HOLDING COMPANIES

- In early 2009, Mediobanca S.p.A. paid in a further Euro 166 million to Sintonia S.A., increasing its interest to 6.49%. Edizione's controlling share in Sintonia is now to 79.08%. Mediobanca has remaining commitments of Euro 25 million and Elmbridge of Euro 850 million.
- In May 2009, as part of the capital increase and issue of a mandatory convertible bond by Club Méditerranée for the purpose of strengthening its capital structure, Edizione S.r.l. purchased no. 2,301,006 options in the open market that, once exercised, gave it no. 708,001 Club Med convertible bonds. From June 8, 2009 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. Post–conversion, Edizione will have a fully diluted interest of about 2.2% in Club Méditerranée. The total cost of the investment is Euro 6.15 million.
- On December 22, 2009 Sintonia S.A. divested from Telco S.p.A. by way of an operation involving: (i) Sintonia's cash purchase of its portion of the Telecom Italia shares held by Telco (275.1 million ordinary shares, or 2.06%) for Euro 605 million; and (ii) Telco's buy–back of Sintonia's 8.39% interest in its share capital. In early 2010, Sintonia S.A. sold its full stake in Telecom Italia on the open market.
- At the end of 2009, Edizione S.r.l. sold its direct interest in Telecom Italia (0.22%) for Euro 32.8 million. As of this writing, therefore, the Edizione Group no longer has an interest in the Telecom Italia group.

ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's key results in 2009 and 2008 are as follows:

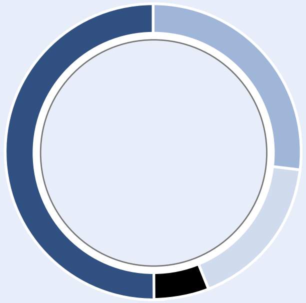
(Millions of Euro)	2009	%	2008	%
Revenues	**11,262**	**100.0**	**11,308**	**100.0**
Materials and subcontracted work	(3,294)	(29.3)	(3,382)	(29.9)
Payroll costs	(2,321)	(20.6)	(2,343)	(20.7)
Other costs and general expenses, net	(2,471)	(21.9)	(2,460)	(21.8)
Ebitda	**3,176**	**28.2**	**3,123**	**27.6**
Depreciation, amortization, provisions and impairment	(1,043)	(9.3)	(952)	(8.4)
Operating result	**2,133**	**18.9**	**2,171**	**19.2**
Net financial charges	(673)	(6.0)	(709)	(6.3)
Income/(Losses) from equity investments	(278)	(2.4)	(131)	(1.2)
Income/(Charges) from currency hedges and exchange differences	(3)	–	(8)	(0.1)
Income before taxes and minority interests	**1,179**	**10.5**	**1,323**	**11.7**
Income taxes	(620)	(5.5)	(544)	(4.8)
Minority interests	(455)	(4.1)	(583)	(5.2)
Net income, Group	**104**	**0.9**	**196**	**1.7**
Net income, Group/Shareholders' equity (ROE)	4.8%		4.8%	
Operating result/Capital employed (ROI)	9.4%		9.9%	
Cash flow (*)	1,602		1,731	

(*) Net income before minority interests plus Depreciation, amortization, provisions and impairment.

Revenues

Consolidated revenues decreased by Euro 46 million (–0.4%), despite the full–year contribution of the companies acquired by the Autogrill group in 2008. On a like–for–like basis, revenues dropped by 2.9%.

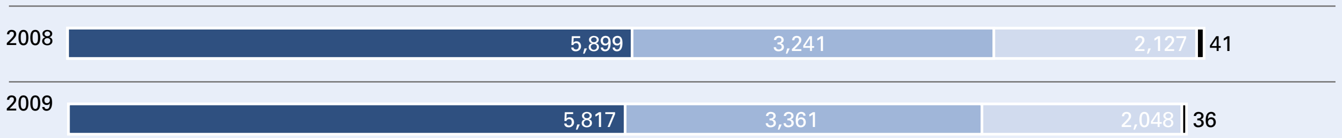
Revenues by geographical area:



50.6% Italy
27.4% Europe (excluded Italy)
16.8% Americas
5.2% Rest of the World

Revenues by business segment (net of intercompany sales):

(Millions of Euro)



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

Operating margins

The significant efforts made by Group companies to increase the efficiency of procedures and organizational structures led to an increase in Ebitda, which rose from Euro 3,123 million to Euro 3,176 million.
The slight drop in the operating profit, which fell from Euro 2,172 million to Euro 2,133 million, is due entirely to the higher incidence of depreciation, amortization and impairment losses.

See below for a detailed description of performance by the three main business segments.

Income/(Losses) from equity investments

In 2009 there were net losses from equity investments of Euro 278 million, compared with net losses of Euro 131 million the previous year.
The main factor in 2009 was the impairment loss of Euro 303 million on the investment in Telecom Italia S.p.A. Sintonia S.A.'s way out from Telco S.p.A. resulted in Sintonia's purchase of its portion of the Telecom Italia shares held by Telco, for Euro 605 million. In early 2010, Sintonia S.A. sold these Telecom Italia shares on the open market for Euro 302 million. The difference of Euro 303 million was fully recognized in the 2009 income statements.

Income taxes

Taxes for the year came to Euro 620 million, a substantial increase on the previous year (+14%), affecting all Group's main sectors.

Net income, Group

The Group's share of net income for the year comes to Euro 104 million and was penalized by the impairment loss on the Telecom Italia investment.

The table below shows a comparison with 2008, including on a normalized basis:

(Millions of Euro)	2009	% on revenues	2008	% on revenues
Net income, Group	104	0.92%	196	1.73%
Elimination of:				
– impairment on equity investments	241		641	
– capital gain on disposal of 7% interest of Sintonia S.A.	–		(187)	
– diluition gain on Sintonia S.A. (1)	(56)		(273)	
Net income normalized basis, Group	289	2.57%	377	3.33%

(1) New shareholders of Sintonia S.A. paid in a reserved capital increase with a premium. Consequently, Edizione S.r.l.'s interest in Sintonia S.A. was diluted but it benefited from its share of the premium paid.

Financial situation

The Group's main financial figures at December 31, 2009 and 2008, duly restated, are as follows:

(Millions of Euro)	12.31.2009	%	12.31.2008	%
Net working capital:				
– inventories	621	2.7	698	3.2
– receivables, accrued income and prepaid expenses	2,498	11.0	2,112	9.6
– payable, accrued expenses and prepaid income	(3,382)	(14.9)	(3,325)	(15.1)
Total net working capital	**(263)**	**(1.2)**	**(515)**	**(2.3)**
Non–current assets:				
– intangible assets	8,606	37.9	8,620	39.2
– property, plant and quipment	12,288	54.1	11,530	52.4
– non–current financial assets	1,907	8.4	2,021	9.2
– net deferred assets/(liabilities)	187	0.8	361	1.6
Total non–current assets	**22,988**	**101.2**	**22,532**	**102.3**
Net capital employed:	**22,725**	**100.0**	**22,017**	**100.0**
– shareholders' equity, Group	4,168	18.3	4,089	18.6
– minority interests	4,158	18.3	3,831	17.4
Total shareholders' equity	8,326	36.6	7,920	36.0
Net indebtedness	14,399	63.4	14,097	64.0
Source of fund	**22,725**	**100.0**	**22,017**	**100.0**

The increase in receivables, accrued income and prepaid expenses is due almost entirely to the Euro 303 million investment in Telecom Italia, insofar as it is an asset held for sale. Net this item, net working capital shows an improvement, thanks especially to inventory management.
The increase in net capital employed reflects the Group's significant investments (more than Euro 1.3 billion), plus the acquisition of holdings from the Itinere group, which produced additional debt of Euro 370 million.
Since cash generation was also high, net indebtedness was basically unchanged at the end of 2009, and increased only because of the divesting from Telco: this involved a net disbursement of Euro 312 million on December 22, 2009, which was offset in early 2010 with the sale of Telecom Italia shares on the open market which generated proceeds for Euro 302 million.

Financial indebtedness is broken down below:

(Millions of Euro)	12.31.2009	12.31.2008
Edizione S.r.l. (*)	(347)	(361)
Benetton Group	(556)	(689)
Autogrill group	(1,935)	(2,167)
Other companies	(22)	(19)
Total retail sector	**(2,860)**	**(3,236)**
Sintonia S.A.	(1,177)	(978)
Atlantia group	(10,372)	(9,754)
Other companies	10	(129)
Total infrastructure sector	**(11,539)**	**(10,861)**
Consolidated net indebtedness	(14,399)	(14,097)
Proceeds from the sale of Telecom Italia shares	302	–
Edizione consolidated adjusted net indebtedness	**(14,097)**	**(14,097)**

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

OTHER INFORMATION

Neither the Parent Company nor its subsidiaries, at the balance 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

No significant events have occurred since the close of the year.

AUTOGRILL GROUP

» Development activities have moved forward in 2010, especially at American airports. The group has renewed its Food & beverage concession at Anchorage International Airport in Alaska and signed a new contract for Food & beverage and retail operations at San Antonio International Airport in Texas.
» On March 9, 2010 Autogrill S.p.A. signed an agreement with Esso Italiana to take over a network of locations currently managed by companies in the Esso group. The agreement will cover about 80 service station, which will remain the property of Esso, operating under the Esso brand for sales of oil and gas and under the Autogrill brand for Food & beverage and retail sales.
» On March 22, 2010 Autogrill S.p.A. won concession contracts for four motorway rest areas that it already operates and for one new area along the A19 motorway (Palermo–Catania).
» On March 25, 2010 the Autogrill group enhanced its profile at Zurich Airport in Switzerland, where it has been the top provider of Food & beverage services since 2000, by renewing its contract for the management of 18 Food & beverage locations until 2018 (two years ahead of schedule). The group is therefore more active than ever in European airports, serving 49 of them in 13 countries: Spain, France, Austria, Switzerland, Italy, Belgium, Holland, Denmark, Sweden, Germany, Greece, the United Kingdom and Ireland.
» On April 7, 2010 through its North American division HMSHost, the Autogrill group renewed its contract with the Ontario Ministry of Transportation for the development and management of 23 rest areas along Canada's two busiest motorways: Highway 400 and Highway 401. Reaching full capacity in 2013, the rest areas will gross an estimated Cad 100 million per year. The agreement was signed by Host Kilmer Service Centres Inc. (HKSC), a joint venture set up by HMSHost and Kilmer Van Nostrand Co. Limited, a Canadian company mostly active in the sectors of infrastructure, private equity, sports and entertainment.

ATLANTIA GROUP

» On February 26, 2010, the wholly–owned subsidiary Autostrade Portugal S.A. sold to Lena SGPS and to Lena Engenharia e Costruções S.A. its 25% interest in Autoestradas do Oeste S.A. for Euro 26.1 million.
» On May 4, 2010 Autostrade Portugal S.A. sold to Tecnovia Madeira – Sociedade de Empreitadas S.A., Zagope SGPS S.A., and AFA SGPS S.A. its 12% interest in Vialitoral – Concessoes Rodoviarias da Madeira S.A. for Euro 7.45 million.
» The group has nearly finished the authorization process needed to complete the sale of some minority investments to the Sacyr Vallehermoso group for a total of Euro 8.5 million, which were already part of specific disposal agreements.

OTHER COMPANIES

» 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. (a wholly–owned subsidiary of UniCredit) by giving them Gemina shares in proportion to each one's interest in Investimenti Infrastrutture. Lauro Dieci S.p.A. was therefore assigned no. 40,200,091 ordinary shares of Gemina (2.736%), while no. 19,748,568 shares (1.344%) went to UniCredit Partecipazioni S.r.l., leaving Investimenti Infrastrutture with a 25.270% interest in Gemina.
» On March 26, 2010, Investimenti Infrastrutture and the other participants in the Gemina shareholders' agreement renewed their agreement for another three years. It also includes Changi Airport International, an important airport sector operator, which holds a 5% share of Gemina and has become an industrial Partner of Aeroporti di Roma, in an effort to bring Rome's airport in line with the best international hubs, thanks to Changi's airport management expertise.

OUTLOOK FOR 2010

TEXTILES & CLOTHING

The macroeconomy is still being influenced in 2010 by the general uncertainty in the global economy which is becoming progressively more settled. However, there are still strong signs of instability in the group's most important markets, particularly in Europe. In this context, Sprig/Summer orders are closing as predicted, slightly lower than in the previous year, while expectations for the Fall/Winter collection are more optimistic thanks to forecasts for a modest recovery in consumption. Thanks to decisive action in the prior year and further plans to reduce costs, the group confirms that full–year operating profit is expected to be generally stable as a percentage of revenues relative to 2009. Higher interest rates on the new loans will weight negatively on the second half of the year, while the tax charge will stay at its level in 2009.

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

In the first 17 weeks of the year, revenues grew by 1.7% at constant exchange rates (+2.5% like–for–like) with respect to the same period in 2009. In 2010 Autogrill will continue to focus on profitability, the efficient use of resources and cash generation in a context of improving yet still highly volatile traffic.

INFRASTRUCTURES & SERVICES FOR MOBILITY

Despite uncertainty regarding the macroeconomic environment, figures for traffic on the network operated by the group's concessionaires during the first months of 2010, toll charge increases and the development of related activities lead to expect an improvement in the group's operating performance in 2010 with respect to the previous year. The results will also benefit from the line–by–line consolidation of the companies acquired in 2009 over the full year.

PERFORMANCE BY BUSINESS SEGMENT

At December 31, 2009 the Group operated in the following business segments:

- Textiles & clothing;
- Food & beverage and Travel retail & duty–free;
- Infrastructures & 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 2009 and 2008 results 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 commented below have been drawn from the financial statements prepared according to local GAAP.

TEXTILES & CLOTHING

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

The main consolidated economic and financial highlights in 2009 and 2008 are as follows:

(Millions of Euro)	2009	%	2008	%
Revenues	**2,049**	**100.0**	**2,128**	**100.0**
Cost of sales	(1,106)	(54.0)	(1,146)	(53.9)
Gross operating profit	**943**	**46.0**	**982**	**46.1**
Sales and general expenses	(737)	(36.0)	(728)	(34.2)
Operating result	**206**	**10.1**	**254**	**11.9**
Net financial charges	(18)	(0.9)	(41)	(1.9)
Net foreign currency hedging gains/(Losses) and exchange differences	(3)	(0.1)	(1)	–
Income before taxes and minority interests	**186**	**9.1**	**212**	**10.0**
Income taxes	(68)	(3.3)	(56)	(2.7)
Profit from discontinued operations	–	–	1	0.1
Minority interests	4	0.2	(2)	(0.1)
Net income, group	**122**	**5.9**	**155**	**7.3**

Net income, group/Shareholders' equity (ROE)	8.47%	11.30%
Operating result/Capital employed (ROI)	10.23%	12.20%
Capital employed	2,012	2,081
Net indebtedness	556	689
Shareholders' equity	1,456	1,392
Net indebtedness/Shareholders' equity	0.38	0.49

Revenues

Net revenues in 2009 came to Euro 2,049 million, compared with Euro 2,128 million the previous year. The decrease (–3.7%) is partly explained by:

- a different contribution from the collection mix, reflecting prudent consumer spending in the market as a whole;
- the unfavourable trend in emerging country currencies aganist the Euro's exchange rate (Euro 15 million), in particular the Korean won, the Turkish lira, the Russian ruble and the Indian rupee;
- the net positive balance from the opening of directly operated stores.

Revenues by geographical area are as follows:

(Millions of Euro)	2009	%	2008	%	Change
Italy	974	47.5	1,016	47.7	(42)
Rest of Europe	704	34.4	742	34.9	(38)
Americas	70	3.4	66	3.1	4
Asia	286	14.0	290	13.6	(4)
Rest of the World	15	0.7	14	0.7	1
Total	**2,049**	**100.0**	**2,128**	**100.0**	**(79)**

Operating margins

The gross operating profit came to Euro 943 million, or 46% of revenues, and is largely in line with 2008. After adjusting for exchange losses of Euro 26 million, the gross operating profit would amount to 46.9% of sales.

The Euro 23 million improvement in net financial charges is due mainly to the decrease in interest rates, which was partially offset by higher average indebtedness during the year.
Net foreign currency hedging losses and exchange differences increased as a result of the group's hedging transactions against purchases in US dollars.

Cash flow and investments

Cash flow from operating activities amounted to Euro 296 million for the year, compared with Euro 160 million in 2008. The increase is due primarily to the cash flow generated by changes in working capital, which came to Euro 54 million (versus Euro 115 million absorbed in the previous year), thanks mainly to the reduction in inventories as a result of measures regarding production sources and the supply chain.

Taxes paid amounted to Euro 84 million (Euro 52 million in 2008).

Cash flow used by investing activities totaled Euro 113 million (Euro 209 million the previous year), due to a stronger focus on investments.

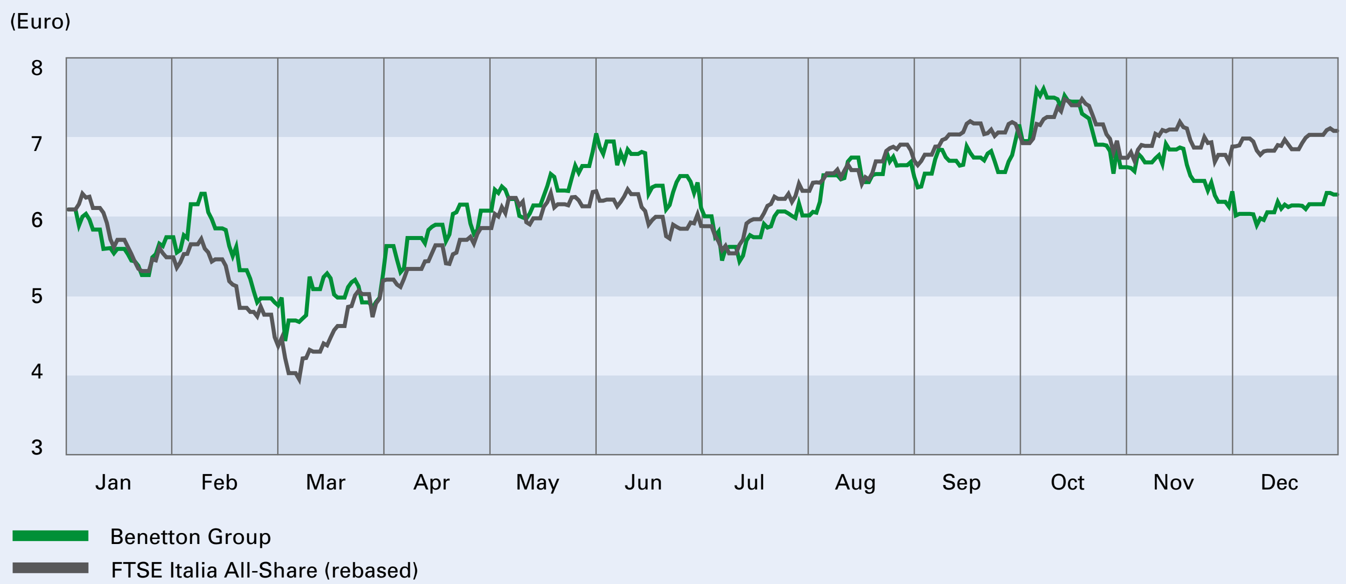
During the year, dividends were paid in the amount of Euro 50 million and treasury shares were purchased for Euro 3 million.

Performance of Benetton shares

In 2009, ordinary Benetton shares were traded principally on the Borsa Italiana S.p.A.; Benetton also lists and trades its American depositary receipts (ADRs) through the international OTCQX system, which gives U.S. investors constant access to the latest news and most recent information on the group.
Stock market capitalization at December 31, 2009 was Euro 1,075 million.
The average trading volume was around 280,000 shares per day.

Share and market data	2009	2008
Earnings per share (in Euro)	0.71	0.86
Equity per share (in Euro)	8.34	7.92
Dividend per share (in Euro)	0.23	0.28
Pay out ratio (%)	32.4	32.6
Dividend yield	3.7	4.6
Price on December, 31 (in Euro)	6.24	6.12
High (in Euro)	7.56	11.88
Low (in Euro)	4.42	5.05
Price per share/Earnings per share	8.79	7.09
Price per share/Equity per share	0.75	0.77
Market capitalization (millions of Euro)	1,075	1,097
No. shares outstanding	182,679,012	182,679,012

Benetton Group share performance in 2009



FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

Autogrill S.p.A. (controlling interest: 59.28%)

Autogrill has opted for early adoption of IFRS 3 Revised, which allows a more complete representation of the intangibles, especially contractual rights, acquired through business combinations.

The new standard has been applied to business combinations carried out in 2008 and 2009 and has entailed a fresh measurement of the main asset acquired with the 2008 business combinations (contractual rights) in order to incorporate the value arising from retention capacity.
Comparative figures for 2008 have been adjusted accordingly with respect to those originally published by the company. Since the Group as a whole has not opted for the early adoption of IFRS 3 Revised, Autogrill figures have been harmonized for use in Edizione's consolidated financial statements.

It should also be noted that 2009 benefited from the full–year contribution of the companies acquired in 2008.

Key figures for the Autogrill group in 2009 and 2008 are shown below:

(Millions of Euro)	2009	%	2008	%
Revenues	**5,728**	**100.0**	**5,795**	**100.0**
Other operating income	151	2.6	128	2.2
Total revenues and income	**5,879**	**102.6**	**5,923**	**102.2**
Cost of raw materials and goods	(2,139)	(37.3)	(2,203)	(38.0)
Rents, concessions and royalties	(1,084)	(18.9)	(1,007)	(17.4)
Payroll costs	(1,455)	(25.4)	(1,487)	(25.7)
Other operating costs	(595)	(10.4)	(640)	(11.0)
Ebitda	**606**	**10.6**	**586**	**10.1**
Depreciation, amortization and impairments	(355)	(6.2)	(304)	(5.2)
Ebit	**251**	**4.4**	**282**	**4.9**
Net financial charges and financial asset value adjustment	(95)	(1.7)	(121)	(2.1)
Income before taxes and minority interests	**156**	**2.7**	**162**	**2.8**
Income taxes	(105)	(1.8)	(58)	(1.0)
Minority interests	(14)	(0.3)	(20)	(0.3)
Net income, group	**37**	**0.6**	**84**	**1.4**

Net income, group/Shareholders' equity (ROE)	7.2%		18.3%	
Ebit/Capital employed (ROI)	10.0%		10.5%	
Capital employed	2,498		2,681	
Net indebtedness	1,935		2,168	
Shareholders' equity	563		513	
Net indebtedness/Shareholders' equity	3.44		4.23	

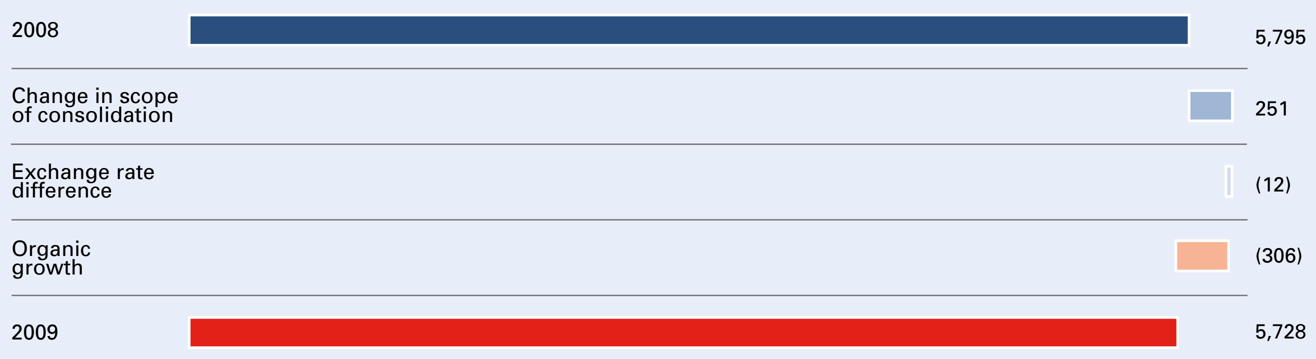
Revenues

Autogrill closed the year with consolidated revenues of Euro 5,728 million, essentially stable (–1.1%) with respect to the previous year's Euro 5,795 million.
On a like–for–like basis, revenues declined by a more relevant 5.1%.

Results in 2009 were better than the objectives set thanks to the efforts to boost efficiency, defend profitability and maximize the generation of cash.
Indeed, traffic volumes were down for most of the year, especially in the airport channel, while the decline in motorway traffic was more modest and limited chiefly to heavy vehicles. Signs of recovery did not appear until late in the year.

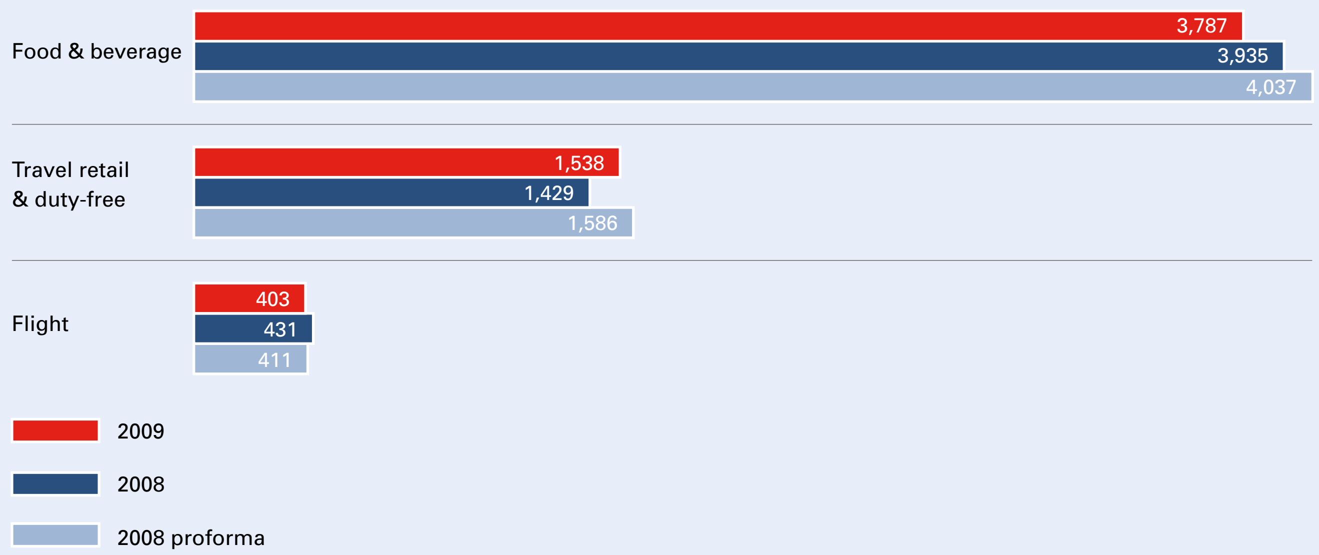
Diversification made it possible to limit the impact of the individual channels, sectors and countries.

Change in revenues (Millions of Euro)



Revenues by operating segment are as follows:

(Millions of Euro)

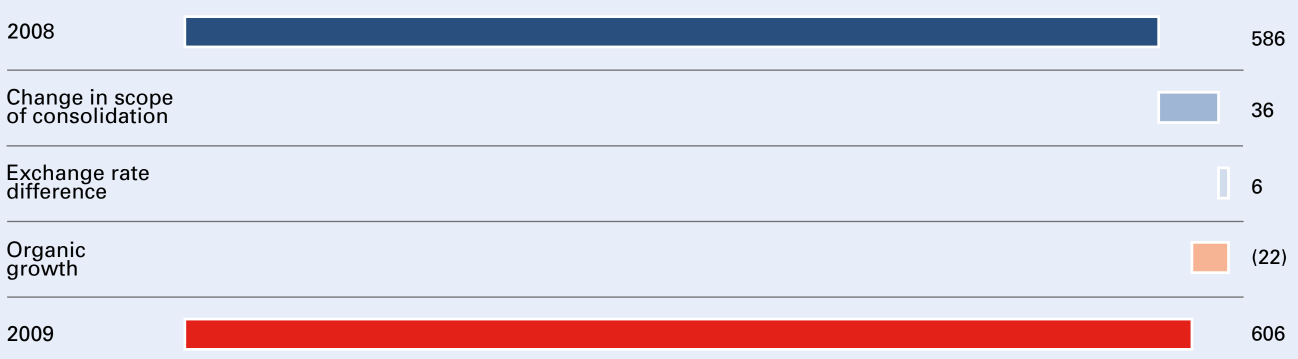


In the Food & beverage segment, sales were more heavily affected by the decline in traffic.
In Travel retail & duty–free, commercial initiatives at British airports offset the decrease in traffic and drove revenue growth.
In the Flight segment, the growth of international operations offset the decrease in sales in the United Kingdom, due in part to the bankruptcy of some airlines and a reduction in flights in 2009.

Operating margins

In 2009 Autogrill reported consolidated Ebitda of Euro 606 million, up from Euro 586 million the previous year (+3.4%). On a like–for–like basis, Ebitda decreased by 3.4%.
The efficiency measures launched in the second half of 2008, the synergies achieved through the integration of businesses acquired in the Travel retail & duty–free segment, and the stabilization of prices for the main food raw materials, made up for much of the drop in traffic and higher rent. As a result, Ebitda rose from 10.1% of sales in 2008 to 10.6% in 2009 (10.4% on a like–for–like basis).

Change in Ebitda (Millions of Euro)



Ebit, at Euro 251 million (Euro 282 million in 2008), decreased by 11.1% (–15.7% on a pro–forma basis). That trend reflects an increase in amortization and depreciation due to the investment plan launched after the growth of the contract portfolio and the acquisitions in 2008. More specifically, it factors in Euro 75 million for the amortization of intangible assets to which part of the price paid for the acquisition of Aldeasa and World Duty Free Europe (WDFE) was allocated (Euro 55 million in 2008).

