EDIZIONE

2011 ANNUAL REPORT

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ANNUAL REPORT AT DECEMBER 31, 2011

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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, 2011 Edizione S.r.l., a company under the full control of the Benetton family, held equity investments mainly in the following segments: Textiles & clothing, Food & beverage and Travel retail & duty–free, Infrastructure & services for mobility and Real estate & agriculture.

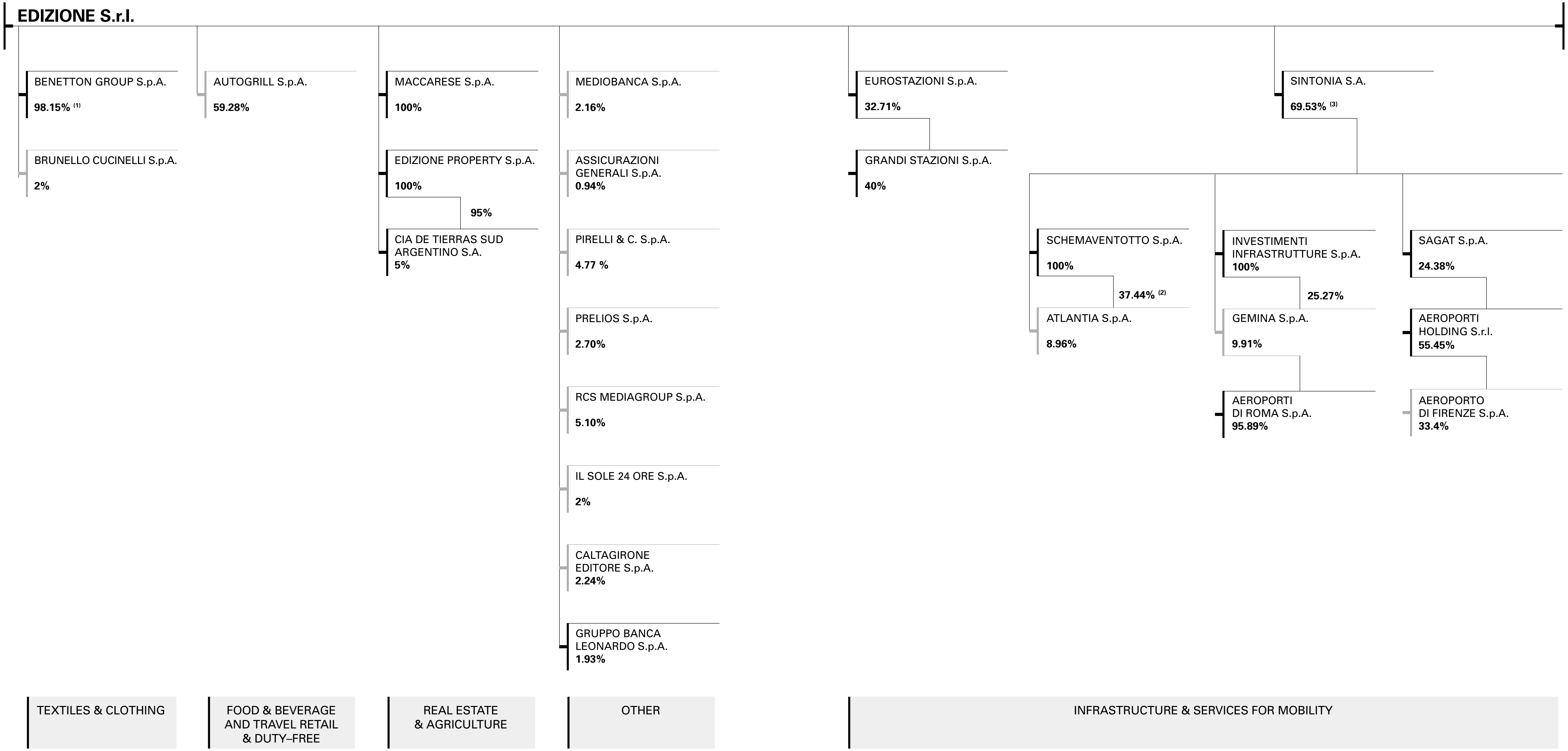
INVESTMENT PHILOSOPHY

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

ORGANIZATION CHART

The Group's present structure is shown in the chart below. Since December 31, 2011 the following changes have taken place:

- conclusion of Edizione S.r.l.'s Voluntary Tender Offer to take over Benetton Group S.p.A. with a view to that company's delisting. On May 21, 2012 Edizione completed the mandatory sell–out procedure pursuant to Article 108 (2) of the Italian Finance Code (TUF), at the outcome of which it had a direct and indirect interest of 98.15%. The squeeze–out procedure pursuant to Article 111 of the Italian Finance Code (TUF) is currently in course and will close on May 31, 2012, allowing Edizione to acquire all remaining shares of Benetton Group S.p.A.;
- purchase of 2,394,796 shares of Atlantia S.p.A. (an interest of 0.38%) by the subsidiary Schemaventotto S.p.A.;
- purchase of 6,000,000 shares of Gemina S.p.A. (an interest of 0.41%) by the subsidiary Sintonia S.A.



LISTED COMPANIES

(1) Including 7.77% held by Benetton Group as treasury shares.
(2) Atlantia owns treasury shares worth 2.0074%.
(3) The other shareholders are Sinatra 10.45%, Mediobanca 6.22% and Pacific Mezz Investco 13.80%.

FINANCIAL HIGHLIGHTS

The Group's results in 2011 and 2010, audited by KPMG S.p.A., are stated according to the International Accounting Standards and the International Financial Reporting Standards (IAS/IFRS) in force at the reporting date and are summarized as follows.

(Millions of Euro)	2011	2010
Revenues	12,253	11,638
Ebitda	3,335	3,277
Operating result	2,245	2,218
Net income, Group	300	260
Net working capital	(957)	(915)
Net assets held for sale	314	979
Intangible assets, property, plant and equipment	18,398	17,368
Non–current financial assets	1,656	1,836
Net deferred assets/(liabilities)	470	860
Non current assets	20,524	20,064
Net capital employed	19,881	20,128
– Shareholders' equity, Group	3,895	3,675
– Non–controlling interests	3,872	3,518
Total shareholders' equity	7,767	7,193
Net financial indebtedness	12,114	12,935
Operating result/Revenues (ROS)	18.3%	19.1%
Operating result/Capital employed (ROI)	11.3%	11.0%
Net financial indebtedness/Total shareholders' equity (Gearing)	1.56	1.80
Net financial indebtedness/Ebitda	3.63	3.95

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

DIRECTORS' REPORT

Dear Shareholders,

The Group's share of net income in 2011 comes to Euro 300 million, up from Euro 260 million the previous year.
Revenues were on the rise (+5.3%), as were operating margins: Ebitda increased by 1.8% and the operating result by 1.2%.

At December 31, 2011, shareholders' equity stood at Euro 7,767 million and net financial indebtedness at Euro 12,114 million, a decrease on the previous year's (Euro 12,935 million) despite significant investments mainly in the infrastructure sector.

MAIN EVENTS IN 2011

The main events are described briefly below.

TEXTILES & CLOTHING

- On January 31, 2011 Benetton Group S.p.A. signed with the Republic of Serbia and the city of Niš a memorandum of intent for cooperation in developing a new production center in Niš. The project calls for an investment of more than Euro 30 million.
- In 2011 the Benetton group planned a series of measures to improve its performance, involving both an increase in revenues, by way of a more effective product mix, and a reduction in costs through the systematic optimization of internal processes and the streamlining of operations. The commercial strategy developed in 2011 was built on brand development, continuous product improvement and store refurbishment.
  To support that strategy, in recent months the group has focused its efforts on improving its skills in communication, marketing and merchandising and has prepared itself structurally to welcome the new challenges and opportunities presented by the market.
- These initiatives have included the expansion and multiplication of new concept stores for all brands held in the portfolio and the development of the special collections project, through the introduction of mini–collections and the consequent reduction of time to market.
- Benetton's return to its iconic image as a promoter of globally relevant social topics has been made possible by new worldwide advertising campaigns, which have been enthusiastically received by the public.

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

- In 2011 the Autogrill group won new contracts and renewed existing ones. In the Food & beverage business, it strengthened its hold in the US airport channel by renewing its concession contracts at Las Vegas, Phoenix Sky Harbor, Southwest Florida, Salt Lake City and Port Colombus and winning a new concession at John Wayne Airport in Orange County, California.
- On January 31, 2011 Autogrill acquired from Impel group, Poland's leading provider of outsourcing services, the remaining 49% of Autogrill Polska Sp.zo.o. which was set up in 2009 to manage rest areas along Polish motorways.
- On March 24, 2011, through its US division HMSHost, Autogrill and Starbucks Corporation extended their partnership for the opening and management of Starbucks locations in the channels led worldwide by Autogrill. Two years ahead of schedule, Autogrill has renewed this exclusive management contract for an additional 10 years (until 2020).
- The Autogrill group has begun to revise its organizational structure, in order to improve efficiency and response time in the face of the challenges posed by today's economy.
- On July 28, 2011 Autogrill finished refinancing a significant portion of its consolidated financial indebtedness by taking out two new credit lines, totalling Euro 1.35 billion and expiring in July 2016, which allowed the early repayment of loans maturing in 2012 and 2013, thus ensuring resources for development. The two new lines consist of a revolving credit facility of Euro 700 million for the Food & beverage business and a revolving credit facility of Euro 650 million for the Travel retail & duty–free business.

INFRASTRUCTURE & SERVICES FOR MOBILITY

ATLANTIA GROUP

- On June 30, 2011 the Atlantia group subscribed to the capital increase of the Chilean company Nueva Inversiones, acquiring a 50% share and contributing the funds necessary for Nueva Inversiones to acquire the remaining 50% (in addition to the 50% already owned) of Vespucio Sur and Litoral Central.
- In the second quarter of 2011 the Atlantia group sold its 58% interest in Strada dei Parchi S.p.A., concession holder for the motorways A24 Rome–L'Aquila–Teramo and A25 Torano–Pescara, to Toto Costruzioni Generali S.p.A.
- In the third quarter of 2011 it increased its share of the Brazilian motorway concession holder Triangulo do Sol Auto–Estradas S.A. from 50% to 70%; in the fourth quarter, it acquired an additional 10% of that Brazilian company for a total interest of 80%.
- On October 20, 2011 Autostrade per l'Italia S.p.A., through the project company Ecomouv' S.a.s., signed a partnership agreement with the French Department of Ecology, Sustainable Development, Transportation and Housing (MEDDTL) for the development and operation of a satellite–based toll system, that is now mandatory for heavy vehicles weighing more than 3.5 tons, on about 15,000 kilometers of the national road network (the so called project *Eco–Taxe Poids lourds*). The agreement calls for investments of approximately Euro 650 million, financed 80% by a pool of banks that supported the project, and a combined income of Euro 2.8 billion over the 13 years and 3 months of the concession. Autostrade per l'Italia owns 70% of Ecomouv'; the remaining 30% is held by Thalès (11%), SNCF (10%), SFR (6%) and Steria (3%).
- On November 28, 2011 the Atlantia group sold a 69.1% share of Società Autostrada Tirrenica p.A., leaving it with an interest of 24.98% at the end of the year.

GEMINA GROUP

- Gemina's most important achievement in 2011 was the presentation to the concession grantor ENAC (Italian Civil Aviation Authority) of a major project for the development of Rome airports and the content of a Planning Agreement ensuring that the project can be financed without government funds and produce a suitable return on investment. The proposal is justified by the following considerations:
  i) Fiumicino Airport is now saturated and the infrastructures, as well as the public trasportation network, fail to provide European standard of service;
  ii) this situation results from a decade of stagnant tariffs and major difficulties for the principal customer, which have significantly affected infrastructure planning and had a serious impact on the Gemina group's financial situation and results.

  Rome's airports are thus in dire need of upgrading and modernization. The proposal shared with the concession grantor calls for:
  i) investments of approximately Euro 12 billion, of which Euro 2.5 billion to be spent during the first 10 years;
  ii) tariffs and a tariff structure that will close the gap with other European airports;
  iii) a set of rules and obligations defining every aspect of the business relationship, valid for the entire duration of the concession, to serve as a sure point of reference for the project's financeability.

THE PARENT COMPANY, SINTONIA S.A. AND OTHER HOLDING COMPANIES

- In 2011 Sintonia S.A. purchased shares of Gemina S.p.A. in the market for Euro 46.8 million, raising its direct interest in Gemina from 4.96% to 9.50% and its overall interest from 30.23% to 34.77%.
- In May and June 2011 the subsidiary Schemaventotto S.p.A. purchased 5,829,820 ordinary shares of Atlantia S.p.A. in the market (an interest of 0.96%) for Euro 93.3 million.
- In November and December 2011 Schemaventotto S.p.A. purchased an additional 17,775,187 ordinary shares of Atlantia S.p.A. in the market (2.82%) for Euro 200 million. At December 31, 2011 the Group had a total interest in Atlantia of 46.03%.
- In 2011 Elmbridge Investment Pte Ltd., on the basis of existing agreements, paid in a capital increase of Euro 344.6 million to Sintonia S.A. and raised its stake in the company to 13.80%. Edizione's controlling share now amounts to 69.53%. Following the remaining capital increases of Euro 222 million, to which it has subscribed, Elmbridge will own 17.68% of Sintonia S.A.

ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's key results in 2011 and 2010 are as follows:

(Millions of Euro)	2011	%	2010	%
Revenues	**12,253**	**100.0**	**11,638**	**100.0**
Materials and subcontracted work	(4,048)	(33.0)	(3,638)	(31.3)
Payroll costs	(2,406)	(19.6)	(2,367)	(20.3)
Other costs and general expenses, net	(2,463)	(20.1)	(2,356)	(20.2)
Ebitda	**3,335**	**27.2**	**3,277**	**28.2**
Depreciation, amortization, provisions and write–downs	(1,091)	(8.9)	(1,059)	(9.1)
Operating result	**2,245**	**18.3**	**2,218**	**19.1**
Net financial charges	(796)	(6.5)	(837)	(7.2)
Income/(losses) from equity investments	(80)	(0.7)	(44)	(0.4)
Income/(charges) from currency hedges and exchange differences	(10)	(0.1)	19	0.2
Income before taxes and non–controlling interests	**1,359**	**11.1**	**1,356**	**11.7**
Income taxes	(538)	(4.4)	(554)	(4.8)
Profit/(loss) from continuing operations	**821**	**6.7**	**802**	**6.9**
Profit/(loss) from assets held for sale/discontinued operations	124	1.0	16	0.1
Non–controlling interests	(646)	(5.3)	(558)	(4.8)
Net income, Group	**300**	**2.4**	**260**	**2.2**

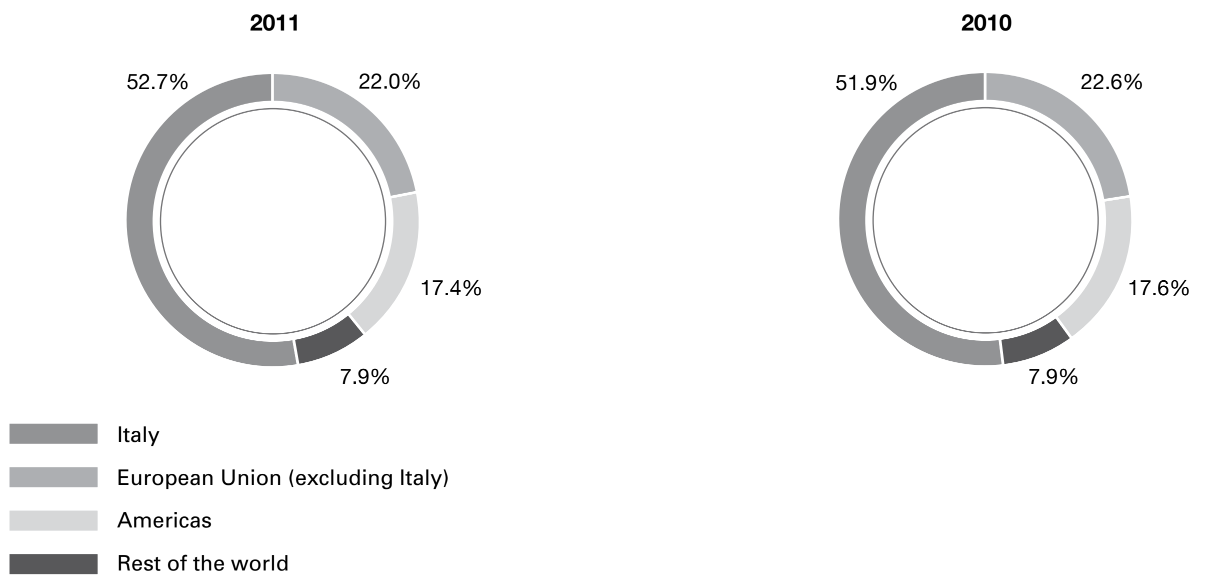
Net income, Group/Shareholders' equity (ROE)	7.7%		7.1%	
Operating result/ Capital employed (ROI)	11.3%		11.0%	
Cash flow (*)	2,036		1,877	

(*) Net income before Non–controlling interests plus Depreciation, amortization, provisions and write–downs.

Revenues

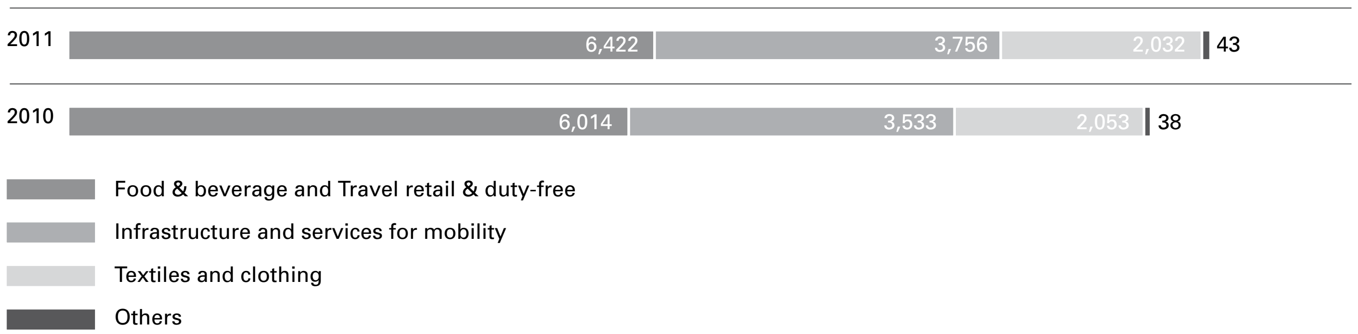
Consolidated revenues increased by Euro 615 million (+5.3%), growing in all regions served by the Group: +6.9% in Italy, +2.9% in the rest of the European Union, +3.6% in North and South America and +5.4% in the rest of the world. It should be noted, however, that revenues in Italy benefited from two particular events: the tariff increase for ANAS, which affects the Atlantia group's revenues and costs in equal measure, with no impact on profit and the rise in fuel sales. These factors account for Euro 420 million of the increase for the year; therefore, on a like–for–like basis, revenues rose by 1.7% and those in Italy were stable.

Revenues by geographical area:



Revenues by business segment (net of intercompany sales):

(Millions of Euro)



Operating margins

The significant efforts made by Group companies to boost the efficiency of procedures and organizational structures led to an increase in Ebitda, which rose from Euro 3,277 million to Euro 3,335 million (+1.8%).
As a percentage of revenues, Ebitda fell from 28.2% in 2010 to 27.2% in 2011, due exclusively to the two revenue factors mentioned above, which increase revenues, but do not contribute to earnings. On a like–for–like basis, the Ebitda margin was unchanged with respect to 2010.
See below for a detailed description of the performance by the Group's three main business segments.

Income/(Losses) from equity investments

In 2011 there were net losses from equity investments of Euro 80 million, compared with net losses of Euro 44 million the previous year, as a result of Euro 50 million in impairment losses charged by the Parent Company on equity investments in listed companies (written down to their average stock market price for 2011) and Euro 59 million in impairment losses charged by Atlantia on its investment in Alitalia – Compagnia Aerea Italiana S.p.A.

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

The balance for 2011 includes the results of the subsidiaries Strada dei Parchi S.p.A. and Società Autostrada Tirrenica p.A. until the date of their deconsolidation, and the capital gains (net of tax effects) generated by their disposal.

Net income, Group

The Group's share of net income for the year comes to Euro 300 million, compared with Euro 260 million in 2010, thanks in part to the contribution of discontinued operations.

Financial situation

The Group's main financial figures at December 31, 2011 and 2010, duly restated, are as follows:

(Millions of Euro)	12.31.2011	%	12.31.2010	%
Net working capital:				
– inventories	733	3.7	629	3.1
– receivables, accrued income and prepaid expenses	2,256	11.3	2,076	10.3
– payables, accrued expenses and prepaid income	(3,946)	(19.8)	(3,620)	(18.0)
Net working capital	**(957)**	**(4.8)**	**(915)**	**(4.6)**
Net assets held for sale	**314**	**1.6**	**979**	**4.9**
Non–current assets:				
– intangible assets	7,822	39.3	7,878	39.1
– concession rights, net	8,098	40.7	7,023	34.9
– property, plant and equipment	2,478	12.5	2,467	12.3
– non–current financial assets	1,656	8.3	1,836	9.1
– net deferred assets/(liabilities)	470	2.4	860	4.3
Non–current assets	**20,524**	**103.2**	**20,064**	**99.7**
Net capital employed	**19,881**	**100.0**	**20,128**	**100.0**
– Shareholders' equity, Group	3,895	19.6	3,675	18.2
– Non–controlling interests	3,872	19.5	3,518	17.5
Total shareholders' equity	7,767	39.1	7,193	35.7
Net financial indebtedness	12,114	60.9	12,935	64.3
Sources of funds	**19,881**	**100.0**	**20,128**	**100.0**

Net assets held for sale at December 31, 2010 consisted mainly of the assets and liabilities of Strada dei Parchi S.p.A., which was sold in 2011.

Concession rights, net, increased as a result of substantial investments by the Atlantia group, recognized in this item in accordance with IFRIC 12. The amount shown is net of the Provisions for construction services required by contract, which cover the present value of investments not yet completed that will not produce additional benefits in terms of tariff increases. At December 31, 2011 net capital employed and net financial indebtedness had both decreased, despite significant investments by the Group, as a result of the disposal of Strada dei Parchi and the deconsolidation of its net assets.

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

(Millions of Euro)	12.31.2011	12.31.2010
Edizione S.r.l.	(252)	(315)
Benetton group	(548)	(486)
Autogrill group	(1,553)	(1,576)
Other companies	(9)	(19)
Total Retail businesses	(2,362)	(2,396)
Sintonia S.A.	(840)	(890)
Atlantia group	(8,970)	(9,657)
Other companies	58	8
Total Infrastructures businesses	(9,752)	(10,539)
Consolidated net financial indebtedness	(12,114)	(12,935)

OTHER INFORMATION

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

SIGNIFICANT EVENTS FOLLOWING THE END OF THE FINANCIAL YEAR

TEXTILES & CLOTHING

- On February 1, 2012 Edizione S.r.l. announced its decision to launch a Voluntary Tender Offer pursuant to Articles 102 *et seq.* of the Italian Finance Code (TUF), at a price of Euro 4.60 per share, aiming to purchase all Benetton Group shares not directly or indirectly held so that Benetton Group could be delisted from the Italian Stock Exchange (Borsa Italiana S.p.A.). As a result of the takeover process and the purchases made by Edizione in the market, as of May 28, 2012 (the date of approval of this report), Edizione had a controlling share of 90.38% which, together with the 7.77% interest held by Benetton as treasury shares, amounts to direct and indirect ownership of 98.15%, triggering the squeeze–out of all remaining shares in accordance with Article 111 of the Finance Code. Consequently, Borsa Italiana S.p.A. notified that Benetton Group shares were being delisted with effect from May 31, 2012 and trading suspended from May 28, 2012.
- In April, Benetton Retail Deutschland GmbH acquired the remaining 50% of New Ben GmbH and became its sole shareholder.
- Benetton Group acquired a 2% interest in Brunello Cucinelli S.p.A. during that company's Initial Public Offering.

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

- In early 2012 the Autogrill group acquired new concession agreements and renewed existing ones. In particular, it renewed the Food & beverage and Retail concessions at Hartsfield–Jackson International Airport in Atlanta, the largest in the world in terms of passenger traffic, where the group has been operating since 1994. The company will manage food & beverage operations for an additional ten years and retail operations for another seven, for total estimated revenues of more than usd 1.2 billion over the life of the contracts. The agreement covers 44 outlets in Concourse C and in the new terminal, where most of the international traffic is concentrated. These are in addition to the 35 already operated, for a total of 79 locations.