Net financial charges improved thanks to a reduction in debt and in interest rates, while the increase in taxes, from Euro 58 million to Euro 105 million, reflects the concentration of taxable income in high–tax countries and the effect of measuring the recoverability of tax losses generated in other countries where the group operates.

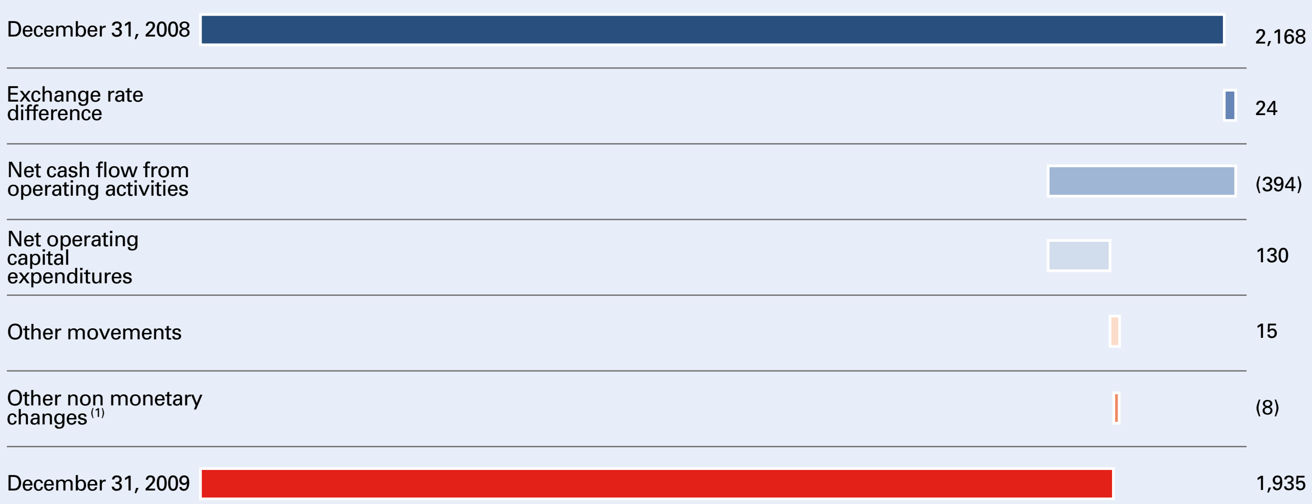
Net income

The group's share of net income, which reflects the early adoption of IFRS 3 Revised, came to Euro 37 million compared with Euro 84 million in 2008.

Financial position

The generation of Euro 264 million in cash in 2009 (+150% on the previous year) allowed the group to reduce its net indebtedness by a significant Euro 233 million.

Change in net indebtedness (Millions of Euro)



(1) Including fair value changes in derivatives.

Investments

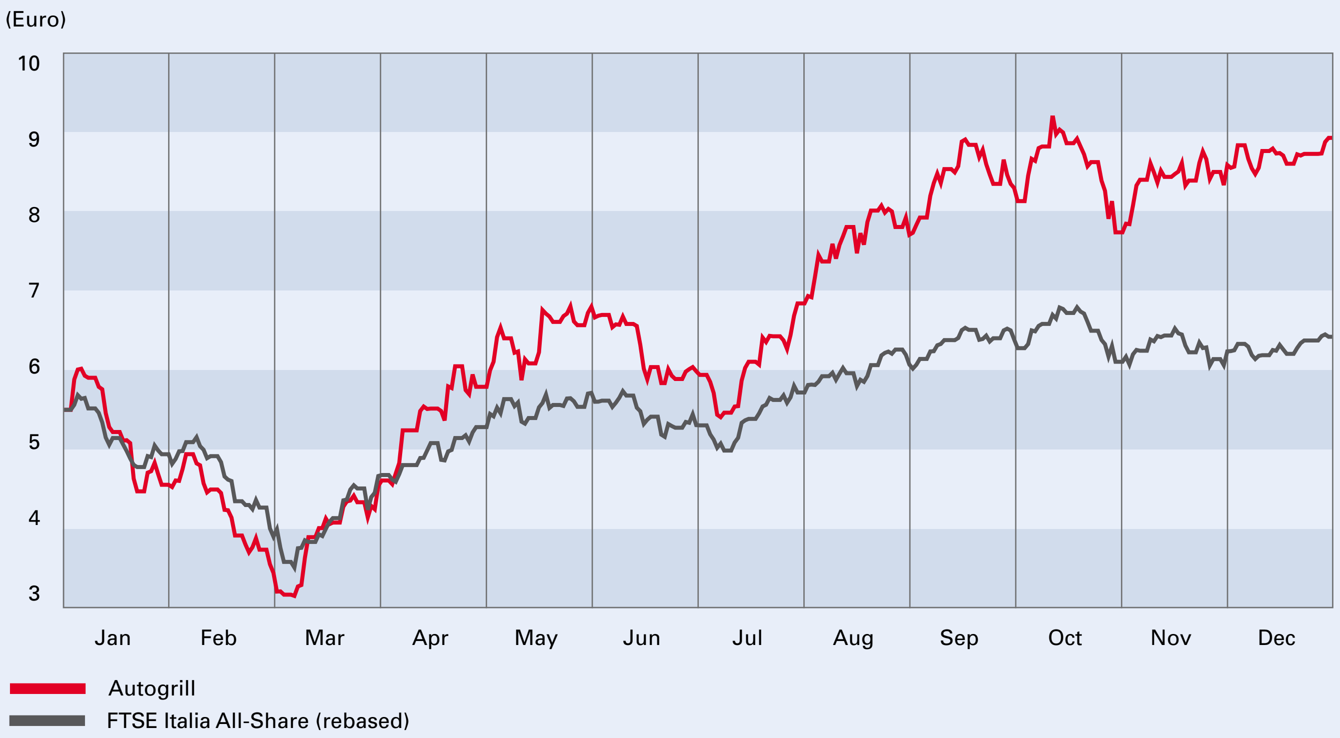
Autogrill adapted its investment strategies to the new market context, in keeping with the policy of optimizing resources without compromising the potential for growth.

(Millions of Euro)	2009	%	2008	%	Change
Food & beverage	122	77.2	279	82.8	(157)
Travel retail & duty–free	22	13.9	51	15.1	(29)
Flight and Corporate	14	8.9	7	2.1	7
Total	**158**	**100.0**	**337**	**100.0**	**(179)**

Performance of Autogrill shares

Share and market data	2009	2008
Earnings per share (in Euro)	0.15	0.33
Equity per share (in Euro)	2.00	1.79
Dividend per share (in Euro)	–	–
Pay out ratio (%)	–	–
Dividend yield	–	–
Price on December, 31 (in Euro)	8.8	5.4
High (in Euro)	9.0	11.6
Low (in Euro)	3.2	5.3
Price per share/Earnings per share	60.5	16.5
Price per share/Equity per share	4.4	3.0
Market capitalization (millions of Euro)	2,238	1,374
No. shares outstanding	254,400,000	254,400,000

Autogrill share performance in 2009



INFRASTRUCTURES & 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., 38.06% of Atlantia S.p.A. and the Group's investments in the airport management sector: 30.23% of Gemina S.p.A. (Aeroporti di Roma) and 24.38% of Sagat S.p.A. (a company which manage Turin airport).

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

(Millions of Euro)	2009	2008
Dividends and other income from equity investments	156	145
Operating expenses	(5)	(7)
Financial charges, net of financial income	(43)	(68)
Capital losses on disposal of equity investments	(2)	–
Impairment of financial assets	(303)	(117)
Net income/(loss)	**(197)**	**(46)**
Net indebtedness	1,101	941
Shareholders' equity	1,613	1,643

Performance in 2009 was penalized by the company's exit from Telco S.p.A., as described earlier in this report.

Net indebtedness at the end of the year had grown to Euro 1,101 million, reflecting the net outlay for the acquisition of Telecom Italia shares from Telco, but was reduced in early 2010 by the Euro 302 million received for the sale of those shares on the open market.

Atlantia S.p.A. (total interest held by Sintonia S.A.: 38.06%)

Consolidated economic and financial highlights in 2009 and 2008 are as follows:

(Millions of Euro)	2009	2008
Revenues	**3,611**	**3,477**
Ebitda	2,204	2,115
Ebit	**1,661**	**1,616**
Net financial charges	(536)	(486)
Income taxes	(443)	(409)
Profit/(Loss) from continuing operations	**682**	**721**
Profit from discontinued operations	1	20
Minority interests	8	(6)
Net income, group	**691**	**735**
Ebit/Revenues (ROS)	46.0%	46.5%
Ebit/Capital employed (ROI)	11.4%	11.8%
Capital employed	14,630	13,740
Shareholders' equity	4,258	3,986
Net indebtedness	10,372	9,754
Net indebtedness/Ebitda	4.71	4.61

Revenues

Consolidated revenues of Euro 3,611 million increased by Euro 134 million (+3.9%) with respect to 2008 (Euro 3,477 million). Following the entry into effect of Law Decree no. 78/2009, from August 2009 the new toll surcharge that Italian concessionaires (including the Atlantia group) are required to pass on to ANAS is recognised in toll revenues, offset by an equivalent amount in operating costs. The surcharge for the period from August to December 2009 alone amounts to Euro 82 million.

On a like–for–like consolidation basis and net the toll surcharge, in 2009 total revenues increased by Euro 36 million (+1.0%).

Net toll revenues of Euro 2,956 million were up by Euro 103 million (+3.6%) with respect to 2008 (Euro 2,853 million), due to:

- the application since May 1, 2009 of the toll increases for Italian concessionaires (+2.4% for Autostrade per l'Italia, the group's main concession holder) – increase was suspended until April 30 by Decree Law no. 185/2008, converted into Law no. 2/2009;
- the increase in the toll surcharge, whose total balance is now shown under toll revenues, with an equal amount accounted for in concession costs;
- a 0.1% decrease in traffic for Italian concessionnaires, combined with a less favourable traffic mix, with light traffic up by 1.9% and heavy vehicles down by 7.1%;
- a Euro 10 million decrease in toll revenues for the Polish operator Stalexport Autostrada Malopolska, due mainly to the depreciation of the Polish zloty against the euro (–18.8%), in addition to the decline in traffic (–0.5% with a more substantial decrease for heavy vehicles);
- consolidation of the Chilean motorway operator Los Lagos, whose toll revenues in the second half of 2009 totaled Euro 10 million.

Operating margins

Ebitda came to Euro 2,204 million, rising by Euro 89 million (+4.2%) with respect to the previous year's Euro 2,115 million. On a like–for–like consolidation basis, Ebitda shows an increase of Euro 78 million (+3.7%).
Ebit amounted to Euro 1,661 million, up from Euro 1,616 million in 2008 (Euro +45 million or +2.8%).

Financial situation

Net capital employed increased in 2009, mainly because of the investments carried out by Autostrade per l'Italia and other subsidiaries which amount to Euro 1,313 million, an increase of Euro 174 million (+15%) with respect to 2008.

The group's share of net indebtedness at December 31, 2009 was Euro 10,372 million, an increase of Euro 618 million since the end of 2008 (Euro 9,754 million). On a like–for–like consolidation basis – excluding investments in 2009 for the acquisition of companies from the Itinere group, the related borrowings (Euro 373 million at year end), and the fair value change of the group's hedging instruments (Euro 68 million) – net indebtedness increased by Euro 176 million. This is largely the result of greater capital expenditures in 2009.

At the close of the year, the group had a cash reserve (cash and cash equivalents, escrow accounts and undrawn commited credit lines) of Euro 4,590 million, which includes the funds raised over the past year through the issue of bond loans and the use of alternative sources of finance.

More specifically, in 2009 Atlantia issued bond loans for Euro 1,691 million with the new issues of May 6, 2009 and December 10, 2009, with respective nominal amounts of Euro 1,500 million (annual coupon 5.625%, issue price Euro 99.932, maturity May 6, 2016) and Jpy 20,000 million (half–yearly coupon 2.73%, maturity December 10, 2038).

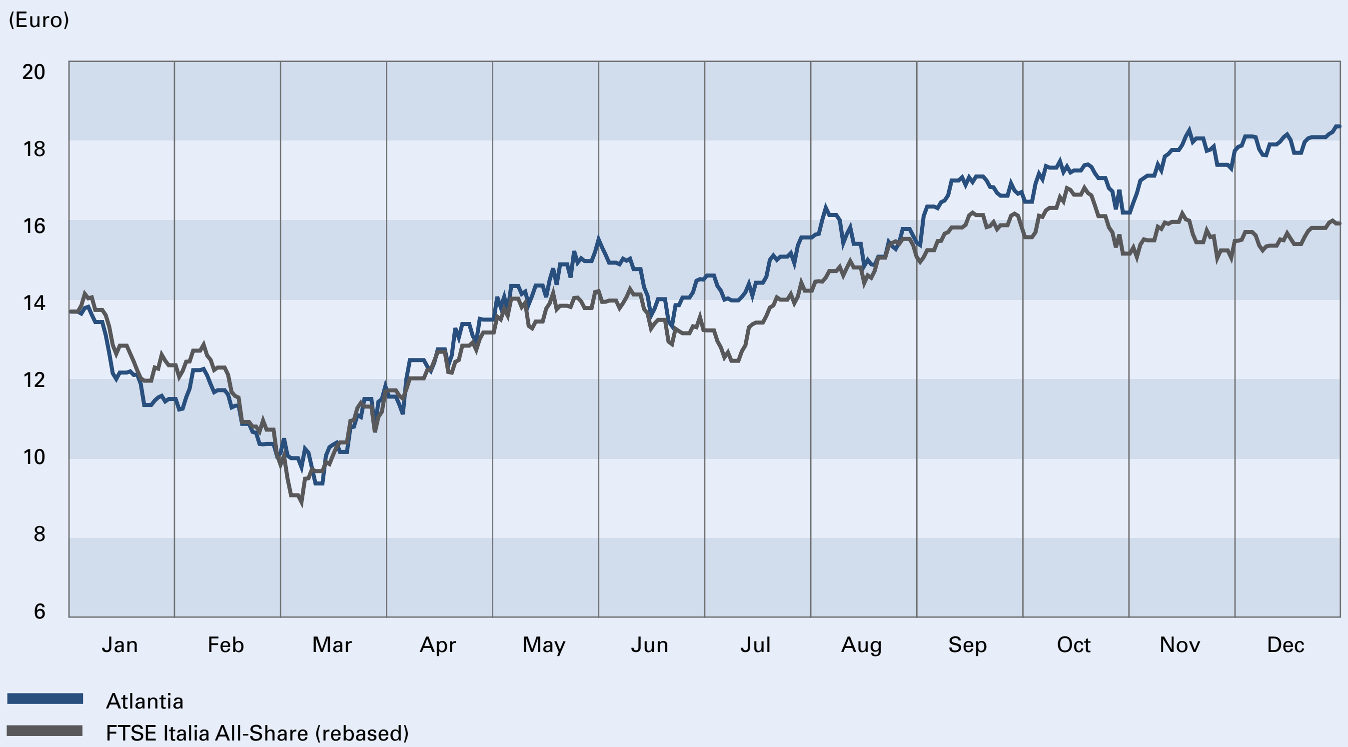
As a result of the financing transactions carried out during the year, the residual weighted average term to maturity of the group's interest bearing debt is approximately 7 years, whilst the residual average term to maturity of debt subject to interest rate and foreign exchange hedges is around 6 years.

Performance of Atlantia shares

Share and market data	2009	2008
Earnings per share (in Euro)	1.21	1.29
Equity per share (in Euro)	6.8	6.3
Dividend per share (in Euro)	0.75	0.71
Pay out ratio (%)	61.7	55.0
Dividend yield	4.1%	5.4%
Price on December, 31 (in Euro)	18.25	13.09
High (in Euro)	18.25	25.62
Low (in Euro)	9.35	11.42
Price per share/Earnings per share	15.1	10.2
Price per share/Equity per share	2.7	2.1
Market capitalization (millions of Euro)	10,434	7,484
No. shares outstanding	571,711,557	571,711,557

Group rating		
Standard&Poor's	A– (outlook stable)	A (outlook negative)
Moody's	A3 (outlook stable)	A3 (outlook stable)
Fitch Ratings	A– (outlook stable)	n.a.

Atlantia share performance in 2009



Gemina S.p.A. (total interest held by Sintonia S.A.: 30.23%)
Sintonia S.A.'s direct interest in Gemina amounts to 4.96%; the remaining 25.27% share 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 S.p.A. is recognized on an equity basis.

At December 31, 2009 Gemina controlled 95.76% of Aeroporti di Roma S.p.A. (ADR), which is basically its only asset.

Key figures for ADR in 2009 and 2008 are reported below:

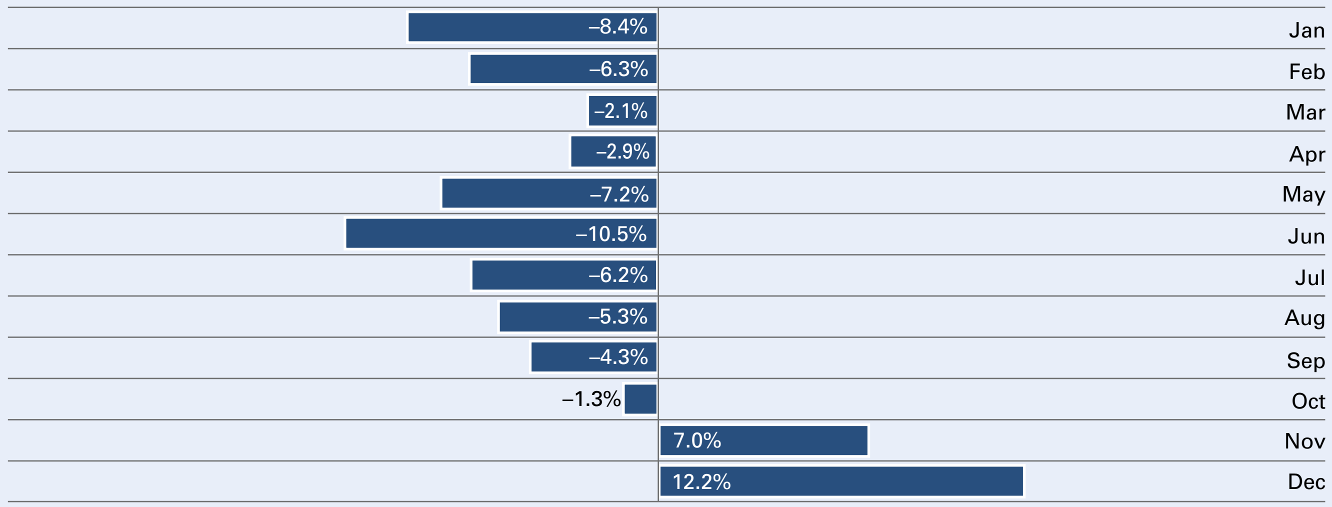
(Millions of Euro)	2009	2008
Revenues	**562**	**570**
Gross operating profit	254	250
Operating result	134	96
Net income, group	**5**	**(8)**
Operating result/Revenues (ROS)	23.8%	16.9%
Operating profit/Capital employed (ROI)	6.5%	4.7%
Capital employed	2,049	2,046
Shareholders' equity	729	724
Net indebtedness	1,320	1,322

The worldwide air transport market confirmed the negative trend that began in the latter months of 2008, suffering a 2.6% decrease in passengers with respect to the previous year. More specifically, international traffic was down by 4.0%, while the decline for domestic traffic was more moderate at –1.2%.
In Europe, 2009 was marked by a significant decrease in the number of passengers (–5.6%), for both domestic flights (–5.1%) and international (–5.7%).
In Italy figures show an overall decrease of 2.3% in passenger traffic, driven entirely by international travel (–4.6%), while domestic traffic grew by 1.0% with respect to 2008.

Rome's airports, with 38.6 million passengers, suffered a decrease of 3.5%. This was fully attributable to Fiumicino, while volumes were stable at Ciampino where the low–cost airlines operate.

The evolution during each month of the year was as follows:

Rome airport system
Total passengers – monthly change in % vs. previous year



Revenues in 2009 fell by 1.5%, as aviation revenues were essentially stable but there was a 3.7% decline for non-aviation revenues (direct sales, parking and advertising).
Thanks to a more favourable traffic mix, aviation revenues decreased to a lesser degree than traffic volumes.

Despite the drop in revenues, cost–cutting measures afforded an increase in Gross operating profit. Even more significant is the rise in Operating result, as the 2008 figure was penalized by Euro 42 million in write downs on receivables from Alitalia.

The substantial reduction in interest rates and the partial restructuring of debt made it possible to reduce financial charges from Euro 82 million in 2008 to Euro 69 million this year.
Net income, group, was a positive Euro 5 million, versus a loss in 2008, despite the negative impact of extraordinary restructuring costs (Euro 20 million) and a provision against a dispute with the Customs Office (Euro 12 million).

Gemina share performance in 2009

Sagat S.p.A. (held 24.38% by Sintonia S.A.)
Consolidated economic and financial highlights in 2009 and 2008 are as follows:

(Millions of Euro)	2009	2008
Revenues	**65**	**66**
Gross operating profit	21	18
Operating result	8	5
Net income, group	**6**	**4**
Capital employed	103	105
Shareholders' equity	91	89
Net indebtedness	12	16

Both aviation and non–aviation revenues were down in 2009, by respectively 3.7% and 9.3%, but benefited from non-recurring income of Euro 2.5 million due to the release of prior–year provisions against a lawsuit that was resolved in the company's favour.
Gross operating profit increased thanks to cost–cutting measures, but also because 2008 had been penalized by Euro 3.6 million in write downs on receivables.
Cash flow generated by operating activities was about Euro 12 million, which reduced net financial indebtedness, after investments of Euro 4.1 million and a dividend distribution of Euro 4 million.

THE PARENT COMPANY

Edizione S.r.l.
Below is a comparison between the 2009 income statement and the pro–forma 2008 income statement, presented as if the merger by Edizione (then Ragione S.A.p.A.) of the subsidiaries Edizione Holding S.p.A. and Sintonia S.p.A. had taken effect that year and not on January 1, 2009.

(Millions of Euro)	2009	Proforma 2008
Dividends and other income from equity investments	52	146
Other revenues and income	15	11
Operating expenses, depreciation and amortization	(17)	(18)
Financial charges, net of financial income	(12)	(22)
Impairment of current financial assets	(1)	(6)
Extraordinary income/(charges), net	–	(1)
Operating income	**37**	**110**
Capital gains on disposal of equity investments, net of capital losses	–	387
Impairment of non–current financial assets	(5)	(923)
Income taxes	4	(1)
Net income/(loss) for the year	**36**	**(427)**
Net indebtedness	379	410
Shareholders' equity	2,456	2,460

The 2009 income statement shows Dividends and other income from equity investments of Euro 52 million, compared with Euro 146 million in 2008, due to the lack of dividends payment from the subsidiaries Schematrentaquattro S.r.l. and Sintonia S.A.
Operating costs went down, as did net financial charges thanks to a decrease in both interest rates and net indebtedness. There were no particular events during the year or significant impairment losses on equity investments.
At December 31, 2009, Edizione S.r.l. had shareholders' equity of Euro 2,456 million and net financial indebtedness of Euro 379 million.

CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(Thousands of Euro)	12.31.2009	12.31.2008	Notes
Non–current assets			
Property, plant and equipment			1
Land and buildings	1,074,130	1,092,819	
Investment property	58,761	59,537	
Plant, machinery and equipment	471,836	478,672	
Forniture, furnishings and electronic equipment	133,712	122,769	
Assets to be relinquished	9,935,618	9,106,545	
Leasehold improvements	382,822	398,775	
Other tangible assets	93,285	79,062	
Assets under contruction and advances	137,590	191,852	
Total property, plant and equipment	**12,287,754**	**11,530,031**	
Intangible assets			2
Goodwill and other intangible assets of indefinite useful life	7,938,981	7,901,405	
Intangible assets of finite useful life	667,111	717,899	
Total intangible assets	**8,606,092**	**8,619,304**	
Other non–current assets			
Equity investments in subsidiaries	2,095	6,494	3
Equity investments in associates and joint ventures	1,099,974	993,970	4
Equity investments in other companies	707,536	929,089	5
Investment securities	60,789	51,180	6
Guarantee deposits	36,269	44,643	7
Other non–current financial assets	382,799	587,224	8
Other non–current receivables	89,414	51,422	9
Deferred tax assets	1,954,503	2,042,207	10
Total other non–current assets	**4,333,379**	**4,706,229**	
Total non–current assets	**25,227,225**	**24,855,564**	
Current assets			
Inventories	621,202	698,002	11
Trade receivables	1,716,720	1,646,983	12
Tax receivables	124,426	119,924	13
Accrued income and prepaid expenses	54,868	51,819	14
Other current receivables	222,620	291,186	15
Other current financial assets	302,838	301,591	16
Other investments	13,333	14,380	17
Cash and cash equivalents	1,565,484	678,325	18
Total current assets	**4,621,491**	**3,802,210**	
Assets held for sale	392,550	2,425	19
TOTAL ASSETS	**30,241,266**	**28,660,199**	

SHAREHOLDERS' EQUITY AND LIABILITIES

(Thousands of Euro)	12.31.2009	12.31.2008	Notes
Shareholders' equity			
Shareholders' equity attributable to the Parent Company			
Share capital	1,500,000	520	20
Fair value and hedging reserve	(89,676)	(95,361)	21
Other reserves and retained earnings	2,761,486	4,092,223	22
Translation reserve	(107,559)	(104,753)	23
Net income for the year	104,039	196,446	
Total	**4,168,290**	**4,089,075**	
Minority interests	4,157,646	3,830,891	24
Total shareholders' equity	**8,325,936**	**7,919,966**	
Liabilities			
Non–current liabilities			
Bonds	8,170,472	6,527,154	25
Medium and long–term loans	6,447,887	7,023,148	26
Other non–current liabilities	207,470	174,972	27
Lease financing	10,821	11,584	28
Other non–current financial liabilities	400,244	385,013	29
Retirement benefit obligations	358,757	368,689	30
Deferred tax liabilities	121,209	110,630	31
Other non–current provisions and liabilities	1,166,167	1,075,469	32
Total non–current liabilities	**16,883,027**	**15,676,659**	
Current liabilities			
Trade payables	1,788,182	1,773,430	33
Other payables, accrued expenses and deferred income	1,330,794	1,227,275	34
Current income tax liabilities	45,277	101,803	35
Other current provisions and liabilities	220,316	222,669	36
Current portion of lease financing	3,501	4,879	37
Current portion of bonds and medium and long–term loans	629,956	525,767	38
Other current financial liabilities	475,000	408,500	39
Bank loans and overdraft	539,277	799,251	40
Total current liabilities	**5,032,303**	**5,063,574**	
Total liabilities	**21,915,330**	**20,740,233**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**30,241,266**	**28,660,199**	

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	2009	2008	Notes
Revenues	**11,262,058**	**11,308,326**	41
Other revenues and operating income	392,653	357,168	42
Change in inventories of finished products and work in progress	14,867	91,284	
Purchases and changes of raw materials and consumables	(3,107,133)	(3,218,840)	43
Payroll costs	(2,321,229)	(2,342,627)	44
Depreciation and amortization:	**(813,127)**	**(787,578)**	
– of property, plant and equipment	(695,899)	(663,565)	45
– of intangible assets	(117,228)	(124,013)	46
Other operating expenses:	**(3,294,986)**	**(3,236,063)**	
– services	(1,505,083)	(1,690,401)	47
– leases and rentals	(1,390,471)	(1,244,137)	48
– impairment of property, plant and equipment and intangible assets	(94,330)	(16,704)	49
– write–downs of doubtful accounts	(27,459)	(29,990)	50
– provisions for risk	(137,054)	(110,386)	51
– other operating expenses	(140,589)	(144,445)	52
Operating result	**2,133,103**	**2,171,670**	
Share of income/(loss) of associated companies	(68,954)	(39,118)	53
Financial income	240,875	680,118	54
Impairment of financial assets	(734)	(649,892)	55
Financial charges	(818,555)	(864,342)	56
Foreign currency hedging gains/(losses) and exchange differences	(2,914)	(7,250)	57
Income before taxes	**1,482,821**	**1,291,186**	
Income taxes	(620,006)	(544,036)	58
Profit/(Loss) from assets held for sale/discontinued operations	(304,138)	32,742	59
Net income for the year (Group and minorities)	**558,677**	**779,892**	

Income/(Loss) attributable to:		
– Parent Company	104,039	196,446
– Minority shareholders	454,638	583,446

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)	2009	2008
Net income for the year (Group and minorities)	**558,677**	**779,892**
Fair value gains/(losses) on cash flow hedges	(107,332)	(283,711)
Fair value gains/(losses) of "available for sale" financial instruments	53,206	(17,477)
Gains/(losses) from translation of financial statements of foreign operations	40,521	(122,349)
Other fair value gains/(losses)	5,184	(4,459)
Tax effect	10,839	45,775
Comprehensive income for the year attributable to:	**561,095**	**397,671**
– Parent Company	118,130	(23,414)
– Minority shareholders	442,965	421,085

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(Thousands of Euro)	Share capital	Fair value and hedging reserve	Other reserves and retained earnings	Translation reserve	Net income for the year	Minority interests	Total
Balance at 01.01.2008	**520**	**39,981**	**3,895,389**	**(22,790)**	**233,854**	**4,055,660**	**8,202,614**
Carry forward of 2007 net income			233,854		(233,854)	–	–
Dividends distributed			(30,000)			(338,200)	(368,200)
Group company capital increases reserved to minority shareholders						156,048	156,048
Step up acquisitions						(193,288)	(193,288)
Formation of new subsidiaries and business combination						76,933	76,933
Distribution and reimbursement of capital reserves						(8,756)	(8,756)
Payement of capital						349,954	349,954
Currency translation differences				1,725		–	1,725
Schemaventotto demerger						(434,923)	(434,923)
Purchase of treasury shares, Group companies						(236,054)	(236,054)
Other movements			(6,191)			(17,567)	(23,758)
Comprehensive income for the year		(135,341)	(830)	(83,689)	196,446	421,085	397,671
Balance at 01.01.2009	**520**	**(95,361)**	**4,092,223**	**(104,753)**	**196,446**	**3,830,891**	**7,919,966**
Carry forward of 2008 net income			(196,446)		(196,446)	–	–
Dividends distributed			(40,000)			(293,233)	(333,233)
Capital increases	1,499,480		(1,499,476)			176,950	176,954
Formation of new subsidiaries and business combination						(257)	(257)
Currency translation differences				(9,733)		–	(9,733)
Purchase of treasury shares, Group companies						(3,366)	(3,366)
Other movements			10,814			3,696	14,510
Comprehensive income for the year		5,685	1,479	6,927	104,039	442,965	561,095
Balance at 12.31.2009	**1,500,000**	**(89,676)**	**2,761,486**	**(107,559)**	**104,039**	**4,157,646**	**8,325,936**
Notes	20	21	22	23		24	

CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	2009	2008
Operating activities		
Net income for the year (Group and minorities)	558,677	779,892
Income taxes	620,006	544,036
Income before taxes	**1,178,683**	**1,323,928**
Adjustments:		
– depreciation and amortization	813,127	787,578
– (capital gains)/capital losses/write–downs of intangible assets and property, plant and equipment	38,468	(4,041)
– net provisions charged to statement of income	198,802	179,366
– share of (income)/losses of associates	68,954	39,118
– dividends from associated companies	1,015	2,318
– (capital gains)/capital losses/write–downs of other equity investments	227,324	155,972
– net financial (income)/charges	654,735	648,086
Cash flow from operating activities before changes in working capital	**3,181,108**	**3,132,325**
Cash flow provided/(used) by changes in working capital	205,664	(45,342)
Cash flow provided/(used) by changes in non–current assets and liabilities	(6,999)	(51,243)
Payment of taxes	(611,913)	(465,223)
Payment of employee termination indemnities	(61,418)	(62,500)
Net interest received/(paid)	(667,373)	(647,187)
Cash flow provided/(used) by operating activities	**2,039,069**	**1,860,830**
Investing activities		
Operating investments	(1,388,621)	(1,647,313)
Operating divestments	64,060	67,412
Purchase of equity investments	(706,437)	(153,579)
Purchase of consolidated companies	(233,045)	(1,495,374)
Disposal of equity investments	328,695	511,208
Operations in non–current financial assets	(1,235)	(458)
Cash flow provided/(used) by investing activities	**(1,936,583)**	**(2,718,104)**
Financing activities		
Change in shareholders' equity	185,443	358,926
New medium and long–term loans	1,808,804	2,265,277
Repayment of medium and long–term loans	(661,285)	(1,016,704)
Net changes in other sources of finance	(132,709)	176,706
Dividend payments and distribution of capital reserves	(334,109)	(376,956)
Cash flow provided/(used) by financing activities	**866,144**	**1,407,249**
Increase/(decrease) in cash and cash equivalents	**968,630**	**549,975**
Cash and cash equivalents at the beginning of the period	554,324	74,863
Cash in companies acquired	(19,607)	(55,231)
Translation differences and other movements	2,149	(15,283)
Cash and cash equivalents at the end of the period	1,505,496	554,324
Cash and cash equivalents at the beginning of the period	**554,324**	**74,863**
Cash and cash equivalents	678,325	446,816
Bank overdrafts	(124,001)	(371,953)
Cash and cash equivalents at the end of the period	**1,505,496**	**554,324**
Cash and cash equivalents	1,565,484	678,325
Bank overdrafts	(59,988)	(124,001)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP ACTIVITIES

Set up in 1981, Edizione S.r.l. (formerly Ragione S.A.p.A. di Gilberto Benetton e C.) at December 31, 2009 held controlling and minority interests in companies in the following business segments:

» Textiles & clothing;
» Food & beverage and Travel retail & duty–free;
» Infrastructures & 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 interests in sports.