INFRASTRUCTURE & SERVICES FOR MOBILITY

ATLANTIA GROUP

- As a result of Italy's downgrade on January 13, 2012 Standard & Poor's revised Atlantia's rating from A– to BBB+ and upheld a negative outlook. Standard & Poor's specified that the downgrade mainly reflects the increased country risk faced by Atlantia, which operates primarily in the Italian market. On October 19, 2011 Standard & Poor's had confirmed the credit rating of Atlantia and Autostrade per l'Italia: A– with a negative outlook. Shortly before, Moody's had also confirmed its opinion of the group's creditworthiness, rating it A3 with a stable outlook, and Fitch reached the same conclusion with an A– (stable outlook).
- On January 30, 2012 Autostrade per l'Italia S.p.A., through its indirect wholly–owned subsidiary Autostrade do Brasil, signed an agreement with the Bertin group for the creation of a joint venture consisting of the two companies' interests in toll road concession holders in Brazil. Atlantia and Bertin will each own 50% of the new company while Atlantia, under the terms of the agreement, will designate its top management and will consolidate the concession holders' results on a line–by–line basis. The joint venture will operate 1,538 km of motorway under concession in Brazil, with the option to add the 105 km beltway around Sao Paulo.
- On February 2, 2012 Atlantia issued a bond of Euro 1.0 billion, guaranteed by Autostrade per l'Italia, with a duration of seven years. The new bond pays an annual 4.50% coupon and has an issue price of Euro 99.011.
- Simultaneously with the above bond issue, on February 2, 2012 Atlantia announced a Tender Offer for the partial buy–back of a Euro 2.75 billion bond maturing on June 9, 2014. At the end of the offer period, on February 9, 2012, Atlantia agreed to buy back bonds worth a nominal Euro 0.5 billion. With this transaction, Atlantia used part of its available cash to reduce the debt maturing in 2014.
- On February 25, 2012 Autostrade per l'Italia signed an agreement with Argo Finanziaria S.p.A. (Gavio group) for the sale of its entire 33% interest in IGLI S.p.A., which owns 29.96% of Impregilo S.p.A. The sale was finalized on March 8, 2012 for Euro 87.6 million.
- Again on February 25, 2012 Autostrade per l'Italia signed two separate agreements with SIAS S.p.A. (Gavio group), under which: (i) SIAS, subject to government clearance and consent from its lending banks, undertook to sell its entire 45.765% interest in Autostrade Sud America S.r.l. ("ASA") to Autostrade per l'Italia for Euro 565.2 million, transferring the shares by June 30, 2012; and (ii) Autostrade per l'Italia granted SIAS a call option on its 99.98% interest in Autostrada Torino–Savona S.p.A., to be exercised no later than September 30, 2012 at a price of Euro 223 million. If the call option is exercised, the shares will be transferred by November 15, 2012, subject to the necessary authorizations (government clearance and consent from the lending banks). On February 25, Autostrade per l'Italia also reached an agreement with Mediobanca S.p.A. for the purchase of an 8.47% interest in ASA for Euro 104.6 million, according to the same terms and conditions agreed with SIAS.
- On April 19, 2012, Autostrade per l'Italia S.p.A. officially promised to sell to Canada Pension Plan Investment Board (CPPIB) a 49.99% interest in Grupo Costanera. The total consideration of clp 560 billion (approximately Euro 857 million) corresponds to a valuation of 100% of Grupo Costanera at around Euro 1,725 million. In the context of that transaction, the 50% share of Nueva Inversiones, currently held indirectly by Autostrade per l'Italia, will come under the control of Grupo Costanera, which will thus own 100% of that company.
- On April 24, 2012 the extraordinary general meeting of Atlantia S.p.A. discussed and approved a motion for a bonus issue, pursuant to Article 2442 of the Italian Civil Code, for a maximum nominal value of Euro 31,515,600.00 through the issue of 31,515,600 ordinary shares with the same characteristics of shares outstanding, to take place on the first possible date in June.

GEMINA GROUP

- During the first quarter of 2012, ADR – Aeroporti di Roma S.p.A. continued to work on the Planning Agreement. More specifically, ADR worked with the Italian Civil Aviation Authority (ENAC) on the final draft of the Preliminary Report sent to the Ministry of Transport and Infrastructure and the Ministry of Finance at the end of March. The Preliminary Report is accompanied by the full text of the draft Planning Agreement, together with all annexes including the Investment Plan covering the period up to 2044 (for a total of Euro 12 billion), the Business Plan and the tariff structure for the entire period of the concession.
- On the subject of industrial relations, after an initial announcement in December 2011, the trade unions received further information on the spin–off initiatives that ADR has planned for the Direct Retail, Security and Parking businesses. This project, part of a broader group rearrangement aimed at concentrating the entire organization more closely on core activities (airport infrastructure development and coordination of operational and quality processes), was formally notified to the trade unions on March 2, 2012.

THE PARENT COMPANY, SINTONIA S.A. AND OTHER HOLDING COMPANIES

- Further to the positive outcome of the Voluntary Tender Offer, Edizione will directly and indirectly own 100% of Benetton Group S.p.A., for a total outlay of Euro 211 million.
- In January 2012 Sintonia S.A. acquired an additional 6,000,000 shares of Gemina S.p.A. (an interest of 0.41%) for Euro 3.9 million.
- Also in January 2012, the subsidiary Schemaventotto acquired a further 2,394,796 Atlantia S.p.A. shares (0.38%) for Euro 30 million.

OUTLOOK FOR 2012

TEXTILES & CLOTHING

Order taking for the spring/summer 2012 collections of the Benetton group's various brands was slightly down with respect to the trend in 2011. In light of the considerations expressed above, a similar decline might be expected for the upcoming fall/winter collections.
Due chiefly to pressure on revenues, the operating profit will have no room to improve, and net income may also decline somewhat because of the higher cost of debt. The financial position is expected to decrease compared with the end of 2011.

FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

In the first 18 weeks of 2012 the Autogrill group reported a 0.3% decrease in sales compared with the same period in 2011 (+2.6% at current exchange rates).
Considering these early results and the current prospects, the 2012 performance should be in line with 2011, as growth in the Travel retail business will offsets the weakness of Food & beverage in Europe.

INFRASTRUCTURE & SERVICES FOR MOBILITY

Unless macroeconomic conditions in Italy are subject to a worsening, the current situation suggests that the Atlantia group should be able to maintain the consolidated operating results it achieved in 2011.

As for the Gemina group, considering the downward trend in air traffic and the negative short–term forecasts, it is ever more necessary to focus on improving the operation of the existing airport facilities, successfully completing the spin–off projects, and refinancing the debt falling due in February 2013 by the end of June 2012. The above conditions needs to be achieved while awaiting the increasingly urgent and imperative approval of the new Planning Agreement, and the consequent implementation of the ADR infrastructure plan and investment plan through 2044 for a total of Euro 12 billion.

PERFORMANCE BY BUSINESS SEGMENT

At December 31, 2011 the Edizione Group operated in the following business segments:

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

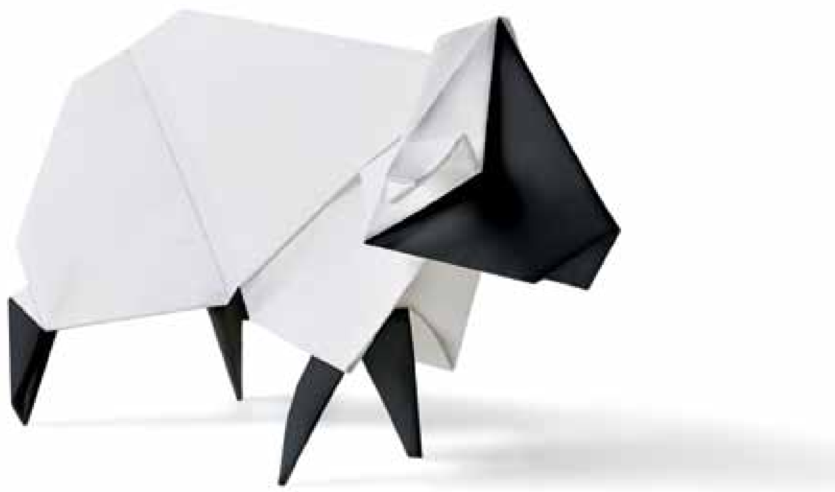
which are headed up respectively by Benetton Group S.p.A., Autogrill S.p.A., and Sintonia S.A., which in turn is the key shareholder of Atlantia S.p.A.

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 2011 and 2010 results for the Benetton, Autogrill and Atlantia groups are stated in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) in effect as of the reporting date. The results of the other companies, discussed hereafter, have been drawn from the financial statements prepared according to local GAAP.

TEXTILES & CLOTHING



TEXTILES & CLOTHING

Benetton Group S.p.A. (controlling interest at December 31, 2011: 67.08%)
Consolidated economic and financial highlights in 2011 and 2010 are as follows:

(Millions of Euro)	2011	%	2010	%
Revenues	**2,032**	**100.0**	**2,053**	**100.0**
Cost of sales	(1,150)	(56.6)	(1,105)	(53.8)
Gross operating profit	**882**	**43.4**	**948**	**46.2**
Sales and general expenses	(733)	(36.1)	(772)	(37.6)
Operating result	**149**	**7.3**	**176**	**8.6**
Net financial charges	(20)	(1.0)	(20)	(1.0)
Net foreign currency hedging gains/(losses) and exchange differences	(10)	(0.5)	12	0.6
Income before taxes and non–controlling interests	**119**	**5.9**	**168**	**8.2**
Income taxes	(42)	(2.1)	(65)	(3.2)
Non–controlling interests	(4)	(0.2)	(1)	(0.0)
Net income, group	**73**	**3.6**	**102**	**5.0**

Net income, group/Shareholders' equity (ROE)	4.9%	6.9%
Operating result/Capital employed (ROI)	7.3%	8.9%
Capital employed	2,055	1,984
Shareholders' equity	1,507	1,498
Net financial indebtedness	548	486
Net financial indebtedness/Shareholders' equity	0.36	0.32

Revenues
Consolidated net revenues in 2011 came to Euro 2,032 million, compared with Euro 2,053 million the previous year. Most of the change since 2010 is explained by:

» reduced sales at directly operated stores as a result of the difficult economic environment, mitigated by positive results in the main emerging markets;
» a less favourable collection mix, featuring merchandise categories of lower unit value;
» the adverse trend in foreign currencies with respect to the Euro, in particular the Turkish lira, the Indian rupee and the US dollar.

Revenues by geographical area are as follows:

(Millions of Euro)	2011	%	2010	%	Change
Italy	910	44.8	931	45.3	(21)
Rest of Europe	696	34.3	699	34.0	(3)
Asia	333	16.4	328	16.0	5
North and South America	80	3.9	79	3.8	1
Rest of the world	13	0.6	16	0.8	(3)
Total	**2,032**	**100.0**	**2,053**	**100.0**	**(21)**

Operating margins
Gross operating profit came to Euro 882 million or 43.4% of revenues and decreased from 46.2% in 2010 due to the steep rise in the cost of raw materials, especially cotton, whose average price nearly doubled with respect to 2010.

The operating result came to Euro 149 million and fell from 8.6% of revenues the previous year to 7.3%. Net of non–recurring items, which had a negative impact especially on 2010, the operating result would amount to Euro 154 million (7.5% of revenues) compared with Euro 208 million (10.1% of revenues) the previous year.

Net foreign currency hedging gains/(losses) and exchange differences originate mostly from the negative contribution of hedges against purchases in US dollars.

Investments
Cash flow used by investing activities came to Euro 102 million (Euro 122 million in 2010); specifically:

» investments in the retail network, for Euro 83 million, took place mostly in Italy, France, Spain, Russia and Kazakhstan; where possible, existing stores were renovated and expanded, while the purchase of new properties and businesses was highly selective;
» manufacturing investments of Euro 20 million mainly concerned the purchase of machinery in Croatia and Italy and of a production complex in Serbia for the new site in the city of Niš, as well as the completion of the logistical hub in Castrette (Italy);
» other investments, of Euro 22 million, were principally in information technology.

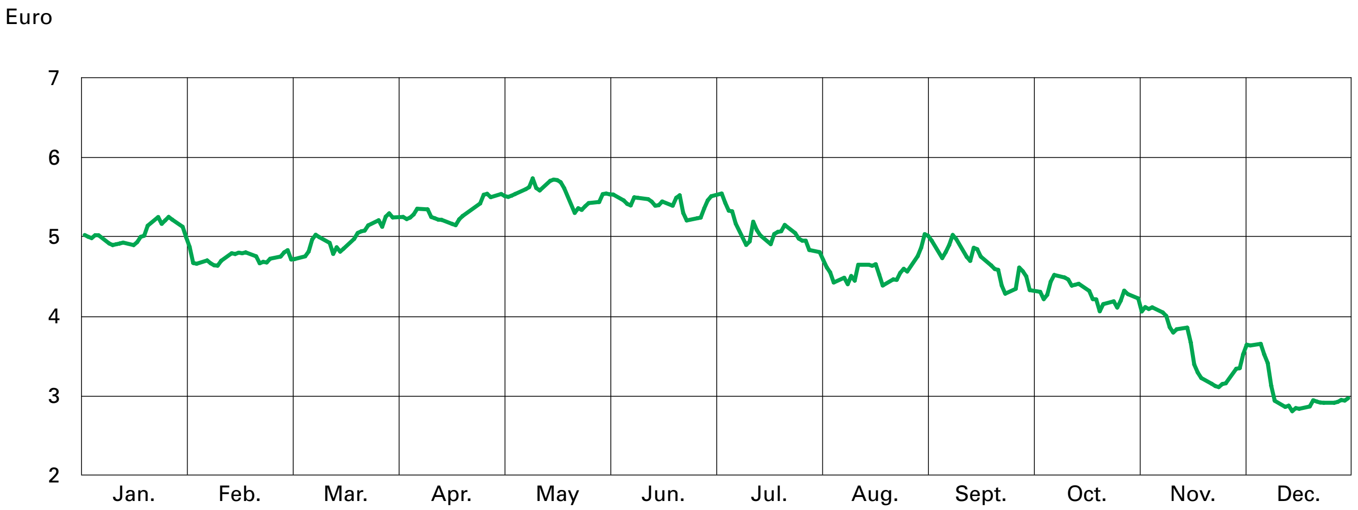
Disposals came to Euro 22 million, consisting primarily of the sale of a retail property in Russia and of some small trade companies in Italy.

During the year, dividends were paid to the shareholders of Benetton Group S.p.A. in the amount of Euro 43 million and to the non–controlling shareholders of two foreign subsidiaries for a total exceeding Euro 2 million. In addition, treasury shares were purchased for Euro 18 million.

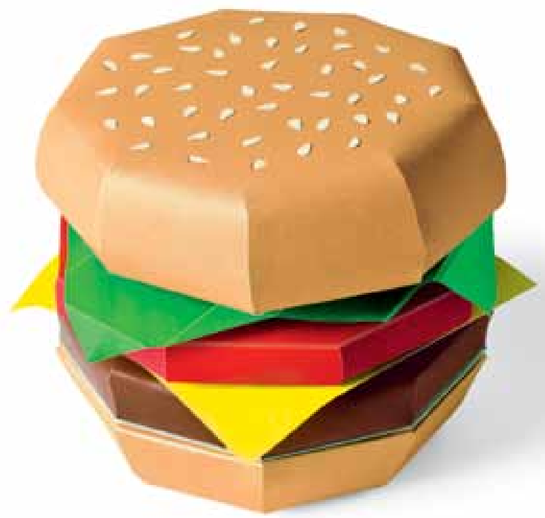
Benetton Group share and market data
In 2011, ordinary Benetton Group shares were traded principally on the Italian Stock Exchange (Borsa Italiana S.p.A.).

	2011	2010
Earnings per share (in Euro)	0.43	0.59
Equity per share (in Euro)	8.14	8.10
Dividend per share (in Euro)	–	0.25
Pay out ratio	–	42.4%
Dividend yield	–	5.1%
Price on December 31 (in Euro)	2.95	4.92
High (in Euro)	5.73	6.70
Low (in Euro)	2.81	4.50
Price per share/earnings per share	6.87	8.34
Price per share/equity per share	0.36	0.61
Market capitalization (millions of Euro)	505	848
No. shares outstanding	182,679,012	182,679,012

Benetton Group share performance in 2011



FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY-FREE



FOOD & BEVERAGE AND TRAVEL RETAIL & DUTY–FREE

Autogrill S.p.A. (controlling interest at December 31, 2011: 59.28%)
Key figures for the Autogrill group in 2011 and 2010 are shown below:

(Millions of Euro)	2011	%	2010	%
Revenues from the sale of goods	5,845	100.0	5,703	100.0
Fuel sales	577	9.9	311	5.5
Other operating income	132	2.3	125	2.2
Total revenue and income	6,554	112.1	6,139	107.6
Cost of raw materials and goods	(2,696)	(46.1)	(2,387)	(41.9)
Rents, concessions and royalties	(1,194)	(20.4)	(1,151)	(20.2)
Payroll costs	(1,473)	(25.2)	(1,442)	(25.3)
Other operating cost	(575)	(9.8)	(554)	(9.7)
Ebitda	617	10.5	605	10.6
Amortization, depreciation and write–downs	(314)	(5.4)	(350)	(6.1)
Ebit	303	5.2	255	4.5
Net financial expense and impairment losses on financial assets	(84)	(1.4)	(75)	(1.3)
Income before taxes and non–controlling interests	219	3.7	180	3.2
Income taxes	(80)	(1.4)	(90)	(1.6)
Profit/(loss) from continuing operations	139	2.4	90	1.6
Profit/(loss) from discontinued operations	–	–	25	0.4
Non–controlling interests	(13)	(0.2)	(12)	(0.2)
Net income, group	126	2.2	103	1.8

Net income, group/Shareholders' equity (ROE)	16.1%		15.0%	
Ebit/Capital employed (ROI)	12.9%		11.1%	
Capital employed	2,352		2,287	
Shareholders' equity	799		712	
Net financial indebtedness	1,553		1,576	

Revenues

Autogrill closed the year with a 4% increase in consolidated revenues (+2.5% at current exchange rates) with respect to 2010. Including fuel sales in the figure, revenues rose by 6.8%.

Performance by region was as follows:

(Millions of Euro)	2011	%	2010	%	Change
Italy	1,914	29.8	1,630	27.1	284
Rest of Europe	2,293	35.7	2,191	36.4	102
USA and Canada	1,872	29.1	1,880	31.3	(8)
Rest of the world	343	5.3	313	5.2	30
Total	6,422	100.0	6,014	100.0	408

Revenues in Italy increased mainly because of the rise in fuel sales.

In 2011 Autogrill reported consolidated Ebitda of Euro 617 million, an increase of 3.8% for the year (+1.9% at current exchange rates).

The improved sales mix, in relation to the increase in passengers travelling outside the European Union, and an efficient purchasing policy in the Travel retail business offset the steep rise in the cost of Food & beverage raw materials.

More specifically, in the **Food & beverage** business sales were up by 1.5% (–0.1% at current exchange rates), with a positive performance in North America that was offset by a decrease in motorway traffic and the closure of some outlets in Europe; most of the decline in Ebitda is explained by the increase in food raw material prices and the payroll cost.

(Millions of Euro)	2011	%	2010	%
Revenues	4,024	100.0	4,028	100.0
Other operating income	114	2.8	97	2.4
Total revenue and income	4,138	102.8	4,125	102.4
Ebitda	389	9.7	412	10.2
Amortization, depreciation and impairments	(193)	(4.8)	(235)	(5.8)
Ebit	196	4.9	177	4.4

In the **Travel retail** business, revenues grew by 10% (+8.7% at current exchange rates); margins improved and performance was excellent at the majority of the airports served.

(Millions of Euro)	2011	%	2010	%
Revenues	1,821	100.0	1,676	100.0
Other operating income	24	1.3	31	1.8
Total revenue and income	1,845	101.3	1,707	101.8
Ebitda	228	12.5	194	11.6
Amortization, depreciation and impairments	(121)	(6.7)	(115)	(6.9)
Ebit	107	5.9	78	4.7

Financial situation

Net financial indebtedness at December 31, 2011 came to Euro 1,553 million, an improvement on the previous year's figure of Euro 1,576 million. The result reflects net cash from operating activities of Euro 145 million, reduced by Euro 32 million due to the translation of debt denominated in currencies other than the euro, and a reduction in working capital of Euro 99 million caused mainly by decreased trade payables in Europe.

The financial structure in 2011 is broken down below by business segment:

(Millions of Euro)	Food & beverage	Travel retail
Capital employed	1,135	1,218
Shareholders' equity	221	579
Net financial indebtedness	914	639

Investments

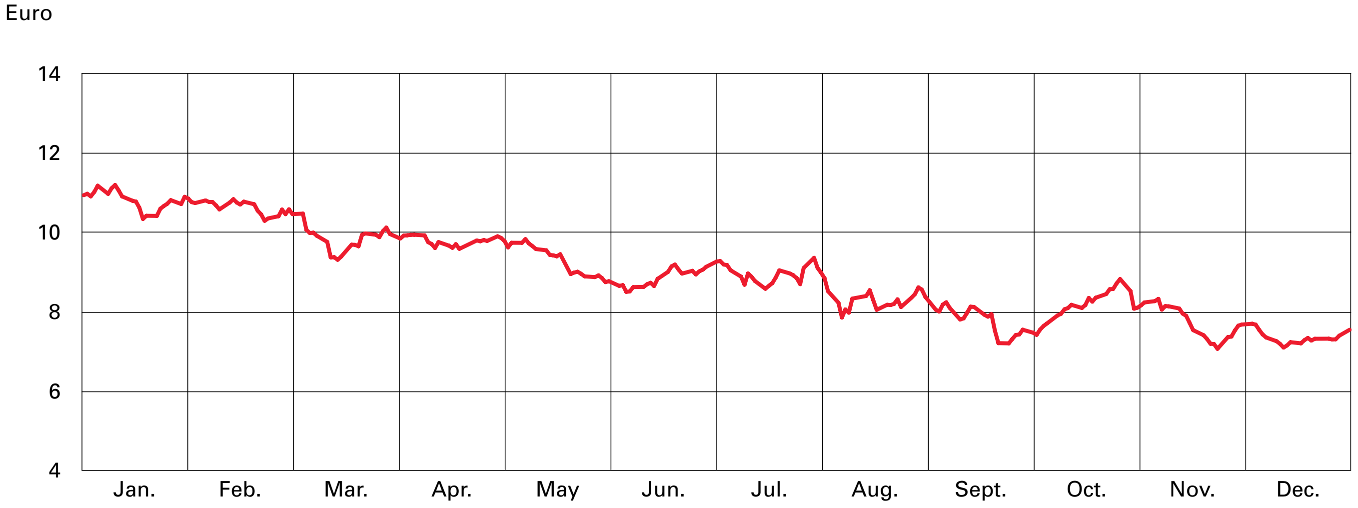
Investments in 2011 amounted to Euro 209 million, compared with Euro 219 million the previous year. Most capital expenditures concerned the Food & beverage business in Italy and the United States, for new openings and the renovation of existing locations, especially in the motorway channel.

(Millions of Euro)	2011	%	2010	%
Food & beverage	184	88.0	186	84.9
Travel retail & duty–free	19	9.1	28	12.8
Corporate and unallocated	6	2.9	5	2.3
Total	209	100.0	219	100.0

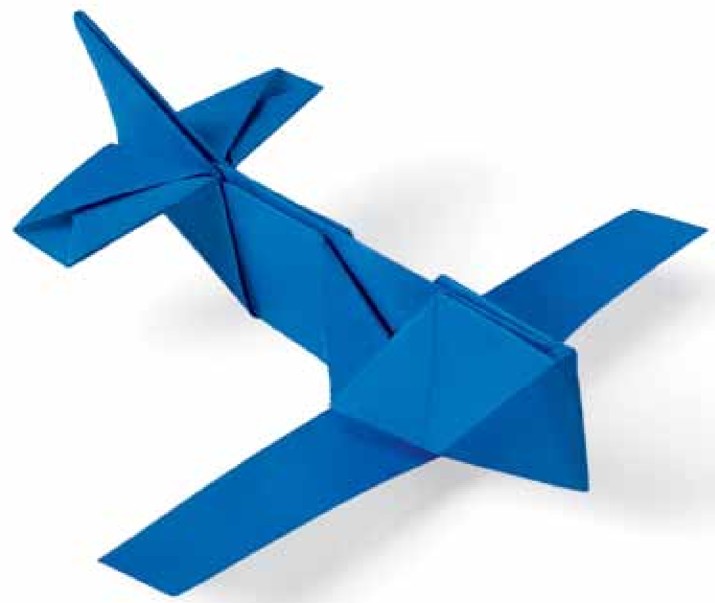
Autogrill share and market data

	2011	2010
Earnings per share (in Euro)	0.50	0.41
Equity per share (in Euro)	3.07	2.71
Dividend per share (in Euro)	0.28	0.24
Pay out ratio	56.2%	59.0%
Dividend yield	3.7%	2.3%
Price on December 31 (in Euro)	7.5	10.6
High (in Euro)	11.0	10.7
Low (in Euro)	7.2	8.2
Price per share/earnings per share	15.1	26.0
Price per share/equity per share	2.5	3.9
Market capitalization (millions of Euro)	1,918	2,689
No. shares outstanding	254,400,000	254,400,000

Autogrill share performance in 2011



INFRASTRUCTURE & SERVICES FOR MOBILITY



INFRASTRUCTURE & SERVICES FOR MOBILITY

The companies in this business are owned by the subsidiary Sintonia S.A., which at December 31, 2011 held (directly and through Schemaventotto S.p.A.) 46.03% of Atlantia S.p.A. and (directly and through Investimenti Infrastrutture S.p.A.) 34.77% of Gemina S.p.A. (Rome Airports) and 24.38% of SAGAT S.p.A. (Turin Airport).