Until December 31, 2008, Ragione operated through two holding companies:

(i) Edizione Holding S.p.A., which headed operations in the traditional retail sectors (Benetton Group and Autogrill) and the Group’s businesses in real estate, hotels and financial services, as well as portfolio investments; and
(ii) Sintonia S.p.A., which directly and indirectly held the Group’s investments in Schemaventotto S.p.A., Atlantia S.p.A., Telco S.p.A., Investimenti Infrastrutture S.p.A., Gemina S.p.A., Eurostazioni S.p.A. and Sagat S.p.A.

Effective January 1, 2009, Edizione Holding S.p.A. and Sintonia S.p.A. were merged into Ragione S.A.p.A., which therefore changed its name and legal status to Edizione S.r.l.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

In particular, the consolidated financial statements include the financial statements at December 31, 2009 of Edizione S.r.l. and all the Italian and foreign companies in which the Parent Company holds, directly or indirectly, the majority of voting rights or which are under its dominant influence. The following companies are consolidated even though the Group does not hold the absolute majority of voting rights:

a. Atlantia S.p.A., for which the Group is in a position of de facto control;
b. Electronic Transaction Consultants Co. (ETC), a company controlled by the Atlantia group, which currently holds 45% of voting rights but also an option (exercisable at any time) to acquire an additional 16% of voting rights from the other shareholders;
c. Benetton Korea Inc. (a Korean company), since the effective voting rights held by the Benetton Group amount to 51% of the total;
d. Benetton Giyim Sanayi ve Ticaret A.S. (a Turkish company), since the licensing and distribution agreements give the Benetton Group a dominant influence over the company, as well as the majority of risks and rewards linked to its business activities;
e. Milano Report S.p.A., a company which manages stores (mainly in Lombardy) selling Benetton–branded products, insofar as most of the risks and rewards of the business are attributable to the Benetton Group by virtue of the margins earned on sales;
f. New Ben GmbH, a German company that manages stores selling Benetton–branded products, insofar as the shareholder agreements give the Benetton Group the right to appoint the majority of the company’s directors. In addition, most of the risks and rewards of the business are attributable to the Benetton Group;
g. Ben–Mode AG, because the Benetton group has the power to appoint the majority of directors and holds the majority of effective voting rights at shareholders’ meetings. In addition, most of the risks and rewards of the business are attributed to Benetton itself by virtue, amongst others, of the margins earned on sales;
h. Aerre S.r.l. (an Italian company) and S.C. Anton Industries S.r.l. (Romanian), because the Benetton group has the power to appoint the majority of directors and holds the majority of voting rights at shareholders’ meetings, as well as a reciprocal call and put option in Benetton’s favour on 11% of Aerre S.r.l.;

i. Sorebo S.A., Soberest S.A., Volcarest S.A., La Rambertine S.n.c., Société Restauration Autoroutes Dromoise S.a.s., S.R.S.R.A. S.A., and some American joint ventures, which are subsidiaries of the Autogrill group by virtue of a 50% or smaller interest in capital and a contract placing the Autogrill group in charge of operations.

The Autogrill group holds joint control of Steigenberger Gastronomie GmbH (Germany), Caresquick N.V. (Belgium), Servair Air Chef S.r.l. (Italy), Servizi di Bordo S.r.l. (Italy), and Alpha ASD Ltd. (United Kingdom). Those entities are consolidated using the proportional method.
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.

Since the close of 2008, the scope of consolidation has changed due mainly to:

» the inclusion of the companies acquired or formed by the subholding company Autostrade dell'Atlantico S.r.l. as part of the operation described in Note [63] Business combinations, namely:
  a) the Chilean company Autostrade Holding do Sur S.A. (held 99.99%);
  b) Chilean motorway concession holder Sociedad Concesionaria de Los Lagos S.A. (held 100%);
  c) Autostrade Portugal S.A. (formerly Somague Itinere S.A.), a Portuguese subholding company (held 100% by Autostrade dell'Atlantico);
  d) Autostrade Concessoes e Partecipasoes Brasil Limitada (formerly Itinere Brasil), a Brazilian subholding company (held 100% by Autostrade Portugal S.A.);
» the Autogrill group's consolidation of Airfayre Heathrow Ltd. from November 20, 2009, which had an immaterial effect on Autogrill's results for the year;
» the Benetton group's purchase of an interest in My Market S.r.l., which manages 41 stores in Tuscany and Liguria for the sale of Benetton group products. My Market S.r.l. also has full control of Benver S.r.l., which owns four additional stores.

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 2009 are not perfectly comparable with 2008 results, due to the above changes in the scope of consolidation and also to the following factors:

» World Duty Free Europe Ltd. (WDFE) and Air Czech Catering A.S. contributed for all of 2009 and, respectively, for eight and nine months the previous year, as they were consolidated by the Autogrill group starting on May 1, 2008 and April 1, 2008, respectively;
» the Autogrill results pertaining to Aldeasa and Alpha Future Airport Retail Pvt Ltd. were consolidated on a line–by–line basis for all of 2009, while in 2008 the proportional method (50%) was used for respectively three months and eleven months, as exclusive control of the former was acquired on April 14, 2008 and of the latter on November 17, 2008.

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, 2009, the interim statements prepared as of the group reporting date. Autogrill Overseas 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 2009 financial statements refer to the period from January 3, 2009 to January 1, 2010, while the previous year's accounts covered the period from December 29, 2007 to January 2, 2009.

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. 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 historical cost principle applies to all items except those that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies. 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.

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 are translated into Euro using period–end exchange rates for assets and liabilities, and (with the exception of companies operating in hyperinflationary economies) average exchange rates for the period for statement of income items. Differences arising from the conversion into Euro of foreign currency financial statements are reflected directly in shareholders' equity.

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 2009 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 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, 2009:

» IAS 1 – Presentation of Financial Statements: the revised standard requires all changes arising from transactions with shareholders to be presented in a statement of changes in shareholders' equity. All changes resulting from transactions with non–shareholders must be reported in a single statement of comprehensive income or in two statements (a separate statement of income and a statement of comprehensive income); the statement of comprehensive income includes income and expenses, including all reclassification adjustments, which have not been recognized in net income for the year under other IFRSs.

- IAS 23 – Borrowing costs: this standard removes the option of immediately recognizing as an expense in the statement of income any financial expenses incurred for assets which normally take a substantial period of time to get ready for their intended use or sale.
- Amendment to IFRS 7 – Financial instruments: disclosures: the amendment has been issued to improve the disclosure requirements about fair value measurements and reinforce existing principles for disclosures about the liquidity risk associated with financial instruments. In particular, the amendment introduces a three–level hierarchy for fair value measurement disclosures.
- IFRS 2 Revised – Share based payment: vesting conditions and cancellations. On 17 January 2008, the IASB issued an amendment to IFRS 2 explaining that for the purposes of measuring remuneration instruments based on shares only the service conditions and performance may be treated as plan vesting conditions. It was also explained that in the event of a cancellation of a plan, the entity must continue to apply the same accounting treatment regardless of the party responsible for the cancellation.
- IFRIC 13 – Customer loyalty programs.
- IFRIC 14 – IAS 19 The limit on a defined benefit asset. Minimum funding requirements and their interaction.

The new standards have no material impact on the Group's consolidated financial statements.

New accounting standards
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 Revised – On January 10, 2008 the IASB issued a revised version of IFRS 3 – Business combinations, and amended IAS 27 – Consolidated and separate financial statements. The main changes to IFRS 3 involve eliminating the requirement, in the case of acquiring a subsidiary by steps, to measure its individual assets and liabilities at fair value for each successive acquisition. In this case, goodwill will be determined immediately before acquiring control as the difference between the value of the investments, the transaction consideration and the value of the net assets acquired. In addition, if the company does not acquire 100% of the shares in the subsidiary, the percentage of net assets pertaining to minority interests can be measured either at fair value or using the method already permitted by IFRS 3. The revised standard also requires all costs associated with the business combination to be expensed to the statement of income, and liabilities for any contingent consideration to be recognized at the date of acquisition. In the amendment to IAS 27, the IASB has established that any partial disposals of interests that do not involve a loss of control must be accounted for through shareholders' equity. The amendment to IAS 27 also requires that all losses attributable to the minority are allocated to minority interests in equity, even when they exceed the minority interest in the subsidiary's equity. This amendment is applicable prospectively from January 1, 2010. The Autogrill group opted for early adoption of IFRS 3 Revised. The transitional provisions permits the early adoption of the standard, provided that it is not applied before January 1, 2008 and is adopted simultaneously with the 2008 amendment of IAS 27. Since the Group as a whole has not opted for the early adoption of IFRS 3 Revised, Autogrill figures were adjusted for use in Edizione's consolidated financial statements.
- 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.
- IFRIC 12 – Service Concession Arrangements: the interpretation defines the method of accounting for and measuring concession agreements between a public entity and a private enterprise, with particular regard to the method of accounting for assets to be relinquished, the activities involved in the management of such assets, and the obligation to ensure their upkeep and maintenance. IFRIC 12 is required to be applied from January 1, 2008; however, the interpretation will be applied from January 1, 2010, as established by the European Commission on endorsement.
- 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 recognise 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.
  The interpretation was endorsed by the EU in 2009, and application will be mandatory for the Group from 2010.
- IAS – 38 Intangible assets: as part of its Annual Improvements initiative, the IASB published a revision to IAS 38 in 2009 containing guidance on the valuation of intangible assets acquired through a business combination which also permits grouping complementary intangible assets as a single asset. The revision must be applied by the Group from January 1, 2010 which is the date from which the revised version of IFRS 3 – Business Combinations described above must be applied.
- 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 recognised in the income statement. Briefly, the document provides for the mandatory identification 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", of any embedded derivatives and to assess the necessity to separate them from the primary instrument in the manner required by IAS 39.
  The revised standard was endorsed by the EU on November 30, 2009 and will be applied by the Group from 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 issues 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. Theprevious 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 on or after February 1, 2010. Earlier adoption is permitted.
- IAS 1 – Presentation of financial statements: as part of its Annual Improvements project, the IASB published an amendment to IAS 1 in 2009 clarifying that the potential settlement of a liability through the issuance of an equity instrument was irrelevant with respect to the classification of such liability as either current or non–current. The definition of current liability was also changed in order to permit the classification of a liability as non–current notwithstanding a holder's option to require an entity to repay the amount at any time through the issuance of the entity's equity instruments.
  The amendments must be applied to financial statements relating to accounting periods commencing on or after January 1, 2010. Earlier adoption, however, is permitted.
- 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. In consideration of the current status of IFRS 9, its scope excludes financial liabilities, since the IASB has reserved the right to conduct further investigations into aspects linked to the inclusion of own credit risk in the fair value measurement of financial liabilities.
  IFRS 9 only provides two categories for the classification of financial assets. The standard, moreover, foresees two methods of measuring financial assets: amortised cost and fair value.
  Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.
  Initial recognition and subsequent measurement at amortised cost are subject to both of the following conditions:
  a. the asset is held in conjunction with a business model whose objective is to hold assets in order to collect contractual cash flows; and
  b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  If either one of the above two conditions is not satisfied, the financial asset is required to be initially recognised and subsequently measured at fair value.

All financial assets in the form of shares are to be measured at fair value. Unlike IAS 39, the revised standard does not admit exception to the general rule. As a result, it is not possible to measure unlisted shares, for which fair value cannot be reliably determined, at cost.

A financial asset meeting the conditions to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value through profit or loss, to the extent that this accounting treatment would eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

In addition, the new standard provides that an entity, with respect to investments in equity instruments, which consequently may not be carried and measured at amortised cost unless such instruments are shares that are not held for trading but rather for strategic reasons, may make an irrevocable election on initial recognition to present changes in the fair value in the statement of comprehensive income.

IFRS 9 is currently being examined by the EU in conjunction with their overall assessment of the revision and replacement of IAS 39.

» IFRIC 14 and IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction. The IASB released the amendments to IFRIC 14 and IAS 19 that were required because the effects of any prepayments of minimum contributions had not been considered. The amendment to the IFRIC will make it possible for companies to recognise prepayments of minimum contributions as defined benefit plan assets. The interpretation has not yet been endorsed by the EU.
» 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 so–called 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 required to be applied to financial statements for accounting periods commencing on or after July 1, 2010. Earlier adoption is permitted. The interpretation has not yet been endorsed by the EU.
» 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.

The Group is analysing the future impact, if any, of the newly issued standards and interpretations, and revisions of existing standards and interpretations. With reference to IFRIC 12, this interpretation has an impact specifically on the Atlantia group, as it concerns the method of recognising and measuring concession agreements between public entities and private enterprises, in particular with respect to the manner in which assets to be relinquished and related operations are reported, proved to be extremely complex and was only finalised on November 5, 2008, when the relevant committee formally approved IFRIC 12 and authorised publication in the Official Journal of the European Union on March 25, 2009. Notwithstanding the deadline for application of January 1, 2008 established by IFRIC, in line with the general rule requiring application of IFRS only following their endorsement and publication in the Official Gazette of the European Union, the Atlantia group intends to adopt IFRIC 12 with effect from statements with the balance sheet date in the aftermath January 1, 2010, as established at the time of endorsement.

Very briefly, unlike the practice adopted until now by Italian operators, in the absence of a specific standard issued by the IASB and superseding the concept of the transfer of "risks and rewards" so far adopted throughout the body of IFRS standards, IFRIC 12 establishes that the concessionaire must not account for assets to be relinquished in property, plant and equipment, as it does not exercise "control", but only holds the right to use the assets to supply the service in accordance with the terms and conditions agreed with the concession provider. This right may be classified as a financial asset or as an intangible asset, depending on whether or not the concessionaire has an unconditional contractual right to receive compensation regardless of effective usage of the assets concerned, as opposed to a right to charge users of the public service.

As a result the concessionaire's role is to provide services of a dual nature: (i) the construction or upgrading of infrastructure (construction services); (ii) the management, maintenance and use of the infrastructure to supply a public service (operating services). The effect on income of the interpretation will be the recognition of revenue and costs related to construction in accordance with the criteria by IAS 11 for long–term construction contracts whereas toll revenues will be recognised in accordance with IAS 18.

Due to the fact that the compensation received or due under the Atlantia group's concessions for construction or upgrading services is generally represented by the right to charge users of the public service, the main impact on the statement of financial position would be the classification of this right as an intangible asset instead of an asset to be relinquished in property, plant and equipment with amortisation being provided over the various concession terms.

The Group expects the introduction of IFRIC 12 to result in a reduction in consolidated profit in 2010, reflecting increased amortisation of the intangible assets resulting from the recognition of the concession rights, and increased financial expenses needed to discount the provisions for works to be carried out to the present value of commitments for the construction of infrastructure, where the related revenue is contingent on its use. There will be no impact on operating cash flow.

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 combination

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. Any costs directly attributable to a business combination also form part of its overall cost.

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

Goodwill recognized as an asset and initially valued at cost, i.e., the amount by which the acquisition cost exceeds the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognized on acquisition. If the difference between the acquisition cost and the fair value of the identifiable assets, liabilities and contingent liabilities is negative, the amount is recognized as income in the income statement in the year when the acquisition took place.

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.

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

After control has been acquired, any additional share purchases by minority shareholders, or sales to minority shareholders that do not cause a loss of control, are accounted for using the "parent company" theory which treats minority shareholders as third parties. In accordance with that theory, differences between the acquisition cost and the carrying value of the minority interests acquired are treated as goodwill.

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 reasonable estimated and expected to be borne on expiry of the relevant contract to bring the asset in the contractually agreed state of conservation, assuming that maintenance will continued 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. The fair value of these assets is also stated.

Ordinary maintenance costs are expensed in full to the statement of income 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 systematically depreciated over its useful life, on a straight–line basis. They are shown at cost net of accumulated depreciation and impairment losses, plus any recovery of asset value.
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 and if, regardless of depreciation already recorded, an impairment loss occurs determined under the criteria contained in 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 (free of charge or against consideration equal to replacement cost) are systematically depreciated in each accounting period. Assets to be relinquished free of charge that have a useful life longer than the residual concession term, such as land, buildings, fixed artwork and all other assets with useful lives that exceed the concession term, are depreciated on a straight–line basis over the duration of the concession. If such assets are revertible against payment, depreciation is charged on a straight–line basis over the duration of the financial plan. Assets with a useful life that is shorter than the residual concession term, such as light constructions, toll collection equipment and other artworks, are depreciated over the commercial and physical life of the asset, given that the concession term has no influence on the degree of the asset's wear and tear or commercial obsolescence.

The carrying amount of assets to be relinquished at the balance sheet date, having taken account of provisions for repair and replacement, adequately represents the residual concession cost at this date, to be allocated over future years. Such cost includes:

a) surrender to the concession grantor, upon expiry, of assets to be relinquished with a useful life that exceeds the concession term;
b) replacement of assets to be relinquished within the residual concession term, where the useful life of such assets is shorter than the term;
c) the cost of repairing or replacing components of assets to be relinquished that are subject to wear and tear.

Future expenses required to repair assets to be relinquished, in accordance with the obligations established in concession arrangements, are covered by provisions for the repair and replacement of assets to be relinquished as described in Note [32].

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 recognised on a straight–line basis over the term of the lease.

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, up 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 by capitalizing, in intangible assets, 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.

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, patents over the duration of their right of use, and concessions over the term of the contract. 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 three years, as are development costs.

Impairment losses of non–financial assets
The carrying amounts of the Group's property, plant and equipment and intangible assets are submitted to 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 the recoverable value of the same, defined as the higher of fair value (net of any costs to sell) and its 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 pre–tax rate (or an after–tax rate for goodwill) 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 principles. 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. 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, their interest in profit or losses being stated in the statement of income.

Equity investment 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 recognised 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).

Classification of financial assets determines their subsequent valuation, which is 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, and their market or net realizable value.
Manufacturing cost includes raw materials and all attributable direct and indirect production–related expenses.
The calculation of estimated realizable value includes any manufacturing costs still to be incurred and direct selling expenses.
Obsolete and slow–moving inventories are written down to their useful or net realizable value.

Construction contracts and services work in progress
Construction contracts are accounted for on the basis of the contract revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out. Contract revenue is allocated to the individual reporting periods in proportion to the stage of contract completion. Any positive or negative difference between contract revenue and any advance payments received is recognized in assets or liabilities, taking account of any impairment of the value of the completed work, in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers.
In addition to contract payments, contract revenue includes variations in contract work, price reviews and claims to the extent that they can be measured reliably.
Expected losses are fully recognized immediately regardless of the stage of contract completion.

Trade receivables
Receivables are initially recognized 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 realisable 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 statement of income and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised.
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 recognized as provision 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 the repair and replacement of assets to be relinquished 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 assets to be relinquished, taking into account, if material, of the time value of money.

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.

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 booked to 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 booked to 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 IAS, 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 effect of exposures relating to hedged items on the statement of income.

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 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 shareholders' 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.

Government grants

Government capital grants are recognized at fair value when: (i) their amount can be reliably determined; (ii) they are reasonably certain to be received; and (iii) it is reasonably certain that the conditions required for their receipt will be satisfied.

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

Government grants are reported in the balance sheet by recording the grant as an adjusting entry to the carrying value of the asset. Capital grants related to assets received to fund development projects or activities are accounted for in liabilities, and are subsequently recognised in operating income in the statement of income, in line with depreciation of the assets to which they refer.

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 no. 296 of December 27, 2006 and by the decrees and regulations issued in early 2007 (the "social security reform"), the Group has adopted the following accounting rules:

- TFR accrued at December 31, 2006 is treated as a defined benefit plan in accordance with IAS 19. The benefits promised to employees in the form of TFR, which are paid upon termination of service, are recognized in the period when the right matures;
- TFR accrued from January 1, 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognized as costs and shown as a liability under employee termination indemnities and other employee benefit provisions, net of any contributions already paid.

Assets and liabilities held for sale and discontinued operations
Where the carrying amount of assets or assets and associated liabilities of a disposal group is material and is to be recovered primarily through sale rather than through continued use, these items are presented separately in the balance sheet. 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 diposal group, net of the tax effects, are recognised in a specific item in the consolidated statement of income, together with comparative amounts.

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

- toll revenues are recognized in the period in which they are earned on the basis of motorway usage. Due to partially to the fact that the Group's network interconnects with other networks, and that it is consequently necessary to allocate revenues among the various concessionaires, a portion of toll revenues relating to the last part of the year are determined on the basis of reasonable estimates;
- revenues from the sale of goods, net of any 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 lease contracts
Income and costs from operating lease contracts are recognized on a straight–line basis over the duration of the contract.

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.
Starting with fiscal year 2007, the Parent Company and few Italian subsidiaries, have adopted the National Consolidated Taxation System for the three–year period 2007–2009.
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, unless 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.
It is possible to offset deferred tax assets and liabilities only if it is possible to offset the current tax balances and if the deferred tax balances refer to income taxes levied by the same tax authority.

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 are also part of the financing activity, 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.

The layout adopted by the Group reports separately:

» *operating cash flow*: operating cash flows are mainly linked to revenue–generation 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 because, amongst other things, 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, provisions for doubtful accounts, inventory obsolescence, depreciation and amortization, employee benefits, deferred taxes and other provisions. Estimates and assumptions are reviewed periodically and any changes are reflected immediately in statement of income.

Minority shareholders

Transactions between the Group and minority shareholders are regulated in the same way as transactions with parties external to the Group. The Group's sale of shares to minority shareholders generates profits or losses that are recognized in the statement of income. The purchase of interests by minority shareholders is recognized as goodwill, calculated as the excess of the amount paid over the share of the carrying value of the subsidiary's net assets.

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:

	12.31.2009			12.31.2008		
(Thousands of Euro)	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Land and buildings	1,358,817	(284,687)	1,074,130	1,362,540	(269,721)	1,092,819
Investment property	77,540	(18,779)	58,761	76,587	(17,050)	59,537
Plant, machinery and equipment	1,549,254	(1,077,418)	471,836	1,566,153	(1,087,481)	478,672
Furniture, furnishings and electronic equipment	446,389	(312,677)	133,712	423,796	(301,027)	122,769
Assets to be relinquished	12,548,093	(2,612,475)	9,935,618	11,289,768	(2,183,223)	9,106,545
Leasehold improvements	1,147,279	(764,457)	382,822	1,173,137	(774,362)	398,775
Other tangible assets	198,387	(105,102)	93,285	168,079	(89,017)	79,062
Assets under construction and advances	137,590	–	137,590	191,852	–	191,852
Total	17,463,349	(5,175,595)	12,287,754	16,251,912	(4,721,881)	11,530,031

The following table reports movements in 2009 and 2008 in property, plant and equipment, stated net of accumulated depreciation.

(Thousands of Euro)	Land and buildings	Investment property	Plant, machinery and equipment	Furniture, furnishings and electronic equipment	Asset to be relinquished	Leasehold improvements	Other tangible assets	Assets under construction and advances	Total
Balance at 01.01.2008	**941,360**	**62,276**	**386,310**	**115,339**	**8,521,047**	**357,119**	**76,517**	**153,531**	**10,613,499**
Additions	133,806	41	111,151	46,553	954,586	71,318	27,745	219,496	1,564,696
Disposals	(28,507)	–	(6,023)	–	(9,687)	(3,547)	(4,779)	(1,401)	(53,944)
Depreciation	(25,082)	(1,709)	(129,010)	(43,539)	(352,178)	(87,432)	(24,615)	–	(663,565)
Impairments	–	–	(1,154)	(1,846)	(5,907)	(5,679)	–	–	(14,586)
Impairment reversals	6,549	–	–	866	–	–	–	–	7,415
Changes in scope of consolidation	15,333	–	30,647	5,008	–	1,468	1	22,734	75,191
Translation differences	(7,399)	(173)	(2,730)	(2,747)	(17,398)	(4,224)	(432)	(136)	(35,239)
Other movements	56,759	(898)	89,481	3,135	16,082	69,752	4,625	(202,372)	36,564
Balance at 01.01.2009	**1,092,819**	**59,537**	**478,672**	**122,769**	**9,106,545**	**398,775**	**79,062**	**191,852**	**11,530,031**
Additions	16,577	787	55,387	42,003	1,021,100	20,134	36,645	134,213	1,326,846
Disposals	(15,019)	–	(4,912)	(1,565)	(5,128)	(5,451)	(1,960)	(2,683)	(36,718)
Depreciation	(26,881)	(1,703)	(136,403)	(46,001)	(374,988)	(89,265)	(20,658)	–	(695,899)
Impairments	(5,170)	–	(1,372)	(3,285)	(9,641)	(10,430)	–	–	(29,898)
Impairment reversals	–	–	–	–	28,961	–	–	–	28,961
Changes in scope of consolidation	–	–	2,684	4,837	136,757	5,103	–	3	149,384
Translation differences	(14,833)	9	3,948	1,273	4,475	(1,043)	(1,177)	(1,951)	(9,299)
Other movements	26,637	131	73,832	13,681	27,537	64,999	1,373	(183,844)	24,346
Balance at 12.31.2009	**1,074,130**	**58,761**	**471,836**	**133,712**	**9,935,618**	**382,822**	**93,285**	**137,590**	**12,287,754**

Additions for 2009 amounted to Euro 1,326,846, a decrease with respect to 2008 (Euro 1,564,696). Of the total, Euro 145,995 is attributable to the Autogrill group, Euro 94,181 to the Benetton group and Euro 1,071,767 to the Atlantia group, net of government grants recognized during the year (Euro 241,552), mostly for the construction of new motorway and the upgrading of existing sections.

Disposals for the year totalled Euro 36,718 and concern the sale of commercial properties of the Benetton group (Euro 11,162), the transfer of assets to be relinquished, plant and equipment of the Atlantia group (Euro 10,646) and the disposal of other assets in the Autogrill group (Euro 13,607).

Impairment losses for the year, of Euro 29,898, stem from the write–down to recoverable value of some commercial properties held by the Benetton group (Euro 10,233) and the Autogrill group (Euro 19,665).

Impairment reversals concern the Assets to be relinquished of Raccordo Autostradale Valle d'Aosta S.p.A., a subsidiary of the Atlantia group.

Changes in the scope of consolidation, which cover the balances of newly consolidated companies at the date of their first–time inclusion, refer to the new companies of the Atlantia group (Euro 136,836), the Autogrill group (Euro 8,389) and the Benetton group (Euro 4,159).

Translation differences had a negative impact of Euro 9,299 and refer essentially to the Benetton group and the translation of an Argentine subsidiary's assets into the Group's functional currency.

Other movements in Assets under construction include a decrease attributable to the Autogrill group for the completion of some investment programs undertaken after contracts were awarded or renewed in 2007–2008.

Assets to be relinquished are goods that will revert to the grantor upon expiry of the concession or sub–concession, either free of charge or against payment of their residual carrying value by the new concession holder. At December 31, 2009 they amounted to Euro 9,818,364 for the Atlantia group and Euro 117,254 for the Autogrill group.

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

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

(Thousands of Euro)	12.31.2009	12.31.2008
Land and buildings	2,869	8,828
Plant, machinery and equipment	15,161	15,157
Other assets	13,638	7,484
Leasehold improvements	247	247
Assets to be relinquished	13,809	13,809
(Accumulated depreciation)	(32,177)	(32,648)
Total	**13,547**	**12,877**

Other assets include means of transport used for the Autogrill group's Flight segment.
The long–term portion of the residual amount of lease repayments at December 31, 2009 is recognized as Lease financing under non–current liabilities in Note [28] (Euro 10,821); the short–term portion is reported in Note [37], Current portion of lease financing (Euro 3,501).

A portion of property, plant and equipment has been mortgaged with banking institutions as collateral for loans whose outstanding repayments totalled about Euro 400 million at December 31, 2009.

The fair value of Investment property, based on external appraisals updated as of December 2009, is greater than the stated balance sheet value. Rental income from these assets in 2009 amounted to Euro 2,697.

[2] Intangible assets

Movements in the principal intangible asset items were as follows:

(Thousands of Euro)	Goodwill and other intangible assets of indefinite useful life	Patent rights	Concessions, licenses, trademarks and similar rights	Deferred charges	Other intangible assets	Total
Balance at 01.01.2008	**7,111,532**	**5,324**	**308,363**	**148,387**	**92,909**	**7,666,515**
Additions	495,494	319	8,705	20,606	49,933	575,057
Disposals	(431,172)	–	190	(272)	(287)	(431,541)
Depreciation	–	(1,068)	(67,887)	(18,708)	(36,350)	(124,013)
Impairments	(235)	–	(19)	(1,830)	(34)	(2,118)
Impairment reversals	–	–	–	–	–	–
Changes in scope of consolidation	835,349	–	208,599	10,493	7,338	1,061,779
Translation differences	(119,269)	(443)	(12,175)	287	(530)	(132,130)
Other movements	9,706	1,920	(1,497)	1,887	(6,261)	5,755
Balance at 01.01.2009	**7,901,405**	**6,052**	**444,279**	**160,850**	**106,718**	**8,619,304**
Additions	603	143	8,101	12,605	40,324	61,776
Disposals	(186)	(1)	384	(1,264)	626	(441)
Depreciation	–	(1,027)	(61,147)	(20,539)	(34,515)	(117,228)
Impairments	(13,382)	–	(42,800)	(7,071)	(1,179)	(64,432)
Impairment reversals	–	–	–	–	–	–
Changes in scope of consolidation	12,048	–	61,671	8,310	185	82,214
Translation differences	38,528	(54)	7,462	(16)	456	46,376
Other movements	(35)	1	5,613	1,562	(28,618)	(21,477)
Balance at 12.31.2009	**7,938,981**	**5,114**	**423,563**	**154,437**	**83,997**	**8,606,092**

At December 31, 2009 the balance of Goodwill and other intangible assets of indefinite useful life consists mainly of goodwill pertaining to the Atlantia group (Euro 5,825,292) and the Autogrill group (Euro 2,024,675).

Goodwill and other intangible assets of indefinite useful life were subject to impairment tests once a year. Impairment losses of Euro 13,382 were charged in 2009: Euro 9,764 for the Autogrill group and Euro 3,603 for the Benetton group.

Changes in the scope of consolidation concern the effects of consolidating the companies acquired by the Autogrill group (Euro 3,248) and the Benetton group (Euro 8,800) in 2009.
This goodwill represents the positive difference between the cost of acquisition and the acquirer's interest in the fair value of the assets and liabilities acquired.

Translation differences mostly concern the Autogrill group.

The item Concessions, licenses, trademarks and similar rights at December 31, 2009 is made up as follows:

(Thousands of Euro)	12.31.2009	12.31.2008
Atlantia motorway concessions	161,277	152,900
Autogrill concessions, licenses, trademarks and similar rights	239,593	270,942
Other concessions, licenses and trademarks	22,693	20,437
Total	**423,563**	**444,279**

Atlantia motorway concessions include the cost incurred in the past by the subsidiary Tangenziale di Napoli (amounting to Euro 65,885 at the close of the year) for the extension of its motorway concession until 2037 and the value of the concession held by the Polish company Stalexport Autostrada Malopolska, acquired in 2007, recognized upon allocation of the purchase price. As a result of impairment testing by discounting the estimated cash flows of the Polish company until the concession expiration date in March 2027, an impairment loss of Euro 42,547 was recognized, which brings the value of the company's concession at December 31, 2009 to Euro 35,207.
Finally, due to changes in the scope of consolidation, this item includes Euro 60,847 as the value of the concession held by Los Lagos, recognized upon allocation of the excess purchase price with respect to the investment's carrying value. Los Lagos was acquired by the Atlantia group in 2009, as part of the transaction with the Itinere group.

The most significant acquisitions made during the year are described in Note [63] Business combinations.

Autogrill concessions, licenses, trademarks and similar rights include the amounts determined upon fair value allocation of the assets and liabilities of Aldeasa and WDFE, acquired in 2008. More specifically, these are contractual rights amortized over the life of each contract, trademarks with an estimated useful life of 20 years and brands.
During the year the Autogrill group charged impairment losses of Euro 233 on this item, due to the outcome of future profitability testing by individual store or contract.

Other concessions, licenses and trademarks are mostly comprised of Benetton group brands and of licenses held by the Atlantia group.

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).
The Euro 8,310 shown for changes in the scope of consolidation refers to the purchase price allocation of the business combinations carried out by the Benetton group in 2009.
Impairment losses with respect to key money came to Euro 7,071.

Other intangible assets include the cost of purchasing and developing software, of which Euro 11,514 pertains to the Autogrill group, Euro 27,521 to the Benetton group (Euro 5,425 internally generated) and Euro 18,338 to the Atlantia group (Euro 3,744 internally generated). This item also includes assets under construction and advances (Euro 14,013).

A portion of intangible assets has been pledged with banking institutions as collateral for loans, whose outstanding payments totalled Euro 399 million at December 31, 2009.

Impairment testing

As required by 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 separate cash generating unit to determine the present value of the net future cash flows it is expected to generate; the only exceptions are the *fonds de commerce* and buildings, which are measured at fair value by way of independent appraisal.
Impairment losses recognized in 2009 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 States, Germany, India, France, Austria and Italy.

Impairment losses of Euro 30,841 pertained to 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.

Within the Atlantia group, each concession holder constitutes a specific cash generating unit. Impairment testing confirmed the recoverability of the assets allocated to each company, with the exception of the Polish company Stalexport Autostrada Malopolska, whose concession suffered an impairment loss of Euro 42,547.
For the subsidiary Raccordo Autostradale Valle d'Aosta, on the other hand, impairment testing permitted the partial reversal of the losses charged in prior years on assets to be relinquished (Euro 28,961).
Almost all of the Atlantia group's 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 is gross of taxes and ranges from 5.9% to 17.22%, depending 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.

The results of impairment testing in 2009 are summarized in the following table which reports, by business segment and by type of assets, the impairment losses recognized for the year:

(Thousands of Euro)	Infrastructures & services for mobility	Textiles & clothing	Food & beverage and Travel retail & duty–free	Total
Property, plant and equipment				
Buildings	–	3,227	1,943	5,170
Plant, machinery and equipment	–	155	1,217	1,372
Furniture, furnishings and electronic equipment	–	3,285	–	3,285
Leasehold improvements	–	3,566	6,864	10,430
Assets to be relinquished	–	–	9,641	9,641
Total property, plant and equipment	–	10,233	19,665	29,898
Intangible assets				
Intangible assets of indefinite useful life	15	3,603	9,764	13,382
Intangible assets of finite useful life	42,567	7,071	1,412	51,050
Total intangible assets	42,582	10,674	11,176	64,432
Total	42,582	20,907	30,841	94,330

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.
The balance at December 31, 2008 included Euro 4,100 as an advance paid for the acquisition of an interest in My Market S.r.l. by the Benetton group, which was finalized in January 2009.

[4] Equity investments in associates and joint ventures
The main investments in associated companies and joint ventures are as follows:

	12.31.2009		12.31.2008	
(Thousands of Euro)	% held	Carrying value	% held	Carrying value
Gemina S.p.A.	34.31%	755,882	34.31%	768,643
Triangulo do Sol Autoestradas S.A.	50.00%	108,601	–	–
Eurostazioni S.p.A.	32.71%	50,790	32.71%	50,790
Autostrade per il Cile S.r.l.	50.00%	44,375	–	–
Autostrade del Sud America S.r.l.	45.00%	38,638	45.00%	24,595
Sagat S.p.A.	24.38%	34,332	24.38%	34,012
IGLI S.p.A.	33.33%	28,249	33.33%	90,684
Tangenziali Esterne di Milano S.p.A.	32.00%	8,342	32.00%	1,667
Società Infrastrutture Toscane S.p.A.	46.60%	6,614	46.60%	4,631
Other investments	–	24,151	–	18,948
Total		**1,099,974**		**993,970**

The change in the value of Gemina S.p.A. derives from its valuation on an equity basis.

In 2009, through the subholding company Autostrade dell'Atlantico, the Atlantia group acquired 50% of the Brazilian company Triangulo do Sul Autoestradas S.A. and formed Autostrade per il Cile S.r.l., of which 50% was later transferred to third parties (S.I.A.S. – Società Iniziative Autostradali e Servizi S.p.A.) through a reserved capital increase commented on in Note [54] Financial income.

The increase in the value of the investments in Autostrade del Sud America S.r.l. and Sagat S.p.A. was caused by their 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 67,045. In addition, the Atlantia group paid in Euro 5,000 during the year for a capital increase.

The higher value of the investments in Tangenziale Esterne di Milano S.p.A. and Società Infrastrutture Toscane S.p.A. derives, respectively, from a capital increase (Euro 6,586) and from the capital subscribed (Euro 2,097), both paid in by the Atlantia group during the course of 2009.

[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 statement of income) 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 2009.
The previous year, given the significant and prolonged decline in market prices and the uncertain economic outlook, the adjustment in the "available for sale" investments in listed companies was booked in the statement of income as an impairment loss.

Investments in other companies are as follows:

	12.31.2009		12.31.2008	
(Thousands of Euro)	% held	Carrying value	% held	Carrying value
Telco S.p.A.	–	–	8.39%	295,282
Assicurazioni Generali S.p.A.	0.94%	265,040	1.00%	266,971
Mediobanca S.p.A.	2.16%	153,591	2.16%	136,743
Pirelli & C. S.p.A.	4.77%	106,776	4.77%	65,211
Alitalia – Compagnia Aerea Italiana S.p.A.	8.85%	100,000	12.70%	55,626
RCS MediaGroup S.p.A.	5.10%	48,420	5.10%	39,717
Telecom Italia S.p.A.	–	–	0.23%	32,492
Gruppo Banca Leonardo S.p.A.	1.95%	16,481	1.95%	16,481
Il Sole 24 Ore S.p.A.	2.00%	5,309	2.00%	6,422
Acegas–Aps S.p.A.	1.94%	4,158	1.94%	5,324
Other investments	–	7,761	–	8,820
Total		**707,536**		**929,089**

Late in 2009 the Group began to divest from its investment in Telecom Italia S.p.A. through the disposal of its direct 0.23% interest in the company (which was sold on the open market) and of the share held indirectly through Telco S.p.A. Regarding the latter, on October 28, 2009, Sintonia S.A. – pursuant to the terms of the shareholders' agreement – informed the other shareholders of its intention to exit from Telco S.p.A. All of Telco's shareholders agreed to carry out two simultaneous transactions in order to achieve Sintonia's exit as quickly and effectively as possible. On December 22, 2009, Sintonia sold to Telco its 8.39% interest in Telco (which therefore acquired treasury shares) for Euro 293.5 million, corresponding to Sintonia's share of Telco's net asset value. At the same time, Telco sold to Sintonia its portion of Telecom Italia shares (275.1 million shares or 2.06% of Telecom Italia's ordinary share capital) at a price equal to their carrying value in Telco's balance sheet (Euro 2.20 per share), for a total of Euro 605.3 million.
In early 2010, Sintonia sold its full interest in Telecom Italia on the open market.
At December 31, 2009, in accordance with IFRS 5, the Telecom Italia shares held by Sintonia were classified as Assets held for sale.

During the year, Assicurazioni Generali S.p.A. distributed dividends in kind in the amount of Euro 9 million, which were added to the value of the investment. Fair value measurement at December 31, 2009 showed decrease of Euro 11 million, which was charged to the fair value reserve.

The increase of Euro 15 million in the investment in Mediobanca S.p.A. is due exclusively to its fair value measurement at December 31, 2009, as reflected in the fair value reserve. The value of this investment also includes Euro 2 million as the fair value of the warrants that Mediobanca distributed free of charge during the year. The warrants entitle the bearers, at any time from January 1, 2010 until March 18, 2011, to purchase 1 share for every 7 warrants submitted, at a price of Euro 9.00 per share including a premium of Euro 8.50.

The fair value measurement of the interest in Pirelli & C. S.p.A. at the reporting date showed an increase of Euro 41 million, which was recognized in the fair value reserve.

The higher value of the investment in Alitalia – Compagnia Aerea Italiana S.p.A. is explained by the Atlantia group's payment of the remaining share capital subscribed.

The fair value measurement at December 31, 2009 of RCS MediaGroup S.p.A. led to an increase of Euro 9 million with respect to the previous year, as reflected in the fair value reserve.

The decrease in the value of investments in Il Sole 24 Ore S.p.A. and Acegas–Aps S.p.A. is exclusively the result of their 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. (formerly 21,Investimenti S.p.A.) for Euro 35,048 and by the Parent Company for Euro 15,897. These funds are measured at fair value at December 31, 2009.
This item also includes the fair value of the no. 708,001 convertible Club Méditerranée bonds acquired by the Parent Company in 2009 (Euro 9,473). From June 8, 2009 until they mature on June 8, 2012, the bonds can be converted at Edizione's request into ordinary shares of Club Med at a conversion ratio of one to one. At maturity, they will be automatically converted into shares.

[7] Guarantee deposits

The balance mainly includes deposits made under lease contracts held by a Japanese subsidiary and by an Indian subsidiary of the Benetton group. The decrease of Euro 7,156 is explained by the Autogrill group's reclassification to current assets of a portion that is now short–term.

[8] Other non–current financial assets

The balance at the end of 2009 includes the following:

» the non–current portion of the Atlantia group's bank deposits (Euro 336,717), relating to the loans disbursed by Intesa Sanpaolo and Crediop in order to access the government grants provided under Laws no. 662/1996, no. 345/1997 and no. 135/1997 to finance 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 receivable from ANAS to the subsidiary Autostrada Torino–Savona S.p.A. for contributions pursuant to Law no. 662/1996 (Euro 16,499);
» financial receivables from Assicurazioni Generali S.p.A. (Euro 12,668) for single–premium capitalization policies taken out by Autostrade per l'Italia S.p.A. (Euro 4,904) and Strada dei Parchi S.p.A. (Euro 7,764), subsequently pledged, to guarantee any obligations arising from the surety of Euro 76,363 (of which Euro 45,818 pertaining to Autostrade per l'Italia) expiring on December 31, 2029. The surety was granted by Assicurazioni Generali to ANAS in relation to the A24 and A25 motorway management contract between ANAS and Strada dei Parchi;
» loans accruing interest at market rates, granted to third parties by subsidiaries of the Benetton group (Euro 4,711).

Financial receivables are broken down below by maturity:

(Thousands of Euro)	12.31.2009	12.31.2008
From 1 to 5 years	343,569	560,015
Beyond 5 years	39,230	27,209
Total	**382,799**	**587,224**

The decrease with respect to December 31, 2008 was caused by the reduction in bank deposits (Euro 203,482), which were released during the year consistent with the percentage of completion of the related works.

[9] Other non–current receivables

Of the increase in this item with respect to the previous year, Euro 28,556 refers to receivables due from the Chilean concession grantor to Los Lagos, a concession holder consolidated for the first time in 2009.
This item also includes receivables from joint venture partners in the United States (Euro 3,028), amounts due for interest–bearing balances with oil companies (Euro 5,122), premiums due from suppliers under long–term agreements and concession rent paid in advance (Euro 33,487), with reference to the Autogrill group; trade receivables due beyond one year (Euro 4,803), receivables for the sale of non–current assets (Euro 2,133) and VAT credits (Euro 2,388), with reference to the Benetton group; and credits for tax advances paid on employee termination indemnities by the Italian companies in the Atlantia group (Euro 3,181).

[10] Deferred tax assets

The balance includes net deferred tax assets generated by the Atlantia group (Euro 1,680,486), the Benetton group (Euro 156,869), the Autogrill group (Euro 98,748) and other Group companies.

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

(Thousands of Euro)	12.31.2009	12.31.2008
Tax effect on deductible intercompany goodwill	1,199,525	1,305,325
Tax effect on provisions and costs relating to future periods for fiscal purposes	365,553	330,538
Tax effect on different basis for depreciation, amortization and impairment	248,542	265,757
Benefit on carried forward tax losses	56,835	63,979
Tax effect on intercompany profits elimination	4,904	7,756
Other deferred tax assets	176,391	97,537
Total deferred tax assets	**2,051,750**	**2,070,892**
Offsettable deferred tax liabilities	(97,247)	(28,685)
Total net deferred tax assets	**1,954,503**	**2,042,207**

In order to better understand the nature of tax assets generated by the Atlantia, Benetton and Autogrill groups, the following paragraphs describe it separately.

Atlantia group

The balance at December 31, 2009 is principally comprised of residual deferred tax assets (Euro 1,199,525) for the reversal of the intercompany gain arising in 2003 due to the transfer of motorway assets to Autostrade per l'Italia, which corresponded to goodwill deducted by this company.
It also includes deferred tax assets of Euro 291,119 for the non–deducted portion of provisions, mostly with reference to the repair and replacement of assets to be relinquished, deferred tax assets of Euro 101,882 for impairment losses charged by Raccordo Autostradale Valle d'Aosta S.p.A. and non–deductible depreciation of property, plant and equipment.

Benetton group

The Benetton group offsets deferred tax assets against deferred tax liabilities for Italian companies that have made the group tax election and for foreign subsidiaries to the extent legally allowed in their country of origin.
The balance of this item is comprised mainly of deferred tax assets recognized on the different basis for amortization and depreciation, measured according to the estimated future profitability of the tax benefits associated with corporate restructuring in 2003.
The potential tax benefit associated with carried forward tax losses of group companies (Euro 243 million at December 31, 2009) has been adjusted by Euro 226 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 38,058, 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 21,886, primarily in relation to tax losses carried forward and the deferred deductibility of provisions for concession fees;
» the French units for Euro 12,062, 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 14,057.
Tax losses existing at December 31, 2009 on which deferred tax assets have not been recognized amount to Euro 101,354.

CURRENT ASSETS

[11] Inventories

Inventories, totalling Euro 621,202, are broken down below:

(Thousands of Euro)	12.31.2009	12.31.2008
Raw materials, other materials and consumables	362,479	421,348
Work in progress and semi–manufactured products	74,257	59,750
Finished goods	184,278	214,532
Advances	188	2,372
Total	**621,202**	**698,002**

Inventories are stated net of the write–down provision of Euro 31,313.
The decrease is due to the positive impact of the Benetton and Autogrill groups' efforts to reorganize production sources and optimize the supply chain.

[12] Trade receivables

At December 31, 2009, trade receivables, net of the provision for doubtful accounts, were as follows:

(Thousands of Euro)	12.31.2009	12.31.2008
Trade receivables	1,882,919	1,810,392
(Provision for doubtful accounts)	(166,199)	(163,409)
Total	**1,716,720**	**1,646,983**

Trade receivables include amounts due from non–consolidated subsidiaries (Euro 3,873) and associates (Euro 13,696), referring essentially to the Atlantia group.
Movements in the provision for doubtful accounts are summarized below:

(Thousands of Euro)	01.01.2009	Additions	Uses	Releases to statement of income	Change in scope of consoli-dation	Exchange differences and other movements	12.31.2009
Provision for doubtful accounts	163,409	25,477	(39,041)	(254)	(2,122)	18,730	166,199

At the end of the year, Euro 4,697 in trade receivables not yet due (Euro 7,423 at December 31, 2008) had been factored without recourse by the Benetton group.

[13] Tax receivables

This item includes:

» VAT credits of Euro 48,043 (Euro 45,820 at the end of 2008), of which Euro 23,143 pertains to the Benetton group, Euro 12,213 to the Autogrill group and Euro 11,919 to the Atlantia group;
» income tax credits of Euro 52,798 (Euro 60,955 at December 31, 2008), of which Euro 35,244 pertains to the Atlantia group, Euro 5,169 to the Benetton group and Euro 3,809 to the Autogrill group;
» other tax receivables of Euro 9,264 (Euro 13,149 at December 31, 2008), including Euro 3,560 for the Atlantia group, Euro 1,543 for the Autogrill group and Euro 2,919 for the Benetton group;
» the IRES (corporate income tax) refund due under Article 6 of Decree Law no. 185/2008, which allows companies to request reimbursement the amount of tax corresponding to the IRAP (regional business tax) not deducted in fiscal years 2004 through 2007. The total amount of tax receivables recognized by the Group is Euro 14,321.

[14] Accrued income and prepaid expenses

These are made up as follows:

(Thousands of Euro)	12.31.2009	12.31.2008
Rents and leases	29,874	37,553
Other accrued income and prepaid expenses	24,994	14,266
Total	**54,868**	**51,819**

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)	12.31.2009	12.31.2008
Advances paid to suppliers	88,003	92,695
Receivables for disposal of discontinued operations	–	64,000
Receivables due from motorway end users	26,624	25,911
Receivables from companies in the motorway interconnecting networks	18,046	16,546
Credit card receipts	10,604	7,285
Advances to employees and agents	9,334	9,123
Receivables for disposal of assets	5,684	1,626
Receivables from Group companies	1,555	2,062
Other receivables	62,770	71,938
Total	222,620	291,186

This item is shown net of provisions for doubtful accounts (Euro 34,707), of which Euro 29,578 pertains to the Atlantia group.

Advances paid to suppliers concern the Autogrill group for Euro 73,768 and include amounts paid in advance for services, promotional contributions and bonuses from suppliers awaiting settlement.
Receivables due from motorway end users (Atlantia group) refer to the reimbursement of road damages.
Receivables from companies in the motorway interconnecting networks consist of tolls pertaining to the Atlantia group that were collected by third–party concession holders.
Other receivables include amounts due from sub–concessionaires, advances to concession grantors for investments made on their own behalf or on behalf of sub–concessionaires, receivables on business generating commissions and amounts due from insurance companies with respect to the Autogrill group; receivables from public entities with respect to the Atlantia group.

The decrease is due essentially to the collection of the remaining amount due (Euro 64,000) on the 2009 sale of the Group's interests in Autostrade del Brennero and Autovie Venete.

[16] Other current financial assets

In detail:

(Thousands of Euro)	12.31.2009	12.31.2008
Bank deposits	181,620	177,916
Derivatives: fair value hedges	10,630	30,896
Derivatives: cash flow hedges	3,843	7,180
Financial receivables from Group companies	11,302	15,922
Financial receivables from third parties	16,124	28,726
Other financial receivables and assets	79,319	40,951
Total	302,838	301,591

Bank deposits refer to the current portion of bank deposits held by Atlantia group subsidiaries in connection with grants offered by Laws no. 662/1996, no. 345/1997 and no. 135/1997, as described 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 3,830) and the Autogrill group (Euro 6,800), deriving from the adjustment to market value of hedges outstanding at December 31, 2009 in relation to the economic, transaction and translation exchange risk.
The item Derivatives: cash flow hedges includes the fair value accounting of the Benetton group's hedges against economic and translation exchange risk.

Financial receivables from Group companies concern North American associates of the Autogrill group (Euro 2,898), associates of the Atlantia group (Euro 2,741) and certain non–consolidated subsidiaries, in relation to current intercompany accounts settled at market interest rates.
Financial receivables from third parties refer to the current portion of long–term receivables and to other amounts due from the Autogrill group's joint venture partners in the United States. Also included are short–term financial investments by the Stalexport Autostrady group (Euro 11,805).
Other financial receivables and assets include Euro 71,910 in accrued income on derivative financial instrument transactions. Of the total increase for the year, Euro 47,574 refers to the higher accrued income on new derivative contracts taken out to hedge the bonds issued by the Atlantia group in 2009.

[17] Other investments

These investments are classified as "available for sale" in accordance with IAS 39.

(Thousands of Euro)	12.31.2009	12.31.2008
Caltagirone Editore S.p.A.	5,002	5,988
Meliorbanca S.p.A.	–	2,122
Other securities	8,331	6,270
Total	13,333	14,380

In 2009 the Parent Company sold the stake in Meliorbanca, accepting the Banca Popolare dell'Emilia's bid to take over the company at a price of Euro 3.20 per share.
The decrease in the value of the investment in Caltagirone Editore with respect to December 31, 2008 is attributable to fair value accounting and has been charged to the fair value reserve under equity.

[18] Cash and cash equivalents

The item can be broken down as follow:

(Thousands of Euro)	12.31.2009	12.31.2008
Bank accounts	574,507	480,262
Time deposits	824,761	29,725
Checks	83,809	76,298
Cash in hand	82,407	92,040
Total	1,565,484	678,325

Bank accounts are liquid funds held at major banks. Average interest rates reflect market returns for the various currencies concerned.
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.
Of the increase for the year, Euro 1,092,437 stems from the cash generated by the Atlantia group's Euro 1,500 million bond issue of May 6, 2009, which is held in demand deposits with banks and in deposits with terms of no more than three months; this was partially offset by a reduction in cash for the subsidiary Sintonia S.A. due to the use of funds in the Telco transaction at the end of the year, as described in Note [5] Equity investments in other companies.

[19] Assets held for sale

This item includes Euro 301,816 for the Telecom Italia S.p.A. shares held by Sintonia S.A. as a result of the Telco transaction (discussed in Note [5] Equity investments in other companies). Their measurement at the lower of cost and fair value, as required by IFRS 5, led to an impairment loss of Euro 303 million representing Sintonia S.A.'s loss from the sale of all of these shares in early 2010.
This item also includes assets acquired by the Atlantia group as part of the transaction with the Itinere group, which are due to be sold in the near–term. The assets in question are minority investments in Portuguese motorway concession holders, worth Euro 67,255 and financial receivables from the same companies worth Euro 17,076.

COMMENTS ON SHAREHOLDERS' EQUITY ITEMS

(All figures in thousands of Euro)

SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

On June 22, 2009, the annual general meeting of Edizione S.r.l. approved a dividend totalling Euro 40 million. The dividend was paid on July 1, 2009.

[20] Share capital

On June 22, 2009 the extraordinary part of Edizione S.r.l.'s annual general meeting approved a free capital increase to Euro 1,500,000,000.00.

At December 31, 2009 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 measurement 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 2,761,486 at the close of the year (Euro 4,092,223 at December 31, 2008), this item includes:

» Euro 104 for the Parent Company's legal reserve;
» Euro 919,636 for the Parent Company's other reserves;
» Euro 437,419 for the first time adoption reserve, which covers the effect of the Group's transition to IAS/IFRS;
» Euro 1,404,327 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.

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

	12.31.2009	
(Thousands of Euro)	Shareholders' equity	Net income
As shown in the separate financial statements of Edizione S.r.l. prepared according to Italian GAAP	**2,455,625**	**35,884**
IFRS adjustments to separate financial statements of Edizione S.r.l.	49,971	1,773
As shown in the separate financial statements of Edizione S.r.l. prepared according to IFRS	**2,505,596**	**37,657**
Group share of net income and shareholders' equity of consolidated subsidiaries, net of their carrying value	210,217	346,888
Elimination of dividends paid to the Parent Company by consolidated subsidiaries	–	(315,676)
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	1,598,079	1,591
Elimination of capital gains from the intercompany sale of equity investments and businesses	(78,922)	63,233
Adjustment to reflect the equity value of associated companies	(42,633)	(13,178)
Net effect of other consolidation postings	(24,047)	(16,476)
Group's consolidated financial statements	**4,168,290**	**104,039**

[24] Minority interests

At December 31, 2009 and 2008, the interests held by minority shareholders in the net equity of consolidated companies were as follows:

(Thousands of Euro)	12.31.2009	12.31.2008
Atlantia group	2,754,167	2,581,790
Sintonia S.A.	588,784	487,425
Benetton group	434,027	421,294
Autogrill group	289,879	254,992
Investimenti Infrastrutture S.p.A.	90,395	72,148
Schemaquattordici group	16,137	18,370
Other companies and consolidation postings	(15,743)	(5,128)
Total	**4,157,646**	**3,830,891**

In general, the increase in minority interests in Atlantia, Benetton and Autogrill groups is due to their positive results for the year.