The results of Sintonia S.A. in 2011 and 2010 are summarized below:

(Millions of Euro)	2011	2010
Dividends and other income from equity investments	122	106
Operating expenses	(6)	(6)
Net financial charges	(53)	(44)
Non–recurring charges	(1)	–
Net income	**62**	**56**
Shareholders' equity	2,282	1,926
Net financial indebtedness	762	815

Net income in 2011 was Euro 62 million, compared with Euro 56 million the previous year, thanks to higher dividends from the subsidiaries Schemaventotto S.p.A. and Atlantia S.p.A. Net financial charges increased due to the negative fair value recognized for a hedging contract in the amount of Euro 10 million.

Net financial indebtedness at year–end stood at Euro 762 million, a reduction of Euro 53 million despite the payment of Euro 50 million in dividends.

During the year, Sintonia acquired 4.54% of Gemina S.p.A. in the market for a total of Euro 46.8 million and capitalized for Euro 270 million its subsidiary Schemaventotto, which in turn acquired 3.78% of Atlantia in the market for Euro 293 million. At December 31, 2011, therefore, Sintonia S.A. directly and indirectly owned Gemina shares corresponding to 34.77% and Atlantia shares corresponding to 46.03% of the share capital.

During the year, the shareholder Elmbridge Investment Pte Ltd. paid in a capital increase of Euro 344.6 million, raising its interest in Sintonia to 13.80%. Edizione's controlling share now amounts to 69.53%. Elmbridge has committed to additional capital increases of Euro 222 million which, if completed, will increase its interest in Sintonia S.A. to 17.68%.

Atlantia S.p.A. (total interest held by Sintonia S.A. at December 31, 2011: 46.03%)

In 2011 the Atlantia group, thanks to its solid financial structure, was able to accelerate both its planned investment in upgrading the Italian motorway network and its international development in high–growth markets (Brazil, Chile and India).

Consolidated economic and financial highlights in 2011 and 2010 are as follows:

(Millions of Euro)	2011	%	2010	%
Revenues	**3,976**	**100.0**	**3,722**	**100.0**
Ebitda	2,385	60.0	2,269	61.0
Ebit	**1,776**	**44.7**	**1,753**	**47.1**
Net financial charges	(649)	(16.3)	(658)	(17.7)
Income taxes	(414)	(10.4)	(396)	(10.6)
Profit/(loss) from continuing operations	**714**	**18.0**	**699**	**18.8**
Profit from discontinued operations	126	3.2	2	0.1
Non–controlling interests	(10)	(0.2)	(18)	(0.5)
Net income, group	**830**	**20.9**	**683**	**18.3**

Ebit/Revenues (ROS)	44.7%	47.1%
Ebit/Capital employed (ROI)	13.7%	13.2%
Operating cash flow (FFO)	1,692	1,428
Capital employed	12,931	13,244
Shareholders' equity	3,961	3,587
Net financial indebtedness	8,970	9,657
Net financial indebtedness/Ebitda	3.76	4.26

Revenues

For a better understanding of certain changes in the operating results, it should be noted that increases in the fee payable by Italian concession holders to ANAS have been included in operating costs and matching toll increases have been recognized in toll revenue, without this affecting the Atlantia group's results.

The overall toll increases recognized for 2011 amount to Euro 381 million, compared with the Euro 227 million the previous year.

Excluding the contribution of the newly consolidated company Triangulo do Sol and the above toll increases, total revenues increased by Euro 29 million (+0.8%).

Operating margins

On a like–for–like basis, excluding Triangulo do Sol, Ebitda increased by Euro 65 million (+2.9%).

Ebit increased by Euro 23 million (+1.3%), as it was penalized by higher amortization, depreciation and impairment losses.

The profit from discontinued operations, Euro 126 million, includes the results of the subsidiaries Strada dei Parchi S.p.A. and Società Autostrada Tirrenica p.A., until the date of deconsolidation, and the capital gains (net of tax effects) generated by their disposal.

The Atlantia group's share of net income (Euro 830 million) increased by Euro 147 million (+21.6%) with respect to 2010. On a like–for–like basis, excluding Triangulo do Sol and the effects of impairment losses and non–recurring income and capital gains, the group's share of net income comes to Euro 719 million and increased by Euro 31 million (+4.5%).

Financial situation

Net capital employed decreased in 2011, despite significant investments by the Atlantia group (Euro 1,619 million), due essentially to the deconsolidation of Strada dei Parchi S.p.A. and Società Autostrada Tirrenica p.A. whose net assets at December 31, 2010 amounted to Euro 969 million.

At December 31, 2011 the group's net financial indebtedness stood at Euro 8,970 million, a decrease of Euro 687 million since the end of 2010 (Euro 9,657 million).
The residual weighted average term to maturity of the group's interest bearing debt, 95% of which is fixed rate, is approximately 7 years.
Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the country in which the relevant group company operates, the Atlantia group is not exposed to currency risk on translation into Euro.
The average cost of medium/long–term borrowings in 2011 was approximately 4.9%.
At December 31, 2011 the Atlantia group had cash reserves of Euro 4,359 million.

Atlantia share and market data

	2011	2010
Earnings per share (in Euro)	1.34	1.11 (*)
Equity per share (in Euro)	5.57	5.30 (*)
Dividend per share (in Euro)	0.75	0.75 (*)
Pay out ratio (%)	55.7%	67.2%
Dividend Yield	6.0%	4.9%
Price on December 31 (in Euro)	12.4	15.3
High (in Euro)	16.1	18.1
Low (in Euro)	9.4	13.7
Price per share/earnings per share	9.2	13.8
Price per share/equity per share	2.22	2.88
Market capitalization (millions of Euro)	7,797	9,167
No. shares outstanding	630,311,992	600,297,135 (*)

(*) On June 6, 2011 Atlantia completed the bonus issue resolved pursuant to Civil Code Article 2442 by the extraordinary general meeting on April 20, 2011 by assigning one free share for every 20 shares owned. Figures for 2010 have therefore been adjusted to take account of the capital increase.

Atlantia share performance in 2011

Gemina S.p.A. (total interest held by Sintonia S.A. at December 31, 2011: 34.77%)

Sintonia S.A.'s direct interest in Gemina amounts to 9.50%; a further 25.27% is held through the subsidiary Investimenti Infrastrutture S.p.A.
The latter is a member of the Shareholders' Agreement that covers 41.77% of Gemina shares. The investment in Gemina is recognized on an equity basis.

At December 31, 2011 Gemina controlled 95.89% of ADR – Aeroporti di Roma S.p.A., which is essentially its only asset.

Key figures for ADR in 2011 and 2010 are reported below:

(Millions of Euro)	2011	%	2010	%
Revenues	620	100.0	600	100.0
Gross operating profit	296	47.7	280	46.7
Operating profit	157	25.4	150	25.0
Net income, group	41	6.7	22	3.7
Operating result/Revenues (ROS)	25.4%		25.0%	
Operating result/Capital employed (ROI)	8.0%		7.5%	
Capital employed	1,947		1,990	
Shareholders' equity	793		750	
Net financial indebtedness	1,154		1,240	

In 2011, the worldwide air transportation market showed a 4.9% increase in passenger traffic, although the trend was downward in the second half of the year. Passenger traffic grew both for international (+6.2%) and domestic flights (+3.7%).

In 2011 ADR's passenger traffic increased by 3.8% with respect to 2010, when the ash cloud from the Icelandic volcano grounded about 290,000 passengers in the month of April. Hindrances in 2011 included sociopolitical unrest in several North African countries, the earthquake in Japan in March and the general climate of economic crisis and uncertainty which, in Italy, had the most serious impact on travel in the final quarter.
Passenger traffic at Fiumicino airport was up by 3.7% on the previous year, while Ciampino, despite the ongoing limit of 100 commercial flights per day in allocable capacity, enjoyed a 4.7% increase in passengers.

With operating costs basically stable on 2010 (+0.4%) and the value of production rising by 2.8%, gross operating profit, at Euro 296 million, grew by 5.7% and came to 47.7% of revenues (46.7% in 2010).

Operating profit showed limited growth on 2010 due to the increase in amortization, depreciation and provisions for doubtful accounts and other risks.

In 2011, the ADR group earned a net income (group share) of Euro 41 million, compared with Euro 22 million the previous year, thanks to an improvement in non–recurring items which in 2010 had a negative balance of Euro 18 million, due to an additional Euro 14 million provision covering a dispute with the customs authorities.

After a decade of stagnant tariffs and major difficulties for its principal customer, which have significantly affected infrastructure planning, Fiumicino is now saturated and the infrastructures, as well as the public trasportation network, fail to provide European standard of service. Rome's airports are thus in dire need of upgrading and modernization.

At the end of a complex process, by which each passage of the Planning Agreement was presented to and discussed with the concession grantor, on July 18, 2011 ENAC issued an announcement approving the Agreement's basic principles. The subsequent phase involved checking the financial documentation submitted by ADR in order to agree on Investment Plan through expiration of the concession and the amount of the tariff increase.
ADR explained its figures on December 13, 2011 during the public consultation, held at Fiumicino Airport, which was attended by associations and representatives of airlines, handlers, couriers and consumers.

Gemina share performance in 2011

SAGAT S.p.A. (interest held by Sintonia S.A. at December 31, 2011: 24.38%)
Consolidated economic and financial highlights in 2011 and 2010 are as follows:

(Millions of Euro)	2011	2010
Revenues	68.0	66.5
Gross operating profit	19.8	21.5
Operating profit	6.9	8.0
Net income, group	**3.6**	**4.5**
Capital employed	104.9	100.1
Shareholders' equity	91.1	91.4
Net financial indebtedness	13.8	8.7

In 2011 the number of passengers in transit through the Turin–Caselle airport reached an all–time high of 3.7 million (+4.2% on the previous year).
Operating profit and net income decreased due to a non–recurring expense of Euro 1.5 million, relating to a dispute over the fees for fire fighting services in 2009 and 2010.
The associate company Aeroporto di Firenze S.p.A. is waiting for a solution to the long–standing problem of the new runway at Florence Airport, a symptom of institutional neglect when it comes to the planning and development of airports in the most economically significant parts of the country.

THE PARENT COMPANY

Edizione S.r.l.
Below are the economic and financial highlights of 2011 and 2010:

(Millions of Euro)	2011	2010
Dividends and other income from equity investments	93	87
Other revenues and income	9	8
Operating expenses, depreciation and amortization	(18)	(18)
Financial charges, net of financial income	(13)	(11)
Impairment of current financial assets	(2)	–
Extraordinary income/(charges), net	–	(3)
Operating income	**69**	**64**
Reversal/(impairment) of non–current financial assets	(29)	12
Income taxes	4	4
Net income	**45**	**80**
Non–current financial asset	2,547	2,613
Property, plant and equipment and other assets, net	174	176
Capital employed	**2,721**	**2,789**
Shareholders' equity	2,500	2,495
Net financial indebtedness	221	294

The 2011 income statement shows an increase in Dividends and other income from equity investments and Operating expenses in line with the previous year.
The item Reversal/(impairment) of non–current financial assets results from the partial write–back of the investment in Pirelli & C. S.p.A. (Euro 29 million), the impairment of two subsidiaries (Euro 8 million) and the impairment of equity investments in listed companies (Euro 50 million), which were written down to their average stock market price for the year.

TEXTILES AND CLOTHING
BENETTON MEGASTORE (MILAN – ITALY)

MOTORWAYS AND AIRPORTS FOOD & BEVERAGE
AND TRAVEL RETAIL & DUTY–FREE
AUTOGRILL – RAVENNA SERVICE AREA (ITALY)
CAFÉ CHOCOLAT – AMSTERDAM AIRPORT (THE NETHERLANDS)
BEAUDEVIN – BRUSSELS AIRPORT (BELGIUM)
DUTY FREE – ALICANTE AIRPORT (SPAIN)

INFRASTRUCTURE AND SERVICES FOR MOBILITY
A1 MOTORWAY – MILAN–NAPLES (ITALY)
TRIANGULO DO SOL MOTORWAY (BRAZIL)
LEONARDO DA VINCI AIRPORT (ROME – ITALY)


UNITED COLORS OF BENETTON.
UNITED COLORS OF BENETTON.


WOMAN DONNA


MAN UOMO


AUTOGRILL


Café Chocolat


DUTY FREE
ALDEASA
LOCAL PRODUCT
ALACANT • CASTELLÓ • VALÈNCIA
Take a bit of us with You!
DUTY FREE
ALDEASA


Alitalia
WIZZ
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Imbarchi Gates
Terminal C
312-201

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(Thousands of Euro)	12.31.2011	12.31.2010	Notes
Non–current assets			
Property, plant and equipment			1
Land and buildings	1,077,307	1,085,156	
Investment property	55,245	56,772	
Plant, machinery and equipment	498,587	515,199	
Furniture, furnishings and electronic equipment	118,488	110,927	
Assets to be relinquished	112,642	111,675	
Leasehold improvements	365,123	367,880	
Other tangible assets	80,813	73,121	
Assets under construction and advances	176,254	145,856	
Total property, plant and equipment	**2,484,459**	**2,466,586**	
Intangible assets			2
Goodwill and other intangible assets of indefinite useful life	6,845,147	6,825,703	
Intangible assets deriving from concession rights	12,784,501	11,725,427	
Intangible assets of finite useful life	976,709	1,051,716	
Total intangible assets	**20,606,357**	**19,602,846**	
Other non–current assets			
Equity investments in subsidiaries	284	1,854	3
Equity investments in associates and joint ventures	1,070,897	1,081,274	4
Equity investments in other companies	506,383	654,731	5
Investment securities	41,395	62,411	6
Guarantee deposits	36,720	36,190	7
Other non–current financial assets	1,201,258	938,291	8
Other non–current receivables	62,280	55,828	9
Deferred tax assets	2,158,636	2,374,644	10
Total other non–current assets	**5,077,853**	**5,205,223**	
Total non–current assets	**28,168,669**	**27,274,655**	
Current assets			
Inventories	733,490	629,014	11
Trade receivables	1,775,027	1,665,410	12
Tax receivables	141,039	118,608	13
Accrued income and prepaid expenses	62,811	59,106	14
Other current receivables	268,003	229,101	15
Other current financial assets	305,292	484,418	16
Other investments	8,606	4,778	17
Cash and cash equivalents	1,090,412	3,009,254	18
Total current assets	**4,384,680**	**6,199,689**	
Assets held for sale	313,972	1,117,882	19
TOTAL ASSETS	**32,867,321**	**34,592,226**	

SHAREHOLDERS' EQUITY AND LIABILITIES

(Thousands of Euro)	12.31.2011	12.31.2010	Notes
Shareholders' equity			
Shareholders' equity attributable to the Parent Company			
Share capital	1,500,000	1,500,000	20
Fair value and hedging reserve	(111,464)	(77,465)	21
Other reserves and retained earnings	2,248,816	2,022,169	22
Translation reserve	(42,208)	(29,180)	23
Net income for the year	299,752	259,635	
Total	**3,894,896**	**3,675,159**	
Non–controlling interests	3,872,353	3,517,529	24
Total shareholders' equity	**7,767,249**	**7,192,688**	
Liabilities			
Non–current liabilities			
Bonds	7,839,479	7,785,443	25
Medium and long–term loans	5,091,088	5,259,685	26
Other non–current liabilities	180,417	159,227	27
Lease financing	12,661	12,833	28
Other non–current financial liabilities	250,069	277,036	29
Provisions for employee benefits	261,324	287,049	30
Deferred tax liabilities	309,948	201,399	31
Other non–current provisions and liabilities	992,444	918,966	32
Provisions for construction services required by contract	4,134,960	4,315,051	33
Total non–current liabilities	**19,072,390**	**19,216,689**	
Current liabilities			
Trade payables	2,593,524	2,387,621	34
Other payables, accrued expenses and deferred income	1,018,578	983,122	35
Current income tax liabilities	153,104	49,148	36
Other current provisions and liabilities	180,322	200,686	32
Current portion of provisions for construction services required by contract	551,606	386,660	33
Current portion of lease financing	1,900	2,919	37
Current portion of bonds and medium and long–term loans	786,284	2,519,232	38
Other current financial liabilities	499,949	500,761	39
Bank loans and overdraft	242,127	80,067	40
Total current liabilities	**6,027,394**	**7,110,216**	
Liabilities held for sale	288	1,072,633	19
Total liabilities	**25,100,072**	**27,399,538**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**32,867,321**	**34,592,226**	

CONSOLIDATED STATEMENT OF INCOME

(Thousands of Euro)	2011	2010 (*)	Notes
Revenues	**12,253,054**	**11,611,301**	41
Revenue from construction services	965,110	744,982	42
Other revenues and operating income	373,599	349,601	43
Change in inventories of finished products and work in progress	117,420	34,908	
Purchases of raw materials and consumables	(3,956,445)	(3,482,877)	44
Payroll costs	(2,406,239)	(2,362,543)	45
Other operating expenses:	**(4,521,274)**	**(4,217,682)**	
– services	(2,551,091)	(2,444,400)	46
– leases and rentals	(1,799,325)	(1,593,410)	47
– other operating expenses	(170,858)	(179,872)	48
Use of provisions for construction services required by contract	**511,066**	**605,191**	49
Depreciation, amortization, impairments and provisions:	**(1,091,540)**	**(1,077,852)**	
– depreciation of property, plant and equipment	(337,473)	(339,527)	50
– amortization of intangible assets	(605,677)	(557,148)	51
– impairment of property, plant and equipment and intangible assets	(35,802)	(69,181)	52
– impairment of doubtful accounts	(37,783)	(39,208)	53
– provisions for risks	(74,805)	(72,788)	54
Operating result	**2,244,751**	**2,205,029**	
Share of income/(loss) of associated companies	18,954	(12,771)	55
Financial income	220,197	217,539	56
Impairment of financial assets	(119,034)	(47,395)	57
Financial charges	(996,079)	(1,037,776)	58
Foreign currency hedging gains/(losses) and exchange differences	(9,617)	18,500	59
Income before taxes	**1,359,172**	**1,343,126**	
Income taxes	(538,226)	(549,554)	60
Profit/(loss) from discontinued operations	124,372	23,872	61
Net income for the year (Group and non–controlling interests)	**945,318**	**817,444**	

Income/(loss) attributable to:			
– Parent Company	299,752	259,635	
– Non–controlling interests	645,566	557,809	

(*) Figures for 2010 differ from those published the previous year due to the reclassification of the income statement results of Società Autostrada Tirrenica p.A. to Profit/(loss) from discontinued operations, as discussed in the Notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)	2011	2010
Net income for the year (Group and non–controlling interests)	**945,318**	**817,444**
Fair value gains/(losses) on cash flow hedges	10,917	57,669
Fair value gains/(losses) of available for sale financial instruments	(48,547)	6,216
Gains/(losses) from translation of financial statements of foreign operations	(44,696)	151,681
Other fair value gains/(losses)	(3,186)	5,922
Tax effect	1,275	(14,844)
Other comprehensive income for the year	**(84,237)**	**206,644**
Comprehensive income/(loss) for the year attributable to:	**861,081**	**1,024,088**
– Parent Company	252,084	346,427
– Non–controlling interests	608,997	677,661

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands of Euro)	Share capital	Fair value and hedging reserve	Other reserves and retained earnings	Translation reserve	Net income/(loss) for the year	Non–controlling interests	Total
Balance at 01.01.2010	1,500,000	(89,548)	2,140,279	(102,092)	(13,819)	3,304,374	6,739,194
Carry forward of 2009 loss			(13,819)		13,819		–
Dividends distributed			(40,000)			(310,481)	(350,481)
Demerger of Investimenti Infrastrutture S.p.A.						(90,199)	(90,199)
Transactions with non–controlling interests			(67,810)			(40,859)	(108,669)
Change in scope of consolidation			10			(21,403)	(21,393)
Other movements			1,735	(23)		(1,564)	148
Comprehensive income for the year		12,083	1,775	72,935	259,635	677,661	1,024,088
Balance at 12.31.2010	1,500,000	(77,465)	2,022,169	(29,180)	259,635	3,517,529	7,192,688
Carry forward of 2010 income			259,635		(259,635)	–	–
Dividends distributed			(40,000)			(336,770)	(376,770)
Capital increases						–	–
Transactions with non–controlling interests			5,899			15,694	21,593
Change in scope of consolidation						65,134	65,134
Other movements			1,754			1,769	3,523
Comprehensive income for the year		(33,999)	(641)	(13,028)	299,752	608,997	861,081
Balance at 12.31.2011	1,500,000	(111,464)	2,248,816	(42,208)	299,752	3,872,353	7,767,249
Notes	20	21	22	23		24	

CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	2011	2010
Operating activities		
Net income for the year (Group and non–controlling interests)	945,318	817,444
Income taxes	545,678	565,112
Income before taxes	**1,490,996**	**1,382,556**
Adjustments:		
– depreciation and amortization	943,702	937,742
– (capital gains)/capital losses/write–downs of intangible assets and property, plant and equipment	23,257	40,507
– net provisions charged to statement of income	98,354	105,039
– share of (income)/losses of associates	(18,954)	12,771
– dividends from associated companies	5,512	1,006
– (capital gains)/capital losses/write–downs of other equity investments	(45,793)	36,462
– net financial (income)/charges	843,509	876,581
Cash flow from operating activities before changes in working capital	**3,340,583**	**3,392,664**
Cash flow provided/(used) by changes in working capital	(62,838)	289,015
Cash flow provided/(used) by changes in non–current assets and liabilities	(31,153)	(45,667)
Payment of taxes	(241,639)	(538,093)
Payment of employee termination indemnities	(24,605)	(25,367)
Net interest received/(paid)	(729,141)	(657,122)
Cash flow provided/(used) by operating activities	**2,251,207**	**2,415,430**
Investing activities		
Operating investments	(1,856,842)	(1,694,237)
Operating divestments	37,591	51,892
Purchase of equity investments	(324,498)	(14,138)
Purchase of consolidated companies	(431,076)	(402,015)
Disposal of equity investments	85,536	431,888
Operations in non–current financial assets	13,851	4,525
Cash flow provided/(used) by investing activities	**(2,475,438)**	**(1,622,085)**
Financing activities		
Change in shareholders' equity	319,955	307,476
New medium and long–term loans	1,477,723	2,088,986
Repayment of medium and long–term loans	(3,417,288)	(1,284,361)
Net changes in other sources of finance	300,325	(98,667)
Dividend payments and distribution of capital reserves	(376,770)	(350,481)
Cash flow provided/(used) by financing activities	**(1,696,055)**	**662,953**
Increase/(decrease) in cash and cash equivalents	(1,920,286)	1,456,298
Cash and cash equivalents at the beginning of the period	2,970,548	1,505,496
Translation differences and other movements	(5,883)	8,754
Cash and cash equivalents at the end of the period	1,044,379	2,970,548
Cash and cash equivalents at the beginning of the period	**2,970,548**	**1,505,496**
Cash and cash equivalents	3,009,254	1,565,484
Cash and cash equivalents of "Assets held for sale"	15,494	–
Bank overdrafts	(46,144)	(59,988)
Bank overdraft of "Assets held for sale"	(8,056)	–
Cash and cash equivalents at the end of the period	**1,044,379**	**2,970,548**
Cash and cash equivalents	1,090,412	3,009,254
Cash and cash equivalents of "Assets held for sale"	–	15,494
Bank overdrafts	(46,033)	(46,144)
Bank overdraft of "Assets held for sale"	–	(8,056)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP ACTIVITIES

Set up in 1981, Edizione S.r.l. at December 31, 2011 held controlling and non–controlling interests in companies in the following business segments:

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

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

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

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, 2011 of Edizione S.r.l. and all the Italian and foreign companies in which the Parent Company holds, directly or indirectly, the majority of voting rights or which are under its dominant influence. The following companies are consolidated even though the Group does not hold the absolute majority of voting rights:

a. Atlantia S.p.A., for which the Group is in a position of de facto control;
b. Benetton Korea Inc. (a Korean company), since the effective voting rights held by the Benetton group amount to 51% of the total;
c. 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;
d. 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;
e. 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;
f. Sorebo S.A., Soberest S.A., Volcarest S.A., S.R.S.R.A. S.A. and some American joint ventures, which are subsidiaries of the Autogrill group by virtue of a 50% or smaller interest in capital and contracts placing the Autogrill group in charge of operations.

The Autogrill group holds joint control of Caresquick N.V. (Belgium) and 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.

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 2011 are not perfectly comparable with 2010 results, due to the following factors:

» the inclusion of the following new companies, incorporated in 2011 by the Atlantia group:
  a. Ecomouv' S.a.s., a French–registered company that will sign the contract with France's Ministry of Ecology, Sustainable Development, Transport and Public Housing relating to the implementation and operation of a satellite–based system for collecting taxes on heavy vehicles using a part of the country's road network;
  b. Ecomouv' D&B S.a.s., a French–registered company that will be contracted by Ecomouv' S.a.s. to implement the above tax collection system;
  c. Tech Solutions Integrators S.a.s., a wholly owned French–registered company that will supply some of the goods and services to Ecomouv' D&B for the implementation of the tax collection system;
  d. Telepass France S.a.s., a French–registered company that will offer motorway tolling services on a competitive basis, in addition to the tax collection systems referred to in point a. above;
  e. Inversiones Autostrade Holding do Sur Ltda, a Chilean–registered holding company, which in June 2011 acquired (via the purchase of newly issued shares inclusive of a share premium), 50% of Nueva Inversiones S.A.;

» the deconsolidation of the Group's 60% interest in Strada dei Parchi S.p.A. (concession holder for the motorways A24 Rome–L'Aquila–Teramo and A25 Torano–Pescara), due to its sale to Toto Costruzioni Generali S.p.A. for Euro 89 million pursuant to an agreement dated 30 May 2011, following satisfaction of the suspensive conditions of that agreement. Strada dei Parchi's contribution to the consolidated income statement for 2011 and the corresponding period of 2010 is accounted for in Profit/(loss) from discontinued operations, in accordance with IFRS 5;

» the deconsolidation of Società Autostrada Tirrenica p.A. due to the agreement closed on November 28, 2011 to sell the Group's 69.1% stake in the company. The contribution of Società Autostrada Tirrenica to the consolidated income statement for 2011 is accounted for in Profit/(loss) from discontinued operations. According to IFRS 5, Società Autostrada Tirrenica's contribution to the results for 2010 has been reclassified with respect to the income statement published in the Group's annual report for the year ended December 31, 2010;

» the deconsolidation of the wholly–owned subsidiary Autostrade Service – Servizi al Territorio S.p.A. due to its disposal in 2011, having no material effect on the Group's financial position, results of operation or cash flows;

» the inclusion of Triangulo do Sol Auto–Estradas S.A. from the second half of 2011, as described in Note [65] Business combinations, due to an increase of 30% in the ownership from 50% to a controlling share.

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, 2011, the interim statements prepared as of the Group reporting date. Autogrill Group Inc. and its subsidiaries close their fiscal year on the Friday closest to December 31 and divide it into 13 four–week periods, which in turn are grouped into three 12–week quarters and a final 16–week quarter. Consequently, the accounts used for the 2011 financial statements refer to the period from January 1, 2011 to December 30, 2011, while the previous year's accounts covered the period from January 2, 2010 to December 31, 2010.

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

These financial statements have been prepared on a going concern basis, matching costs and revenues to the accounting periods to which they pertain and applying the historical cost principle to all items except those that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies. The reporting currency is the Euro and all amounts have been rounded to thousands of Euro, unless otherwise specified.
The consolidated financial statements are comprised of the statement of financial position, statement of income, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement and these notes.
The statement of financial position follows the format whereby assets and liabilities are split into current and non–current, while in the statement of income, costs are grouped by nature. The cash flow statement has been prepared using the indirect method.

CONSOLIDATION CRITERIA

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

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

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

Currency	Exchange rate on 12.31.2011	Average exchange rate in 2011
Euro/usd	1.294	1.392
Euro/pln	4.458	4.121
Euro/clp	671.997	672.540
Euro/ars	5.568	5.745
Euro/brl	2.416	2.327
Euro/inr	68.713	64.886
Euro/czk	25.787	24.590
Euro/gbp	0.835	0.868
Euro/jpy	100.200	110.959
Euro/hkd	10.051	10.836
Euro/rub	41.765	40.885
Euro/krw	1,498.690	1,541.234
Euro/cad	1.322	1.376
Euro/chf	1.216	1.233

ACCOUNTING STANDARDS AND POLICIES

INTERNATIONAL ACCOUNTING STANDARDS

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

Application of IFRS

The Group's financial statements for 2011 and the comparative year have been drawn up in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, which are in force at the balance sheet date, and the relative interpretations (IFRIC and SIC).

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on January 1, 2011:

- 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. The previous accounting treatment under IAS 32 was that these instruments should be accounted for as derivative liabilities.
- IFRIC 14 – IAS 19 – The limit on a defined benefit asset. Minimum funding requirements and their interaction: the IASB released amendments to IFRIC 14 and IAS 19 on November 26, 2009 that were required because the effects of any prepayments of minimum contributions had not been considered. In certain circumstances, the entity making such prepayments would be required to recognize a charge against income. The amendment to IFRIC 14, however, requires prepayments of minimum contributions to defined benefit plans to be recognized as assets.
- IFRIC 19 – Extinguishing financial liabilities with equity instruments. IFRIC 19 was published on November 26, 2009. The interpretation determines the mandatory accounting treatment to be applied by a debtor when, following a renegotiation of the terms of the liability, the creditor and the debtor agree to a debt for equity swap in full or partial settlement of a financial liability, through the issuance of equity instruments by the debtor.
- Amendments to IFRS 1 and IFRS 7 – Limited exemption from comparative IFRS 7 disclosures for first–time adopters.
- IAS 24 (Revised in 2009) – Related party disclosures.

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

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning after January 1, 2011:

- IFRS 7 – Financial instruments: disclosures. Some amendments have been issued to improve understanding of transfer transactions of financial assets and the possible effects of any risks that may remain with the entity that transferred such assets; the amendments also require additional disclosures if a disproportionate amount of such transactions are undertaken around the end of a reporting period.

It is assumed that the newly issued IFRS7, applicable to accounting periods beginning on July 1, 2011, has no significant impact on the Group's consolidated financial statements.

New accounting standards

Below are the accounting standards, amendments and interpretations issued by the IASB and not yet endorsed by the European Union, which may in the future be applied in the Group's consolidated financial statements:

- IFRS 9 – Financial instruments. The IASB issued the first part of IFRS 9 on November 12, 2009 that only revised requirements for the classification and measurement of financial assets currently regulated by IAS 39. When completed, IFRS 9 will fully replace IAS 39. The IASB subsequently released a revised version of IFRS 9 on October 28, 2010 containing requirements for the classification and measurement of financial liabilities.

  IFRS 9 requires that financial assets now only be classified into two categories. There are, furthermore, two alternate methods of measurement: amortised cost and fair value. Classifications should be made with reference to the business model for managing the financial asset and the characteristics of its contractual cash flows.
  The new IFRS 9, on the other hand, has confirmed the provisions of IAS 39 for financial liabilities including the relative valuation at amortised cost or fair value through profit or loss in specific circumstances.
  IFRS 9 is currently being examined by the EU in conjunction with their overall assessment of the revision and replacement of IAS 39.
- IFRS 10 – Consolidated financial statements, IAS 27 – Separate financial statements and IFRS 12 – Disclosure of interest in other entities. The IASB issued the new IFRS 10 on May 12, 2011 on the conclusion of the project to redefine the concept of control in order to overcome different manners of applying the concept. Whereas the old IAS 27 – Consolidated and Separate Financial Statements defined the control of an entity as the power to determine its financial and operating policies and to obtain the relevant benefits, SIC 12 – Consolidation: Special Purpose Entities interpreted the requirements of IAS 27 placing greater emphasis on risks and benefits.
  The new IFRS 10, which was issued at the same time as the new IAS 27 – Separate Financial Statements, replaces certain of the provisions of the old IAS 27 and SIC 12 with a new definition of control and confirms the methods to be used for the preparation of IFRS compliant consolidated financial statements without revising the provisions of the old IAS 27.
  IFRS 10 provides that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The concept of control is, consequently, based on three factors: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.
  Pursuant to IFRS 10, this concept of control must be applied in all of the following circumstances:
  a. when voting or similar rights give an investor power, including situations where the investor holds less than a majority of voting rights and in circumstances involving potential voting rights;
  b. when an investee is organised in such a manner that voting rights are not determinant in deciding who controls the investee, such as when any voting rights relate to administrative tasks only with more strategic activities being directed through contract;
  c. agency relationships;
  d. when the investor has control of specific activities of an investee.

  Finally, disclosure requirements are contained in the new IFRS 12 – Disclosure of Interests in Other Entities (issued together with the other new standards) rather than IFRS 10. IFRS 12, in fact, contains a series of disclosure requirements pertaining to investments in subsidiaries and associates as well as other joint arrangements (cf. IFRS 11 below).
  The new IAS 27 – Separate Financial Statements is only applicable to the accounting treatment and disclosure requirements for investments in subsidiaries and the requirements for entities to present separate (non–consolidated) financial statements. The new standards also introduced revisions to certain parts of the old IAS 27.
  Application of the new standards IFRS 10, IFRS 12 and IAS 27 is mandatory for accounting periods beginning on or after January 1, 2013. The standards are currently being revised by the EU for endorsement for use in Member States.
- IFRS 11 – Joint arrangements. The new IFRS 11 was issued on May 12, 2011 together with IFRS 10, IFRS 12 and IAS 27 on the conclusion of a revision of IAS 31 – Interests in Joint Ventures commenced in 2005 and including the new concept of control established by IFRS 10.
  The new standard replaces IAS 31 and SIC 13 – Jointly Controlled Entities – Non–Monetary Contributions by Venturers.
  IFRS 11 requires that a party to a joint arrangement determines the nature of the agreement in which that party is involved by evaluation of its rights and obligations arising thereunder. A joint arrangement is an arrangement by which two or more parties have joint control, which, in turn, is defined by the standard as a contractually agreed sharing of control of an arrangement. Such arrangements only exist when decisions about activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.
  IFRS 11 requires that joint arrangements be classified as one of two types:
  a. joint operations – joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement;

b. joint ventures – joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, such as, for example, companies with a separate legal form.

In determining the type of arrangement in which it is involved, an entity must assess its rights and obligations arising under the arrangement taking into consideration its structure and legal form, the contractual terms and conditions agreed by the parties and, if applicable, any other facts and circumstances.

The accounting treatment required by IFRS 11 for joint operations is the prorated recognition of assets, liabilities, costs and revenue arising under the arrangement to be measured in accordance with the standards relating to such assets, liabilities, costs and revenues. The accounting treatment required by the new standard for joint ventures, on the other hand, is based on the equity method established by IAS 28 with, however, the option to adopt proportional consolidation permitted under IAS 31 having been eliminated.

Application of IFRS 11 is mandatory for accounting periods beginning on or after January 1, 2013 with earlier adoption permitted. The standard is currently being examined by the EU authorities for endorsement.

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

Application of the new standard, which emphasises the use, where possible, of market sources, is mandatory for accounting periods beginning on or after January 1, 2013, has not yet been endorsed by the EU.

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

The amendments to IAS 1 shall be effective for financial years beginning on or after July 1, 2012 but have not yet been endorsed by the EU.

» IAS 12 – Income taxes. The IASB approved certain amendments to IAS 12 on December 20, 2010 having regard to the recovery of deferred taxes in connection with certain activities abrogating, among other things, SIC 21 – Income Taxes – Recovery of revalued non–depreciable assets.

The amendments, which abrogate the current general provision of IAS 12 requiring the method of the reversal of deferred taxes through use of an asset or liability rather than sale, introduce the presumption that deferred taxes relating to investment property, property, plant and equipment and intangible assets carried at fair value will be fully reversed on sale of the asset unless there is unambiguous proof that such recovery has been through use.

The amendments are applicable to financial years commencing on or after January 1, 2012. The new IAS 12 has not yet, however, been endorsed by the EU.

» IAS 19 – Employee benefits. The IASB approved the amended IAS 19 on June 16, 2011 having regard to the payment of benefits to employees.

Many aspects of the standard are modified by the amendment. The most significant of the changes to IAS 19 are:

a. immediate recognition of all actuarial gains and losses in the statement of other comprehensive income at the reporting date. As a consequence, the option to defer recognition of such gains and losses in application of the corridor method and the option to recognise them in the income statement is no longer permitted;
b. any past service costs arising from changes to plans must be recognised in the year in which the plan was changed making it no longer possible for such costs to be deferred to future service years;
c. any benefit entailing a service obligation subsequent to the termination of employment may not be classified as a termination benefit with the consequent reduction in the number of settlements that can be included in this category. Furthermore, an obligation to pay termination benefits may only be recognised to the extent that the entity also recognised the relative restructuring costs or when it is not possible to avoid offering termination benefits. This could result in the recognition of such benefits subsequent to the date required by the original standard.

The amended version of IAS 19 comes into effect for financial years beginning on or after January 1, 2013 and earlier application is permitted. The amendment has not yet been endorsed by the EU.

» IAS 28 – Investments in associates and joint ventures. On May 12, 2011, the IASB issued the new standards IFRS 10, IFRS 11, IFRS 12 and IAS 27 as well as a revision to IAS 28 – Investments in Associates and Joint Ventures to take account of certain amendments introduced by the new standards.

The amended standard replaces the original IAS 28 – Investments in Associates, without, however, making substantial changes. Indeed, the amended standard did not change the concept of significant influence contained in the original IAS 28 but, in line with IFRS 11, made the equity method mandatory for the measurement of investments in joint ventures. The method of applying the equity method remains the same as in the original IAS 28.

Application of the amended IAS 28 is mandatory for accounting periods beginning on or after January 1, 2013 with earlier adoption permitted.

The standard, along with the new standards IFRS 10, IFRS 11, IFRS 12 and IAS 27, is currently being examined by the EU.

» IAS 32 and IFRS 7 – Offset of financial assets and financial liabilities. Amendments to IAS 32 and IFRS 7 were issued by the IASB on December 16, 2011 having regard to the manner of presenting offsetting of financial assets and financial liabilities and the relevant disclosures.

The amendments to IAS 32 provide that the entity presenting financial statements only has a legal right of offsetting previously recognised financial assets and financial liabilities to the extent that such right:

a) is not conditional on the occurrence or otherwise of a future event;
b) may be exercised regardless of whether the entity preparing financial statements and other parties involved are going concerns or is in default, insolvency or bankruptcy.

The amended IAS 32 is retroactively mandatory for financial years beginning on or after January 1, 2014 (earlier adoption permitted) whereas the amended IFRS 7 is mandatory for financial years commencing on or after January 1, 2013. Neither of the two standards has yet been endorsed by the EU.

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

ACCOUNTING POLICIES

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

Business combinations

The Group accounts for all business combinations by applying the purchase method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree. The costs relating to the acquisition are recognized in the statement of income in the period in which the costs are incurred and the services received; the sole exception is for the cost of issuing debt securities or equities.

The acquiree's identifiable assets, liabilities and contingent liabilities that can be recognized under IFRS 3 (2008) – Business Combinations are posted at their fair value on the date of acquisition.

Goodwill is determined as amount by which the aggregate of the consideration transferred in a business combination, the amount of any non–controlling interests in the acquiree and the acquisition–date fair value of any previously–held equity interest in the acquiree exceeds the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed. If the acquisition–date amounts of the identifiable assets acquired and liabilities assumed exceed the aggregate of the consideration transferred, the amount of any non–controlling interests in the acquiree and the acquisition–date fair value of any previously–held equity interest in the acquiree, this excess is immediately recognized in the statement of income as a gain on a bargain purchase.

The acquirer can measure non–controlling interests at the acquisition date either at fair value or in proportion to their share in the acquiree's recognized identifiable net assets. The choice of measurement method is made for each business combination.

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

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

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

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

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

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

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

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

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

The main depreciation rates are as follows:

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

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

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

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

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

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

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

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

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

Impairment losses of non–financial assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are submitted for impairment testing whenever there are obvious internal or external signs indicating that the asset or group of assets (defined as cash generating units, or CGUs) may be impaired. In the case of goodwill, other intangible assets of indefinite useful life and intangible assets not in use, the impairment test must be carried out at least annually, and in any case whenever there are signs of possible impairment.
The impairment test is carried out by comparing the carrying amount of the asset or CGU with its recoverable value, defined as the higher of fair value (net of any costs to sell) and value in use. Value in use is determined by calculating the present value of future net cash flows expected to be generated by the asset or CGU. In determining value in use, the estimated future cash flows are discounted to their present value using a rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the carrying amount is higher than the recoverable

amount, the asset or CGU is written down by the difference and the impairment loss is charged to the statement of income.
The conditions and methods applied by the Group for reversing impairment losses, excluding in any case those relating to goodwill that may not be reversed, are as set out in IAS 36. Under no circumstances may the carrying value of an asset be restored to a value higher than the net book value it would have had if the impairment loss had not occurred. Restoration of value is taken immediately to the statement of income.

Equity investments

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

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

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

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

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

Financial assets

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

The classification of financial assets determines their subsequent valuation, as follows:

» financial assets held for trading: these are recorded at fair value, and associated gains and losses are recognized in the statement of income;
» held–to–maturity investments, loans receivable and other financial receivables: these are recorded at amortized cost; gains and losses associated with this type of asset are recognized in the statement of income when the investment is removed from the balance sheet on maturity or if it becomes impaired;

» available–for–sale financial assets: these are recorded at fair value, and gains and losses deriving from subsequent measurement are recognized in shareholders' equity. If the fair value of these assets cannot be determined reliably, they are measured at cost, as adjusted for any impairment.

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

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

Inventories

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

Construction contracts and services work in progress

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

Trade receivables

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

Accruals and deferrals

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

Cash and cash equivalents

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

Provisions for contingent liabilities

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

Trade payables

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

Financial liabilities

Financial liabilities are divided into three categories:
» liabilities acquired with the intention of making a profit from short–term price fluctuations or that are part of a portfolio held for short–term profit. These are recorded at fair value, with the related gains and losses recognized in the statement of income;
» other liabilities, which are recorded on the basis of the amounts received net of transaction costs, and are subsequently stated at amortized cost using the effective interest rate method;
» convertible bonds, which are financial instruments comprised of a liability component and an equity component. The fair value of the liability component is estimated as of the issue date using the going market interest rate for similar, non–convertible bonds. The difference between the net amount raised by the issue and the fair value assigned to the

liability component, which represents the implicit option to convert the bonds into shares of Group companies, is posted to shareholders' equity under other reserves.

Foreign currency transactions and net investments in foreign operations

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

Derivative financial instruments and hedging transactions

The Group uses derivative financial instruments only with the intent of managing and hedging its exposure to the risk of fluctuations in exchange rates of currencies other than the Euro and in interest rates. As established by IFRS, derivative financial instruments qualify as hedging instruments only when at the inception of the hedge there is formal designation and documentation of the hedging relationship and of the risk management objective and strategy for undertaking the hedge. In addition, the Group checks at the inception of the hedge and throughout its duration that the hedging instrument used in the relationship is highly effective in offsetting changes in the fair value of cash flows attributable to the hedged risk.
After initial recognition, derivative financial instruments are reported at their fair value. The method of accounting for gains and losses relating to such instruments depends on the type and sustainability of the hedge.
The objective of hedging transactions is to offset the impact on statement of income of exposures relating to hedged items. Fair value hedges for specific assets and liabilities are recorded in assets and liabilities; the hedging instrument and the underlying item are measured at fair value, and the respective changes in value (which generally offset each other) are recognized to the statement of income.
Cash flow hedges are recorded in assets and liabilities; the hedging instrument is measured at fair value and the effective portion of changes in value is recognized directly in the statement of comprehensive income and accumulated in an equity reserve, which is released to income in the financial periods in which the cash flows of the underlying item occur. The ineffective portion of the changes in value is recognized in the statement of income.
The shareholders' equity of foreign subsidiaries is subject to hedging, mainly through forward currency sales, in order to protect investments in foreign companies from fluctuations in exchange rates (foreign exchange translation risk).
Exchange differences resulting from these capital hedging transactions are debited or credited directly to the statement of comprehensive income and accumulated in equity as an adjustment to the translation differences reserve, and are reversed to income at the time of disposal or settlement.
Derivative instruments for managing financial risks, which do not meet the formal requirements to qualify for IFRS hedge accounting, are recorded under financial assets/liabilities with changes in value reported through the statement of income.

Share–based payments (stock options)

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

Government grants

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

Employee benefits

All employee benefits are recognized and disclosed on an accruals basis.
According to local conditions and practice in the countries in which the Group operates, there are defined–benefit and defined–contribution plans.
Post–employment benefit plans are formalized and non–formalized agreements whereby the entity provides post–employment benefits to one or more employees.
Defined–contribution plans are post–employment benefit plans whereby the entity pays fixed contributions to a separate entity (a fund) and will have no legal or construed obligation to pay additional contributions if the fund does not have sufficient assets to pay all employee benefits relating to employment in the current financial year and in previous years.
The amount accrued at year end is projected forward to estimate the amount payable on termination of employment and is then discounted using the projected unit credit method, to account for the time that will elapse before actual payment occurs. The interest rate used for discounting reflects the market yield of securities that will mature along with the expected liability.

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

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

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

Gains and losses resulting from assets held for sale or included in disposal groups, net of the tax effects, are recognized in a specific item in the consolidated statement of income, together with comparative amounts.

Revenues

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

» toll revenues are recognized in the period in which they are earned on the basis of motorway usage. Due partially to the fact that the Group's network interconnects with other networks, and that it is consequently necessary to allocate revenues among the various concessionaires, a portion of toll revenues relating to the last part of the year are determined on the basis of reasonable estimates;

» revenues from the sale of goods, net of any discounts, are recognized when the company transfers the main risks and rewards associated with ownership of the goods to the buyer and when collection of the relevant receivables is reasonably certain;

» revenues from rendering of services are recorded with reference to the stage of completion of the transaction as of the balance sheet date. Revenues are recorded in the financial period in which the service is provided, based on the percentage of completion method. If revenues from the services cannot be estimated reliably, they are only recognized to the extent that the relative costs are recoverable. This method appropriately discloses the services provided and the economic results achieved during the period;

» revenues in the form of rental income or royalties is recognized on an accruals basis, considering the terms and conditions of contract.

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

Financial income and charges

Interest income and expense are recorded on a time–proportion basis, taking account of the effective yield of the asset to which they relate.

Dividends

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

Expense recognition

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

Income and costs relating to leasing contracts

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

Income taxes

Income taxes are calculated by each consolidated company on the basis of a reasonable estimate of taxable income, in accordance with applicable local regulations and taking account of any tax credits due. In fiscal year 2007, the Parent Company and certain Italian subsidiaries adopted the National Consolidated Taxation System for the three–year period 2007–2009. The option was renewed for the three–year period 2010–2012.
Per Articles 117 to 129 of the Tax Code, this system involves the calculation of a single overall income for the purposes of corporate income tax (IRES), by adding the incomes and/or losses of the Parent Company and participating subsidiaries. The

Parent Company then pays the tax due or carries forward/receives a refund for any credit. The Parent Company also carries forward any consolidated loss.
The relationships arising from participation in the group tax election are governed by specific rules, approved and signed by all participating companies, which provide for full recognition of the amount calculated on the fiscal losses or profits transferred at current corporate tax rates.
Payables for IRAP (regional business tax), due directly to the national tax authorities, are shown under current tax liabilities net of advances paid.
Deferred taxes are recorded on temporary differences between balance sheet values and the corresponding values recognized for tax purposes, on consolidation adjustments, and in relation to the fiscal deferral or deductibility of revenues and costs.
Deferred tax assets are recorded for all temporary differences to the extent it is probable that taxable income will be available against which the deductible temporary difference can be recovered. The same principle is applied to the recognition of deferred tax assets on the carry forward of unused tax losses. The carrying value of deferred tax assets is reviewed at every balance sheet date and, if necessary, reduced to the extent that it is no longer probable that sufficient taxable income will be available to recover all or part of the asset.
Deferred tax liabilities, save for specific exceptions, are always recognized.
Deferred tax assets and liabilities are not recognized if the temporary differences arise from initial recognition of goodwill (not in business combination transactions) or of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income.
Deferred tax assets and liabilities are calculated using tax rates which are expected to apply in the period when the asset is realized or the liability settled, using the tax rates and tax regulations which are in force at the balance sheet date.

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

Cash flow statement

In compliance with IAS 7, the cash flow statement, prepared using the indirect method, reports the Group's ability to generate cash and cash equivalents. Cash equivalents comprise short–term highly liquid financial investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. Bank overdrafts qualify as borrowings, unless they are payable on demand and form an integral part of an enterprise's cash and cash equivalents management, in which case they are classified as a component of cash and cash equivalents. Cash and cash equivalents included in the cash flow statement comprise the balance sheet amounts for this item at the reporting date. Cash flows in foreign currencies are translated at the average exchange rate for the period. Income and expenses relating to interest, dividends received and income taxes are included in cash flow from operating activities.

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

» operating cash flow: cash flow from operating activities originates mostly from revenue–generating activities and are presented by the Group using the indirect method; this method adjusts net profit or loss for the effects of items which did not result in cash outflows or generate liquidity (i.e. non–cash transactions);

» investing cash flow: investing activities are reported separately, in part because they are indicative of investments/divestments aimed at the future generation of revenues and positive cash flows;

» financing cash flow: financing activities consist of the cash flows which determine a change in the size and composition of shareholders' equity and loans granted.