Minority interests in Sintonia and Investimenti Infrastrutture have grown because of the capital increases paid in by minority shareholders.

The decrease in minority interests in the Schemaquattordici group (formerly 21,Investimenti) is the result of capital repayments during the year.

COMMENTS ON LIABILITY ITEMS

(All figures in thousands of Euro)

NON–CURRENT LIABILITIES

[25] Bonds

Non–convertible bonds pertain to the Atlantia group for Euro 7,836,018 and to the Autogrill group for Euro 334,454.

As for the Atlantia group, the balance at December 31, 2009 refers to bonds issued by Atlantia S.p.A. as part of its medium–term note (MTN) program, for a total of Euro 10 billion.

The increase on the previous year reflects the new bonds issued on May 6, 2009, and December 10, 2009, for respective nominal amounts of Euro 1,500 million (annual interest 5.625%, issue price Euro 99.932, maturity May 6, 2016) and Jpy 20,000 million (half–yearly interest 2.73%, maturity December 10, 2038). They are carried in the balance sheet at respectively

Euro 1,482,040 and Euro 149,553.

The bonds outstanding at December 31, 2008 were issued in four tranches on June 9, 2004 with a nominal value of Euro 6.5 billion, as follows:

a) Tranche 1: nominal value Euro 2,000,000 paying interest at the 3–months Euribor +0.45%, issue price Euro 99.806, maturing on June 9, 2011, carried at Euro 1,987,211 in accordance with the amortized cost method;
b) Tranche 2: nominal value Euro 2,750,000 paying interest at 5.00%, issue price Euro 99.178, maturing on June 9, 2014, carried at Euro 2,695,077 in accordance with the amortized cost method;
c) Tranche 3: nominal value Gbp 500 million, paying interest at 6.25%, issue price Euro 99.752, maturing on June 9, 2022, carried at Euro 550,148 in accordance with the amortized cost method;
d) Tranche 4: nominal value Euro 1,000,000 paying interest at 5.875%, issue price Euro 99.965, maturing on June 9, 2024, carried at Euro 971,989 in accordance with the amortized cost method.

Atlantia S.p.A. entered into Interest Rate Swaps and Cross Currency Interest Rate Swaps in order to hedge the above liabilities. The fair value of these instruments at December 31, 2009 is discussed in Note [29] Other non–current financial liabilities.

The figure mentioned for the Autogrill group refers to:

» a private placement carried out on January 23, 2003 by HMSHost Corp. 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, Usd 60 million and Usd 266 million, maturing respectively in 2010, 2011 and 2013. The tranches pay half–yearly interest at respective rates of 5.38%, 5.66% and 6.01%. The amount of the tranche maturing in 2010 (Euro 30,543) has been reclassified to current liabilities;
» 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. Under the rules for fair value hedge accounting, the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of that item and is recognized in profit or loss, as is the gain or loss from the subsequent fair value measurement of the hedge.

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 interest coverage 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, 2009, 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 5,720,779) and payables to other lenders (Euro 727,108).

The decrease with respect to December 31, 2008 is due primarily to repayments by the Autogrill group and the subsidiary Investimenti Infrastrutture S.p.A. in 2009 and to the reclassification to current liabilities of amounts due within the next 12 months. This was partially offset by the consolidation of the borrowings of Chilean concession holder Los Lagos (Euro 131,282).

Medium and long–term loans from credit institutions at December 31, 2009 were as follows:

(Thousands of Euro)	12.31.2009	12.31.2008
Pool loan totalling Euro 1,800 million, floating rate, maturing on October 2014 (1)	1,100,243	1,095,609
Loans from European Investment Bank (EIB) maturing from 2010 to 2022	950,631	1,039,970
Senior Secured Long Term Facility of Euro 800 million, floating rate, maturing on 06.30.2015 (5)	709,582	782,587
Term2 loan of Gbp 477,510 thousands, granted on 03.19.2008, floating rate, amortizing, annual payments, maturity 03.19.2013 (2)	444,536	499,283
Revolving syndicated loan granted on 05.25.2007 of Euro 500 million, maturity 05.25.2014 (2)	432,195	367,057
Loans from Dexia Crediop and Sanpaolo IMI for activation of government grants made available by Laws no. 135/1997, no. 345/1997 and no. 662/1996	381,169	419,862
Term1 loan of Euro 275 million granted on 03.19.2008, floating rate, bullet payment, maturity 03.19.2013 (2)	273,391	273,640
Revolving credit line of Euro 250 million, floating rate, maturity June 2013 (3)	219,506	249,365
Mediobanca term loan of Euro 200 million, granted on 06.24.2005, floating rate, bullet repayment, maturity 06.24.2015 (2)	200,000	200,000
Intesa Sanpaolo loan of Euro 150 million, floating rate, maturity 2012 (4)	149,846	149,788
UniCredit Banca d'Impresa loan of Euro 150 million, floating rate, maturity 2012 (4)	149,846	149,788
Loans from Cassa Depositi e Prestiti totalling Euro 150 million, floating rate, maturity December 2013	143,532	149,700
BNL loan of Euro 100 million, floating rate, maturity 2012 (4)	99,897	99,859
Club Deal Aldeasa of Euro 125 million, floating rate, in two tranches: Tranche B, amortizing with half–yearly repayments; Tranche C, bullet repayment on 07.29.2011 (2)	97,022	120,833
"Evergreen" credit line of Euro 150 million, floating rate, minimum maturity of 13 months rolling (3)	95,000	–
Revolving syndicated loan of Euro 300 million, granted on 06.24.2005, floating rate, maturity 06.24.2012 (2)	86,702	273,832
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	44,874
Revolving credit line of Euro 150 million, floating rate, maturity November 2011 extendable at the company's discretion for up to two additional years (Novembre 2013) (3)	–	104,817
Loan from UniCredit MedioCredito Centrale totalling Euro 43 million, floating rate, maturity May 2011	–	38,912
Other loans	162,726	47,426
Total	**5,720,779**	**6,107,202**

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, 2009 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, 2009 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, 2009 these covenants were satisfied.
(4) The loans granted to the Benetton group include two financial covenants (satisfied at December 31, 2009), 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.

The loans from Dexia Crediop and Sanpaolo IMI to Autostrade per l'Italia and Autostrada Torino–Savona are linked to the activation of government grants made available by Laws no. 135/1997, no. 345/1997 and no. 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.

Of total medium and long–term loans, Euro 400 million is secured by mortgages on property, plant and equipment and intangible assets.

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

Year	12.31.2009
2011	370,804
2012	678,477
2013	1,209,022
2014	807,962
2015 and beyond	2,654,514
Total	**5,720,779**

Payables to other lenders (Euro 727,108) refer to the Atlantia group and are detailed as follows:
» interest–bearing loans to ANAS (Euro 640,705);
» non–interest bearing loans from the Central Guarantee Fund for motorways and metropolitan railways (Euro 36,854), relating to the subrogation of the Fund in the repayment of loans by subsidiaries of the Atlantia group;
» Euro 45,347 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

The item can be broken down as follow:

(Thousands of Euro)	12.31.2009	12.31.2008
Tolls as contributions to investments	93,212	67,704
Long–term deferred income	32,035	33,282
Payables to personnel	7,528	7,258
Other payables to third parties	74,695	66,728
Total	**207,470**	**174,972**

Tolls as contributions to investments refer to the amounts collected by the subsidiaries Autostrade per l'Italia (Euro 69,899) and Autostrade Meridionali (Euro 23,313) 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 statement of income; only upon completion of the works and their entry into service will the sums be respectively released to the statement of income in correlation with the depreciation of the works, or deducted from the cost of the works and thus from the relative depreciation charges.
Long–term deferred income concerns the Atlantia group and consists of rent, contributions and reimbursements received that pertain to future years.
Payables to personnel refer to the long–term incentive plans of a US subsidiary of the Autogrill group (Euro 7,526). The liability will be gradually settled over time as employee benefits fall due.
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 3,472), amounts due for the purchase of fixed assets (Euro 4,974) and prior years' concession fees to be settled by the Aldeasa group between 2008 and 2012.

[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 within one year is booked under current liabilities (Note [37]).

Future installments (principal portion)		
(Thousands of Euro)	12.31.2009	12.31.2008
Within 1 year	3,502	4,879
From 1 to 5 years	9,697	9,928
Beyond 5 years	1,123	1,656
Total	**14,322**	**16,463**

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

(Thousands of Euro)	12.31.2009	12.31.2008
Minimum payments due	**15,805**	**17,562**
Outstanding financial expenses	(1,483)	(1,099)
Present value of lease financing	**14,322**	**16,463**

[29] Other non–current financial liabilities

At December 31, 2009, the full balance of this item pertains to the Atlantia group, as follows:

» Euro 374,779 as the negative fair value of outstanding derivatives, which include a Cross Currency Interest Rate Swap used to hedge foreign exchange rate risk on the bond loan of Gbp 500 million and the new bond loan of Jpy 20,000 million issued in 2009, as well as Interest Rate Swaps used to hedge interest rate risk on financial liabilities, as mentioned in Note [25] Bonds and Note [26] Medium and long–term loans. In addition, to hedge the risk of fair value fluctuation of the 2009 bond loan of Euro 1,500 million, the group has entered into new derivative contracts classified as fair value hedges;

» Euro 25,464 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, such as employee termination indemnities (TFR) paid by the Group's Italian companies (Euro 285,120). 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:

» T.F.R. 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;

» T.F.R. 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 retirement benefit obligations were as follows:

(Thousands of Euro)	
Balance at 01.01.2009	**368,689**
Provisions for the period	44,184
Benefits paid during the period	(61,418)
Change in scope of consolidation	–
Translation differences	1,509
Other movements	5,792
Balance at 12.31.2009	**358,757**

Of the total, Euro 189,243 refers to the Atlantia group, including Euro 165,767 in Italian termination indemnities. The Autogrill group accounts for Euro 119,102, with Euro 72,399 pertaining to termination indemnities of Italian companies. The amount for the Benetton group is Euro 47,357, including Euro 43,899 in termination indemnities for Italian personnel.

This item also includes provisions for the Atlantia group's long–term incentive plan (Euro 22,589).

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

	12.31.2009	12.31.2008
Discounting rate	1.5%–4%	1.5%–7.1%
Inflation rate	2%–3.8%	0.5%–3.2%
Expected rate of salary increases	0.8%–4.8%	1.0%–3.8%
Expected rate of return on assets	3.2%–7.3%	4.0%–6.3%

The wide range for some of the above assumptions depends on differences from country to country.

[31] Deferred tax liabilities

This item refers chiefly to the Autogrill group (Euro 83,002) and the Atlantia group (Euro 30,934) and covers deferred tax liabilities that cannot be offset by deferred tax assets.

[32] Other non–current provisions and liabilities

(Thousands of Euro)	Provision for risk	Provision for sales agent indemnities	Provision for other expenses	Provision for repair and replacement of assets to be relinquished	Total non–current portion	Provision for risk	Provision for other expenses	Provision for repair and replacement of assets to be relinquished	Total current portion
Balance at 01.01.2009	**51,746**	**21,354**	**51,015**	**951,354**	**1,075,469**	**97,852**	**7,153**	**117,664**	**222,669**
Provision	6,592	2,500	12,331	501,685	523,108	15,343	3,844	–	19,187
Uses	(5,908)	(299)	(4,166)	(1,428)	(11,801)	(11,876)	(4,494)	–	(16,370)
Released to statement of income	(3,317)	–	(2,420)	(405,241)	(410,978)	(984)	(1,034)	–	(2,018)
Change in scope of consolidation	–	–	1,548	11,028	12,576	1,000	–	–	1,000
Other movements and translation differences	1,730	–	(4,972)	(18,965)	(22,207)	(12,074)	–	7,922	(4,152)
Balance at 12.31.2009	**50,843**	**23,555**	**53,336**	**1,038,433**	**1,166,167**	**89,261**	**5,469**	**125,586**	**220,316**

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, 2009 Provision for risk amounted to Euro 140,104.
The Atlantia group contributed Euro 89,440 to this item (current portion: Euro 74,903), representing the estimated charges to be incurred in connection with pending litigation, including those with contractors regarding contract reserves.

The amount of Euro 42,789 pertains to the Autogrill group (current portion: Euro 10,640) and is detailed as follows:

» a self–insurance provision set up by a US affiliate (Euro 19,371) to cover the excess on third–party liability provided for in insurance plans. The allocation for the year came to Euro 10,229 and Euro 7,834 was taken out for settlements;
» provisions for motorway management risks (Euro 3,352);
» provisions for restructuring (Euro 1,597), mostly in connection with the integration plan in the Travel retail & duty–free division;
» provisions for legal dispute with third parties (Euro 6,626), which take account of the opinions of the Autogrill group's legal advisors.

The Benetton group's contribution of Euro 10,579 (current portion: Euro 3,719) 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 58,805, mostly pertains to the Autogrill group for Euro 44,082 (current portion: Euro 2,415), the Benetton group for Euro 3,726 (current portion: Euro 2,755) and the Atlantia group for Euro 7,504 (current portion: Euro 214).

The balance at December 31, 2009 for the Autogrill group includes:

» a provision for the refurbishment of third party assets (Euro 13,418), representing estimated liabilities for ensuring that leased assets and/or assets to be relinquished are returned in the contractually agreed condition;
» a provision against onerous contracts (Euro 20,278) relating to loss–making units. The allocations in 2009 are based on projections by certain stores where earnings are not expected to cover lease payments; the stores are managed under multi–year concessions from which the Autogrill group cannot withdraw in advance;
» a tax risk provision (Euro 10,386; current portion: Euro 2,415), 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.

Provision for the repair and replacement of assets to be relinquished (Euro 1,164,019) refer to the Atlantia group (Euro 1,160,969) and the Autogrill group (Euro 3,050).
For the Atlantia group, the balance at December 31, 2009 is split between the non–current portion (Euro 1,035,383) and the current portion (Euro 125,586) and covers the estimated cost of repairing or replacing assets to be relinquished in accordance with the contracts between the group's motorway concession holders and the grantors of those concessions.
For the Autogrill group, this provision represents estimated liabilities for ensuring that leased assets and/or assets to be relinquished are returned in the contractually agreed condition.

Changes in the scope of consolidation refer to the newly consolidated companies of the Atlantia group.

CURRENT LIABILITIES

[33] Trade payables

These represent the Group's liabilities at December 31, 2009 for the purchase of goods and services; the balance includes Euro 18,867 in intercompany trade payables.

[34] Other payables, accrued expenses and deferred income

In detail:

(Thousands of Euro)	12.31.2009	12.31.2008
Other payables:		
– from companies in the motorway interconnecting network	420,433	371,851
– tolls in the process of settlement	117,835	112,836
– payables to personnel	199,785	186,187
– payables to social security institutions	84,414	84,955
– other payables to tax authorities	83,449	77,103
– payables for the purchase of assets	82,136	93,039
– VAT payables	54,366	37,379
– guarantee deposits	50,103	48,847
– payables for the purchase of equity investments	38	–
– other payables to third parties	159,736	155,396
Total other payables	1,252,295	1,167,593
Accrued expenses and deferred income:		
– leases and rentals	15,836	17,035
– other	62,663	42,647
Total accrued expenses and deferred income	78,499	59,682
Total other payables, accrued expenses and deferred income	1,330,794	1,227,275

The first two items in the table refer exclusively to the Atlantia group.
Payables to personnel concern amounts accrued and not paid at December 31, 2009.
Payables to social security institutions consist of contributions due from Group companies and employees.
Other payables to tax authorities include the concession fees due by the Atlantia group to ANAS.
Payables for the purchase of assets refer to the retail network, information technology and manufacturing division of the Benetton group (Euro 21,818) and to investments by the Autogrill group (Euro 60,426).
Guarantee deposits are owed to motorway users who hold accounts with the Atlantia group.
Other payables to third parties include amounts due to expropriated companies by the Atlantia group (Euro 50,773), payables 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.

[35] 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.

[36] Other current provisions and liabilities

This item is discussed in Note [32].

[37] Current portion of lease financing

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

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

This item includes, respectively, Euro 144,801 and Euro 30,543 for the current portion of medium and long–term loans and of the bonds ascribed to the Autogrill group.
Regarding the Atlantia group, it also includes Euro 220,316 for the current portion of loans due to credit institutions and Euro 226,137 for the current portion of loans due to other lenders.
The residual amount consists mostly of the current portion of a loan held by a Group subsidiary in Argentina.
The portion of loans secured by mortgages on property, plant and equipment amounts to Euro 891.

[39] Other current financial liabilities

The item is broken down as follows:

(Thousands of Euro)	12.31.2009	12.31.2008
Financial payables due to other companies	367	12,603
Derivatives: fair value hedges	9,682	13,672
Derivatives: cash flow hedges	163,958	123,496
Financial payables from Group companies	1,455	7,284
Other financial liabilities	299,538	251,445
Total	475,000	408,500

The item Derivatives: fair value hedges represents the differentials on forward exchange contracts arising from the fair value measurement of hedges outstanding at December 31, 2009 in relation to economic, transaction and translation exchange risk. The balance at December 31, 2009 refers to the Benetton group for Euro 8,399 and the Autogrill group for Euro 1,283.
The heading Derivatives: cash flow hedges refers to the fair value measurement of derivatives involved mainly in interest rate hedging transactions. The balance at December 31, 2009 results from the negative valuation of hedges held by Sintonia S.A. (Euro 79,356), the Autogrill group (Euro 63,823), the Parent Company (Euro 18,690) and the Benetton group (Euro 1,909). The increase on the previous year is due to the trend in interest rates.
Other financial liabilities include accrued liabilities on bonds and medium and long–term loans (Euro 264,210) and on derivative transactions (Euro 35,328).

[40] Bank loans and overdrafts

In detail:

(Thousands of Euro)	12.31.2009	12.31.2008
Advances on receivables and other short–term borrowings	479,289	675,250
Current account overdrafts	59,988	124,001
Total	539,277	799,251

The Atlantia group contributed Euro 226,380 to the year–end balance: Euro 40,990 in current account overdrafts and Euro 185,390 in short–term loans.
The Benetton group accounted for Euro 291,251, mostly for the use of credit facilities, both committed (Euro 202,400) and uncommited (Euro 86,560).

COMMENTS ON STATEMENT OF INCOME ITEMS

(All figures in thousands of Euro)

[41] Revenues

The revenues are broken down by type as follows:

(Thousands of Euro)	2009	2008
Net sales	7,882,373	8,030,941
Tolls	2,956,399	2,853,010
Royalties	189,296	189,722
Other revenues	233,990	234,653
Total	**11,262,058**	**11,308,326**

The decrease in Net sales, attributable to the Benetton and Autogrill groups, is in line with a market characterized by prudent spending and reflects unfavourable currency trends against the Euro.

Tolls increased by Euro 103,389, due essentially to the toll surcharge that concession holders are required to pay to ANAS (Euro 82,309 for the period August–December 2009). The surcharge, which arose from a regulatory change effective since August 5, 2009, increases toll revenues but entails a corresponding rise in the concession costs due to ANAS (see Note [48] Leases and rentals).

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

Other revenues consist of the Telepass and Viacard income of the Atlantia group (Euro 104,472) and income from services such as cost recharges and miscellaneous services including the development of advertising campaigns.

Revenues by business segment are shown below:

(Thousands of Euro)	2009	2008
Food & beverage and Travel retail & duty–free	5,817,433	5,898,877
Infrastructures & services for mobility	3,360,659	3,241,045
Textiles & clothing	2,048,319	2,127,619
Other sectors	35,647	40,785
Total	**11,262,058**	**11,308,326**

The following table shows revenues by geographical area:

(Thousands of Euro)	2009	2008
Italy	5,698,061	5,675,093
Europe (excluding Italy)	3,083,425	3,112,005
Americas	1,889,131	1,978,346
Other countries	591,441	542,882
Total	**11,262,058**	**11,308,326**

Revenues earned outside Italy came to 49% (50% in 2008).

[42] Other revenues and operating income

The item is detailled in the following table:

(Thousands of Euro)	2009	2008
Rents	91,199	89,144
Promotional contributions by suppliers	63,215	66,153
Reimbursement of costs by third parties	59,079	70,088
Gains on disposal of non–current assets	32,454	17,237
Impairment reversals	28,961	7,573
Release of provisions	9,895	8,248
Affiliation fees	3,859	4,174
Other operating income	103,991	94,551
Total	**392,653**	**357,168**

Rents refer mainly to income from commercial premises used for the sale of Benetton label products (Euro 71,488), leasing instalments for companies in the Autogrill group (Euro 12,306) and the leasing of properties classified under Investment property (Euro 2,697).

Reimbursement of costs by third parties includes Euro 49,423 for the Atlantia group and refers to refunds and indemnities received.

Gains on disposal of non–current assets refers to income generated by the sale of some of the Group's properties.

Impairment reversals include the write–back of Euro 28,961 for Assets to be relinquished by a subsidiary of the Atlantia group. Of the amount shown for 2008, Euro 6,549 concerns a Benetton group property that was sold during the year.

Other operating income includes amounts from commission–based sales of products (Euro 14,005), income from the sub–lease of parts of commercial units, contingent income, operating grants and miscellaneous income.

[43] Purchases and changes of raw materials and consumables

The positive change in this item reflects the efforts made by certain Group companies to reorganize production sources and boost the efficiency of the supply chain.

[44] Payroll costs

The item is break down as follows:

(Thousands of Euro)	2009	2008
Wages and salaries	1,789,180	1,820,114
Social security charges	390,318	378,326
Provision for employee termination indemnities and similar	44,184	47,238
Other payroll costs	140,118	131,742
Capitalized payroll costs	(42,571)	(34,793)
Total	**2,321,229**	**2,342,627**

Other payroll costs concern the Autogrill group for Euro 74,915, in connection with long–term incentives, health insurance and other benefits and the Atlantia group for Euro 59,206 and include bonuses, leaving incentives and the cost of seconded personnel. Capitalized payroll costs refer solely to the Atlantia group.

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

FTE	2009	2008
Food & beverage and Travel retail & duty–free	52,072	54,427
Infrastructures & services for mobility	10,021	10,310
Textiles & clothing	8,784	8,966
Other sectors	638	718
Total	71,515	74,421

Depreciation and amortization

[45] Depreciation of property, plant and equipment

In detail:

(Thousands of Euro)	2009	2008
Depreciation of buildings	26,881	25,082
Depreciation of investment property	1,703	1,709
Depreciation of plant, machinery and equipment	136,403	129,010
Depreciation of furniture, furnishings and electronic equipment	46,001	43,539
Depreciation of assets to be relinquished	374,988	352,178
Depreciation of leasehold improvements	89,265	87,432
Depreciation of other tangible assets	20,658	24,615
Total	695,899	663,565

[46] Amortization of intangible assets

In detail:

(Thousands of Euro)	2009	2008
Amortization of industrial patents and intellectual property rights	1,027	1,068
Amortization of concessions, licences, trademarks and similar rights	61,147	67,887
Amortization of deferred charges	20,539	18,708
Amortization of other intangible assets	34,515	36,350
Total	117,228	124,013

Other operating expenses

[47] Services

The item can be broken down as follows:

(Thousands of Euro)	2009	2008
Construction and similar	203,089	229,920
Subcontracted work	201,365	254,356
Utilities	168,023	175,408
Maintenance costs	153,177	140,192
Administrative, legal and tax advisory services	140,959	170,977
Transport and distribution	128,606	150,054
Sales commissions	102,676	105,406
Advertising and promotion	86,242	93,485
Cleaning and disinfestation	66,524	70,727
Banking services	41,460	38,549
Travel expenses and accomodation	36,967	44,535
Telephone and postal charges	34,856	41,955
Insurance	32,877	32,122
Directors' and Statutory Auditors' emoluments	24,916	29,088
Surveillance	20,265	22,394
Other services	205,718	236,730
Capitalized cost of services	(142,637)	(145,497)
Total	1,505,083	1,690,401

Directors' and statutory auditors' emoluments consist in Euro 9,839 paid to the Board of Directors and Euro 148 to the Statutory Auditors of the Parent Company, including for their services at other consolidated 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.

[48] Leases and rentals

Lease and rental costs, at Euro 1,390,471, increased with respect to the previous year (Euro 1,244,137) and include the concession fees paid by the Atlantia group to ANAS.
Since August 5, 2009, the new toll surcharge rules issued by ANAS caused an increase in the concession fees paid by motorway operators, including the Atlantia group. The amount of that increase is recovered by way of an equivalent rise in tolls (Euro 82,309), as mentioned in Note [41] Revenues.

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

Amounting to Euro 94,330, this item is made up of Euro 28,898 in impairment of property, plant and equipment and Euro 64,432 in impairment of intangible assets. Details can be found in the note on impairment testing under non–current assets.

[50] Write–downs of doubtful accounts

This item, totalling Euro 27,459, pertains to trade receivables for Euro 25,477 and to other receivables for Euro 1,982. Movements in the provision for doubtful accounts are shown in Note [12] Trade receivables.

[51] Provisions for risk

These include provisions for general risks (Euro 21,935), provisions for sales agent indemnities (Euro 2,500) and other provisions (Euro 16,175). They refer to both the non–current and the current portion of such provisions.
This item also includes the net provision for the repair and replacement of assets to be relinquished, pertaining to the Atlantia group, in the amount of Euro 96,444.

[52] Other operating expenses

In detail:

(Thousands of Euro)	2009	2008
Indirect taxes and duties	47,585	50,640
Losses from disposal of non–current assets	5,553	4,065
Donations	15,466	14,413
Differences in cash deposits	1,974	2,920
Other expenses	72,819	75,257
Capitalized operating expenses	(2,808)	(2,850)
Total	140,589	144,445

Other expenses include indemnities paid to third parties, contingent losses and other miscellaneous operating costs.

[53] 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 67,045, including impairment losses), Gemina S.p.A. (Euro 13,496) and Autostrade per il Cile S.r.l. (Euro 1,142).
It also includes the positive effect of the valuation on an equity basis of Autostrade del Sud America S.r.l. (Euro 8,248), which in 2009 benefited from the results of the Chilean subsidiary Costanera Norte, and of the associates of the newly consolidated Triangulo do Sol Autoestradas S.A. (Euro 3,065).
Finally, it includes Euro 1,015 in dividends from associated companies.
For further information, see Note [4] Equity investments in associates and joint ventures.

[54] Financial income

This item breaks down as follows:

(Thousands of Euro)	2009	2008
Gains on disposal of equity investments	77,249	463,980
Write-back of equity investments	196	–
Dividends and other income from subsidiaries	3,746	7,566
Dividends from other companies	15,655	40,294
Income from merchant banking business	323	13,543
Interest income from banks	18,508	40,707
Financial income on derivatives	116,321	102,374
Other financial income	8,877	11,654
Total	240,875	680,118

Gains on disposal of equity investments include Euro 56,549 as the gain from the share capital paid in by minority investors of the subsidiary Sintonia S.A. More specifically, this is a "dilution" gain consisting of the Parent Company's share of the premium received from such investors. A further Euro 20,465 refers to the gain from the 50% share acquired by S.I.A.S. – Società Iniziative Autostradali e Servizi S.p.A. in Autostrade per il Cile, which was formed by Autostrade per l'Italia in early 2009 and was used as a special purpose vehicle for the acquisition of some interests in the Itinere group.
Dividends from other companies in 2009 were collected mainly from Assicurazioni Generali S.p.A. (Euro 10.9 million), Telecom Italia S.p.A. (Euro 1.5 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 102,083 (Euro 64,910 in 2008);
» financial income from hedges on exchange risk: Euro 13,591 (Euro 36,234 in 2008);
» financial income from capital hedging: Euro 647 (Euro 1,230 in 2008).

[55] Impairment of financial assets

In 2008 it included impairment losses on "available for sale" investments in listed companies.

[56] Financial charges

This item breaks down as follows:

(Thousands of Euro)	2009	2008
Interest on medium and long–term bank loans	182,243	339,066
Interest on bonds	378,084	376,894
Financial charges from derivatives	231,974	87,637
Interest on loans from third parties	40,723	41,604
Bank expenses and commissions	6,026	5,778
Losses on disposal of equity investments	194	118
Other financial charges	30,329	53,439
Capitalized financial charges	(51,018)	(40,194)
Total	818,555	864,342

The decrease in Interest on medium and long–term bank loans reflects the lower cost of debt, due to the reduction in money market rates during the year.
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 218,577 (Euro 52,841 in 2008);
» financial charges from hedges on exchange risk: Euro 12,979 (Euro 33,372 in 2008);
» financial charges from capital hedging: Euro 418 (Euro 1,424 in 2008).

The increase in financial charges from hedges on interest rate risk is correlated with the reduction in interest on medium and long–term loans.

Capitalized financial charges concern the investment plans of the Atlantia group, in the context of the expansion of the motorway network which is currently underway. The increase on the previous year concerns the gradual rise in cumulative payments for investments in progress on the network. The interest capitalized in 2009 was determined using an average interest rate of 4.54%.

[57] 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 Autogrill and Benetton groups.