Use of estimates

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

COMMENTS ON ASSET ITEMS

(All figures in thousands of Euro)

Comments on the main items in the consolidated statement of financial position at December 31, 2011 are presented below. For 2011, balances and movements during the year were affected by changes in the scope of consolidation of the Atlantia group, mainly the inclusion of Triangulo do Sol S.A. and the deconsolidation of Società Autostrada Tirrenica p.A.

NON–CURRENT ASSETS

[1] Property, plant, and equipment

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

	12.31.2011			12.31.2010		
(Thousands of Euro)	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Land and buildings	1,420,350	(343,043)	1,077,307	1,397,528	(312,372)	1,085,156
Investment property	79,986	(24,741)	55,245	77,228	(20,456)	56,772
Plant, machinery and equipment	1,759,207	(1,260,620)	498,587	1,700,614	(1,185,415)	515,199
Furniture, furnishings and electronic equipment	452,386	(333,898)	118,488	422,807	(311,880)	110,927
Assets to be relinquished	472,390	(359,748)	112,642	469,195	(357,520)	111,675
Leasehold improvements	1,244,072	(878,949)	365,123	1,186,179	(818,299)	367,880
Other tangible assets	152,498	(71,685)	80,813	143,960	(70,839)	73,121
Assets under construction and advances	176,550	(296)	176,254	145,856	–	145,856
Total	5,757,439	(3,272,980)	2,484,459	5,543,367	(3,076,781)	2,466,586

The following table reports movements in 2011 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	Assets to be relinquished	Leasehold improvements	Other tangible assets	Assets under construction and advances	Total
Balance at 01.01.2010	**1,074,507**	**58,761**	**528,486**	**133,703**	**117,254**	**382,822**	**60,748**	**138,863**	**2,495,144**
Additions	37,607	–	100,635	43,940	14,325	54,315	35,049	125,249	411,120
Disposals	(3,297)	(234)	(6,002)	(1,610)	(2,299)	(4,313)	(20,458)	(1,779)	(39,992)
Depreciation	(26,678)	(1,662)	(152,557)	(43,179)	(26,997)	(88,297)	(11,970)	–	(351,340)
Impairments	(9,519)	–	(2,869)	(7,234)	(3,271)	(11,731)	(3,379)	(83)	(38,086)
Impairment reversals	–	–	–	–	3,968	–	–	64	4,032
Changes in scope of consolidation	(24,821)	–	(12,549)	(20,927)	–	(21,001)	–	(856)	(80,154)
Translation differences	20,262	34	14,411	3,821	–	22,004	34	4,676	65,242
Other movements	17,095	(127)	47,024	2,866	8,695	34,081	15,839	(120,278)	5,195
Reclassification from/(to) assets held for sale	–	–	(1,380)	(453)	–	–	(2,742)	–	(4,575)
Balance at 01.01.2011	**1,085,156**	**56,772**	**515,199**	**110,927**	**111,675**	**367,880**	**73,121**	**145,856**	**2,466,586**
Additions	20,299	–	85,469	47,141	16,626	40,547	18,632	143,893	372,607
Disposals	(4,695)	–	(10,566)	(1,266)	(376)	(3,340)	(2,111)	(144)	(22,498)
Depreciation	(26,496)	(1,724)	(148,961)	(39,976)	(27,271)	(81,147)	(11,907)	–	(337,482)
Impairments	(614)	–	(2,028)	(1,790)	(1,429)	(3,870)	–	(342)	(10,073)
Impairment reversals	–	–	–	–	–	–	–	–	–
Changes in scope of consolidation	380	–	6,183	308	–	–	–	–	6,871
Translation differences	(3,568)	(111)	(1,128)	(876)	–	2,084	(709)	1,730	(2,578)
Other movements	4,243	308	53,079	4,015	13,417	42,969	3,775	(114,510)	7,296
Reclassification from/(to) assets held for sale	2,602	–	1,340	5	–	–	12	(229)	3,730
Balance at 12.31.2011	**1,077,307**	**55,245**	**498,587**	**118,488**	**112,642**	**365,123**	**80,813**	**176,254**	**2,484,459**

Additions to property, plant and equipment in 2011 amounted to Euro 372,607. Of the total, Euro 207,444 are attributable to the Autogrill group, Euro 96,373 to the Benetton group and Euro 63,617 to the Atlantia group.
Investments of Autogrill group were concentrated mostly in the Food & beverage business in Italy and the United States, namely for new openings and the renovation of existing locations, especially in the motorway channel.
The Benetton group invested mainly in commercial properties and in the modernization and upgrading of stores to expand the retail network in Italy, France, Spain, Russia and Kazakhstan; it also increased production capacity in Croatia and Italy, invested in a new manufacturing complex in Serbia and worked to complete the logistical hub in Castrette.

Disposals for the year totalled Euro 22,498 and primarily concern the sale of production machinery, a property in Russia and furniture, fittings and improvements at outlets by the Benetton group (Euro 11,120) and the sale of assets by the Autogrill group (Euro 6,622).

Impairment losses for the year, Euro 10,073, stem mainly from the loss in value of some commercial properties held by the Autogrill group (Euro 6,117) and the Benetton group (Euro 3,735).

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

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

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

(Thousands of Euro)	12.31.2011	12.31.2010
Land and buildings	12,795	12,174
Plant, machinery and equipment	947	15,084
Assets to be relinquished	12,788	13,809
Leasehold improvements	68	247
Other assets	1,587	3,669
(Accumulated depreciation)	(21,762)	(37,012)
Total	**6,423**	**7,971**

The decrease in Plant, machinery and equipment and in Accumulated depreciation relates to disposals by the Atlantia group in the amount of Euro 14,103.
The long–term portion of the residual amount of lease repayments at December 31, 2011 is recognized as Lease financing under non–current liabilities in Note [28] (Euro 12,661); the short–term portion is reported in Note [37] Current portion of lease financing (Euro 1,900).

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

[2] Intangible assets

Movements in the principal intangible asset items in 2011 were as follows:

(Thousands of Euro)	Goodwill and other intangible assets of indefinite useful life	Intangible assets deriving from concession rights	Patent rights	Concessions, licenses, trademarks and similar rights	Deferred charges	Other intangible assets	Total
Balance at 01.01.2010	**6,865,818**	**12,318,430**	**5,114**	**905,240**	**154,437**	**84,046**	**20,333,085**
Additions	–	37,992	51	11,088	9,982	36,646	95,759
Additions due to execution of construction services	–	582,167	–	–	–	–	582,167
Changes due to update of concession plans	–	202,480	–	–	–	–	202,480
Disposals	–	–	–	–	(825)	(85)	(910)
Depreciation	–	(431,331)	(695)	(100,626)	(18,531)	(35,219)	(586,402)
Impairments	(22,161)	–	(1,273)	(3,783)	(2,588)	(1,290)	(31,095)
Impairment reversals	–	16,106	–	15	–	–	16,121
Changes in scope of consolidation	(91,989)	–	–	(21,596)	–	(108)	(113,693)
Translation differences	74,734	12,436	200	25,327	2,082	650	115,429
Other movements	(699)	(63,858)	(2)	8,908	1,724	(5,677)	(59,604)
Reclassification to assets held for sale	–	(948,995)	–	(864)	–	(632)	(950,491)
Balance at 01.01.2011	**6,825,703**	**11,725,427**	**3,395**	**823,709**	**146,281**	**78,331**	**19,602,846**
Additions	–	36	4,023	9,878	14,852	40,384	69,173
Additions due to execution of construction services	–	903,996	–	–	–	–	903,996
Changes due to update of concession plans	–	380,281	–	–	–	–	380,281
Disposals	–	–	–	1,926	(26)	(173)	1,727
Depreciation	–	(456,717)	(1,245)	(94,778)	(16,535)	(36,945)	(606,220)
Impairments	(13,688)	–	–	(9,133)	(2,900)	(8)	(25,729)
Impairment reversals	2	–	–	–	819	–	821
Changes in scope of consolidation	–	340,051	–	87	–	–	340,138
Translation differences	33,130	(65,389)	(64)	12,776	(587)	410	(19,724)
Other movements	–	(43,184)	–	4,468	532	(2,768)	(40,952)
Balance at 12.31.2011	**6,845,147**	**12,784,501**	**6,109**	**748,933**	**142,436**	**79,231**	**20,606,357**

At December 31, 2011 the balance of Goodwill and other intangible assets of indefinite useful life consists mainly of goodwill pertaining to the Atlantia group (Euro 5,382,165) and the Autogrill group (Euro 1,374,737).

All such assets are subject to impairment testing once a year. In 2011 the Atlantia group recognized impairment of Euro 13,321 on the goodwill acquired in 2007 with the purchase of a controlling interest in Electronic Transaction Consultants.

Translation differences regarding Goodwill and other intangible assets of indefinite useful life and concessions, licenses, trademarks and similar rights mostly concern the Autogrill group and reflect the appreciation of the British pound and the US dollar.

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

(Thousands of Euro)	12.31.2011	12.31.2010
Acquired concession rights	535,325	201,796
Concession rights accruing from construction services for which no additional economic benefits are received	9,288,720	9,257,335
Concession rights accruing from construction services for which additional economic benefits are received	2,913,076	2,216,866
Concession rights accruing from construction services provided by suboperators	47,380	49,430
Total	12,784,501	11,725,427

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

The principal changes in this item are an increase of Euro 903,996 in the amount of investments carried out in 2011 relating to construction and/or upgrade services for which additional economic benefits are received; an increase of Euro 380,281, with a corresponding increase in Provisions for construction services required by contract in Note [33], due to the revised estimate of the present value of construction services to be rendered in the future for works without additional economic benefits; and amortization of Euro 456,717.

As mentioned above, changes in the scope of consolidation refer to disposals made by the Atlantia group in 2011. Specifically, the increase in concession rights by Euro 340,051 was caused by the consolidation of Triangulo do Sol (Euro 516,136), less a decrease of Euro 176,085 due essentially to the deconsolidation of Società Autostrada Tirrenica.

Translation differences with respect to concession rights were generated by the Atlantia group and reflect the depreciation of the Brazilian real and Polish zloty.

Concessions, licenses, trademarks and similar rights at December 31, 2011 refer mostly to the Autogrill group (Euro 725,427) and consist chiefly of the amounts determined upon fair value allocation of the acquired assets and liabilities of World Duty Free Europe Ltd. and Aldeasa S.A., in the form of contractual rights (Euro 583,652) and the tradename World Duty Free (Euro 102,745).

Nearly all of the impairment losses on this item pertain to the Autogrill group, which wrote off the contractual rights associated with the Atlanta airport contract (Euro 9,105) due to its non–renewal.

The remainder of this item consists primarily of licenses held by the Atlantia group and trademarks owned by the Benetton group. The brands United Colors of Benetton and Sisley, with respective carrying values of Euro 4,037 and Euro 485, are subject to restraints on sale in guarantee of committed credit lines whose drawdowns totalled Euro 700 million at December 31, 2011.

Deferred charges consist of key money for the lease of buildings as stores, which is amortized over the term of the related lease contracts (with the exception of the *fonds de commerce* of Benetton group companies, amortized over 20 years). Impairment losses with respect to key money came to Euro 2,900, while previous impairment losses on the two *fonds de commerce* were reversed in the amount of Euro 819.

Other intangible assets include the cost of purchasing and developing software, of which Euro 26,383 pertains to the Benetton group, Euro 9,470 to the Autogrill group and Euro 8,491 to the Atlantia group. This item also includes assets under construction and advances (Euro 24,569).

Impairment testing

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

» checked for any indication that its property, plant and equipment or intangible assets of finite useful life might be impaired;

» compared the recoverable amount of its intangible assets of indefinite useful life and of its intangible assets not yet available for use with their corresponding carrying amounts. Such a comparison was carried out irrespective of the occurrence of events indicating that the carrying amount of such assets might be impaired.

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

Impairment losses recognized in 2011 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 Italy, North America, Spain and India.

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

When testing goodwill for impairment, the cash generating units are identified on the basis of operating segment, and in some cases are further divided by geographical area. The recoverability of the goodwill allocated to each cash generating unit is verified by estimating its value in use, defined as the present value of estimated cash flows based on the 2012 budget and forecasts for 2012–2016, discounted at a rate reflecting the time value of money (differentiated by currency area) and the risks specific to the individual cash generating unit.

In 2011 the goodwill allocated to each CGU of the Autogrill group was found to be fully recoverable.

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

The recoverability of goodwill and concession rights was assessed using the long–term plans approved by the companies' boards of directors, derived from the business and financial plans annexed to concession arrangements signed with the grantor which include traffic, investment, cost and revenue projections for the full term of the concession period.

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

The discount rate (WACC) used to determine the present value of projected cash flows depends on the cost of money and the specific country risk. The nominal growth rate (g rate) of projected cash flows not stated expressly in financial plans ranges from 1% to 2%. The specific forecast period does not exceed five years, with the exception of the CGUs of the Atlantia group, for which projections are based on business and financial plans developed for the full term of the concession period.

The results of impairment testing in 2011 are summarized in the following table which reports, by business segment and type of asset, the impairment losses recognized for the year:

(Thousands of Euro)	Textiles & clothing	Food & beverage and Travel retail & duty–free	Infrastructure & services for mobility	Real estate and agriculture	Total
Property, plant and equipment					
Buildings	–	460	–	154	614
Plant, machinery and equipment	447	1,581	–	–	2,028
Furniture, furnishings and electronic equipment	1,620	170	–	–	1,790
Leasehold improvements	1,393	2,477	–	–	3,870
Other	275	1,429	–	67	1,771
Total property, plant and equipment	**3,735**	**6,117**	**–**	**221**	**10,073**
Intangible assets					
Intangible assets of indefinite useful life	365	–	13,323	–	13,688
Intangible assets of finite useful life	3,020	9,021	–	–	12,041
Total intangible assets	**3,385**	**9,021**	**13,323**	**–**	**25,729**
Total	**7,120**	**15,138**	**13,323**	**221**	**35,802**

OTHER NON–CURRENT ASSETS

[3] Equity investments in subsidiaries

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

[4] Equity investments in associates and joint ventures

The main investments in associated companies and joint ventures are the following:

	12.31.2011		12.31.2010	
(Thousands of Euro)	% held	Carrying value	% held	Carrying value
Gemina S.p.A.	34.77%	698,631	30.23%	653,921
Autostrade Sud America S.r.l.	45.77%	170,645	45.77%	163,037
Triangulo do Sol Auto–Estradas S.A.	–	–	50.00%	116,534
Eurostazioni S.p.A.	32.71%	50,790	32.71%	50,790
SAGAT S.p.A.	24.38%	34,278	24.38%	34,416
IGLI S.p.A.	33.33%	26,631	33.33%	13,079
Società Autostrada Tirrenica p.A.	24.98%	24,483	–	–
Tangenziali Esterne di Milano S.p.A.	27.43%	19,766	32.00%	9,509
Pune Solapur Expressway Private Ltd.	50.00%	18,264	50.00%	9,161
Società Infrastrutture Toscane S.p.A.	46.60%	6,098	46.60%	6,345
Other investments	–	21,311	–	24,482
Total		**1,070,897**		**1,081,274**

During the year, the subsidiary Sintonia S.A. purchased 66,726,543 shares of Gemina S.p.A. (a 4.54% interest) in the market, at a cost of Euro 46.8 million. The effect of valuing that interest with the equity method is a negative Euro 2.1 million.

The increase in the carrying value of Autostrade Sud America S.r.l. is explained by its valuation on an equity basis.

Triangulo do Sol Auto-Estradas S.A. has been consolidated on a line–by–line basis since July 1, 2011 due to the acquisition of control in the second half of the year. For details of how the business combination was recognized, see note [65] Business combinations.
Due to the sale of a controlling interest in Società Autostrada Tirrenica, the fair value of the remaining interest of 24.98% is now recognized in this item.
Based on certain trigger events, the investment in IGLI S.p.A., key shareholder of Impregilo S.p.A., was submitted to impairment testing. The testing showed that the carrying value of the investment was above its fair value, based on the stock price of Impregilo, its principal asset. An impairment loss was therefore recognized in the amount of Euro 1.4 million. During the year, this company also received a capital increase of Euro 15 million.
The higher value of the investment in Pune Solapur Expressway Private Ltd. and in Tangenziali Esterne di Milano S.p.A. includes Euro 7.8 million and Euro 9.6 million, respectively, for additional capital paid in.

[5] Equity investments in other companies
Because these investments are "available for sale" in accordance with IAS 39, they are recognized at fair value, and gains and losses from the valuation (except impairment losses, which are recognized in the income statement) are charged to a shareholders' equity reserve. If the fair value of these assets cannot be determined reliably, they are measured at cost, and adjusted for any impairment. For equity investments in listed companies, fair value is taken as the average stock market price in December 2011.

Equity investments in other companies are as follows:

	12.31.2011		12.31.2010	
(Thousands of Euro)	% held	Carrying value	% held	Carrying value
Assicurazioni Generali S.p.A.	0.94%	172,338	0.94%	213,985
Pirelli & C. S.p.A.	4.77%	151,351	4.77%	140,411
Mediobanca S.p.A.	2.16%	87,122	2.16%	126,082
Alitalia – Compagnia Aerea Italiana S.p.A.	8.85%	41,000	8.85%	100,000
RCS MediaGroup S.p.A.	5.10%	28,005	5.10%	38,680
Gruppo Banca Leonardo S.p.A.	1.93%	11,026	1.94%	11,026
Acegas–Aps S.p.A.	1.94%	3,488	1.94%	4,079
Prelios S.p.A.	2.70%	2,169	2.70%	9,686
Il Sole 24 Ore S.p.A.	2.00%	2,089	2.00%	3,308
Other investments	–	7,795	–	7,474
Total		506,383		654,731

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

(Thousands of Euro)	Carrying value at 12.31.2010	Additions/ Disposals	Impairment losses	Fair value adjustments	Carrying value at 12.31.2011
Assicurazioni Generali S.p.A.	213,985	–	(28,833)	(12,814)	172,338
Pirelli & C. S.p.A.	140,411	–	–	10,940	151,351
Mediobanca S.p.A.	126,082	–	(14,776)	(24,184)	87,122
Alitalia – Compagnia Aerea Italiana S.p.A.	100,000	–	(59,000)	–	41,000
RCS MediaGroup S.p.A.	38,680	–	(2,235)	(8,440)	28,005
Gruppo Banca Leonardo S.p.A.	11,026	–	–	–	11,026
Acegas–Aps S.p.A.	4,079	–	(1,294)	703	3,488
Prelios S.p.A.	9,686	–	(1,508)	(6,009)	2,169
Il Sole 24 Ore S.p.A.	3,308	–	(1,031)	(188)	2,089
Other investments	7,474	451	(130)	–	7,795
Total	654,731	451	(108,807)	(39,992)	506,383

The fair value measurement at December 31, 2011 of the listed companies Assicurazioni Generali S.p.A., Mediobanca S.p.A., RCS MediaGroup S.p.A., Prelios S.p.A., Il Sole 24 Ore S.p.A. and Acegas–Aps S.p.A. showed a decrease of which Euro 49.7 million was charged to the income statement as an impairment loss and the remainder was allocated to the fair value reserve.

The increase of Euro 10.9 million in the investment in Pirelli & C. S.p.A. is due entirely to the change in fair value, as reflected in the fair value reserve.

Regarding the investment in Alitalia – Compagnia Aerea Italiana S.p.A., in consideration of the company's ongoing losses and the lack of information that would allow a reliable determination of fair value, an impairment loss of Euro 59 million has been charged on the basis of the pro–quota value of net equity at the end of the year.

[6] Investment securities
The balance refers to investments in closed–end funds, held by the subsidiary Schemaquattordici S.p.A. for Euro 13,430 and by the Parent Company for Euro 27,890. These funds are measured at fair value at December 31, 2011.
This item also includes the fair value of the 708,000 convertible Club Méditerranée bonds acquired by the Parent Company in 2009 (Euro 8,996). From June 8, 2010 until they mature on June 8, 2012, the bonds can be converted at Edizione's request into ordinary shares of Club Méditerranée at a ratio of one to one. At maturity, they will be automatically converted into shares.
The Parent Company also holds an additional 107,456 convertible Club Méditerranée bonds which, at a ratio of one to one, can be converted at the holder's request into ordinary shares of the company by January 1, 2015 at a price of Euro 16.365 per share; the fair value of these bonds at December 31, 2011 is Euro 1,760.

[7] Guarantee deposits
The balance mainly includes deposits pertaining to the Benetton group (Euro 24,929) and the Autogrill group (Euro 9,676).

[8] Other non–current financial assets
The balance at the end of 2011 includes the following:

(Thousands of Euro)	12.31.2011	12.31.2010
Non–current portion of financial assets deriving from concession rights	452,334	373,719
Convertible term deposits	290,334	285,930
Financial assets deriving from government grants related to construction services	238,657	201,538
Financial receivables from associates	110,000	–
Derivatives: cash flow hedges	27,678	40,209
Other financial receivables and assets	82,255	36,895
Total	1,201,258	938,291

The Non–current portion of financial assets deriving from concession rights is made up of:
» the takeover right (Euro 346,209) to be paid to the subsidiary Autostrade Meridionali S.p.A. at the end of its concession term;
» the present value of the minimum guaranteed payments (Euro 65,271) that the Chilean subsidiary Sociedad Concesionaria de Los Lagos will receive from the grantor in accordance with the concession agreement;
» Ecomouv's investments in financial assets deriving from concession rights relating to the construction of the satellite–based tolling system for heavy vehicles in France (Euro 40,854).

The change in this item, Euro 78,615, relates essentially to Autostrade Meridionali's investments in motorway infrastructure during the year and to investments concerning the satellite–based toll system for heavy vehicles in France.

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

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

Financial receivables from associates consist of the long–term loan granted by the Atlantia group to Società Autostrada Tirrenica, maturing in June 2013.

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

Other financial receivables and assets include Euro 24,552 in non–current prepayments, Euro 15,638 due from ANAS and Euro 10,560 in loans to employees.

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

(Thousands of Euro)	12.31.2011
From 1 to 5 years	1,084,021
Beyond 5 years	117,237
Total	1,201,258

[9] Other non–current receivables

This item pertains mostly to the Autogrill group (Euro 40,355), primarily in the form of premiums due from suppliers under long–term agreements and concession rents paid in advance. It also includes trade receivables and amounts due for the sale of fixed assets, with reference to the Benetton group (Euro 11,722), and Euro 6 million in public benefit contributions advanced by the Parent Company to the Municipality of Venice, which has placed the sum in an escrow account. The Parent Company may ask for full and immediate reimbursement of the contribution, plus interest, if certain conditions are not satisfied.

[10] Deferred tax assets

The balance includes net deferred tax assets generated by the Atlantia group (Euro 1,891,394), the Benetton group (Euro 152,132), the Autogrill group (Euro 94,894) and other Group companies, as well as by consolidation adjustments.
The nature and composition of net deferred tax assets are broken down below:

(Thousands of Euro)	12.31.2011	12.31.2010
Tax effect on deductible intercompany goodwill	987,925	1,093,725
Tax effect on provisions and costs relating to future periods for fiscal purposes	281,000	310,394
Tax effect on different basis for amortization and depreciation	180,608	229,371
Benefit on carried forward tax losses	52,535	48,642
Tax effect on intercompany profits elimination	5,264	4,627
Other deferred tax assets	194,478	128,574
Effect of the adoption of IFRIC 12	580,170	686,139
Total deferred tax assets	**2,281,980**	**2,501,472**
Total offsettable deferred tax liabilities	(123,344)	(126,828)
Total deferred tax assets, net	**2,158,636**	**2,374,644**

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

Atlantia group

The balance at December 31, 2011 is comprised of residual deferred tax assets (Euro 987,925) arising from the transfer of motorway assets to Autostrade per l'Italia and that company's recognition of deductible goodwill, as well as deferred tax assets of Euro 580,170 originating from the adoption of IFRIC 12 by the subsidiary Autostrade per l'Italia S.p.A.
It also includes deferred tax assets on the non–deducted portion of provisions, mostly with reference to the repair and replacement of assets held under concession (Euro 208,834); the non–deducted depreciation of property, plant and equipment (Euro 63,768) and the valuation of hedging instruments (Euro 40,466).

Benetton group

The balance of this item is comprised mainly of deferred tax assets recognized on the different basis for the amortization and depreciation of fixed assets, measured according to the estimated future recoverability of the tax benefits associated with corporate restructuring in 2003.
The potential tax benefit from the carried forward tax losses of group companies (Euro 293 million at December 31, 2011) has been adjusted by Euro 278 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 15,622, essentially 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 35,550, mostly in relation to tax losses carried forward and the deferred deductibility of provisions for concession fees;
» the French units for Euro 8,961, 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 2,433.
At December 31, 2011, Tax losses for which deferred tax assets have not been recognized amount to Euro 151,919.