[58] Income taxes

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

(Thousands of Euro)	2009	2008
Current taxes	514,546	518,762
Prepaid and deferred taxes	105,460	25,274
Total	620,006	544,036

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

(Thousands of Euro)	2009	2008
Atlantia group	442,786	408,584
Autogrill group	118,360	68,202
Benetton group	66,786	56,210
Other Group companies and consolidation postings	(7,926)	11,040
Total	620,006	544,036

Current taxes are allocated below by Group:

(Thousands of Euro)	2009	2008
Atlantia group	362,369	379,031
Autogrill group	93,998	64,322
Benetton group	59,412	60,265
Other Group companies and consolidation postings	(1,233)	15,144
Total	**514,546**	**518,762**

In 2009, current taxes were reduced by the income recognized for the IRES (corporate income tax) refund provided by Article 6 of Decree Law no. 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. The total amount of tax receivables and the relative income recognized by the Group is Euro 14,321.

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

(Thousands of Euro)	2009	2008
Atlantia group	80,417	29,553
Autogrill group	24,362	3,880
Benetton group	7,374	(4,055)
Other Group companies and consolidation postings	(6,693)	(4,104)
Total	**105,460**	**25,274**

[59] Profit/(loss) from assets held for sale/discontinued operations

This item is comprised of losses from the Group's divestment from the communication industry, through the Telco transaction described in Note [5] Equity investments in other companies. More specifically, it concerns the valuation of the Telecom Italia S.p.A. shares held by Sintonia S.A. at the lower of cost and fair value net of costs to sell (in accordance with IFRS 5), which corresponds to the amount realized in early 2010 when the shares were sold on the open market.
In 2008 this item was mainly comprised of net income from the sale of interests in Autostrade del Brennero and Autovie Venete (Euro 18,072) and the capital gain on the sale of the interest in Il Gazzettino (Euro 11,986).

ADDITIONAL INFORMATION

[60] Consolidated net financial position

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

(Millions of Euro)	12.31.2009	12.31.2008
Non–current receivables	386	593
Current financial receivables and trading securities	329	316
Cash and cash equivalents	1,565	678
Total financial assets	**2,280**	**1,587**
Bonds	8,170	6,527
Medium and long–term loans	6,448	7,023
Other non–current financial liabilities	400	385
Bank loans and overdrafts	539	799
Lease financing	14	16
Other current financial liabilities	1,108	934
Total financial liabilities	**16,679**	**15,684**
Net financial indebtedness	**14,399**	**14,097**
– of which medium and long–term	14,632	13,342

[61] 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, 2009 and specifies the market value of each:

Type	Notional amount (Millions of Euro)	Date of inception	Date of maturity	Fixed rate	Fair value at 12.31.2009 (Euro)
Interest Rate Swap	25	09.25.2007	11.01.2010	3.0000%	(506,624)
Interest Rate Swap	25	09.25.2007	11.01.2010	2.9650%	(497,820)
Interest Rate Swap	25	09.26.2007	11.01.2010	2.9400%	(491,532)
Interest Rate Swap	25	09.27.2007	11.01.2010	3.0938%	(1,060,436)
Interest Rate Swap	25	10.01.2007	11.01.2010	2.9000%	(481,471)
Interest Rate Swap	25	10.02.2007	11.01.2010	3.0500%	(519,201)
Interest Rate Swap	25	10.03.2007	11.01.2010	2.8990%	(481,219)
Interest Rate Swap	25	10.03.2007	11.01.2010	2.9900%	(504,109)
Interest Rate Swap	25	10.08.2007	11.01.2010	3.0475%	(518,572)
Interest Rate Swap	25	10.11.2007	11.01.2010	3.0500%	(519,201)
Interest Rate Swap	25	12.12.2007	11.01.2010	2.9350%	(490,274)
Interest Rate Swap	25	01.16.2008	11.01.2010	2.9800%	(501,593)
Interest Rate Swap	25	01.21.2008	11.01.2010	2.9900%	(504,109)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8700%	(865,314)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.7700%	(747,204)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.7530%	(1,454,251)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8200%	(806,259)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8650%	(859,408)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8750%	(871,219)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8400%	(829,881)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8575%	(1,701,100)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8600%	(853,503)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8800%	(877,124)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8600%	(853,503)
Interest Rate Swap	25	11.01.2010	11.30.2015	3.8950%	(894,841)
Total					**(18,689,765)**

At December 31, 2009 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, 2008 and had a negative fair value of Euro 3,156.

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 2009 no transfers took place between the various levels.

Sensitivity analysis
The following table shows the theoretical impact on the 2009 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 436 on the statement of income, while a decrease of the same amount would have had a positive impact of Euro 498.
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.
The outcome is that a change of ±5% in the stock market price at December 31, 2009 would have affected shareholders' equity by ± Euro 29,888.

(Thousands of Euro)			Interest rate risk		Interest rate risk		Price risk			
			shock –100 bps		shock +100 bps		shock –500 bps		shock +500 bps	
Financial instruments	Carrying value at 12.31.2009	Average carrying value in 2009	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	Impact on statement of income	Impact on shareholders' equity
Assets										
Equity investments "available for sale"	614,252	–	–	–	–	–	–	(29,888)	–	29,888
Bank accounts and intercompany accounts	8,755	19,991	(200)	–	200	–	–	–	–	–
Liabilities										
Bank loans	(339,341)	(373,027)	3,730	–	(3,730)	–	–	–	–	–
Bank accounts and intercompany accounts	(48,648)	(48,355)	484	–	(484)	–	–	–	–	–
Derivatives: cash flow hedges	**(18,690)**	**–**	**(3,516)**	**(19,696)**	**3,578**	**18,418**	**–**	**–**	**–**	**–**
Total			**498**	**(19,696)**	**(436)**	**18,418**	**–**	**(29,888)**	**–**	**29,888**

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, 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
Derivatives: cash flow hedges	(19,450)	(7,283)	(12,167)	–
Total	**(19,450)**	**(7,283)**	**(12,167)**	**–**

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.

The tables below show financial liabilities outstanding at December 31, 2008 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)	(285,063)	(7,009)	(278,054)	–
Revolving loan, Banca Popolare di Verona (Euro 150 million)	(119,609)	(2,920)	(116,689)	–
Revolving loan, Intesa Sanpaolo (Euro 300 million)	(49,633)	(1,297)	(48,336)	–
Bank accounts and intercompany accounts	(50,129)	(50,129)	–	–
Total	**(504,434)**	**(61,355)**	**(443,079)**	**–**

(Thousands of Euro)				
Derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Derivatives: cash flow hedges	(4,405)	1,349	(6,090)	336
Total	**(4,405)**	**1,349**	**(6,090)**	**336**

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, 2009 and specifies the market value of each:

Type	Notional amount (Millions of Euro)	Date of inception	Date of maturity	Fixed rate	Fair value at 12.31.2009 (Euro)
Interest Rate Swap	50	10.16.2007	10.09.2014	4.5300%	(4,954,856)
Interest Rate Swap	50	10.17.2007	10.09.2014	4.5600%	(5,026,702)
Interest Rate Swap	50	10.19.2007	10.09.2014	4.5500%	(5,002,753)
Interest Rate Swap	50	10.22.2007	10.09.2014	4.5000%	(4,883,010)
Interest Rate Swap	50	10.23.2007	10.09.2014	4.4400%	(4,739,318)
Interest Rate Swap	50	11.01.2007	10.09.2014	4.3700%	(4,571,677)
Interest Rate Swap	50	11.08.2007	10.09.2014	4.3800%	(4,595,626)
Interest Rate Swap	50	11.09.2007	10.09.2014	4.3400%	(4,499,831)
Interest Rate Swap	50	11.20.2007	10.09.2014	4.3100%	(4,427,985)
Interest Rate Swap	50	11.26.2007	10.09.2014	4.2750%	(4,344,164)
Interest Rate Swap	50	01.16.2008	10.09.2014	4.2100%	(4,188,498)
Interest Rate Swap	50	04.16.2008	10.09.2014	4.1300%	(3,996,908)
Interest Rate Swap	50	04.16.2008	10.09.2014	3.9500%	(3,565,832)
Interest Rate Swap	50	04.16.2008	10.09.2014	3.9850%	(3,649,652)
Interest Rate Swap	50	04.16.2008	10.09.2014	4.1800%	(4,116,652)
Interest Rate Swap	50	04.16.2008	10.09.2014	4.0000%	(3,685,575)
Interest Rate Swap	50	04.16.2008	10.09.2014	3.9500%	(3,565,832)
Interest Rate Swap	50	10.09.2008	10.09.2014	4.8500%	(5,721,214)
Total					**(79,536,086)**

At December 31, 2009 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.
At December 31, 2008 the outstanding contracts had a negative fair value of Euro 48.410.

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 2009 no transfers took place between the various levels.

Sensitivity analysis

The following table shows the theoretical impact on the 2009 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.

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 562 on the statement of income.

(Thousands of Euro)			Interest rate risk			
			shock –100 bps		shock +100 bps	
Financial instruments	Carrying value at 12.31.2009	Average carrying value in 2009	Impact on statement of income	Impact on shareholders' equity	Impact on statement of income	Impact on shareholders' equity
Assets						
Bank accounts and deposits	3,580	71,788	(718)	–	718	–
Liabilities						
Bank loans	(1,100,243)	(914,883)	9,149	–	(9,149)	–
Derivatives: cash flow hedges	**(79,536)**	–	**(8,993)**	**(42,288)**	**8,993**	**39,984**
Total			**(562)**	**(42,288)**	**562**	**39,984**

Liquidity risk

Liquidity risk is the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due.
Given its cash flows and its and non–revocable lines of credit, Sintonia S.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, 2009 by maturity.

(Thousands of Euro)				
Non–derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Credit line RBS (Euro 1,800 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
Derivatives: cash flow hedges	(81,588)	(31,152)	(50,436)	–
Total	**(81,588)**	**(31,152)**	**(50,436)**	**–**

The tables below show financial liabilities outstanding at December 31, 2008 by maturity.

(Thousands of Euro)				
Non–derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Credit line RBS (Euro 1,800 million)	(1,389,762)	(49,307)	(197,361)	(1,143,094)
Total	**(1,389,762)**	**(49,307)**	**(197,361)**	**(1,143,094)**

(Thousands of Euro)				
Derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Derivatives: cash flow hedges	(52,049)	(6,779)	(40,580)	(4,690)
Total	**(52,049)**	**(6,779)**	**(40,580)**	**(4,690)**

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 (currency 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, 2009.
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 Benetton 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 currency 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 currency 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 currency 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 currency 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, 2009 are as follows:

			Effect on:	
(Thousands of Euro)	**Notional amounts**	**Net fair value**	**Shareholders' equity**	**Statement of income**
Economic exchange risk	**346,613**	**(4,472)**	**(404)**	**(4,068)**
– fair value hedges	150,988	(3,431)	–	(3,431)
– cash flow hedges	195,625	(1,041)	(404)	(637)
Transaction exchange risk	**457,557**	**(203)**	**–**	**(203)**
– fair value hedges	457,557	(203)	–	(203)
Translation exchange risk	**308,759**	**1,999**	**2,338**	**(339)**
– cash flow hedges	308,759	1,999	2,338	(339)

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 currency risk, the effects on shareholders' equity relate to hedges against future purchases and sales in currencies other than the Euro (cash flow hedges) which, in accordance with international accounting standards, will be recorded in the statement of income during 2010 when the related purchases and sales take place.
In the case of transaction currency 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 currency risk, the effects on shareholders' equity are partially offset by losses arising on the translation of shareholders' equity underlying the hedging transaction.

Sensitivity analysis

At December 31, 2009 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 approximately Euro 1 million. The potential pre–tax impact on the statement of income of a hypothetical 10% decrease in exchange rates would be not material (less than Euro 1 million). At December 31, 2008 the potential pre–tax impact on the statement of income of a hypothetical 10% decrease in exchange rates was approximately Euro 2 million, while the potential pre–tax impact on the statement of income of a hypothetical 10% increase in exchange rates was not material (less than Euro 1 million).

Instead, the potential pre–tax effects on shareholders' equity would be as follows:

Pre–tax shareholders' equity effects	**12.31.2009**		**12.31.2008**	
(Millions of Euro)	**–10%**	**+10%**	**–10%**	**+10%**
Economic exchange risk	10	(10)	8	(7)
Transaction exchange risk	–	–	–	–
Translation exchange risk	24	(18)	24	(20)

The analysis includes derivative financial instruments, as well as trade receivables and payables, financial receivables and payables, and, in the case of translation currency risk, the shareholders' equity of companies in which investments are held.
The effects on shareholders' equity of economic currency 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 currency 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, 2009. 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, 2009 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 less than Euro 2 million (approximately Euro 3 million at December 31, 2008). A similar change but in the opposite sense 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 to credit risk at December 31, 2009 was as follows:

12.31.2009			Financial receivables individually impaired				Financial receivables not individually impaired				
					Not past due		Not past due		Past due		Collateral
(Thousands of Euro)	Total	of which due beyond 5 years	Total collateral	Not past due	Past due	Collateral	Total	of which past due and renegotiated	0–60 days	Beyond 60 days	
Non–curret assets											
Guarantee deposits	26,223	5,772	–	–	–	–	25,095	–	175	953	–
Medium/long–term financial receivables	4,711	675	–	–	–	–	4,711	–	–	–	–
Other medium/long–term receivables	6,930	–	–	3,494	60	–	3,376	566	–	–	–
Current assets											
Trade receivables	786,476	–	48,879	82,057	76,793	4,622	474,517	14,150	132,114	20,995	41,872
Other receivables	45,388	115	–	–	–	–	39,636	967	1,075	4,677	–
Financial receivables	18,267	–	–	–	–	–	18,267	–	–	–	–

The group's exposure to credit risk at December 31, 2008 was as follows:

12.31.2008			Financial receivables individually impaired				Financial receivables not individually impaired				
					Not past due		Not past due		Past due		Collateral
(Thousands of Euro)	Total	of which due beyond 5 years	Total collateral	Not past due	Past due	Collateral	Total	of which past due and renegotiated	0–60 days	Beyond 60 days	
Non–curret assets											
Guarantee deposits	28,853	4,610	30	–	–	–	27,824	–	44	985	30
Medium/long–term financial receivables	4,828	–	2,465	–	–	–	4,828	–	–	–	2,465
Other medium/long–term receivables	8,260	15	–	3,332	–	–	4,928	–	–	–	–
Current assets											
Trade receivables	781,458	–	17,042	60,711	50,677	1,691	483,414	4,189	156,809	29,847	15,351
Other receivables	53,077	–	–	–	–	–	44,623	–	1,154	7,300	–
Financial receivables	37,555	–	615	–	–	–	37,555	–	–	–	615

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.

The parent company coordinates credit facility management on the basis of efficiently satisfying group company needs.

At December 31, 2009 the group had Euro 360 million in unutilized "committed" credit facilities and Euro 342 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, 2009 and 2008 are analyzed by due date in the following tables; note that these amounts include cash flows arising from future financial expenses.

(Thousands of Euro)	12.31.2009	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	–	–	–

(Thousands of Euro)	12.31.2008	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	449,142	12,495	10,784	15,265	409,924	674	–
Other medium/long–term payables	17,095	961	2,654	6,419	109	5,683	1,269
Lease financing	474	–	360	114	–	–	–
Current liabilities							
Trade payables	415,594	415,290	80	162	–	–	62
Other payables, accrued expenses and deferred income	85,237	83,682	584	58	52	52	809
Current portion of lease financing	1,886	1,886	–	–	–	–	–
Current portion of medium/long–term loans	80	80	–	–	–	–	–
Financial payables and bank loans	461,565	459,559	2,006	–	–	–	–

Autogrill group

The group is exposed to the following risks due to the use of financial instruments:

» 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, centralised risk management unit for all group companies.

Interest rate risk

The aim of interest rate 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 is to 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 with maturities in line with those of the liabilities to which they refer. The derivatives used are mainly Interest Rate Swaps and Interest Rate Collars.

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, with regard to interest rate risk management, 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%. At the moment the group complies with that range (52%, unchanged since 2008), although the percentage of fixed–rate debt is higher when considering debt denominated in British pounds (78%) and US dollars (69%) as opposed to debt in Euros (26%).

At December 31, 2009 gross debt denominated in US dollars amounted to Usd 664 million. Of the total, Usd 528 million stands for the fixed–rate bond loan of which Usd 75 million was converted to floating rate through two interest rate swaps classified as fair value hedges.

Gross debt in British pounds at year end amounted to Gbp 555 million: Gbp 477 million for use of the term loan for the acquisition of Word Duty Free Europe (WDFE) and the rest for drawdowns on committed multicurrency facilities. Of the total, Gbp 400 million has been converted to fixed–rate from the first year through Interest Rate Swaps.

When applying the policy and procedures 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 recognised 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, 2009, a fair value change of Euro 2,067 was recognised in respect of derivatives found to be effective.

The details of Interest Rate Swap contracts used as cash flow hedges at December 31, 2009 are as follows:

Interest Rate Swap Underlying		Notional amount (Thousands of)	Expiry	Average fixed rate paid	Floating rate received (*)	Fair value (Thousands of Euro)
Euro 200 million term loan	Eur	120,000	06.24.2015	4.66%	3–months Euribor act/360	(13,295)
Euro 275 million term loan	Eur	120,000	03.07.2013	4.59%	1–month Euribor +16.5 bps act/360	(10,291)
Gbp 477.5 million term loan	Gbp	400,000	03.07.2013	5.39%	1–month Gbp Libor BAA +32 bps act/365	(38,726)

(*) In first quarter 2009 the Interest Rate Collars (notional amount Gbp 250 million) were converted into IRS for which Autogrill pays an average fixed rate of 5.16% and receives a monthly floating rate with an average spread of 32 bps.

Interest Rate Collar Underlying		Notional amount (Thousands of)	Expiry	Cap	Floor	Floating rate	Fair value (Thousands of Euro)
Euro 275 million term loan	Eur	100,000	05.21.2010	5.44%–5.45%	4.07%–4.05%	1–month Euribor act/360	(1,511)

Hedges of fixed–rate debt (Usd 75 million, as above) were accounted for as fair value hedges in group companies' financial statements here they were subject to this risk, and thus recognised as financial assets or liabilities with a balancing entry in the income statement. In 2009, the change in fair value was Usd 6.7 million (Euro 4.7 million), which cancelled the effects on the income statement of changes in the payable's fair value.

The details of these contracts at December 31, 2009 are as follows:

Interest Rate Swap Underlying		Notional amount (Thousands of)	Expiry	Spot rate	Floating rate paid	Fair value (Thousands of Euro)
Bond	Usd	75,000	05.09.2017	5.73%	6–months Usd Libor +47.55/50.55 bps	5,655

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, 2009 would increase financial expense by Euro 10,177.

Currency risk

The objective of currency risk management is to neutralise 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	509,417	215,552	167,592	138,646
Net assets	85,253	13,263	26,148	27,423

If the Euro had risen by 5% against the above currencies, at December 31, 2009 equity and profit for the year would have been reduced as shown in the following table:

(Thousands of)	Usd	Cad	Gbp	Chf
Net assets	18,611	7,489	9,932	4,919
Net profit	3,217	440	1,545	956

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 of translation into euros in the parent's or its subsidiaries' accounts of investments in foreign currency) or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognised 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, 2009 is shown below:

Currency	Notional amount	Expiry	Spot rate	Forward rate	Fair value (Thousands of Euro)
Thousands of Usd	11,119	06.30.2010	1.3175–1.4525	1.3161–1.4515	(536)
Thousands of Usd	4,801	06.30.2010	1.4585–1.477	1.456–1.4746	51
Thousands of Cad	3,000	06.30.2010	1.5918	1.582	93
Thousands of Sek	4,000	02.04.2010	10.30	10.2958	(2)
Thousands of Chf	10,000	01.27.2010	1.492	1.4914	38
Thousands of Czk	65,000	02.22.2010	25.7	25.826	64
Thousands of Cad	43,000	03.16.2010	1.5595	1.5588	900

For instruments hedging translation risk that are therefore designated as hedges of net investments, the effective component of fair value is recognised in comprehensive income and classified to the translation reserve under equity. The fair value of these hedges outstanding at December 31, 2009 is shown in the following table:

Currency	Notional amount	Expiry	Spot rate	Forward rate	Fair value (Thousands of Euro)
Thousands of Chf	60,000	01.11.2010	1.5125	1.5113–1.5115	(747)

For the purpose of limiting total net exposure in British pounds due to the group's presence in the UK by way of WDFE and the Alpha group, the Gbp–denominated debt contracted for the acquisition of these two groups 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, 2009 and December 31, 2008 was as follows:

(Thousands of Euro)	12.31.2009	12.31.2008	Change
Trade receivables	110,045	98,360	11,685
Other receivables	216,603	214,099	2,504
Cash and cash equivalents	194,116	209,538	(15,422)
Derivative instruments	6,800	13,374	(6,574)
Other financial assets	22,061	33,797	(11,736)
Total	**549,625**	**569,168**	**(19,543)**

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. Most credit risk is concentrated in the Flight segment, with airlines; and in Italy, where there are significant commercial affiliations.
In most cases, in fact, the group's trade receivables stem from catering service agreements, franchises, and contracts with airlines for in–flight food & beverage and retail sales.
Other 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 recognised 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 table shows the age of trade receivables by category of debtor at December 31, 2009:

(Thousands of Euro)		Expired not written down				
Trade receivables	Not expired	1–3 months	3–6 months	6 months– 1 year	Beyond 1 year	Total
Airlines	3,930	48,564	312	84	121	53,011
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**	**79,223**	**2,934**	**415**	**6,663**	**110,045**

There is no significant concentration of credit risk: the top 10 customers account for 16% of total trade receivables, and the largest customer (Monarch Airlines) for 2%.

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 acted promptly to ensure 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 December 31, 2009 and December 31, 2008 were as follows:

		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	Beyond 5 years	Total
Bank accounts	14,369	14,180	–	189	–	–	14,369
Unsecured loans	1,678,235	130,216	62	14,523	1,533,434	–	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	709,028	698,012	10,079	893	44	–	709,028
Other trade payables	60,426	59,854	572	–	–	–	60,426
Total	**2,838,071**	**933,083**	**11,750**	**16,975**	**1,764,747**	**111,516**	**2,838,071**

		12.31.2008					
(Thousands of Euro)		Contractual cash flows					
Non derivative financial liabilities	Carrying amount	1–3 months	3–6 months	6 months– 1 year	1–5 years	Beyond 5 years	Total
Bank accounts	17,532	15,927	–	1,605	–	–	17,532
Unsecured loans	1,902,366	30,997	49	120,382	1,182,632	568,306	1,902,366
Lease payables	11,698	502	1,588	2,091	6,642	875	11,698
Other financial liabilities	1,046	–	–	143	175	728	1,046
Bonds	382,255	–	–	–	264,115	118,140	382,255
Trade payables	711,725	568,464	9,191	134,070	–	–	711,725
Other trade payables	57,590	56,972	227	376	15	–	57,590
Total	**3,084,212**	**672,862**	**11,055**	**258,667**	**1,453,579**	**688,049**	**3,084,212**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of whom the largest ten account for 5% of the total and the leading supplier (Autostrade per l'Italia S.p.A.) for 1%.

Atlantia group

Financial risk management objectives and policies

In the normal course of business, the Atlantia group is exposed to:

» market risk, principally with respect to the effect of variations of interest and foreign currency rates on financial assets acquired and financial liabilities assumed;
» 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;
» 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's 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 foreign currency risks and minimise borrowing costs, whilst taking account of stakeholders' interests, as defined in the hedging 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:

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

The hedging components of the group's derivatives portfolio are classified, in application of IAS 39, as cash flow hedges or fair value hedges depending on the type of risk hedged.
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 2009 was approximately 5%.

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

Interest rate risk

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

» cash flow risk: 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 2009. Changes in fair value are recognised in the other components of comprehensive income statement, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement;
» fair value risk: this represents the risk of losses deriving from an unexpected change in the value of a financial asset or liability fixed rate following an unfavourable shift in the market interest rate curve. In order to eliminate this type of risk linked to the bond issue with a par value of Euro 1,500 million carried out in 2009, the group has entered into Interest Rate Swaps, classified as fair value hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Changes in the fair values of both the underlying financial liability and the hedging instruments are therefore recognised in the income statement. Tests have shown that the hedges were fully effective during 2009, with the change in the fair value of these derivatives completely offset by the change in the fair value of the underlying liability. Credit risk is not covered by the fair value hedges.

82% of interest bearing debt is fixed rate.

Currency risk

Exposure to currency risk breaks down as follows:

» exposure to economic currency risk represented by cash flows and payments in currencies other than the presentation currency;
» exposure to translation currency risk linked to the net investment of capital in subsidiaries with presentation currencies other than the Euro;
» exposure to translation currency risk deriving from deposits and/or loans denominated in currencies other than the presentation currency.

The main aim of the group's foreign currency risk hedging strategy is to minimise translation currency risk, which is linked to the assumption of financial liabilities denominated in currencies other than the Euro. In particular, Cross Currency Swaps with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the currency risk of the sterling bond and the new yen denominated bond issued in 2009. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective.
10% of the group's medium/long–term debt is denominated in currencies other than the Euro. Taking account of the above foreign currency hedges, the percentage of foreign currency debt exposed to foreign currency risk on translation into euros is 2%. This regards the portion of foreign currency debt denominated in the accounting currency of the country in which the debtor group company operates.
Translation risks deriving from the net investment of capital in subsidiaries with presentation currencies other than the Euro are not hedged.

The following table summarises outstanding derivative financial instruments at December 31, 2009 (compared with December 31, 2008) and shows the corresponding market value and the hedged financial liability. In order to provide full disclosure regarding outstanding derivative instruments, this table also includes the derivative instrument relating to the forward purchase of US dollars. This was entered into to hedge the eventual need to raise Usd 21,800 thousand in order to finance the possible exercise of the call option on a further 16% of Electronic Transaction Consultants (ETC) share capital. Given that this agreement does not qualify for hedge accounting under IAS 39, this derivative has been classified as a trading asset, with changes in fair value recognised in the income statement.
There are no financial instruments falling within level 3 of the fair value hierarchy, and in 2009 no transfers took place between the various levels.

(Thousands of Euro)				12.31.2008	12.31.2009	12.31.2008	12.31.2009	Hedged financial liabilities		
Type	Purpose of hedge	Currency	Contract term	Notional amount		Fair value (1)		Description	Par value	Term
Negative fair values of derivative financial instruments										
Cash flow hedges										
Cross Currency Swap	Exchange rate fluctuations	Euro	2004–2022	750,000	750,000	(251,736)	(247,596)	Bond loan 2004–2022 (Gbp)	750,000	2004–2022
Cross Currency Swap	Exchange rate fluctuations	Euro	2009–2038	–	149,176	–	(6,890)	Bond loan 2009–2038 (Jpy)	149,176	2009–2038
Interest Rate Swap	Interest rate fluctuations	Euro	2004–2011	2,000,000	2,000,000	(59,737)	(75,680)	Bond loan 2004–2011	2,000,000	2004–2011
Interest Rate Swap	Interest rate fluctuations	Euro	2004–2015	800,000	800,000	(19,618)	(32,962)	Term Loan Facility	800,000	2004–2015
Interest Rate Swap	Interest rate fluctuations	Euro	2008–2020	15,461	17,054	(4,204)	(321)	50% Project Loan Agreement (Pln)	31,673	2008–2020
Total cash flow hedge						**(335,295)**	**(363,449)**			
Fair value hedges										
Interest Rate Swap	Interest rate fluctuations	Euro	2009–2016	–	1,500,000	–	(11,330)	Bond loan 2009–2016	1,500,000	2009–2016
Total fair value hedge						**–**	**(11,330)**			
Total negative fair values of derivative financial instruments						**(335,295)**	**(374,779)**			
Positive fair values of derivative financial instruments										
Total derivatives not accounted for as hedges										
Eur put/Usd call option	Exchange rate fluctuations	Euro	2007–2011	15,561	15,133	1,825	857	Option to acquire an additional 16% ETC	15,133	2007–2011
Total derivatives not accounted for as hedges						**1,825**	**857**			
Total positive fair values of derivative financial instruments						**1,825**	**857**			
Total derivatives						**(333,470)**	**(373,922)**			

(1) The fair value of hedging derivatives is stated net of accruals at the end of the reporting period.

Sensitivity analysis

Sensitivity analysis describes the impact that the interest rate and foreign currency 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 10 bps shift in market interest rates would have resulted in a negative impact on the income statement, totalling Euro 145, and on the other components of comprehensive income statement, totalling Euro 6,453, before the related tax effects;
b) in terms of foreign 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 86, before the related tax effects.

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.

The group's cash reserves at December 31, 2009 were estimated at Euro 4,590 million made up of:

a) Euro 1,222 million in cash and/or investments maturing within six months;
b) Euro 518 million in escrow accounts to finance the execution of specific works;
c) Euro 2,850 million in undrawn committed lines of credit, details of which are shown in the following table.

(Millions of Euro)			12.31.2009		
	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	11.30.2011	12.31.2036	1,000	500	500
Medium/long–term committed CDB/EIB line	08.01.2013	12.19.2034	500	150	350
Medium/long–term committed CDB/SACE line	09.23.2014	12.23.2024	1,000	–	1,000
Total lines of credit			**3,500**	**650**	**2,850**

The following tables show the time distributions of financial liabilities by term to maturity at December 31, 2009 and comparable figures at December 31, 2008.