CURRENT ASSETS

[11] Inventories

Inventories are broken down below:

(Thousands of Euro)	12.31.2011	12.31.2010
Raw materials, other materials and consumables	414,064	374,615
Work in progress and semi–manufactured products	62,873	44,330
Finished goods	218,413	171,640
Construction contracts in progress	37,865	36,457
Advances	275	1,972
Total	**733,490**	**629,014**

Inventories are stated net of the write–down provision of Euro 15,869. The increase of Euro 104,476 in 2011 pertains to the Benetton group for Euro 69,257, the Autogrill group for Euro 19,752 and the Atlantia group for Euro 13,818. More specifically, the increase for the Benetton group stems from the rise in raw material costs and the different timing of procurement and shipping to customers during the first quarter of 2012.

[12] Trade receivables

At December 31, 2011, trade receivables, net of the provision for doubtful accounts, were as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Trade receivables	1,944,082	1,832,017
Provision for doubtful accounts	(169,055)	(166,607)
Total	1,775,027	1,665,410

Trade receivables are contributed mostly by the Benetton group (Euro 965,597) and the Atlantia group (Euro 946,256). The increase for the year, Euro 112,065, pertains almost entirely to the Benetton group and is mostly due to a worsening of the receivables turnover ratio, as a consequence of the ongoing economic crisis that has been especially severe in some countries in the Mediterranean region.

Movements in the provision for doubtful accounts are summarized below:

(Thousands of Euro)	01.01.2011	Additions	Uses	Releases to statement of income	Change in scope of consolidation	Other movements and translation differences	12.31.2011
Provision for doubtful accounts	166,607	37,695	(33,157)	(1,418)	(84)	(588)	169,055

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

[13] Tax receivables

This item includes:

» VAT credits of Euro 77,919 (Euro 60,545 at the end of 2010), of which Euro 26,927 pertains to the Autogrill group, Euro 23,706 to the Benetton group and Euro 25,209 to the Atlantia group;

» income tax credits of Euro 51,133 (Euro 35,088 at the end of 2010), of which Euro 28,581 pertains to the Atlantia group, Euro 13,382 to the Autogrill group, Euro 1,585 to the Benetton group and Euro 7,248 to the Parent Company;

» other tax receivables of Euro 11,987 (Euro 22,975 at December 31, 2010).

[14] Accrued income and prepaid expenses

These are made up as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Rents and leases	35,060	33,985
Other accrued income and prepaid expenses	27,751	25,121
Total	62,811	59,106

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)	12.31.2011	12.31.2010
Advances paid to suppliers	129,423	129,087
Receivables due from motorway end–users and insurance companies for damages	35,320	30,817
Advances to employees and agents	8,449	6,633
Amounts due from public entities	2,560	2,607
Receivables for disposal of assets	1,400	4,415
Other receivables	90,851	55,542
Total	268,003	229,101

This item is shown net of provisions for doubtful accounts (Euro 37,094), of which Euro 31,639 pertains to the Atlantia group.

Advances paid to suppliers concern the Autogrill group for Euro 75,474, comprised of amounts paid in advance for services, promotional contributions and bonuses awaiting settlement, and the Atlantia group for Euro 45,192, consisting of advances paid to awarders of contracts.
Receivables due from motorway end–users and insurance companies refer to the reimbursement of road damages.
Other receivables include amounts due from subconcessionaires, advances to concession grantors for investments made on their behalf or on behalf of subconcessionaires and receivables on business generating commissions, with respect to the Autogrill group, and amounts due from public entities with respect to the Atlantia group. They also include Euro 12 million due from the Serbian government in the form of a grant for investments planned by the Benetton group at the new manufacturing complex in Niš (Serbia).

[16] Other current financial assets

The item is summarized as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Current financial assets deriving from concession rights	7,340	8,853
Financial assets deriving from government grants related to construction services	51,023	189,436
Convertible term deposits	76,580	180,947
Derivatives: fair value hedges	46,368	22,562
Derivatives: cash flow hedges	12,940	9,876
Financial receivables from Group companies	6,282	8,896
Financial receivables from third parties	67,283	23,130
Other financial receivables and assets	37,476	40,718
Total	305,292	484,418

Current financial assets deriving from concession rights, Financial assets deriving from government grants related to construction services and Convertible term deposits consist of the current portion of the Atlantia group assets discussed in Note [8] Other non–current financial assets.
Most of the decrease in Financial assets deriving from government grants related to construction services is due to the collection of receivables during the year, while the decrease in Convertible term deposits is explained by the release of funds authorized by the concession grantor.

The item Derivatives: fair value hedges includes the differentials on forward exchange contracts of the Benetton group (Euro 34,439) and the Autogrill group (Euro 11,929), deriving from the adjustment to market value of exchange rate hedges outstanding at December 31, 2011.
The item Derivatives: cash flow hedges consists almost exclusively of the fair value accounting of the Benetton group's hedges against exchange risk.

Financial receivables from Group companies concern associates of the Autogrill group (Euro 2,846) and certain non–consolidated subsidiaries in relation to current intercompany accounts settled at market interest rates (Euro 2,857).
Financial receivables from third parties consist mostly of financial receivables from ANAS and short–term financial investments by the Stalexport Autostrady group.
Other financial receivables and assets include Euro 26,521 in accrued income on derivative transactions by the Atlantia group and the Benetton group and Euro 10,955 in financial accrued income and prepayments.

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

(Thousands of Euro)	12.31.2011	12.31.2010
Caltagirone Editore S.p.A.	2,859	4,676
Other investments	5,747	102
Total	8,606	4,778

The carrying value of the investment in Caltagirone Editore has been adjusted to the average stock market price in December 2011, with an offsetting entry in the income statement. Other investments pertain essentially to the Atlantia group.

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

(Thousands of Euro)	12.31.2011	12.31.2010
Bank accounts	585,671	448,376
Time deposits	335,727	2,397,461
Checks	76,283	81,578
Cash in hand	92,731	81,839
Total	1,090,412	3,009,254

Bank accounts are liquid funds held at major banks. Average interest rates reflect market returns for the various currencies concerned.
Time deposits refer mainly to the Atlantia group and their decrease is due essentially to the redemption of bonds issued.
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.
Cash flow movements in the period are detailed in the cash flow statement.

[19] Assets and liabilities held for sale
At December 31, 2011 the balance consists mainly of non–current assets held for sale by the Atlantia group, in connection with its disposal transactions. More specifically:

a. a 50% interest in Nueva Inversiones S.A. (Euro 290,241), which the Atlantia group has committed irrevocably to selling to Grupo Costanera (and which Grupo Costanera has committed irrevocably to buying), at a price corresponding to the acquisition cost of that investment, on the condition that Grupo Costanera is listed on the Santiago Stock Exchange by May 31, 2012;
b. a non–controlling interest in Lusoponte (Euro 13,185), as well as financial receivables from that company (Euro 1,643), acquired from the Itinere group in June 2009;
c. an interest in Pedemontana Veneta (Euro 1,516) due to the transfer process begun in 2011, and a residual 2% share of Strada dei Parchi (Euro 3,125), which is subject to a put and call option in accordance with the relative contract.

At December 31, 2010, this item consisted mainly of assets (Euro 1,066,239) and liabilities (Euro 1,072,633) held for sale by Strada dei Parchi, of which control was transferred to Toto Costruzioni Generali S.p.A. in 2011.

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

SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY
On June 27, 2011 the annual general meeting of Edizione S.r.l. approved a dividend totalling Euro 40 million. The dividend was paid on July 4, 2011.

[20] Share capital
At December 31, 2011 the share capital of Edizione S.r.l. amounted to Euro 1,500 million, fully subscribed and paid in and divided into quotas.

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

[22] Other reserves and retained earnings
Amounting to Euro 2,248,816 at the end of the year (Euro 2,022,169 at December 31, 2010), this item includes:

» Euro 5,877 for the Parent Company's legal reserve;
» Euro 949,319 for the Parent Company's other reserves;
» Euro 1,293,620 representing the shareholders' equity of consolidated companies in excess of their carrying value, together with other consolidation entries.

[23] Translation reserve
This reserve shows the effects of consolidating companies with financial statements in currencies other than the Euro using the line–by–line and proportional methods.

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

(Thousands of Euro)	Gross	Tax effect	Net
Fair value gains/(losses) on cash flow hedges	(20,485)	2,950	(17,535)
Net change in fair value of cash flow hedges reclassified to profit or loss	31,402	(5,955)	25,447
Fair value gains/(losses) of available for sale financial instruments	(48,547)	856	(47,691)
Gains/(losses) from translation of financial statements of foreign operations	(44,696)	3,107	(41,589)
Other fair value gains/(losses)	(3,186)	317	(2,869)
Other comprehensive income for the year	(85,512)	1,275	(84,237)

Below is the reconciliation between the Shareholders' equity and Net income of Edizione S.r.l. at December 31, 2011 and the corresponding consolidated amounts.

(Thousands of Euro)	Shareholders' equity	Net income
As shown in the separate financial statements of Edizione S.r.l. prepared according to Italian GAAP	**2,499,745**	**44,549**
IFRS adjustments to separate financial statements of Edizione S.r.l.	(87,856)	(29,706)
As shown in the separate financial statements of Edizione S.r.l. prepared according to IFRS	**2,411,889**	**14,843**
Group share of net income and shareholders' equity of consolidated subsidiaries, net of their carrying value	607,264	365,496
Reversal of dividends paid to the Parent Company by consolidated subsidiaries	–	(75,291)
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	1,078,764	–
Elimination of capital gains from the intercompany sale of equity investments and businesses	(66,465)	697
Adjustment to reflect the equity value of associated companies	(78,007)	(4,730)
Net effect of other consolidation adjustments	(58,549)	(1,263)
Group's consolidated financial statements	**3,894,896**	**299,752**

[24] Non–controlling interests
At December 31, 2011 and 2010, non–controlling interests in the net equity of consolidated companies were as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Atlantia group	2,311,835	2,214,367
Sintonia S.A.	661,016	465,738
Benetton group	538,948	529,874
Autogrill group	333,961	300,944
Schemaquattordici S.p.A.	9,112	14,259
Other companies and consolidation adjustments	17,481	(7,653)
Total	**3,872,353**	**3,517,529**

During the year, the Group increased its interest in the Atlantia group by buying shares in the open market (23,605,007 ordinary shares, or 3.78% of the share capital). This involved a corresponding reduction in non–controlling interests, which was more than offset by their pro–quota share of the Atlantia group's positive results, which increased non–controlling interests with respect to the previous year.

Non–controlling interests in Sintonia went up due to the capital increases subscribed and paid in by the minority shareholder, Elmbridge Investment Pte Ltd., during the course of 2011.

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

The decrease in non–controlling interests in Schemaquattordici is mostly the result of capital repayments during the year.

COMMENTS ON LIABILITY ITEMS
(All figures in thousands of Euro)

NON–CURRENT LIABILITIES

[25] Bonds
Bonds pertain to the Atlantia group for Euro 7,507,101 and to the Autogrill group for Euro 332,378.

As for the Atlantia group, the balance at December 31, 2011 refers to bonds issued by Atlantia S.p.A. as part of its medium–term note program, for a total of Euro 10 billion, comprised as follows:

» 2004–2014 bond with a nominal value of Euro 2,750,000 and 5.00% coupon, maturing on June 9, 2014, carried for Euro 2,718,247;
» 2004–2022 bond with a nominal value of gbp 750,000 thousand and 5.99% coupon, maturing on June 9, 2022, carried for Euro 587,526;
» 2004–2024 bond with a nominal value of Euro 1,000,000 and 5.88% coupon, maturing on June 9, 2024, carried for Euro 974,575;
» 2009–2016 bond with a nominal value of Euro 1,500,000 and fixed–rate 5.63% coupon, maturing on May 6, 2016, carried for Euro 1,541,479;
» 2009–2038 bond with a nominal value of jpy 20,000 million and fixed–rate 5.30% coupon, maturing on December 10, 2038, carried for Euro 198,979;
» 2010–2017 bond with a nominal value of Euro 1,000,000 and 3.38% coupon, maturing on September 18, 2017, carried for Euro 991,787;
» 2010–2025 bond with a nominal value of Euro 500,000 and 4.38% coupon, maturing on September 16, 2025, carried for Euro 494,508.

All bonds are measured at amortized cost.
In order to hedge some of the above liabilities, the Atlantia group has taken out interest rate swaps and cross currency interest rate swaps, whose fair value at December 31, 2011 is discussed in Note [29] Other non–current financial liabilities. For further information on financial risks, their management and the financial instruments held by the Atlantia group, see Note [63] Financial risk management.

For the Autogrill group, the balance at December 31, 2011 concerns the private placements guaranteed by Autogrill S.p.A. and issued by Autogrill Group Inc.:

» in January 2003 for a total of usd 370 million; after the redemption at maturity of usd 44 million in January 2010 and usd 60 million in January 2011, at the end of the year there was a remaining balance of usd 266 million maturing in January 2013, paying interest half–yearly at a fixed annual rate of 6.01%;
» in May 2007 for a total of usd 150 million, paying fixed annual interest of 5.73% half–yearly and maturing in May 2017. Exposure to fair value fluctuations is partially hedged by an interest rate swap with a notional value of usd 75 million.

The private placement regulations include covenants requiring the periodic monitoring of Autogrill's financial ratios (leverage and interest coverage), which must stay within certain limits. Specifically, the leverage ratio must not exceed 3.5 and the "interest coverage ratio" cannot be lower than 4.5. At December 31, 2011 these covenants were satisfied.

[26] Medium and long–term loans

This item consists of loans from credit institutions (Euro 5,030,795) and payables to other lenders (Euro 60,293).
The principal changes during the year were as follows:

» new loans taken out for approximately Euro 1,478 million: Euro 966 million by the Autogrill group, as part of a refinancing operation involving two new credit lines totalling Euro 1.35 billion and maturing in July 2016; and Euro 458 million by the Atlantia group, mostly for the drawdown by Autostrade per l'Italia of a further Euro 350 million on the floating–rate loan granted by Cassa Depositi e Prestiti, maturing in 2034, and for loans contracted in 2011 by the Chilean concession holder Los Lagos (Euro 89 million);
» payments of about Euro 1,026 million, including Euro 894 million by the Autogrill group as part of the refinancing operation mentioned above, and Euro 130 million in early repayments by the subsidiary Sintonia S.A.;
» the reclassification to current liabilities of Euro 658 million, of which Euro 186 million pertains to the Atlantia group and Euro 400 million to the Benetton group;
» translation gains, of Euro 16 million, and sundry effects mainly related to changes in the scope of consolidation.

Medium and long–term loans from credit institutions at December 31, 2011 were as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Loans from European Investment Bank (EIB) maturing from 2010 to 2022	869,346	900,455
Pool loan totalling Euro 1,200 million (originally Euro 1,800 million), floating rate, maturing on October 2014 (1)	768,172	896,251
Senior Secured Long Term Facility of Euro 800 million, floating interest, maturing on June 30, 2015 (5)	555,546	632,750
Multicurrency Revolving Facility – Autogrill S.p.A., Euro 700 million, floating rate, maturity July 2016 (2)	542,809	–
Multicurrency Revolving Facility – Travel Retail, Euro 650 million, floating rate, maturity July 2016 (2)	496,040	–
Loans from Cassa Depositi e Prestiti totalling Euro 500 million, floating rate, maturity December 2034	493,612	143,912
Grant loans	297,883	340,568
Club Deal loan, floating rate, maturity 2015 (4)	248,767	248,405
Mediobanca term loan of Euro 200 million granted on June 24, 2005, floating rate, bullet repayment, maturity June 24.2015 (2)	200,000	200,000
Revolving credit line of Euro 250 million, floating rate, maturity June 2013 (3)	199,789	194,648
Loans from Development Bank of Japan, totalling jpy 5,000 million, floating rate, maturity July 2014 (4)	49,900	–
Term2 loan of gbp 397,9 million, granted on March 19, 2008 amortizing, annual payments, floating rate, maturity March 19, 2013	–	368,690
Revolving syndicated line (Intesa Sanpaolo) December 10, 2010 multicurrency, Euro 300 million, floating rate, maturity June 9, 2012	–	297,242
Term1 loan of Euro 275 million granted on March 19, 2008, floating rate, bullet payment, maturity March 19, 2013	–	274,103
Intesa Sanpaolo loan of Euro 150 million, floating rate, maturity 2012 (4)	–	149,903
UniCredit Banca d'Impresa loan of Euro 150 million, floating rate, maturity 2012 (4)	–	149,903
BNL loan of Euro 100 million, floating rate, maturity 2012 (4)	–	99,935
Revolving credit line (Intesa Sanpaolo), Euro 125 million, floating rate, maturity March 7, 2013	–	20,282
Revolving syndicated line of Euro 300 million, granted on June 24, 2005, floating rate, maturity June 24, 2012	–	20,000
Other loans	308,931	236,105
Total	5,030,795	5,173,152

(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, 2011 these covenants were satisfied.
(2) The long–term loans of the Autogrill group call for the periodic monitoring of financial ratios: leverage must not exceed 3.5 and interest coverage must be 4.5 or higher. At December 31, 2011 these covenants were satisfied.
(3) The revolving credit lines granted to Edizione S.r.l. require a certain ratio between the company's net financial indebtedness (including the debt of certain subholding companies) and the fair value of its equity investments. At December 31, 2011 these covenants were satisfied.
(4) The loans granted to the Benetton group include two financial covenants (satisfied at December 31, 2011), 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 Secured Long term facility agreement imposes certain covenants on the borrower, which have always been satisfied. In particular, the ratios of Funds from Operations (FFO) to net financial expenses and FFO to net financial indebtedness, as well as the borrower's equity, must remain within a certain range.

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

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

Year	12.31.2011
2013	494,307
2014	1,228,024
2015	586,777
2016	175,467
2017 and beyond	2,546,220
Total	5,030,795

Payables to other lenders amount to Euro 60,293 (Euro 86,533 at December 31, 2010) and refer mainly to companies in the Atlantia group.

[27] Other non–current liabilities

This item can be broken down as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Long–term deferred income	29,530	43,670
Payables to social security institutions	25,015	22,555
Payables to personnel	22,843	14,889
Other payables to third parties	103,029	78,113
Total	180,417	159,227

Long–term deferred income mostly concerns the Atlantia group, while Payables to social security institutions and Payables to personnel pertain essentially to the Autogrill group and consist of the provision for long–term employee incentive plans and the liability for defined contribution plans.

Other payables to third parties refer to the Benetton group, for Euro 39,589 (the value attributed to the put options held by minority investors of Benetton group subsidiaries); to the Autogrill group, for Euro 23,657 (prior years' concession fees to be settled after the end of 2012); and to the Atlantia group, for Euro 36,348 (contributed mostly by Triangulo do Sol, which has been consolidated since 2011).

[28] Lease financing

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

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

Lease financing is broken down below by maturity.

(Thousands of Euro)	12.31.2011	12.31.2010
Within 1 year	1,900	2,919
From 1 to 5 years	3,919	7,136
Beyond 5 years	8,742	5,697
Total	14,561	15,752

The portion due beyond one year amounts to Euro 12,661, while payments due within one year come to Euro 1,900 and are shown under current liabilities (Note [37]).

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

(Thousands of Euro)	12.31.2011	12.31.2010
Minimum payments due	24,513	27,994
Outstanding financial expenses	(9,952)	(12,242)
Present value of lease financing	14,561	15,752

[29] Other non–current financial liabilities

At December 31, 2011 the full balance of this item pertains to the Atlantia group, as follows:

» the negative fair value of derivatives classified as cash flow hedges, which include a cross currency interest rate swap used to hedge foreign exchange and interest rate risk on the bond loan of gbp 500 million. The fair value of that instrument, Euro 188,034, includes the effect of the change in the eur/gbp rate (Euro 151,415) which offsets the impact on the underlying liability;

» interest rate swaps (Euro 64,031) used to hedge interest rate risk on financial liabilities.

[30] Provisions for employee benefits
This item covers the provisions for post–employment benefits for all Group employees, such as employee termination indemnities (TFR) payable by the Italian companies (Euro 246,762).

Since December 31, 2007, the actuarial valuations for TFR reflect the changes introduced by the Law no. 296 of December 27, 2006 and by the decrees and regulations issued in early 2007 (the "Social Security Reform"). As a result of those changes:
» TFR accruing from January 1, 2007, whether the employee opts for a complementary pension fund or the traditional INPS system, is treated as a defined–contribution plan and accounted for accordingly;
» TFR accrued up to December 31, 2006 is treated as a defined–benefit plan and recognized according to the rules of IAS 19.

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

(Thousands of Euro)	
Balance at 01.01.2011	287,049
Unrecognized actuarial (gains)/losses	(9,350)
Present value of obligation at 01.01.2011	277,699
Service cost	5,358
Financial expenses/(gains)	11,689
Actuarial losses/(gains)	18,796
Contributions paid by the Group and by employees	(17,678)
Indemnities paid	(24,605)
Translation differences	732
Other movements	(3,204)
Reclassification to liabilities held for sale	–
Present value of obligation at 12.31.2011	268,787
Unrecognized actuarial (gains)/losses	7,463
Balance at 12.31.2011	261,324

Of the total, Euro 141,697 refers to the Atlantia group, consisting mainly of Italian termination indemnities (TFR). The Autogrill group accounts for Euro 75,945, with Euro 65,993 pertaining to termination indemnities (TFR) of Italian companies. The amount for the Benetton group is Euro 40,556, including Euro 36,107 in termination indemnities (TFR) for Italian personnel.

Certain companies in the Autogrill group also recognize the fair value of financial assets held to service defined benefit plans, consisting of equity instruments, bonds, real estate, other securities and debt instruments issued by third parties. These plan assets, shown net of the amount of the obligation, at December 31, 2011 amounted to Euro 198,223.

The table below summarizes the main financial and actuarial assumptions used to calculate retirement benefit obligations at December 31, 2011:

Discounting rate	2.5%–6.0%
Inflation rate	1.8%–3.1%
Expected rate of salary increases	1.0%–4.0%
Expected rate of return on assets	3.2%–5.8%

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

[31] Deferred tax liabilities
This item refers chiefly to the Autogrill group (Euro 164,331) and the Atlantia group (Euro 138,146) and covers deferred tax liabilities that cannot be offset by deferred tax assets. They consist mainly of temporary differences arising from acquisitions by Group companies.

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

The table below summarizes movements during the year:

(Thousands of Euro)	Provisions for risk	Provision for other expenses	Provisions for repair and replacement of assets operated under concession	Total current portion
	Current portion			
Balance at 01.01.2011	**71,515**	**7,830**	**121,341**	**200,686**
Provisions	27,861	3,130	–	30,991
Uses	(31,225)	(2,627)	–	(33,852)
Releases to statement of income	(1,368)	(1,382)	(399,182)	(401,932)
Changes in scope of consolidation	–	591	(1,736)	(1,145)
Other movements and translation differences	(12,065)	3,388	394,251	385,574
Balance at 12.31.2011	**54,718**	**10,930**	**114,674**	**180,322**

(Thousands of Euro)	Provisions for risk	Provision for sales agent indemnities	Provision for other expenses	Provisions for repair and replacement of assets operated under concession	Total non–current portion
	Non–current portion				
Balance at 01.01.2011	**54,099**	**24,058**	**47,478**	**793,331**	**918,966**
Provisions	2,133	1,878	1,861	437,124	442,996
Uses	(6,571)	(799)	(4,669)	–	(12,039)
Releases to statement of income	(6,283)	(1,484)	(5,104)	–	(12,871)
Changes in scope of consolidation	–	–	(591)	(4,266)	(4,857)
Other movements and translation differences	14,516	(9)	1,901	(356,159)	(339,751)
Balance at 12.31.2011	**57,894**	**23,644**	**40,876**	**870,030**	**992,444**

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, 2011 Provisions for risk totalled Euro 112,612.
The Atlantia group contributed Euro 66,626 to this item (current portion: Euro 41,841), representing the estimated charges to be incurred in connection with pending litigation, including those with contractors regarding contract reserves.

Euro 38,769 pertains to the Autogrill group (current portion: Euro 8,768) and is detailed as follows:

» a self–insurance provision (Euro 24,510) to cover the excess on third–party liability provided for in insurance plans;
» provisions for legal disputes (Euro 3,458) involving the Autogrill group, which take account of the opinions of its legal advisors.

The Benetton group's contribution of Euro 6,418 (current portion: Euro 3,708) covers disputes with former commercial partners, former employees, and holders of industrial property rights in potential conflict with products distributed by the group.
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 51,806, pertains to the Autogrill group for Euro 25,573 (current portion: Euro 3,064), the Benetton group for Euro 15,093 (current portion: Euro 3,882), and the Atlantia group for Euro 10,467 (current portion: Euro 3,311).

The balance at December 31, 2011 for the Autogrill group includes:

» a provision for the refurbishment of third party assets (Euro 9,421), representing estimated liabilities for ensuring that leased assets are returned in the contractually agreed condition;
» a provision against onerous contracts (Euro 9,003), relating to loss–making commercial units where earnings are not expected to cover the amount of the lease, from which the Autogrill group cannot withdraw in advance;
» a tax risk provision (Euro 7,149; current portion: Euro 3,064), 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 consists chiefly of a provision of Euro 10,201, of which Euro 3,070 concerns a residual tax dispute over the disallowance of certain costs for commissions paid to agents resident in low–tax jurisdictions in 2003, and Euro 7,114 covers the estimated tax payables (IRES and IRAP) arising from matters raised by the tax authorities with the subsidiary Bencom S.r.l. concerning the disallowance of certain costs for commissions paid to agents in low–tax jurisdictions from 2004 to 2007. As of this writing, Bencom has won a first–level appeal regarding the taxes assessed on 2004 income, while decisions on the remaining years are pending before the provincial tax commissions. The decision to make this provision results from a prudent assessment of the chance that the Benetton group's appeals will be rejected.

Provisions for the repair and replacement of assets operated under concession (Euro 984,704) refer to the Atlantia group (Euro 982,524) and the Autogrill group (Euro 2,180).
For the Atlantia group, the balance at December 31, 2011 is split between the non–current portion (Euro 867,850) and the current portion (Euro 114,674) and covers the estimated cost of repairing or replacing assets held under concession in accordance with the concession arrangements between the group's motorway operators and the grantors of those concessions.
For the Autogrill group, this provision represents estimated liabilities for ensuring that assets to be relinquished are returned in the contractually agreed condition.

[33] Provisions for construction services required by contract

These provisions represent the present value of the motorway infrastructure construction/upgrading services that some operators in the Atlantia group, in particular Autostrade per l'Italia, have to provide and for which they will not receive additional economic benefits in terms of specific tariff increases and/or a substantial rise in expected traffic. An allocation is made yearly to reflect the change in present value of the investment commitments, financial effects and timing estimates, and the provisions are reduced in proportion to the work without additional benefits actually completed during the year, net of grants receivable.

The table below presents balances at the beginning and end of 2011 and movements during the year, broken down by current/non–current portion and by type of construction service.

(Thousands of Euro)	Balance at 01.01.2011	Non–current	Current	Financial provisions	Additions to revise present value of contract commitments	Reduction for completed works	Grants accrued on completed works	Currency translation differences	Balance at 12.31.2011	Non–current	Current
Upgrade of Florence–Bologna section	2,079,828	1,757,220	322,608	46,595	266,064	(404,869)	68,932	–	2,056,550	1,671,436	385,114
Third and fourth lanes	21,175	19,804	1,371	379	16	(565)	–	–	21,005	19,409	1,596
Other construction services	2,600,708	2,538,027	62,681	84,305	114,201	(174,564)	–	(15,639)	2,609,011	2,444,115	164,896
Provisions for construction services required by contract	4,701,711	4,315,051	386,660	131,279	380,281	(579,998)	68,932	(15,639)	4,686,566	4,134,960	551,606

CURRENT LIABILITIES

[34] Trade payables

These represent the Group's liabilities for the purchase of goods and services, including the Atlantia group's tolls in the process of settlement (Euro 94,060) and payables to operators of interconnecting motorways (Euro 489,631). Most of the increase arose from the greater exposure to suppliers for investments in the motorway network and from the start–up of the satellite–based toll system for heavy vehicles in France by the Atlantia group, as well as the longer settlement times agreed with the other motorway operators.

[35] Other payables, accrued expenses and deferred income

This item is summarized as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Other payables:		
Payables to personnel	226,900	249,898
Payables to ANAS and the Ministry of Finance	151,369	152,793
Payables for the purchase of fixed assets	124,590	116,123
Payables to social security institutions	93,707	91,261
Payable to expropriated companies	57,585	63,167
Guarantee deposits	56,607	55,460
VAT payables	52,198	38,422
Other tax payables	43,654	39,840
Other payables to third parties	115,895	102,659
Total other payables	922,505	909,623
Accrued expenses and deferred income:		
Leases and rentals	16,593	18,083
Others	79,480	55,416
Total accrued expenses and deferred income	96,073	73,499
Total other payables, accrued expenses and deferred income	1,018,578	983,122

Payables to personnel concern amounts accrued and not paid at December 31, 2011 and the current portion of employee incentive plans, while Payables to ANAS and the Ministry of Finance refer to concession fees due by Atlantia group companies.
Payables for the purchase of fixed assets refer to the retail network, manufacturing division and information technology of the Benetton group (Euro 44,035) and to amounts payable in connection with investments by the Autogrill group (Euro 80,555).

Payables to social security institutions consist of contributions due from Group companies and employees. They also include the current portion of liabilities for Group companies' defined contribution plans.
Guarantee deposits are owed to motorway users who hold accounts with the Atlantia group.
Other payables to third parties include amounts due to directors and statutory auditors, amounts due to insurance companies, and the liability representing the valuation of put options held by non–controlling shareholders of Benetton group subsidiaries.
Accrued expenses and deferred income refer mainly to insurance premiums, lease installments and utilities pertaining to the subsequent year and include Euro 17,544 in deferred income relating to the grant received from the Serbian government for the construction by the Benetton group of the new manufacturing complex in Niš (Serbia).

[36] Current income tax liabilities

Current income tax liabilities represent the amount payable by the Group for current year income tax, stated net of taxes paid in advance, tax credits and withholding taxes. Most of the increase in 2011 pertains to the Atlantia group, essentially because the advances due in 2011 on the basis of taxes paid on 2010 income were significantly lower than the tax liability for the year, due to the ascertainment of the complete fiscal relevance of the new amounts recognized by Autostrade per l'Italia in accordance with IFRIC 12. For further information see Note [60] Income taxes.

[37] Current portion of lease financing

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

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

This item consists solely of the current portion of medium– and long–term loans (Euro 786,284), as there is no current exposure for bonds at December 31, 2011. The largest component (Euro 400,575) is made up of three loans due by the Benetton group, maturing in September 2012.
Regarding the Atlantia group, the balance includes Euro 195,117 for the current portion of loans due to credit institutions and Euro 2,935 for the current portion of loans due to other lenders.
For the Autogrill group, Euro 150,760 refers to the current portion of loans due to credit institutions.
The remainder refers to a loan taken out by the Parent Company (Euro 30,000) and the current portion of loans owed by subsidiaries in the agriculture business.

[39] Other current financial liabilities

This item is broken down as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Financial accrued expenses and deferred income	275,745	265,426
Derivatives: cash flow hedges	175,394	218,017
Financial payables to Group companies	42,302	1,269
Derivatives: fair value hedges	6,279	15,056
Financial payables due to other companies	229	993
Total	499,949	500,761

Financial accrued expenses and deferred income are made up mostly of accrued liabilities on bonds and loans (Euro 233,169) and on derivative transactions (Euro 30,585).
Derivatives: cash flow hedges refer to the fair value recognition of derivatives involved in interest rate and exchange rate hedging transactions. The balance at December 31, 2011 results from the negative valuation of hedges held by Sintonia S.A. (Euro 84,521), the Benetton group (Euro 34,973), the Parent Company (Euro 34,946) and the Autogrill group (Euro 18,958). Of the decrease for the year, Euro 23,998 pertains to the Atlantia group, due essentially to the termination of cash flow hedges against the bond issue of Euro 2,000 million that was redeemed on June 9, 2011.
Financial payables to Group companies concern Società Autostrada Tirrenica for Euro 41,237. They are no longer eliminated due to the company's deconsolidation.
Derivatives: fair value hedges represent the differentials on forward exchange contracts arising from the fair value measurement of hedges outstanding at December 31, 2011 in relation to exchange rate risk. The balance at December 31, 2011 refers to the Benetton group for Euro 5,466 and the Autogrill group for Euro 813.

[40] Bank loans and overdrafts

This item is summarized as follows:

(Thousands of Euro)	12.31.2011	12.31.2010
Advances on receivables and other short–term borrowings	196,094	33,923
Current account overdrafts	46,033	46,144
Total	242,127	80,067

The Atlantia group contributed Euro 171,396 to the year–end balance: Euro 10,157 in current account overdrafts and Euro 161,239 in short–term loans.
The Benetton group accounted for Euro 35,414, mostly for draw–downs on uncommitted credit facilities.
The amount pertaining to the Autogrill group is Euro 32,753 and consists solely of current account overdrafts.

COMMENTS ON INCOME STATEMENT ITEMS

(All figures in thousands of Euro)

[41] Revenues

Revenues are broken down by type as follows:

(Thousands of Euro)	2011	2010
Net sales	8,475,188	8,083,510
Tolls	3,341,477	3,094,164
Royalties	196,773	194,861
Other revenues	239,616	238,766
Total	12,253,054	11,611,301

The increase in Net sales pertains mostly to the Autogrill group, thanks to higher sales in Food & beverage Italy (Euro 276,461) and Travel retail & duty–free (Euro 145,100). More specifically, of the increase in Food & beverage sales in Italy, Euro 266,929 pertains to revenues from the sale of fuel.
Tolls increased by Euro 247,313 with respect to the previous year and include the surcharge consequent to the revision of motorway concession fees mandated by Law 102/2009 and subsequently by Law 122/2010 (which established an increase from July 1, 2010 and again from January 1, 2011). The revision caused an increase in toll revenues, but entailed a corresponding rise in the concession fees due to ANAS (see Note [47] Leases and rentals). Net of the surcharge, and the impact of consolidating the Brazilian concession holder Triangulo do Sol since July 1, 2011 (Euro 69,332), the actual increase in Tolls comes to Euro 23,371.

Most Royalties pertain to the Atlantia group and include fees paid by the subconcession holders that operate rest areas.
Other revenues consist of the Telepass and Viacard income of the Atlantia group (Euro 116,565) and income from services such as processing, cost recharges and miscellaneous services, including the development of advertising campaigns.

Revenues by business segment are shown below:

(Thousands of Euro)	2011	2010
Food & beverage and Travel retail & duty–free	6,422,193	6,014,184
Infrastructure & services for mobility	3,755,944	3,507,290
Textiles & clothing	2,032,341	2,052,049
Other sectors	42,576	37,778
Total	12,253,054	11,611,301

The following table shows revenues by geographical area:

(Thousands of Euro)	2011	2010
Italy	6,458,571	6,017,467
Europe (excluding Italy)	3,084,838	2,993,486
North and South America	2,125,247	2,050,960
Rest of the world	584,398	549,388
Total	12,253,054	11,611,301

See the Directors' Report for further information.

[42] Revenues from construction services

This item is summarized as follows:

(Thousands of Euro)	2011	2010
Concession rights accruing from construction services for which additional economic benefits are received	855,288	524,168
Government grants for services for which additional economic benefits are not received	68,932	217,195
Revenue from investment in financial assets deriving from concession rights	40,854	–
Services provided by suboperators	36	3,619
Total	965,110	744,982

This item presents the value of construction services for which additional economic benefits are received, provided during the year by Atlantia group companies, and shows an increase on 2010.
In keeping with IFRIC 12, the Atlantia group recognizes the consideration for services rendered at fair value based on total costs incurred, which are comprised of operating costs and financial charges.
In 2011 the Atlantia group performed additional construction services for which no additional benefits are received, amounting to Euro 511,066. For this kind of service, in accordance with IFRIC 12, the Atlantia group recognizes only the government grants accrued on these works, using the Provisions for construction services required by contract (see Note [33] Provisions for construction services required by contract and Note [49] Use of provisions for construction services required by contract).

[43] Other revenues and operating income

This item is detailed in the following table:

(Thousands of Euro)	2011	2010
Rents	100,128	93,504
Reimbursement of costs by third parties	64,813	39,428
Promotional contributions by suppliers	53,491	59,784
Capital gains on disposal of non–current assets	19,674	13,191
Release of provisions	19,592	12,655
Commissions on premium product sales	17,868	17,590
Affiliation fees	3,743	3,498
Impairment reversals	821	20,153
Other operating income	93,469	89,798
Total	373,599	349,601

Rents refer mainly to income from commercial premises used for the sale of Benetton label products (Euro 82,082), leasing instalments for companies in the Autogrill group (Euro 11,360) and the leasing of properties classified as investment property (Euro 1,950).
Reimbursement of costs by third parties includes Euro 51,931 for the Atlantia group and refers to refunds and indemnities received.
Capital gains on the disposal of fixed assets refer to the Benetton group for Euro 12,132 and the Autogrill group for Euro 4,673.
The heading Other operating income covers the sublease of parts of commercial units, contingent income, operating grants and miscellaneous income.

[44] Purchases of raw materials and consumables

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

[45] Payroll costs

This item is broken down as follows:

(Thousands of Euro)	2011	2010
Wages and salaries	1,828,915	1,775,043
Social security charges	426,323	412,217
Directors’ emoluments	18,924	19,506
Provision for employee termination indemnities and similar	5,358	6,602
Other payroll costs	126,719	149,175
Total	2,406,239	2,362,543

Other payroll costs concern the Autogrill group for Euro 102,950, in connection with long–term incentives, health insurance and other benefits, and the Atlantia group for Euro 19,359, and include bonuses, leaving incentives and the cost of seconded personnel.
Directors’ emoluments include Euro 10,454 in fees accrued during the year by members of the Parent company’s board of directors for their services at other Group companies.

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

FTE	2011	2010
Food & beverage and Travel retail & duty–free	46,940	46,451
Infrastructure & services for mobility	10,250	9,686
Textiles & clothing	8,592	8,523
Other sectors	586	652
Total	66,368	65,312

The increase in the average headcount pertains mostly to the Infrastructure & services for mobility segment, due to the consolidation of Triangulo do Sol during the year.

Other operating expenses

[46] Services

This item can be broken down as follows:

(Thousands of Euro)	2011	2010
Construction and similar	1,004,716	1,005,802
Subcontracted work	209,308	188,644
Consultants' fees	203,271	153,207
Maintenance costs	169,864	170,737
Utilities	167,931	153,937
Transport and distribution	125,784	136,759
Sales commissions	104,302	103,568
Advertising and promotion	94,238	88,958
Cleaning and disinfestation	74,075	70,066
Banking services	51,930	48,419
Travel expenses and accommodation	42,864	40,761
Insurance	32,952	30,297
Telephone and postal charges	32,827	33,988
Surveillance	27,026	23,797
Statutory auditors' emoluments	3,104	2,568
Other services	206,899	192,892
Total	2,551,091	2,444,400

Construction and similar refer essentially to the Atlantia group and include construction, transport and professional services relating mostly to motorway infrastructure and maintenance.
Statutory auditors' emoluments include Euro 160 accrued to the statutory auditors of Edizione S.r.l. for their services at other Group companies.
Other services include miscellaneous items such as public relations, graphics and design consulting, personnel recruitment and training, temporary work, money transportation and health inspections.

[47] Leases and rentals

This item increased from Euro 1,593,410 in 2010 to Euro 1,799,325. It consists primarily of concession fees paid by the Autogrill group to third parties and by the Atlantia group to ANAS. Most of the increase for the year, Euro 205,915, pertains to the Atlantia group due to the fee surcharges in effect since July 1, 2010 and January 1, 2011, which have been recovered through an equivalent rise in tolls as mentioned in Note [41] Revenues.

[48] Other operating expenses

This item is summarized as follows:

(Thousands of Euro)	2011	2010
Indirect taxes and duties	46,643	47,870
Donations	35,087	43,858
Capital losses from disposal of non–current assets	6,308	4,674
Differences in cash deposits	3,644	1,632
Other expenses	79,176	81,838
Total	170,858	179,872

Indirect taxes and duties refer to the Autogrill group for Euro 23,181, to the Benetton group for Euro 11,034 and to the Atlantia group for Euro 10,276.
Donations concern the Atlantia group for Euro 32,569, in particular the subsidiary Autostrade per l'Italia, for the upgrading of infrastructures operated by other entities located near the motorways.
Other expenses include indemnities paid to third parties, contingent losses and other miscellaneous operating costs.

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

The use of provisions for construction services required by contract in relation to works for which no additional economic benefits are received equals the value of the relative construction services provided during the year. It is recognized as an indirect adjustment of the costs, classified by nature, incurred in 2011 for the construction services provided by operators of the Atlantia group.
The amount is shown net of Euro 68,932 in grants accrued on construction services for which no additional economic benefits are received, as mentioned in Note [42] Revenues from construction services.

Depreciation, amortization, impairment and provisions

[50] Depreciation of property, plant and equipment

This item is summarized as follows:

(Thousands of Euro)	2011	2010
Depreciation of buildings	26,496	26,118
Depreciation of investment property	1,724	1,662
Depreciation of plant, machinery and equipment	148,952	148,792
Depreciation of furniture, furnishings and electronic equipment	39,976	43,168
Depreciation of assets to be relinquished	27,271	26,997
Depreciation of leasehold improvements	81,147	85,174
Depreciation of other tangible assets	11,907	7,616
Total	337,473	339,527

[51] Amortization of intangible assets

This item is summarized as follows:

(Thousands of Euro)	2011	2010
Amortization of intangible assets deriving from concession rights	456,174	407,095
Amortization of industrial patents and intellectual property rights	1,245	695
Amortization of concessions, licences, trademarks and similar rights	94,778	94,708
Amortization of deferred charges	16,535	18,531
Amortization of other intangible assets	36,945	36,119
Total	605,677	557,148

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

Amounting to Euro 35,802, this item is made up of Euro 10,073 in impairment of property, plant and equipment and Euro 25,729 in impairment of intangible assets. Details can be found in the impairment testing section of Note [2] Intangible assets.

[53] Impairment of doubtful accounts

This item, totalling Euro 37,783, pertains to trade receivables for Euro 37,695 and to other receivables for Euro 88. Movements in the provision for doubtful accounts are shown in Note [12] Trade receivables.

[54] Provisions for risks

These include provisions for general risks (Euro 29,994), provisions for sales agent indemnities (Euro 1,878), and other provisions (Euro 4,991) made in 2011.
They also include the net provision for the repair of assets operated under concession, pertaining to the Atlantia group, in the amount of Euro 37,942.

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

This item accounts for the positive impact of the valuation on an equity basis of Autostrade Sud America S.r.l. (Euro 18,869) and of Triangulo do Sol S.A. (Euro 5,563), until its inclusion in the scope of consolidation starting on July 1, 2011, net of the losses arising from the valuation of other associates on an equity basis. For further information, see Note [4] Equity investments in associates and joint ventures.

[56] Financial income

This item comprises:

(Thousands of Euro)	2011	2010
Financial income on derivatives	52,110	140,437
Revaluations of equity investments	50,396	–
Interest income from banks	49,818	27,390
Dividends from other companies	18,109	16,231
Financial income from discounting	14,887	20,066
Financial income from non–current securities	12,518	2,083
Dividends from subsidiaries	1,939	108
Other financial income	20,420	11,224
Total	220,197	217,539

Financial income on derivatives refers to the hedging transactions of the Atlantia group for Euro 41,261 and to those of the Benetton group for Euro 9,819.
Revaluations of equity investments concern the Atlantia group's 50% interest in Triangulo do Sol as a result of its consolidation starting on July 1, 2011 (Euro 36,463) and the positive effect of the recognition at fair value of the residual 24.98% interest in Società Autostrada Tirrenica, due to its deconsolidation by the Atlantia group (Euro 13,933).
Interest income from banks refers mostly to the Atlantia group and increased due to the higher return on the investment of liquidity by Autostrade per l'Italia during the course of 2011.
Dividends from other companies in 2011 were collected from Assicurazioni Generali S.p.A. (Euro 6.6 million), Pirelli & C. S.p.A. (Euro 3.7 million), Mediobanca S.p.A. (Euro 3.2 million) and Gruppo Banca Leonardo S.p.A. (Euro 2.1 million).
Financial income from discounting refers essentially to the Atlantia group's discounting of financial assets deriving from concession rights and of provisions for the repair of assets operated under concession.
Financial income from non–current securities consists mainly of investment fund distributions received by the subsidiary Schemaquattordici S.p.A.

[57] Impairment of financial assets

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

[58] Financial charges

This item breaks down as follows:

(Thousands of Euro)	2011	2010
Interest on bonds	427,395	407,542
Interest on medium and long–term bank loans	188,279	184,243
Financial charges from discounting	181,761	225,766
Financial charges from derivatives	175,770	196,374
Interest on loans from third parties	12,430	12,253
Bank expenses and commissions	8,077	11,269
Other financial charges	2,367	329
Total	996,079	1,037,776

Interest on bonds pertains to the bond issues of the Atlantia group and the Autogrill group.
The amount of Financial charges from discounting reflects the impact of discounting the provisions for construction services required by contract and the provisions for the repair of assets operated under concession pertaining to the Atlantia group.
The components of Financial charges from derivatives are as follows:

» financial charges from hedges on interest rate risk: Euro 173,208 (Euro 219,936 in 2010);
» financial charges from hedges on exchange risk: Euro 7,050 (Euro 5,033 in 2010);
» financial charges from capital hedging: Euro 1,503 (Euro 797 in 2010).

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

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

[60] Income taxes

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

(Thousands of Euro)	2011	2010
Current taxes	331,437	553,748
Deferred taxes	206,789	(4,194)
Total	538,226	549,554

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

(Thousands of Euro)	2011	2010
Atlantia group	413,496	395,525
Autogrill group	80,315	89,415
Benetton group	42,272	64,737
Other Group companies and consolidation adjustments	2,143	(123)
Total	538,226	549,554

Current taxes are allocated below by group:

(Thousands of Euro)	2011	2010
Atlantia group	208,420	387,300
Autogrill group	81,266	103,090
Benetton group	40,992	62,671
Other Group companies and consolidation adjustments	759	687
Total	331,437	553,748

The decrease in current taxes is attributable mainly to the Atlantia group for the recovery of taxes on previous years' income (Euro 167,489), as a result of the Ministerial Decree of June 8, 2011, the reply to the Atlantia group's 2010 query to the tax authorities and Law 111 of July 15, 2011 (urgent provisions for financial stability), which recognized the complete fiscal relevance of the amounts recalculated in the 2009 financial statements in accordance with IFRIC 12 and essentially confirmed the deduction of certain items. The change is almost fully offset by the new estimates of the deferred tax assets and liabilities recognized until 2010 on the items recognized by the Atlantia group in accordance with IFRIC 12.

Deferred tax can be broken down as follows:

(Thousands of Euro)	2011	2010
Atlantia group	205,076	8,225
Autogrill group	(951)	(13,676)
Benetton group	1,280	2,066
Other Group companies and consolidation adjustments	1,384	(809)
Total	206,789	(4,194)

[61] Profit/(loss) from discontinued operations

The profit for 2011 is comprised essentially of capital gains on the Atlantia group's disposal of its controlling investments in Strada dei Parchi and Società Autostrada Tirrenica (Euro 134,614) and the income earned by those companies (Euro 9,941), net of an impairment loss of Euro 20,183 on the Portuguese company Lusoponte.

In 2010, it represented the profit of the Flight business sold by the Autogrill group on December 31, 2010, including the capital gain and transaction costs, and the loss incurred by the Strada dei Parchi which was classified as discontinued.

ADDITIONAL INFORMATION

[62] Consolidated net financial position

The items making up net financial indebtedness are as follows:

(Millions of Euro)	12.31.2011	12.31.2010
Non–current financial receivables	1,208	942
Current financial receivables and trading securities	311	485
Cash and cash equivalents	1,090	3,009
Total financial assets	2,610	4,436
Bonds	7,840	7,785
Medium and long–term loans	5,091	5,260
Other non–current financial liabilities	250	277
Bank loans and overdrafts	242	80
Lease financing	15	16
Other current financial liabilities	1,286	3,020
Total financial liabilities	14,724	16,438
Financial liabilities held for sale	–	933
Net financial indebtedness	12,114	12,935
– of which medium and long–term	11,972	12,380

[63] Financial risk management

Introduction

The holding companies and the main sub–groups of the Edizione Group, such as Autogrill, Benetton and Atlantia, have always paid close attention to the identification, assessment and coverage of financial risks.

Given the varied nature of the Group's businesses and the different exposure of its companies to financial risks, there is no centralized unit for risk management and hedging transactions.

Each sub–group, consistently with its own aims, strategies and risks, has established general principles and guidelines for the management of financial risks such as market risk (currency rate and interest rate risk), counterparty credit risk and liquidity risk.

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

Holding companies

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

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

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

Edizione S.r.l.

Financial risk management objectives and policies

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

Market risk

Interest rate risk

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

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

To achieve those objectives, 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, 2011 and specifies the market value of each:

Type	Notional amount (Thousands of Euro)	Date of inception	Date of maturity	Fixed rate	Fair value at 12.31.2011 (Euro)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.87%	(2,526,073)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.77%	(2,427,450)
Interest Rate Swap	50,000	11.01.2010	11.30.2015	3.75%	(4,821,368)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.82%	(2,476,761)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.87%	(2,521,142)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.88%	(2,531,004)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.84%	(2,496,486)
Interest Rate Swap	50,000	11.01.2010	11.30.2015	3.86%	(5,027,490)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.86%	(2,516,210)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.88%	(2,535,935)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.86%	(2,516,210)
Interest Rate Swap	25,000	11.01.2010	11.30.2015	3.90%	(2,550,728)
Total	350,000				(34,946,858)

At December 31, 2011 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, 2010 and had a negative fair value of Euro 27,158.

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 2011 no transfers took place between the various levels.