(Thousands of Euro)	Financial liabilities by term to maturity					
12.31.2009	Carrying amount	Total contractual flows	Within 1 year	1-2 years	3-5 years	Beyond 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	(1,482,040)	(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)	**(7,836,018)**	**(10,734,381)**	**(343,577)**	**(2,331,713)**	**(3,709,738)**	**(4,349,353)**
Bank borrowings						
Term Loan Facility	(786,086)	(841,162)	(90,521)	(89,427)	(500,104)	(161,110)
EIB	(1,039,969)	(1,534,783)	(135,288)	(92,360)	(236,651)	(1,070,484)
Cassa Depositi e Prestiti S.p.A.	(143,532)	(200,970)	(4,244)	(3,337)	(16,957)	(176,432)
Other banks	(173,517)	(172,145)	(1,735)	(11,517)	(53,889)	(105,004)
Total borrowings linked to grants	(419,867)	(801,104)	(40,640)	(160,991)	(179,572)	(419,901)
Total bank borrowings	**(2,562,971)**	**(3,550,164)**	**(272,428)**	**(357,632)**	**(987,173)**	**(1,932,931)**
Other borrowings						
ANAS	(821,540)	(1,321,954)	(204,762)	(55,860)	(167,579)	(893,753)
Central Guarantee Fund	(56,664)	(101,892)	(39,576)	(2,353)	(7,843)	(52,120)
Total other borrowings	**(878,204)**	**(1,423,846)**	**(244,338)**	**(58,213)**	**(175,422)**	**(945,873)**
Total medium/long–term borrowings (B)	**(3,441,175)**	**(4,974,010)**	**(516,766)**	**(415,845)**	**(1,162,595)**	**(2,878,804)**
Other financial liabilities (C)	**(102,926)**	**(71,071)**	**(3,927)**	**(3,745)**	**(8,856)**	**(54,543)**
Total non–derivative financial liabilities (D = A + B + C)	**(11,380,119)**	**(15,779,462)**	**(864,270)**	**(2,751,303)**	**(4,881,189)**	**(7,282,700)**
Derivative liabilities (2) (3)						
Interest Rate Swap (4)	(120,293)	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	**(374,779)**	**(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.

(Thousands of Euro)	Financial liabilities by term to maturity					
12.31.2008	Carrying amount	Total contractual flows	Within 1 year	1-2 years	3-5 years	Beyond 5 years
Non–derivative financial liabilities (1)						
Bond issues						
Bond 2004–2011	(1,978,462)	(2,203,326)	(81,375)	(81,375)	(2,040,576)	–
Bond 2004–2014	(2,684,374)	(3,575,000)	(137,500)	(137,500)	(412,500)	(2,887,500)
Bond 2004–2022 (Gbp)	(511,256)	(984,251)	(32,808)	(32,808)	(98,425)	(820,210)
Bond 2004–2024	(970,807)	(1,940,000)	(58,750)	(58,750)	(176,250)	(1,646,250)
Total bond issues (A)	**(6,144,899)**	**(8,702,577)**	**(310,433)**	**(310,433)**	**(2,727,751)**	**(5,353,960)**
Bank borrowings						
Term Loan Facility	(782,587)	(929,891)	(27,067)	(106,385)	(382,268)	(414,171)
EIB	(1,119,338)	(1,659,315)	(124,534)	(135,287)	(242,507)	(1,156,987)
Cassa Depositi e Prestiti S.p.A.	(149,700)	(183,965)	(4,922)	(6,816)	(172,227)	–
Other banks	(32,209)	(44,285)	(9,382)	(9,108)	(7,056)	(18,739)
Total borrowings linked to grants	(456,711)	(456,750)	(36,849)	(38,698)	(141,055)	(240,148)
Total bank borrowings	**(2,540,545)**	**(3,274,206)**	**(202,754)**	**(296,294)**	**(945,113)**	**(1,830,045)**
Other borrowings						
ANAS	(1,003,558)	(1,601,065)	(275,587)	(208,287)	(167,579)	(949,612)
Central Guarantee Fund	(56,978)	(109,964)	(3,586)	(3,717)	(11,933)	(90,728)
Total other borrowings	**(1,060,536)**	**(1,711,029)**	**(279,173)**	**(212,004)**	**(179,512)**	**(1,040,340)**
Total medium/long–term borrowings (B)	**(3,601,081)**	**(4,985,235)**	**(481,927)**	**(508,298)**	**(1,124,625)**	**(2,870,385)**
Other financial liabilities (C)	**(106,440)**	**(54,991)**	**(54,445)**	**(366)**	**(64)**	**(116)**
Total non–derivative financial liabilities (D = A + B + C)	**(9,852,420)**	**(13,742,803)**	**(846,805)**	**(819,097)**	**(3,852,440)**	**(8,224,461)**
Derivative liabilities (2) (3)						
Interest Rate Swap (4)	(83,559)	(61,203)	(19,443)	(18,923)	(19,142)	(3,695)
Cross Currency Swap	(251,736)	(404,095)	(12,761)	(12,761)	(38,533)	(340,040)
Total derivatives	**(335,295)**	**(465,298)**	**(32,204)**	**(31,684)**	**(57,675)**	**(343,735)**

(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, 2008.
(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 recognised in the income statement.

	12.31.2008						12.31.2009					
(Thousands of Euro)	Carrying amount	Expected cash flows (1)	Within 1 year	1-2 years	3-5 years	Beyond 5 years	Carrying amount	Expected cash flows (1)	Within 1 year	1-2 years	3-5 years	Beyond 5 years
Interest rate swap												
Assets	–	1,622	–	–	–	1,622	–	–	–	–	–	–
Liabilities	(83,559)	(85,888)	(26,726)	(48,129)	(9,293)	(1,740)	(108,963)	(113,216)	(81,024)	(29,306)	(3,112)	226
Cross currency swap												
Liabilities	(251,736)	(258,904)	(12,584)	(12,282)	(34,408)	(199,630)	(254,486)	(260,551)	(14,229)	(14,088)	(40,256)	(191,978)
Total	**(335,295)**						**(363,449)**					
Accrued expense on cash flow hedges	(26,300)						(30,308)					
Accrued income on cash flow hedges	18,426						19,990					
Total	**(343,170)**	**(343,170)**	**(39,310)**	**(60,411)**	**(43,701)**	**(199,748)**	**(373,767)**	**(373,767)**	**(95,164)**	**(43,394)**	**(43,368)**	**(191,752)**

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

	12.31.2008						12.31.2009					
(Thousands of Euro)	Carrying amount	Expected cash flows (1)	Within 1 year	1-2 years	3-5 years	Beyond 5 years	Carrying amount	Expected cash flows (1)	Within 1 year	1-2 years	3-5 years	Beyond 5 years
Interest rate swap												
Income from cash flow hedges	19,550	1,622	–	–	–	1,622	–	–	–	–	–	–
Losses on cash flow hedges	(2,127)	(85,181)	(27,962)	(47,255)	(8,355)	(1,609)	(66,159)	(108,963)	(79,726)	(26,799)	(2,551)	113
Cross currency swap												
Income from cash flow hedges	33,683	670,912	31,676	31,076	87,256	520,904	37,682	855,473	38,651	37,656	105,719	673,447
Losses on cash flow hedges	(45,694)	(922,648)	(43,990)	(43,090)	(120,886)	(714,682)	(46,031)	(1,109,959)	(52,815)	(51,767)	(145,655)	(859,722)
Total income/(expenses) on cash flow hedges	**5,412**	**(335,295)**	**(40,277)**	**(59,269)**	**(41,985)**	**(193,765)**	**(74,508)**	**(363,449)**	**(93,889)**	**(40,910)**	**(42,487)**	**(186,162)**

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

Credit risk

The group manages credit risk essentially through recourse to counterparties with high credit ratings and does not report significant credit risk concentrations.

Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions.

Provisions for impairment losses on individually material items are established when there is objective evidence that the group will not be able to collect all or any of the amount due. The amount of the provisions 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.

[62] Related party transactions

The following table shows income and costs for the year and balance sheet figures at December 31, 2009 as a result of related party transactions, which had only a 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 cost	Revenues	Other operating income	Interest income	Interest charges
Non–consolidated subsidiaries	1,382	404	12,037	565	–	154	1
Associated companies	28,603	8,396	9,863	3	2,607	–	–
Joint ventures	2,100	–	–	–	500	–	–
Other companies	6,500	13,600	23,400	–	900	–	–
Total	**38,585**	**22,400**	**45,300**	**568**	**4,007**	**154**	**1**

During the year, four commercial properties owned by Benetton group companies were sold in favour of the Benetton Foundation. The total sale price, Euro 17,250 plus VAT, corresponds to the average of the appraisals performed by leading international firms in this sector.

[63] Business combinations

Information on the main business combinations occurring in 2009, accounted for in accordance with IFRS 3, is provided below.

Atlantia group

On June 26, 2009 Autostrade per l'Italia's acquisition of the investments covered by the agreements of December 1, 2008 and March 31, 2009, between Atlantia, Citi Infrastructure Partners and Sacyr Vallehermoso, became effective. The transaction was carried out via the two specially established Italian sub–holding companies, Autostrade per il Cile S.r.l. and Autostrade dell'Atlantico S.r.l.

Autostrade per il Cile S.r.l. directly or indirectly owns:

a) 50% of Autopista Vespucio Sur S.A., the holder of the concession (expiring 2032) for the 23 km southern section of the orbital toll motorway serving the city of Santiago;
b) 50% of Litoral Central S.A., the holder of the concession (expiring 2031) for the 80 km toll motorway serving the cities of Algarrobo, Casablanca and Cartagena in Chile;
c) 100% of Autopista Nororiente S.A., the holder of the concession (expiring 2044) for the north–eastern bypass in the city of Santiago;
d) 100% of Gestion Vial S.A., the company responsible for road maintenance and construction on the sections of motorway operated by Autopista Nororiente, Los Lagos, Autopista Vespucio Sur and Litoral Central;
e) 50% of Sociedad de Operacion y Logistica de Infraestructura S.A., the company responsible for road maintenance and construction on the section of motorway operated by Autopista Vespucio Sur.

Autostrade dell'Atlantico S.r.l. directly or indirectly owns:

a) 100% of Sociedad Concesionaria de Los Lagos S.A., the holder of the concession (expiring 2023) for the 135 km section of toll motorway between Rio Bueno and Puerto Montt in Chile;
b) 50% of Triangulo do Sol Autoestradas S.A., the holder of the concession (expiring 2021) for 442 km of toll motorway in the state of Sao Paolo in Brazil;
c) 100% of Autostrade Concessoes e Partecipasoes Brasil Limitada (formerly Itinere Brazil), a Brazilian–registered holding company that owns 50% of Triangulo do Sol;
d) 25% of Autoestradas do Oeste, the Portuguese holding company that owns 50% of Autoestradas do Atlantico, the holder of the concession for 170 km of toll motorway to the north of Lisbon in Portugal, and 65% of Autoestradas do Litoral Oeste, the holder of the concession for 109 km of motorway to the south of Leira;
e) 17.2% of Lusoponte S.A., the holder of the concession for two toll bridges of 20 km that cross the river Tagus in the city of Lisbon in Portugal;
f) 12% of Via Litoral S.A., the holder of the concession for 44 km of motorway in the south of the island of Madeira, governed by Portugal;
g) other minority interests in a number of Portuguese motorway concession holders;
h) 100% of Autostrade Portugal (previously Somague Itinere S.A.), a Portuguese–registered company that holds investments in Autostrade Concessoes e Partecipasoes Brasil and in the above concessionaires in Portugal.

Given the Atlantia group's intention to sell certain of the investments acquired as a result of the above transaction, and considered minor and not of strategic value, these investments, amounting to Euro 67.3 million, have been accounted for in Assets held for sale in the statement of financial position at December 31, 2009. Further details are provided in Note [19].

Following the above acquisition of June 26, 2009 and in accordance with subsequent agreements entered into by Autostrade per l'Italia and S.I.A.S. – Società Iniziative Autostradali e Servizi, on June 30, 2009, after obtaining the go–ahead from the European Commission, SIAS fully subscribed and paid for new shares in Autostrade per il Cile, which amounted to approximately Euro 42 million (including a share premium component of Euro 41 million, determined on the basis of an economic valuation of the investments acquired, amounting to approximately Euro 267 million, inclusive of transaction costs). As a result, at June 30, 2009 Autostrade per l'Italia and SIAS each hold 50% of Autostrade per il Cile.

The total cost incurred by Autostrade per il Cile to acquire the above investments from the Itinere group amounts to Euro 203.5 million, including Euro 2.6 million in directly attributable transaction costs, which could rise to up to Euro 15.7 million should the seller incur taxation on the transaction. The acquisition was part funded by bank borrowings of Euro 115.3 million.

The total expense incurred by Autostrade dell'Atlantico to acquire the other investments from the Itinere group amounts to Euro 228.1 million, including Euro 1.7 million in directly attributable transaction costs, in addition to amounts payable to the seller by Los Lagos, totalling Euro 43.2 million.

The subsidiaries controlled by Autostrade dell'Atlantico have been consolidated on a line–by–line basis from June 30, 2009.

For the purposes of preparation of the consolidated financial statements as at and for the year ended December 31, 2009, the combinations have been accounted for using the purchase method, with identification of the fair value of the assets and liabilities acquired. In that respect, the percentage attributable to the owners of the parent of the assets acquired (Euro 103 million) and liabilities assumed (net assets of Euro 168.8 million) was increased by the fair values identified, with the difference of Euro 0.5 million over the total cost of Euro 271.3 million being recognised in income statement as a net gain on
acquisition.

The table below shows the carrying amounts of the assets acquired and liabilities assumed (thus excluding those of the sub–holding company, Autostrade dell'Atlantico), in addition to the related fair values identified. Amounts have been translated at the Euro/Brazilian real and Euro/Chilean peso exchange rates of June 30, 2009.

(Millions of Euro)	Carrying amount	Fair value adjustments	Fair value
Net assets acquired			
Property, plant and equipment	137	–	137
Intangible assets	–	61	61
Investments in associates and other companies	21	80	102
Cash and cash equivalents	8	–	8
Deferred tax asset/(liabilities)	1	(20)	(19)
Other non–current assets	72	–	72
Assets held for sale	37	51	88
Trading assets and other current assets	11	–	11
Provisions	(11)	(1)	(12)
Financial liabilities	(169)	(2)	(171)
Other liabilities	(4)	–	(4)
Total	**103**	**169**	**272**
Shareholders' equity: minority interest			–
Shareholders' equity: Atlantia group			**272**
Goodwill/(Gain on acquisition)			(1)
Purchase consideration (including directly attributable expenses of Euro 1.7 million)			**271**
Financial expenses incurred			**228**
Cash and cash equivalents acquired			(8)
Net financial expenses relating acquisition			**220**

Benetton group

On January 20, 2009 the group, through its subsidiary Bencom S.r.l., acquired 100% of My Market S.r.l., a company which manages 41 stores selling Benetton group products in Tuscany and Liguria. My Market S.r.l. controls all of Benver S.r.l., the owner of another four stores.
At the same time that Bencom S.r.l. acquired this interest, My Market S.r.l. and Benver S.r.l. entered an arrangement with third parties to lease the entire business comprising the 45 stores owned by the two companies.
As part of the process of simplifying the group's corporate structure, My Market S.r.l. and Benver S.r.l. were merged into Bencom S.r.l. with effect from June 27, 2009 (effective from January 20, 2009 for tax and accounting purposes).

The figures relating to this transaction can be summarized as follows:

(Thousands of Euro)	Carrying amount	Fair value adjustments	Fair value
Net assets acquired			
Property, plant and equipment	4,159	–	4,159
Intangible assets	44	–	44
Key money	196	8,114	8,310
Guarantee deposits	1,622	–	1,622
Other receivables	14,867	–	14,867
Liabilities	(21,247)	–	(21,247)
Total	**(359)**	**8,114**	**7,755**
Goodwill			8,800
Acquisition cost			**16,555**

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

Benetton group

No significant events have occurred since the close of the year.

Autogrill group

- Development activities have moved forward in 2010, especially at American airports. The group has renewed its food & beverage concession at Anchorage International Airport in Alaska and signed a new contract for food & beverage and retail operations at San Antonio International Airport in Texas.
- On March 9, 2010 Autogrill S.p.A. signed an agreement with Esso Italiana to take over a network of locations currently managed by companies in the Esso group. The agreement will cover about 80 service station, which will remain the property of Esso, operating under the Esso brand for sales of oil and gas and under the Autogrill brand for food & beverage and retail sales.
- On March 22, 2010 Autogrill S.p.A. won concession contracts for four motorway rest areas that it already operates and for one new area along the A19 motorway (Palermo–Catania).
- On March 25, 2010 the Autogrill group enhanced its profile at Zurich Airport in Switzerland, where it has been the top provider of food & beverage services since 2000, by renewing its contract for the management of 18 food & beverage locations until 2018 (two years ahead of schedule). The group is therefore more active than ever in European airports, serving 49 of them in 13 countries: Spain, France, Austria, Switzerland, Italy, Belgium, Holland, Denmark, Sweden, Germany, Greece, the United Kingdom and Ireland.
- On April 7, 2010 through its North American division HMSHost, the Autogrill group renewed its contract with the Ontario Ministry of Transportation for the development and management of 23 rest areas along Canada's two busiest motorways: Highway 400 and Highway 401. Reaching full capacity in 2013, the rest areas will gross an estimated Cad 100 million per year. The agreement was signed by Host Kilmer Service Centres Inc. (HKSC), a joint venture set up by HMSHost and Kilmer Van Nostrand Co. Limited, a Canadian company mostly active in the sectors of infrastructure, private equity, sports and entertainment.

Atlantia group

- On February 26, 2010, the wholly–owned subsidiary Autostrade Portugal S.A. sold to Lena SGPS and to Lena Engenharia e Costruçoes S.A. its 25% interest in Autoestradas do Oeste S.A. for Euro 26.1 million.
- On May 4, 2010 Autostrade Portugal S.A. sold to Tecnovia Madeira – Sociedade de Empreitadas S.A., Zagope SGPS S.A., and AFA SGPS S.A. its 12% interest in Vialitoral – Concessoes Rodoviarias da Madeira S.A. for Euro 7.45 million.
- The group has nearly finished the authorization process needed to complete the sale of some minority investments to the Sacyr Vallehermoso group for a total of Euro 8.5 million, which were already part of specific disposal agreements.

Other companies

- 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. (a wholly–owned subsidiary of UniCredit) by giving them Gemina shares in proportion to each one's interest in Investimenti Infrastrutture. Lauro Dieci S.p.A. was therefore assigned 40,200,091 ordinary shares of Gemina (2.736%), while 19,748,568 shares (1.344%) went to UniCredit Partecipazioni S.r.l., leaving Investimenti Infrastrutture with a 25.270% interest in Gemina.
- On March 26, 2010, Investimenti Infrastrutture and the other participants in the Gemina shareholders' agreement renewed their agreement for another three years. It also includes Changi Airport International, an important airport sector operator, which holds a 5% share of Gemina and has become an industrial partner of Aeroporti di Roma, in an effort to bring Rome's airport in line with the best international hubs, thanks to Changi's airport management expertise.

[65] 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, conflicts of interest, the safekeeping of assets and interests of minority shareholders.

[66] Guarantees given, commitments and other contingent liabilities

(Thousands of Euro)	12.31.2009	12.31.2008
Unsecured guarantees given		
Sureties	806,898	583,024
Commitments		
Purchase commitments	24,521	47,221
Sale commitments	6,422	3,648
Total	**837,841**	**633,893**

Unsecured guarantees are made up as follows:

- guarantees given to third parties by the Benetton group: Euro 262 million, 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 187.5 million;
- unsecured guarantees issued to third parties by the Atlantia group, including Euro 45.8 million guaranteed by Autostrade per l'Italia to Assicurazioni Generali S.p.A. for the issue of a surety in favour of ANAS, on behalf of Strada dei Parchi S.p.A.; sureties of Euro 171.6 million given by Atlantia S.p.A. as part of the acquisition of interests from the Itinere group by the subholding company Autostrade per il Cile, with respect to which Atlantia is counterguaranteed by SIAS for 50% of the total amount (approximately Euro 85.8 million); and a surety of Euro 120.3 million 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 companies in the Schemaquattordici group (formerly 21,Investimenti) (Euro 4.6 million) and by the Parent Company (Euro 14.4 million).

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

At December 31, 2009, loans obtained by certain Atlantia group companies and commitments assumed with some concession grantors were secured by the investments in foreign concession holders and by the group's shares of Strada dei Parchi and Bologna e Fiera Parking.

[67] 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.), 25% by Mr. Chang Sue Kim (a natural person) and 25% by F & F Co., Ltd. (a Korean company).

The shareholder agreement gives Benetton a call option over the shares held by the two Korean shareholders. This option may be exercised at any time because there is a mechanism for calculating the price which takes account of shareholders' equity at the option exercise date and a perpetuity calculated on the basis of average net income in the previous two years.

The likelihood of exercising this option is currently considered to be remote.

Benetton Giyim Sanayi ve Ticaret A.S.

Benetton International S.A. owns 50% of the shares in Benetton Giyim Sanayi A.S. (Turkey).

The shareholder 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.

Milano Report S.p.A.

Benetton Retail Italia S.r.l. purchased 50% of the shares in Milano Report S.p.A. in August 2006 and then sold them to Bencom S.r.l. in 2007.

The shareholder agreement gives Benetton a call option over the remaining 50% of the shares, which may be exercised only after three years have elapsed from the date Benetton purchased its 50% and only in the event of "deadlock" over the company's management. Likewise, Smalg S.p.A., 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 10% or 20% depending on the circumstances;
» likewise, if Smalg S.p.A. exercises its put option, the price receivable would be the fair value less 10 or 20%.

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 2010 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 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 shareholder 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.

[68] Contingent liabilities

Benetton group

The group has an estimated Euro 27.9 million in contingent liabilities associated with ongoing legal disputes, against which it has made no provision, believing the likelihood of any outlay to be remote.

Following the bankruptcy of Lehman Brothers Commercial Corporation (LBCC), the group concentrated all its debtor and creditor positions with LBCC in a single subsidiary, Benetton International S.A. This process has produced a net creditor balance of around Euro 0.9 million, which was written down in full in 2008. In September, Benetton International S.A. tendered proof of its creditor position as part of LBCC's liabilities. The above offsetting has been contested by the official receivers under Chapter 11 proceedings. This contestation could result in the start of arbitration which if, the company loses, could mean that a liability of around Euro 2 million to LBCC might re–emerge along with a correspondingly higher receivable. The group has not made any provsiione in its financial statements against such liability.

The subsidiary Bencom S.r.l. had a partial tax inspection at the end of 2007 by the Venice Tax Police for tax periods 2004–2005–2006 in relation to IRES (Italian corporate income tax), IRAP (Italian regional business tax) and VAT. The related report, received on October 18, 2007, raised issues regarding the alleged evasive nature of permanent establishments set up abroad upon the introduction of the "Tremonti" reform and the partial deductibility of sponsorship paid to amateur sports associations.

On May 25, 2009 the Venice Tax Police sent Bencom S.r.l. another notice for tax periods 2004–2005–2006–2007 in relation to VAT, IRES and IRAP. The related report disputes the tax deductibility of certain costs amongst which: i) commissions paid to agents resident in tax havens (from 2004 to 2007); ii) sponsorship costs incurred in respect of amateur sports associations; iii) costs associated with tax avoidance involved in the setting up of permanent establishments abroad (2007).

The reports dated October 18, 2007 and May 25, 2009 quantify the extra tax payable by Bencom S.r.l. as Euro 89.3 million.

At the end of December 2009 the Revenue Office sent the company a notice of assessment for IRES and IRAP relating to tax period 2004, which quantified the extra tax payable at around Euro 20.5 million, plus penalties and interest. It is reported that the Revenue Office has not pursued the matter relating to sponsorship costs incurred in respect of amateur sports associations.
Lastly, the subsidiary Benind S.p.A. also had a partial tax inspection in 2008 by the Treviso Revenue Office for tax period 2005 in relation to IRES, IRAP and VAT.
The related report, received on October 15, 2008, raises issues regarding the non–business related nature of certain costs, resulting in an estimated Euro 3.4 million in additional tax.
In addition, the subsidiary Benind S.p.A. has been in dispute since April 2007 with the Italian customs authorities, which could give rise to a liability of approximately Euro 7.5 million, plus penalties.
Up until now 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 under dispute.
A second–level sentence is currently pending following appeal by the Treviso Customs Agency and the subsequent responses presented by the Company.
The Boards of Directors of Bencom S.r.l. and Benind S.p.A. consider the matters raised to be unsubstantiated and so have decided not to make any provision against tax contingencies, also on the strength of authoritative external professional advice.

Autogrill group

For the sake of continuity of information, we report that in October 2004, the previous majority shareholders of Receco S.A. (Spain) began an arbitration proceeding requesting termination of the purchase and sale agreement. On February 6, 2006 the arbitral tribunal issued an award which states, inter alia, that the 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 Autogrill Partecipaciones S.L. for the amount of the guarantee determined. The sellers were formally asked to honour their obligations under the purchase and sale contract and failed to do so, initiating two further arbitration proceedings before the International Chamber of Commerce. In 2007, the arbitral tribunal accepted a request from Autogrill Partecipaciones S.L. that the two proceedings be unified.
On October 23, 2009, after completing all evidence gathering and other preliminary steps, the arbitral tribunal issued a partial award in favour of Autogrill España S.A.U. confirming that the final sale price should be determined on the basis of Ebit for 2006, thus concluding the first phase of the proceedings. For the calculation of 2006 Ebit – which will make it possible to establish the final price of the Receco S.A. shares – the tribunal has appointed the audit company Auren.
España S.A.U.'s legal team is confident that the tribunal will rule definitively in its favour by the procedural deadline of July 31, 2010.

Atlantia group

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.

On March 23, 2009 Codacons and other private entities filed suit at Lazio Regional Administrative Court against all the public bodies involved and Società Autostrada Tirrenica S.p.A., contesting the minutes of the meeting of December 18, 2008 during which the CIPE approved, subject to certain requirements and recommendations, the preliminary design for the Rosignano Marittima–Civitavecchia section of the A12 motorway, in addition to the related documents and assumptions on which the approval was based.

In June 2009, three further actions were brought before Lazio Regional Administrative Court by Codacons and private parties contesting the CIPE resolution of December 18, 2008 (published in the Official Gazette of May 14, 2009).
In July 2009, a number of private parties and associations representing several interest groups submitted extraordinary appeals to the Head of State, contesting the above CIPE resolution of December 18, 2008.

On October 23, 2008, the Antitrust Authority issued ruling 19021, marking the conclusion of procedure A391 regarding the provision of emergency breakdown services, acknowledging, among other things, the commitments given by Autostrade per l'Italia. The procedure had been launched in 2007 in relation to the Authority's investigation of Strada dei Parchi, Società Autostrada Tirrenica, ANAS and AISCAT for alleged abuse of their dominant position, and of ACI Global S.p.A. and Europ Assistance Vai S.p.A. for restrictive practices.
ACI Global and Europ Assistance Vai appealed ruling 19021 in January 2009. The combined appeals were heard on April 22, 2009 by Lazio Regional Administrative Court (First Division), which passed sentences no. 4994/09 and no. 5005/09 in part upholding the appeals filed by the two emergency breakdown providers. The Antitrust Authority appealed the above sentences before the Council of State, with the appeals notified on October 21, 2009. Autostrade per l'Italia has appeared before the court hearing held to examine the appeals with file numbers R.G. no. 8813/09 and no. 8814/09.

The Lazio Regional Administrative Court, in a decision filed on March 30, 2010, ruled in favour of the 2006 appeals by the Region of Abruzzo, the Province of Teramo and the Mountain Communities Administration of Gran Sasso against ANAS and the company Strada dei Parchi, ordering the reversal of the rate increases carried out in 2006, and the revision of the toll surcharge for the Basciano-Teramo section decided in 2008. On the same matter raised by the Region of Lazio, again in 2006, Section IV of the Council of State had already ruled in favour of Strada dei Parchi S.p.A. with decision 399/2007 of January 31, 2007, reversing the Lazio Regional Adminstrative Court's decision no. 9917/2006 to disallow the toll increases charged on the A24 and A25 motorways. Strada dei Parchi appealed to the Council of State against these decisions of the Lazio Regional Administrative Court, petitioning for a presidential decree that would allow the immediate suspension of the rulings while awaiting discussion of the application for interim relief. With a ruling of April 3, 2010, the Court suspended effectiveness of the first–instance decisions until April 20, 2010, when the application for interim relief was due to be discussed in chambers. The Lazio Regional Administrative Court, on April 20, granted Strada dei Parchi's request and suspended effectiveness of the decision until the discussion of the merits scheduled for June 15, 2010.

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

At present, it is unlikely that the outcome of these disputes will generate significant penalties for the companies in the group, beyond what is already covered by provisions at December 31, 2009 as reflected in the consolidated figures.

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; it is currently unknown whether the Revenue Office will appeal to the Court of Cassation;
» 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;
» 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;
» 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.

As of this writing, the appeals concerning fiscal years 2003 and 2004 have not yet been discussed, but considering the earlier decision with respect to 2002, the Parent Company expects a positive outcome.
In conclusion, it is likely that the pending disputes will not give rise to tax liabilities at the Company's expense.

[69] 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 2009.

(Thousands of Euro)	2009
Type of service:	
Auditing	4,952
Certification	247
Other services	836
Total	6,035

ANNEXES

LIST OF COMPANIES CONSOLIDATED AT DECEMBER 31, 2009

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	–
Sintonia S.A.	Luxembourg	Eur	1,176,053	79.08%
Schematrentaquattro S.r.l.	Italy	Eur	100,000,000	100.00%
Schemaventotto S.p.A.	Italy	Eur	308,448,000	100.00%
Schemaquattordici S.p.A. (formerly 21, Investimenti S.p.A.)	Italy	Eur	19,214,893	58.99%
21, Strategic Fund	France	Eur	n.a.	100.00%
Investimenti Infrastrutture S.p.A.	Italy	Eur	535,833,504	86.10%
Textiles & clothing				
Benetton Group S.p.A.	Italy	Eur	237,482,716	67.08%
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 Croatia D.o.o.	Croatia	Hrk	2,000,000	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	2,600,000,000	100.00%
Benetton International Emirates Llc – in liquidation	Arab Emirates	Aed	300,000	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 Pars P.J.S.C.	Iran	Irr	50,000,000	100.00%
Benetton Istanbul Real Estate Yatirim Ve Insaat Ticaret Limited Sirketi	Turkey	Try	34,325,000	100.00%
Benetton Istria D.o.o.	Croatia	Hrk	155,750,000	100.00%
Benetton Japan Co. Ltd.	Japan	Jpy	400,000,000	100.00%
Benetton Korea Inc.	South Korea	Krp	2,500,000,000	50.00%
Benetton Mexicana S.A. de Cv	Mexico	Mxn	297,000,405	100.00%
Benetton Manufacturing Holding N.V.	The Netherlands	Eur	225,000	100.00%
Benetton Manufacturing Tunisia S.àr.l.	Tunisia	Tnd	700,000	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%
Hotel Union Llc	Kosovo	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%
Benetton Real Estate Kazakhstan Llp	Kazakistan	Kzt	62,920,000	100.00%
Benetton Realty France S.A.	France	Eur	94,900,125	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Benetton Realty Portugal Imobiliaria S.A.	Portugal	Eur	100,000	100.00%
Benetton Russia Ooo	Russia	Rub	473,518,999	100.00%
Benetton Realty Spain Sl	Spain	Eur	15,270,450	100.00%
Benetton Retail (1988) Ltd.	United Kingdom	Gbp	61,000,000	100.00%
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.z.o.o.	Poland	Pln	4,900,000	100.00%
Benetton Retail Spain Sl	Spain	Eur	10,180,300	100.00%
Benetton Services S.A. de Cv	Mexico	Mxn	50,000	100.00%
Benetton Trading Ungheria Kft	Hungary	Huf	50,000,000	100.00%
Benetton Trading USA Inc.	USA	Usd	679,147,833	100.00%
Benetton Trading Taiwan Ltd.	Taiwan	Twd	115,000,000	100.00%
Benetton Ungheria Kft	Hungary	Eur	89,190	100.00%
Benetton USA Corp.	USA	Usd	165,654,000	100.00%
Ben Mode AG	Switzerland	Chf	500,000	10.00%
Benind S.p.A.	Italy	Eur	26,000,000	100.00%
Benlim Ltd.	Hong Kong	Hkd	11,700,000	100.00%
SC Benrom S.r.l.	Romania	Ron	1,416,880	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%
La Cantina delle Nostre Ville Venete – Società Agricola ar.l.	Italy	Eur	110,000	100.00%
Lairb Property Ltd.	Ireland	Eur	260,000	100.00%
Milano Report S.p.A.	Italy	Eur	1,000,000	50.00%
New Ben GmbH	Germany	Eur	5,000,000	50.00%
Olimpias S.p.A.	Italy	Eur	47,988,000	100.00%
Aerre S.r.l.	Italy	Eur	15,000	49.00%
SC Anton Industries S.r.l.	Romania	Ron	1,162,460	54.50%
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	Uraina	Usd	7,921	100.00%
Shanghai Benetton Trading Company Ltd.	China	Usd	25,000,000	100.00%
Shanghai Sisley Trading Company Ltd.	China	Cny	10,000,000	50.00%
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%
AAI Investments Inc.	USA	Usd	–	100.00%
AAI Terminal 7 Inc.	USA	Usd	–	100.00%
AAI Terminal One Inc.	USA	Usd	–	100.00%
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%

Name	Registered office	Currency	Share capital	Percentage held
Ac Leiderdrop B.V.	The Netherlands	Eur	18,151	100.00%
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	7,851,186	100.00%
Ac Restaurants & Hotels B.V.	The Netherlands	Eur	90,756	100.00%
Ac Restaurants & Hotels S.A.	Luxembourg	Eur	2,500,000	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%
Aldeasa S.A.	Spain	Eur	10,772,462	100.00%
Aldeasa Atlanta Joint Venture	USA	Usd	2,200,000	76.00%
Aldeasa Internacional S.A.	Spain	Eur	5,409,000	100.00%
Aldeasa Chile Ltda	Chile	Usd	2,516,819	100.00%
Sociedad de Distribucion Aeroportuaria de Canarias Sl	Spain	Eur	667,110	60.00%
Aldeasa Colombia Ldta	Colombia	Cop	2,356,075,724	100.00%
Aldeasa Mexico S.A. de Cv	Mexico	Mxn	60,962,541	100.00%
Transportes y Suministros Aeroportuarios S.A.	Spain	Eur	1,202,000	100.00%
Aldeasa Cabo Verde S.A.	Cabo Verde	Cve	6,000,000	100.00%
Prestadora de Servicios en Aeropuertos S.A. de Cv	Mexico	Usd	50,000	100.00%
Panalboa S.A.	Panama	Pab	150,000	80.00%
Audioguiarte Servicios Culturales Sl	Spain	Eur	251,000	100.00%
Aldeasa Servicios Aeroportuarios Ltda	Chile	Usd	15,000	100.00%
Aldeasa Projects Culturels S.a.s.	France	Eur	1,301,400	100.00%
Cancouver Uno Sl	Spain	Eur	3,010	100.00%
Aldeasa Jordan Airports Duty Free Shops (Ajadfs)	Jordan	Usd	705,219	100.00%
Aldeasa Curaçao N.V.	Curacao	Eur	500,000	100.00%
Aldeasa US Inc.	USA	Usd	49,012,087	100.00%
Aldeasa Canada Inc.	Canada	Cad	1,000	100.00%
Aldeasa Atlanta Llc	USA	Usd	1,122,000	100.00%
Aldeasa Vancouver Lp	Canada	Cad	44,201,000	100.00%
Autogrill Holdings UK Plc (formerly Alpha Group Plc)	United Kingdom	Gbp	24,249,234	100.00%
Alpha ATS Pty Ltd.	Australia	Aud	2	100.00%
Autogrill Retail UK Ltd. (formerly Alpha Retail UK Ltd.)	United Kingdom	Gbp	180,000	100.00%
Alpha Flight UK Ltd.	United Kingdom	Gbp	190,000	100.00%
Alpha Airfayre Ltd.	United Kingdom	Gbp	100,000	51.00%
Alpha Flight Group Ltd.	United Kingdom	Gbp	2	100.00%
Alpha Flight Services Overseas Ltd.	Jersey	Gbp	5,100	80.40%
Alpha Airport Group (Jersey) Ltd.	Jersey	Gbp	4,100	100.00%
Alpha Retail Ireland Ltd.	Ireland	Eur	1	100.00%
Alpha Flight Ireland Ltd.	Ireland	Eur	3	100.00%
Alpha Airport Holdings B.V.	The Netherlands	Eur	74,874	100.00%
Alpha Flight AS	Czech Republic	Czk	50,000,000	100.00%
Alpha Flight Services B.V.	The Netherlands	Eur	1,623,172	100.00%
Alpha Heathrow Ltd.	United Kingdom	Gbp	3,136,000	100.00%
Alpha Retail Italia S.r.l.	Italy	Eur	10,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Alpha Rocas S.A.	Romania	Ron	335,000	64.20%
Alpha Airport Services Eood	Bulgaria	Bgn	7,633,200	100.00%
Alpha Keys Orlando Retail Associates Ltd.	USA	Usd	1,500,000	85.00%
Alpha Airport Services Inc.	USA	Usd	1,400,000	100.00%
Alpha Flight Services Pty Ltd.	Australia	Aud	30,515,000	51.00%
Orient Lanka Ltd.	Sri Lanka	Lkr	30,000,000	99.00%
Jordan Flight Catering Company Ltd.	Jordan	Jod	800,000	51.00%
Alpha Mvkb Maldives Pvt Ltd.	Maldives	Mvr	20,000	100.00%
Alpha Future Airport Retail Pvt Ltd.	India	Inr	97,416,000	100.00%
Alpha Kreol (India) Pvt Ltd.	India	Inr	100,000	50.00%
Alpha In–Flight Retail Ltd.	United Kingdom	Gbp	150,000	100.00%
Alpha Flight Services Uae	Sharjah	Aed	2,000,000	49.00%
Alpha Airport Retail Holdings Pvt Ltd.	India	Inr	404,743,809	100.00%
Alpha Airport Pension Trustees Ltd.	United Kingdom	Gbp	100	100.00%
Pratt & Leslie Jones Ltd.	Singapore	Sgd	8,900	100.00%
Alpha Esop Trustee Ltd.	United Kingdom	Gbp	100	100.00%
Alpha Airports Group Ltd.	United Kingdom	Gbp	2	100.00%
Alpha Euroservices Ltd.	United Kingdom	Gbp	100	100.00%
Alpha Airports Group (Channel Island) Ltd.	United Kingdom	Gbp	21	100.00%
Airport Catering Services (Ni) Ltd.	United Kingdom	Gbp	2	100.00%
Alpha Airports (Furbs) Trustees Ltd.	United Kingdom	Gbp	26,000	100.00%
Airport Duty Free Shops Ltd.	United Kingdom	Gbp	2	100.00%
Dynair B.V.	United Kingdom	Gbp	18,000	100.00%
Anton Airfood Inc. (AII)	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 North Carolina Inc.	USA	Usd	–	100.00%
Anton Airfood of New York Inc.	USA	Usd	–	100.00%
Anton Airfood of Newark Inc.	USA	Usd	–	100.00%
Anton Airfood of Ohio Inc.	USA	Usd	–	100.00%
Anton Airfood of Rhode Island Inc.	USA	Usd	–	100.00%
Anton Airfood of Seattle Inc.	USA	Usd	–	100.00%
Anton Airfood of Texas Inc.	USA	Usd	–	100.00%
Anton Airfood of Tulsa Inc.	USA	Usd	n.a.	100.00%
Anton Airfood of Virginia Inc.	USA	Usd	–	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	26,250,000	100.00%
Autogrill Coté France S.A.	France	Eur	31,579,526	100.00%
Autogrill Czech Sro.	Czech Republic	Czk	61,000,000	100.00%
Autogrill D.o.o.	Slovenia	Eur	1,180,152	100.00%
Autogrill España S.A.U.	Spain	Eur	1,800,000	100.00%
Autogrill Europe Nord–Ouest S.A.	Luxembourg	Eur	41,300,000	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 Gares Province S.àr.l.	France	Eur	274,480	100.00%
Autogrill Group Inc.	USA	Usd	225,000,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Autogrill Hellas Epe	Greece	Eur	1,696,350	100.00%
Autogrill Nederland B.V.	The Netherlands	Eur	41,371,500	100.00%
Autogrill Overseas Inc.	USA	Usd	33,793,055	100.00%
Autogrill Partecipationes Sl	Spain	Eur	6,503,006	100.00%
Autogrill Pieterlen AG	Switzerland	Chf	2,000,000	100.00%
Autogrill Restauration Services S.a.s.	France	Eur	15,394,500	100.00%
Autogrill Restauration Carrousel S.a.s.	France	Eur	2,337,000	100.00%
Autogrill Polska Zoo	Poland	Pln	3,050,000	51.00%
Autogrill Schweiz AG	Switzerland	Chf	23,183,000	100.00%
Autogrill Belux N.V. (formerly Carestel Group N.V.)	Belgium	Eur	10,000,000	100.00%
Carestel Motorway Services N.V.	Belgium	Eur	9,000,000	100.00%
Restair UK Ltd.	United Kingdom	Gbp	1	100.00%
Carestel Service Center N.V. – in liquidation	Belgium	Eur	62,000	100.00%
Carestel Beteilingungs GmbH & Co. – in liquidation	Germany	Eur	25,000	100.00%
Autogrill Commercial Catering France S.A. (formerly Carestel Commercial Catering France S.A.)	France	Eur	2,916,480	100.00%
Carestel Nord S.àr.l.	France	Eur	76,225	99.00%
Autogrill Trois Frontières S.àr.l. (formerly Carestel Trois Frontières)	France	Eur	621,999	100.00%
Cbr Speciality Retail Inc.	USA	Usd	–	100.00%
Cincinnati Terminal Services Inc.	USA	Usd	–	100.00%
Cleveland Airport Services Inc.	USA	Usd	–	100.00%
Fresno AAI Inc.	USA	Usd	–	100.00%
Gladieux Corporation	USA	Usd	750	100.00%
HMS Airport Terminal Services Inc.	USA	Usd	1,000	100.00%
HMS B&L Inc.	USA	Usd	–	100.00%
HMS Holdings Inc.	USA	Usd	1,000	100.00%
HMS Host Family Restaurants Inc.	USA	Usd	2,000	100.00%
HMS Host Family Restaurants Llc	USA	Usd	–	100.00%
HMS Host USA Inc.	USA	Usd	–	100.00%
HMS Host USA Llc	USA	Usd	–	100.00%
HMS Airport Terminal Services Inc.	New Zealand	Nzd	–	100.00%
HMSHost Corp.	USA	Usd	–	100.00%
Autogrill Deutschland GmbH (formerly HMSHost Europe GmbH)	Germany	Eur	205,000	100.00%
HMSHost Services India Private Ltd.	India	Inr	668,441,683	100.00%
HMSHost International Inc.	USA	Usd	–	100.00%
HMSHost Ireland Ltd.	Ireland	Eur	13,600,000	100.00%
HMSHost Egypt Catering & Services Ltd.	Egypt	Egp	1,000,000	60.00%
HMSHost Singapore Pte Ltd.	Singapore	Sgd	8,470,896	100.00%
HMSHost Sweden Ab	Sweden	Sek	2,500,000	100.00%
HMS Host Tollroads Inc.	USA	Usd	–	100.00%
Holding de Participations Autogrill S.a.s.	France	Eur	84,581,920	100.00%
Horeca Expolitatie Maatschappij Schiphol B.V.	The Netherlands	Eur	45,378	100.00%
Host (Malaysia) Sdn Bhd	Malaysia	Myr	–	100.00%
Host Gifts Inc.	USA	Usd	100,000	100.00%
Host International Inc.	USA	Usd	–	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%

Name	Registered office	Currency	Share capital	Percentage held
Host of Holland B.V.	The Netherlands	Eur	–	100.00%
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%
Aai Islip Inc.	USA	Usd	–	100.00%
La Rambertine Snc	France	Eur	1,524	51.00%
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%
Michigan Host Inc.	USA	Usd	1,000	100.00%
Nuova Sidap S.r.l.	Italy	Eur	100,000	100.00%
Palm Springs AAI Inc.	USA	Usd	–	100.00%
Autogrill Centres Commerciaux S.àr.l.	France	Eur	501,960	100.00%
Restauracion de Centros Comerciales S.A.	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	54.00%
Vert Pré St. Thiebault SCI	France	Eur	457	100.00%
Société de Gestion de Restauration Routière S.A.	France	Eur	1,537,320	100.00%
SMSI Travel Centres Inc.	Canada	Cad	–	100.00%
Société Berrichonne de Restauration S.a.s.	France	Eur	288,000	50.01%
Société Régionale de Saint Rambert d'Albon S.A.	France	Eur	515,360	50.00%
Société de Restauration de Bourgogne S.A.	France	Eur	144,000	50.00%
Société de la Porte de Champagne S.A.	France	Eur	153,600	52.26%
Société de Restauration Autoroutière Dromoise S.a.s.	France	Eur	1,136,000	75.00%
Société de Restauration de Troyes–Champagne S.A.	France	Eur	1,440,000	70.00%
Sunshine Parkway Restaurants Inc.	USA	Usd	100	100.00%
The American Lunchroom Co. B.V.	The Netherlands	Eur	18,151	100.00%
The Gift Collection Inc.	USA	Usd	1,000	100.00%
Tj2d Snc	France	Eur	1,000	100.00%
Trentuno S.p.A.	Italy	Eur	1,417,875	100.00%
Turnpike Restaurants Inc.	USA	Usd	–	100.00%
Volcarest S.A.	France	Eur	1,050,144	50.00%
Autogrill Catering UK Ltd.	United Kingdom	Gbp	1,154,579	100.00%
World Duty Free Europe Ltd.	United Kingdom	Gbp	10,000,000	100.00%
Alpha Retail Catering Sweden – in liquidation	Sweden	Sek	–	100.00%
Alpha Flight US Inc.	USA	Usd	3,500,000	100.00%
Alpha Inflight US Llc	USA	Usd	3,500,000	100.00%
Romanian Catering Services S.r.l.	Romania	Ron	38,400	70.00%
Autogrill Holdings UK Pension Trustee Ltd.	United Kingdom	Gbp	100	100.00%
Alpha Heathrow Ltd.	United Kingdom	Gbp	3,136,000	100.00%
Airfayre Heathrow Ltd.	United Kingdom	Gbp	1,503,146	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%
SPB S.àr.l.	France	Eur	4,500	100.00%
Host Canada Ltd. Partnership	Canada	Cad	–	100.00%
Palacios y Museos S.l.u.	Spain	Eur	160,000	100.00%
Anton/JQ RDU Joint Venture	USA	Usd	n.a.	100.00%
Host Bush Lubbock Airport Joint Venture	USA	Usd	n.a.	90.00%
Host/Diversified Joint Venture	USA	Usd	n.a.	90.00%

Name	Registered office	Currency	Share capital	Percentage held
CS Host Joint Venture	USA	Usd	n.a.	70.00%
Airside C F & B Joint Venture	USA	Usd	n.a.	70.00%
Host Kahului Joint Venture Company	USA	Usd	n.a.	90.00%
Host/Coffee Star Joint Venture	USA	Usd	n.a.	50.01%
Host–Chelle–Ton Sunglass Joint Venture	USA	Usd	n.a.	80.00%
Southwest Florida Airport Joint Venture	USA	Usd	n.a.	80.00%
Host Honolulu Joint Venture Company	USA	Usd	n.a.	90.00%
Host/Forum Joint Venture	USA	Usd	n.a.	70.00%
HMS/Blue Ginger Joint Venture	USA	Usd	n.a.	55.00%
Savannah Airport Joint Venture	USA	Usd	n.a.	45.00%
Host/Aranza Services Joint Venture	USA	Usd	n.a.	50.01%
Host & Garrett Joint Venture	USA	Usd	n.a.	75.00%
Tinsley – Host – Tampa Joint Venture	USA	Usd	n.a.	49.00%
Phoenix – Host Joint Venture	USA	Usd	n.a.	70.00%
Host Taco Joy Joint Venture	USA	Usd	n.a.	80.00%
Minnesota Retail Partners, Llc	USA	Usd	n.a.	51.00%
Host Chelsea Joint Venture	USA	Usd	n.a.	65.00%
Host – Tinsley Joint Venture	USA	Usd	n.a.	84.00%
Host/Tarra Enterprises Joint Venture	USA	Usd	n.a.	75.00%
Metro–Host Joint Venture	USA	Usd	n.a.	70.00%
Ben–Zey/Host Lottery JV	USA	Usd	n.a.	40.00%
Host D and D St. Louis Airport Joint Venture	USA	Usd	n.a.	75.00%
East Terminal Chilis Joint Venture	USA	Usd	n.a.	55.00%
Host – Chelsea Joint Venture #2	USA	Usd	n.a.	75.00%
Host/LJA Joint Venture	USA	Usd	n.a.	85.00%
Host/NCM Atlanta E Joint Venture	USA	Usd	n.a.	75.00%
Houston 8/Host Joint Venture	USA	Usd	n.a.	60.00%
Seattle Restaurant Associates	USA	Usd	n.a.	70.00%
Bay Area Restaurant Group	USA	Usd	n.a.	49.00%
Islip Airport Joint Venture	USA	Usd	n.a.	100.00%
Host – Prose Joint Venture II	USA	Usd	n.a.	70.00%
HMS Host/Coffee Partners Joint Venture	USA	Usd	n.a.	50.01%
Host–Grant Park Chili's Joint Venture	USA	Usd	n.a.	60.00%
Host/JV Ventures McCarran Joint Venture	USA	Usd	n.a.	60.00%
Airside E Joint Venture	USA	Usd	n.a.	50.00%
Host–CJ & Havana Joint Venture	USA	Usd	n.a.	70.00%
Host/Howell–Mickens Joint Venture	USA	Usd	n.a.	65.00%
Host/JQ RDU Joint Venture	USA	Usd	n.a.	75.00%
MIA Airport Retail Partners Joint Venture	USA	Usd	n.a.	70.00%
Host of Santa Ana Joint Venture Company	USA	Usd	n.a.	75.00%
Host Marriott Services – D/FW Joint Venture	USA	Usd	n.a.	65.00%
Host Marriott Services – D/FWorth Joint Venture II	USA	Usd	n.a.	75.00%
Host – Prose Joint Venture III	USA	Usd	n.a.	51.00%
Host Adevco Joint Venture	USA	Usd	n.a.	70.00%
HMSHost Shellis Trans Air Joint Venture	USA	Usd	n.a.	60.00%
Host PJJD Jacksonville Joint Venture	USA	Usd	n.a.	51.00%
Host/JQ Raleigh Durham	USA	Usd	n.a.	100.00%
CMH A&W Joint Venture	USA	Usd	n.a.	100.00%
Detroit Duty Free Partners	USA	Usd	n.a.	50.00%

Name	Registered office	Currency	Share capital	Percentage held
Host Accommodations Joint Venture	USA	Usd	n.a.	0.00%
Host Atlanta Duty Free Joint Venture	USA	Usd	n.a.	25.00%
Host CTI Denver Airport Joint Venture	USA	Usd	n.a.	90.00%
Host Houston Joint Venture Company	USA	Usd	n.a.	30.00%
Host International (Poland) Sp.zo.o.	USA	Usd	n.a.	100.00%
Host International of Canada (RD), Ltd.	USA	Usd	n.a.	100.00%
Host Jackson Joint Venture Company	USA	Usd	n.a.	75.00%
Host of Cleveland Joint Venture	USA	Usd	n.a.	74.00%
Host Services (France) S.a.s.	USA	Usd	n.a.	100.00%
Host Shellis Atlanta Joint Venture	USA	Usd	n.a.	70.00%
Host–RLW LasVegas Airport Joint Venture	USA	Usd	n.a.	40.00%
RDU A&W Joint Venture–Anton	USA	Usd	n.a.	100.00%
Sarasota Joint Venture	USA	Usd	n.a.	20.00%
Shenzhen Host Catering Company, Ltd.	USA	Usd	n.a.	100.00%
Host/Howell – Mickens Joint Venture III	USA	Usd	n.a.	51.00%
Host–Chelsea Joint Venture #3	USA	Usd	n.a.	63.80%
Infrastructures & services for mobility				
Atlantia S.p.A.	Italy	Eur	571,711,557	38.06%
AD Moving S.p.A.	Italy	Eur	1,000,000	75.00%
Autostrade International of Virginia O&M Inc.	USA	Usd	1	100.00%
Autostrade International US Holdings Inc.	USA	Usd	4	100.00%
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 Portugal – Concessoes de Infraestruturas S.A.	Portugal	Eur	30,000,000	100.00%
Autostrade per l'Italia S.p.A.	Italy	Eur	622,027,000	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 Concessoes e Participacoes Brasil Ltda (formerly Itinere Brasil Limitada)	Brasil	Brl	70,000,000	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	99.98%
Autostrada Torino–Savona S.p.A.	Italy	Eur	161,720,000	99.98%
Biuro Centrum Sp.z.o.o.	Poland	Pln	80,000	74.38%
Electronic Transactions 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	3,183,673	51.00%
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	47.97%
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%
Sociedad Concesionaria de Los Lagos S.A.	Chile	Clp	37,433,282	99.99%
SPEA – Ingegneria Europea S.p.A.	Italy	Eur	5,160,000	100.00%
Strada dei Parchi S.p.A.	Italy	Eur	67,764,700	60.00%
Stalexport Autostrady S.A.	Poland	Pln	494,524,046	56.24%
Stalexport Autoroute S.àr.l.	Luxembourg	Eur	47,565,000	56.24%

Name	Registered office	Currency	Share capital	Percentage held
Stalexport Autostrada Malopolska S.A.	Poland	Pln	29,553,000	56.24%
Stalexport Transroute Autostrada S.A.	Poland	Pln	500,000	30.93%
Stalexport Autostrada Dolnoslaska S.A.	Poland	Pln	40,100,000	56.24%
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%
Pavimental S.p.A.	Italy	Eur	4,669,132	71.67%
Pavimental Polska Sp.z.o.o.	Poland	Pln	350,000	71.67%
Stalexport Autostrada Slaska S.A. – in liquidation	Poland	Pln	840,000	56.24%
Other companies				
Maccarese S.p.A.	Italy	Eur	99,300,000	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%
Alfa 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 Corp.	USA	Usd	4,379,278	100.00%
Edizione Realty Czech S.r.o.	Czech Republic	Czk	100,000,000	100.00%
Realty Capri S.r.l.	Italy	Eur	100,000	100.00%
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%
Servair Air Chef S.r.l.	Italy	Eur	5,150,000	50.00%
Servizi di Bordo S.r.l.	Italy	Eur	100,000	80.00%
Steigenberger Gastronomie GmbH	Germany	Eur	750,000	49.00%

Associates valued on an equity basis				
Estacion Aduanera de Zaragoza Aeroservicios S.A.	Spain	Eur	1,670,153	31.26%
Lanzarote de Cultura y Ocio S.A.	Spain	Eur	90,151	30.00%
Creuers del Port de Barcelona S.A.	Spain	Eur	3,005,061	23.00%
Souk Al Mouahir S.A.	Marocco	Mad	6,500,000	35.88%
Dewina Host Sdn Bhd	Malaysia	Myr	–	49.00%
HMSC–AIAL Ltd.	New Zealand	Nzd	–	50.00%
Tgif National Restaurant Joint Venture	USA	Usd	–	25.00%
Virgin Express Catering Services N.V.	Belgium	Eur	62,000	49.00%
Sagat S.p.A.	Italy	Eur	10,165,200	24.38%
Gemina S.p.A.	Italy	Eur	1,472,960,320	34.31%
Autostrade for Russia GmbH	Austria	Eur	60,000	51.00%
Autostrade per il Cile S.r.l.	Italy	Eur	2,000,000	50.00%
Pune Solapur Expressways Pvt Ltd.	India	Inr	100,000,000	50.00%
Triangulo do Sol Auto Estradas S.A.	Brasil	Brl	61,000,000	50.00%
Arcea Lazio S.p.A.	Italy	Eur	1,983,469	34.00%
Autostrade del Sud America S.r.l.	Italy	Eur	100,000,000	45.00%
Bologna & Fiera Parking S.p.A.	Italy	Eur	13,000,000	32.50%

Name	Registered office	Currency	Share capital	Percentage held
GEIE del Traforo del Monte Bianco	Italy	Eur	2,000,000	25.50%
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	27,929,990	32.00%
Subsidiaries and associated carried on at cost or fair value				
Bensec Società Consortile a r.l.	Italy	Eur	110,000	84.00%
Benetton Beograd Doo	Serbia	Eur	500	100.00%
Benetton Real Estate Azerbaijan Llc	Azerbaijan	Usd	130,000	100.00%
Benetton Real Estate Csh S.r.l.	Moldova	Mld	30,000	100.00%
Benetton Realty Netherlands N.V.	The Netherlands	Eur	45,000	100.00%
Benetton Realty Sukhbaatar Llc	Mongolia	Mnt	115,000	100.00%
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%
Eurostazioni S.p.A.	Italy	Eur	160,000,000	32.71%
Autostrade Holding de Chile S.A.	Chile	Clp	7,000,000	100.00%
Pavimental Est S.p.A.	Russia	Rub	4,200,000	71.67%

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 articles 156 and 165-bis of Legislative decree no. 58 of 24 February 1998 (now article 14 of Legislative decree no. 39 of 27 January 2010)

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 2009, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' 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.

We carried out our audit of the consolidated financial statements as at and for the year ended 31 December 2009 in compliance with legislation ruling during the year.

Reference should be made to the report dated 5 June 2009 for our opinion on the prior year consolidated financial statements, which included the corresponding figures presented for comparative purposes that have been restated to reflect the changes in the presentation of financial statements introduced by IAS 1.

3 In our opinion, the consolidated financial statements of the Edizione Group as at and for the year ended 31 December 2009 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 2009, 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 2009.

Treviso, 31 May 2010

KPMG S.p.A.

(signed on the original)

Alessandro Ragghianti
Director of Audit

UNITED COLORS OF BENETTON - MILAN (I)

UNITED COLORS OF BENETTON - TOKYO (J)

UNITED COLORS OF BENETTON - LISBON (P)

RESTAURANTS DU MONDE - CARROUSEL DU LOUVRE - PARIS (F)

AUTOGRILL - SYRIOS BRIDGE - E75 (GR)

STARBUCKS COFFEE (AUTOGRILL) - SEATTLE AIRPORT (USA)

ALDEASA THE SHOP - BARCELONA AIRPORT (E)

WORLDDUTYFREE - HEATHROW AIRPORT - LONDON (UK)

AUTOSTRADE PER L'ITALIA - A4 TURIN-TRIESTE - AGRATE JUNCTION (I)

AUTOSTRADE PER L'ITALIA - A27 VENICE-BELLUNO - FADALTO VIADUCT (I)

AUTOSTRADE PER L'ITALIA - A26 GENOA-GRAVELLONA TOCE (I)

LEONARDO DA VINCI AIRPORT - FIUMICINO/ROME (I)

LEONARDO DA VINCI AIRPORT - FIUMICINO/ROME (I)

CASELLE AIRPORT - TURIN (I)

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