Sensitivity analysis

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

Specifically, the sensitivity analysis for interest rates is based on average annual exposure to the interest rates of financial instruments, assuming a shift of 100 bps in the interest rate curve at the start of the year for effects on the statement of income, and a shift of 100 bps at the valuation date for the impact of fair value changes on shareholders' equity.
According to these analyses, a 100 bps rise in market interest rates would have had a negative impact of Euro 1,018 (Euro 345 in 2010) on the statement of income, while a decrease of the same amount would have had a negative impact of Euro 1,018 (Euro 345 in 2010).
Concerning the risk of share price movements in investments "available for sale", we have assumed a 500 bps shock in the price of the shares.
Based on the analyses, the outcome is that a change of ±5% in the stock market price at December 31, 2011 would have affected shareholders' equity by ±Euro 23,009 (±Euro 27,655 in 2010).

Liquidity risk

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

At December 31, 2011 Edizione had committed credit lines still available in the amount of Euro 570 million, as detailed below:

(Thousands of Euro)	Date of inception	Date of maturity	Available	Drawn	Undrawn
Revolving loan UniCredit	06.27.2007	06.28.2013	250,000	200,000	50,000
Revolving loan Intesa Sanpaolo	07.27.2005	07.27.2012	300,000	30,000	270,000
Revolving loan Banco Popolare	11.16.2006	11.16.2013	150,000	–	150,000
Revolving loan Banco Popolare	11.16.2006	11.16.2013	100,000	–	100,000
Total			800,000	230,000	570,000

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

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

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

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

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

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

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

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:

» to stabilize the cost of financial indebtedness; and

» to improve the predictability of future financial outlays in relation to that debt.

To achieve those objectives, Sintonia S.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, 2011 and specifies the market value of each:

Type	Notional amount (Thousands of Euro)	Date of inception	Date of maturity	Fixed rate	Fair value at 12.31.2011 (Euro)
Interest Rate Swap	50,000	10.16.2007	10.09.2014	4.53%	(5,027,597)
Interest Rate Swap	50,000	10.17.2007	10.09.2014	4.56%	(5,072,080)
Interest Rate Swap	50,000	10.19.2007	10.09.2014	4.55%	(5,057,253)
Interest Rate Swap	50,000	10.22.2007	10.09.2014	4.50%	(4,983,113)
Interest Rate Swap	50,000	10.23.2007	10.09.2014	4.44%	(4,894,146)
Interest Rate Swap	50,000	11.01.2007	10.09.2014	4.37%	(4,790,351)
Interest Rate Swap	50,000	11.08.2007	10.09.2014	4.38%	(4,805,179)
Interest Rate Swap	50,000	11.09.2007	10.09.2014	4.34%	(4,745,867)
Interest Rate Swap	50,000	11.20.2007	10.09.2014	4.31%	(4,701,383)
Interest Rate Swap	50,000	11.26.2007	10.09.2014	4.28%	(4,649,486)
Interest Rate Swap	50,000	01.16.2008	10.09.2014	4.21%	(4,553,105)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	4.13%	(4,434,482)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	3.95%	(4,167,580)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	3.99%	(4,219,477)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	4.18%	(4,508,621)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	4.00%	(4,241,719)
Interest Rate Swap	50,000	04.16.2008	10.09.2014	3.95%	(4,167,580)
Interest Rate Swap	50,000	10.09.2008	10.09.2014	4.85%	(5,502,089)
Total	900,000				(84,521,106)

At December 31, 2011 the hedging reserve included the fair value of effective hedge derivatives outstanding on that date, net of the component already accrued.

At December 31, 2010 the outstanding contracts had a negative fair value of Euro 84,975.

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 2011 no transfers took place between the various levels.

Sensitivity analysis

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

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 282 on the statement of income (±Euro 884 in 2010).

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 revocable 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.

At December 31, 2011 Sintonia had committed credit lines still available in the amount of Euro 530 million, as detailed below:

(Thousands of Euro)	Date of inception	Date of maturity	Available	Drawn	Undrawn
Revolving loan Royal Bank of Scotland	10.01.2007	10.09.2014	430,000	–	430,000
Term loan Royal Bank of Scotland	10.01.2007	10.09.2014	770,000	770,000	–
Revolving loan Intesa Sanpaolo	07.27.2005	07.27.2012	100,000	–	100,000
Total			1,300,000	770,000	530,000

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

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

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

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

(Thousands of Euro)				
Non–derivative financial liabilities	Total contractual amount	Within 1 year	1–5 years	Beyond 5 years
Financial liabilities				
RBS credit line (Euro 1,800 million)	(944,923)	(11,899)	(933,024)	–
Total	(944,923)	(11,899)	(933,024)	–

(Thousands of Euro)				
Derivative financial liabilities	Total contractual amount	Within 1 year	1–5 years	Beyond 5 years
Interest rate derivatives	(94,372)	(26,925)	(67,447)	–
Total	(94,372)	(26,925)	(67,447)	–

Benetton group

The Benetton group financial policy defines general principles and guidelines for financial management and the management of financial risks, such as market risk (exchange rate and interest rate risk), counterparty credit risk, liquidity risk and commodity risk. The group's financial model involves centralizing cash flows relating to any positions at risk with the parent company; the cash surpluses of some companies cover the deficits of others, reducing the need for outside sources of finance and so optimizing financial income and expenses. It is the parent company who generally has recourse to outside finance, meaning that about 90% of the Group's exposure to the banking system was held by Benetton Group S.p.A. at December 31, 2011. 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

Foreign exchange rate risk

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

a. Exposure to economic exchange risk
   The group's companies may have:
   - costs and revenues denominated in currencies other than a company's functional currency or other currency normally used in its reference market and whose exchange rate fluctuations can impact operating profit;
   - trade receivables or payables denominated in currencies other than a company's functional currency, where an exchange rate fluctuation can determine the realization or the reporting of exchange rate differences;
   - forecast transactions relating to future costs and revenues denominated in currencies other than the functional currency or another currency normally used in the companies' reference market and whose exchange rate fluctuations can impact operating profit.
b. Exposure to transaction exchange risk
   Group companies may have financial receivables or payables denominated in currencies other than their functional currency whose exchange rate fluctuations can cause the realization or the reporting of exchange rate differences.
c. Exposure to translation exchange risk
   Some of the Group's subsidiaries are located in countries which do not belong to the European Monetary Union and their functional currency differs from the Euro, which is the Group's reference currency:
   - the statements of income of these companies are translated into Euro using the period's average exchange rate, and, with revenues and margins being the same in local currency, exchange rate fluctuations can impact on the value 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 Benetton group's policy to manage foreign exchange risk through derivative financial instruments such as currency forwards, currency swaps, currency spot transactions and currency options to reduce or hedge the exposure to such risk. According to the type of risk, the maximum duration of hedging transactions may vary from a minimum of two years to a maximum of five years. The group's financial policy does not allow the undertaking of any transactions for the purposes of realizing gains from exchange rate fluctuations, or any transactions in currencies to which there is not an underlying exposure or transactions in currencies designed to increase the underlying exposure. Financial instruments are designated as part of a hedging relationship at the inception of the hedge. Fluctuations in the market value of hedging instruments are therefore tied to changes in the market value of the underlying hedged item for the entire duration of the hedge.

The notional amount, fair value and pre–tax effects on the statement of income and shareholders' equity of outstanding derivative financial instruments at December 31, 2011 are as follows:

			Effect on:	
(Thousands of Euro)	Notional amounts	Net fair value	Shareholders' equity	Statement of income
Economic exchange risk	476,013	14,283	10,394	3,889
– fair value hedges	230,982	1,365	–	1,365
– cash flow hedges	245,031	12,918	10,394	2,524
Translation exchange risk	562,149	(33,320)	(33,178)	(142)
– cash flow hedges	562,149	(33,320)	(33,178)	(142)
Transaction exchange risk	575,373	27,402	–	27,402
– fair value hedges	575,373	27,402	–	27,402

The notional amounts represent the total absolute value of all transactions valued at the relevant forward exchange rate (or option strike price).

Fair value has been calculated by discounting to present value (using the Black & Scholes model in the case of options) and translating future cash flows using market parameters at the balance sheet date (in particular, interest rates, exchange rates and volatility). Therefore, on the basis of the three–level valuation hierarchy indicated by IFRS 7:

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

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

In the case of economic exchange risk, the effects on comprehensive income for the year, accumulated in an equity reserve, relate to cash flow hedges against future purchases and sales in currencies other than the Euro which, in accordance with international accounting standards, will be recognized in the statement of income during 2012 when the related purchases and sales occur.
In the case of transaction exchange risk, the effects on the statement of income are offset by gains arising on adjustment of the value of the financial receivables and payables underlying the hedging transaction.
In the case of translation exchange risk, the effects on comprehensive income for the year, accumulated in an equity reserve, are partially offset by losses arising on the translation of shareholders' equity underlying the hedging transaction.

Sensitivity analysis
At December 31, 2011 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 2 million. The potential pre–tax impact on the statement of income of a hypothetical 10% decrease in exchange rates would be a reduction of about Euro 4 million. At December 31, 2010 the potential pre–tax impact on the statement of income of a hypothetical 10% increase in exchange rates was a reduction of about Euro 1 million, while the potential pre–tax impact on the statement of income of a hypothetical 10% decrease in exchange rates was approximately Euro 2 million decrease.

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

	12.31.2011		12.31.2010	
(Millions of Euro)	–10%	+10%	–10%	+10%
Economic exchange risk	10	(5)	14	(10)
Transaction exchange risk	–	–	–	–
Translation exchange risk	37	(30)	25	(20)

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

Interest rate risk
The Benetton group's companies use external financial resources in the form of loans and invest available liquidity in money–market and capital–market instruments. Variations in market interest rates influence the cost and revenue of funding and investment instruments, thus impacting on the group's financial expenses and income.
The group's Financial policy allows it to use derivative financial instruments to hedge or reduce its exposure to interest rate risk.
There are no interest rate hedges in place at December 31, 2011.
Almost all of the interest–bearing debt consists of floating–rate loans and/or deposits and so their fair value is close to the value recognized in the statement of financial position.

Sensitivity analysis
At December 31, 2011 the potential pre–tax impact on the statement of income of a hypothetical 10% increase in interest rates, applied to the group's average interest–bearing debtor or creditor positions, would increase financial expenses by approximately Euro 2 million (Euro 1 million at December 31, 2010). A similar change but of opposite sign would occur if rates were to fall by 10%.

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

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

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

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

				Financial receivables individually impaired			Financial receivables not individually impaired				
							Financial receivables not past due		Financial receivables past due		Collateral
(Thousands of Euro)	12.31.2010	Of which due beyond 5 years	Total collateral	Not past due	Past due	Collateral	Total	Of which past due and renegotiated	0–60 days	Beyond 60 days	
Non–current assets											
Guarantee deposits	27,050	5,351	–	–	6	–	26,792	–	220	32	–
Medium/long–term financial receivables	4,090	527	–	–	–	–	4,041	–	49	–	–
Other medium/long–term receivables	6,338	–	–	4,722	61	–	1,555	–	–	–	–
Current assets											
Trade receivables	798,320	16	3,363	90,911	95,347	2,879	439,726	7,518	131,053	41,283	4,641
Other receivables	41,100	2,361	–	–	1	8	40,048	–	549	502	–
Financial receivables	29,502	–	–	–	–	–	29,502	–	–	–	–

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, 2011 the group had Euro 210 million in unutilized "committed" credit facilities and Euro 405 million in unutilized "uncommitted" credit facilities.
Management feels that currently available funds and credit facilities, apart from those which will be generated by operating and financing activities, will allow the group to satisfy its requirements as far as investment, working capital management, and debt repayment at natural maturity are concerned.

The Benetton group's financial liabilities at December 31, 2011 and 2010 are analyzed by due date in the following tables; note that these amounts include cash flows arising from future financial expenses.

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

(Thousands of Euro)	12.31.2010	Contractual maturity within 1 year	Contractual maturity 1–2 years	Contractual maturity 2–3 years	Contractual maturity 3–4 years	Contractual maturity 4–5 years	Contractual maturity beyond 5 years
Non–current liabilities							
Medium/long–term loans	708,638	15,047	413,343	11,216	12,333	255,930	769
Othet medium/long–term payables	39,354	5,867	1,814	6,919	142	23,661	951
Lease financing	612	–	222	222	168	–	–
Current liabilities							
Trade payables	441,659	441,659	–	–	–	–	–
Other payables, accrued expenses and deferred income	91,284	84,327	1,433	1,414	827	723	2,560
Current portion of lease financing	372	372	–	–	–	–	–
Current portion of medium/long–term loans	296	296	–	–	–	–	–
Financial payables and bank loans	63,371	63,352	19	–	–	–	–

Commodity risk

The exposure to commodity risk is represented by the price fluctuation of commodities used in the business cycle, especially cotton and wool, which can adversely affect company margins. The exposure is represented by the quantity of commodity purchased (direct) or present in purchased products (yarns, fabrics, finished products).

In February 2011, the group started to hedge commodity risk, by purchasing call options on cotton, whose fair value at December 31, 2011 was about Euro 106 thousand.

Sensitivity analysis

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

Autogrill group

The group is exposed to the following risks:

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

Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument may fluctuate due to changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to monitor these risks and keep them within acceptable levels, along with their potential impact on the group's results and financial position.
Autogrill's financial policy places a strong emphasis on the management and control of market risk, in particular with respect to interest rates and exchange rates, given the extent of the group's borrowings and its international profile.

Interest rate risk

The aim of interest rate risk management is to control financial expense and its volatility. This entails – through a mix of fixed– and floating–rate liabilities – the predetermination of a portion of financial expense out to a time horizon in keeping with the structure of debt, which in turn must be in line with capital structure and future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer. The derivatives used are mainly interest rate swaps.
Hedging instruments are allocated to companies with significant exposure to interest rate risk where there are borrowings paying a floating rate (thus exposing the group to higher finance costs if interest rates rise) or a fixed rate (which means that lower interest rates do not bring about a reduction in financial expense).
Currently, the ratio of fixed–rate debt to net debt (i.e., net of financial assets, which are generally floating–rate) must, as a matter of policy, be in the range of 40% to 60% with reference to the Autogrill group as a whole. At December 31, 2011 the ratio was 40%. The percentage of fixed–rate debt is higher when considering debt denominated in British pounds (55%) and US dollars (57%) as opposed to debt in euros (18%).

At December 31, 2011 gross debt denominated in US dollars amounted to usd 720.2 million. Of the total, usd 431 million stands for the bond loan. Part of the interest rate risk is hedged by fixed–to–floating interest rate swaps for usd 75 million, classified as fair value hedges.

Gross debt in British pounds at year end amounted to gbp 400 million, for draw–downs on committed multicurrency facilities. Part of the interest rate risk is hedged by floating–to–fixed interest rate swaps for a notional amount of gbp 200 million.

When applying the policy described above, interest rate risk management instruments were accounted for as cash flow hedges in the group companies' financial statements where they were subject to this risk, and thus recognized as financial assets or liabilities with a specific balancing entry in comprehensive income and presented in the hedging reserve under equity. In the year ended December 31, 2011, a fair value gain of Euro 9,056 was recognized in respect of derivatives found to be effective.

The basic details of Interest rate swap contracts used as cash flow hedges at December 31, 2011 are as follows:

Underlying		Notional amount (Thousands of)	Expiry	Average fixed rate paid	Floating rate received	Fair value (Thousands of Euro)
Term Loan Euro 200 million	Euro	120,000	06.24.2015	4.66%	Euribor 3 months	(15,035)
Term Loan gbp 200 million	Gbp	200,000	07.21.2016	1.34%	Gbp Libor 1 month	(3,922)

Below are the details of financial instruments used to hedge fixed–rate debt of usd 75 million at the end of the year:

Underlying		Notional amount (Thousands of)	Expiry	Average fixed rate received	Floating rate paid	Fair value (Thousands of Euro)
Bond	Usd	75,000	05.09.2017	5.73%	6 months usd Libor +0.4755%–0.5055%	11,929

These instruments were accounted for as fair value hedges in the financial statements of group companies subject to this risk and thus recognized as financial assets or liabilities with a balancing entry in the income statement. In 2011, the change in fair value was usd 3.6 million (Euro 2.8 million), which cancelled the effects on the income statement of changes in the payable's fair value.

The fair value of derivatives is measured using techniques based on parameters other than price, that can be observed in the market.

A hypothetical unfavourable change of 1% in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at December 31, 2011 would increase financial expense by Euro 7,719.

Currency risk

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

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

(Thousands of)	Usd	Cad	Gbp	Chf
Net assets	287,056	202,880	433,357	192,979
Net profit	116,207	10,368	53,400	5,030

If the Euro had risen by 5% against the above currencies, at December 31, 2011 equity and profit for the year in thousands of Euros would have been reduced as shown in the following table:

(Thousands of)	Usd	Cad	Gbp	Chf
Net assets	11,676	8,080	27,305	8,355
Net profit	4,393	396	3,238	215

This analysis was based on the assumption that the other variables, especially interest rates, remained unchanged. Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk (i.e., the risk attending conversion into Euro in the parent's or its subsidiaries' financial statements of equity investments in foreign currency) or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognized at fair value under financial assets or liabilities.

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

The fair value of hedges outstanding at December 31, 2011 is shown below:

	Notional amount	Expiry	Spot rate	Forward rate	Fair value (Thousands of Euro)
Thousands of usd	14,619	03.30.2012	1.3175–1.4585	1.3078–1.4477	470
Thousands of usd	1,500	03.30.2012	1.2920	1.2930	(6)
Thousands of usd	4,000	01.13.2012	1.4383	1.4328	(287)
Thousands of gbp	14,000	01.04.2012	0.8406	0.8409	111
Thousands of gbp	16,000	01.27.2012	0.8346	0.8350	(14)
Thousands of chf	11,600	01.04.2012	1.2210	1.2156	43
Thousands of chf	12,269	02.15.2012	1.2267	1.2262	(90)
Thousands of pln	4,000	01.25.2012	4.5360	4.5560	(17)
Thousands of kwd	1,750	01.26.2012	0.3621–0.3826	0.3626–0.3827	126
Thousands of czk	28,000	01.25.2012	26.0200	26.0210	(10)

For instruments hedging translation risk that are therefore designated as hedges of net investments, the effective component of fair value is recognized in comprehensive income and classified to the translation reserve under equity.
The fair value of these hedges outstanding at December 31, 2011 is shown in the following table:

	Notional amount	Expiry	Spot rate	Forward rate	Fair value (Thousands of Euro)
Thousands of chf	60,000	02.15.2012	1.2240–1.2267	1.2236–1.2262	(388)

For the purpose of limiting total net exposure in British pounds due to the Group's presence in the UK by way of World Duty Free, the gbp denominated debt has been partially designated, to the extent allowed by the policy, as a hedge of net investments.
The fair value of derivatives is measured using techniques based on parameters other than price that can be observed in the 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 trade receivables and financial investments.
The carrying amount of the financial assets is the group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties.

Exposure at December 31, 2011 and December 31, 2010 was as follows:

Financial assets (Thousands of Euro)	12.31.2011	12.31.2010	Change
Cash and cash equivalents	146,562	116,950	29,611
Other current financial assets	4,899	4,754	145
Trade receivables	53,481	59,732	(6,251)
Other receivables	205,022	164,265	40,757
Derivative instruments	12,680	10,230	2,450
Other non-current financial assets	17,219	16,030	1,189
Other non-current receivables	32,887	33,931	(1,044)
Total	472,749	405,892	66,857

Exposure to credit risk depends on the specific characteristics of each customer. The Autogrill group's business model, centred on the relationship with the end consumer, means that trade receivables, and thus the relative degree of risk, are of little significance in relation to total financial assets, since most sales are paid for in cash.
In most cases, the group's trade receivables stem from catering service agreements and commercial affiliations.

Other receivables consist mainly of amounts due from Inland Revenue and other government agencies, lease instalments paid in advance and advances for services or commercial investments made on behalf of concession grantors, for which the degree of credit risk is low.
Financial assets are recognized net of impairment losses calculated on the basis of the counterparty's risk of default. Impairment is determined according to local procedures, which may require impairment of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or generic impairment calculated on the basis of historical and statistical data.

The following tables show the age of trade receivables by category of debtor at December 31, 2011 and 2010:

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

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

There is no significant concentration of credit risk: the top 10 customers account for 12.6% of total trade receivables, and the largest customer (Edenred Italia S.r.l.) for 2.3%.

Liquidity risk
Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities.
The elements that make up the Autogrill group's liquidity are the resources generated or absorbed by operating and investing activities, the characteristics of its debt, the liquidity of its financial investments, and financial market conditions.
In 2011 the group finished refinancing a significant portion of debt by taking out two new credit lines, which total Euro 1.35 billion and expire in July 2016.
Specifically, Autogrill S.p.A. arranged a multicurrency, multiborrower credit line of Euro 700 million, in the form of two revolving facilities of Euro 124 million (Tranche I) and Euro 576 million (Tranche II), both expiring in July 2016. Tranche II is available not only to Autogrill S.p.A. but also to the US subsidiaries Autogrill Group Inc. and Host International Inc.
A second credit line was arranged by Autogrill España S.a.u. (now World Duty Free Group S.A.) and some of its subsidiaries to finance the Travel retail & duty–free business. This totals Euro 650 million and is also split into two revolving facilities of Euro 400 million (Tranche I) and Euro 250 million (Tranche II), with the same expiration as above.

Exposure and maturity data at the close of 2011 and 2010 were as follows:

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

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

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

		12.31.2010					
(Thousands of Euro)		Contractual cash flows					
Derivative financial liabilities	Carrying amount	1–3 months	3–6 months	6 months–1 year	1–5 years	Over 5 years	Total
Forward foreign exchange derivatives	1,354	1,170	184	–	–	–	1,354
Interest rate swap	8,877	–	1,342	1,306	6,107	122	8,877
Total	10,231	1,170	1,526	1,306	6,107	122	10,231

With regard to exposure to trade payables, there is no significant concentration of suppliers, of whom the largest 10 account for 17.9% of the total and the leading supplier (Autostrade per l'Italia S.p.A.) for 5.8%.

Atlantia group

Financial risk management objectives and policies
In the normal course of business, the Atlantia group is exposed to:
» market risk, principally linked to the effect of movements in interest and foreign exchange 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 Board of Directors that are contained in the various strategic plans approved by the Board. The strategy aims to both manage and control such risks.

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

The main objectives set out in this policy are as follows:
» to protect the scenario forming the basis of the strategic plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;
» to pursue a potential reduction of the group's borrowing costs within the risk limits determined by 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 group's derivative hedging instruments as at December 31, 2011 are classified as cash flow hedges in accordance with IAS 39.
The fair value of derivative financial instruments is based on expected discounted cash flows, using the market yield curve at the measurement date. Amounts in foreign currencies other than the Euro are translated at closing exchange rates communicated by the European Central Bank.

The residual average term to maturity of the group's debt as at December 31, 2011 was approximately 7 years.

The average cost of medium/long–term borrowings for 2011 was approximately 4.9%.
Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

Interest rate risk
Interest rate risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:
» cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce floating rate debt, the group has entered into interest rate swaps, classified as cash flow hedges.
The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Tests have shown that the hedges for the year were fully effective. Changes in fair value are recognised in the statement of comprehensive income, with no recognition of any ineffective portion in the income statement. Interest income or expense deriving from the hedged instruments is recognised simultaneously in the income statement.

Autostrade per l'Italia arranged a new interest rate swap in September 2011 classified as a cash flow hedge as defined by IAS 39. The purpose of the swap is to cover interest rate risk on floating rate medium to long–term borrowings totalling Euro 500 million provided by the Cassa Depositi e Prestiti which was in turn funded by the EIB with a weighted average term to maturity of approximately 13 years. The swap transformed the overall debt exposure to Cassa Depositi e Prestiti to a fixed rate of 3.99%. Ecomouv' also entered into a forward starting interest rate swap in October 2011 following its award of a contract for the satellite–based toll system for heavy vehicles in France. The swap is classified as a cash flow hedge as defined by IAS 39 and hedges the interest rate risk of loan facilities obtained to finance the project but which had not been drawn as at December 31, 2011;
» fair value risk: the risk of losses deriving from an unexpected change in the value of fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. There were no hedges on the books as at December 31, 2011 that could be classified as fair value hedges in accordance with IAS 39.

As a result of cash flow hedges, 95% of interest bearing debt is fixed rate.

Currency risk
Currency risk can result in the following types of exposure:
» economic exposure incurred through purchases and sales denominated in currencies other than the company's functional currency;
» translation exposure through equity investments in subsidiaries and associates whose financial statements are denominated in a currency other than the Euro;
» transaction exposure incurred by making deposits or obtaining loans in currencies other than the currency in which financial statements are denominated.

The group's prime objective in currency risk management is to minimise transaction exposure through the assumption of liabilities in currencies other than the euro. Cross currency swaps with notional amounts and maturities matching those of the underlying financial liabilities were entered into specifically to eliminate the currency risk to which the British Pound and yen denominated bonds are exposed. These swaps also qualify as cash flow hedges and tests have shown that they are fully effective. 14% of group debt is denominated in currencies other than the Euro. Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the country in which the relevant group company operates (around 5%), the group is not exposed to currency risk on translation into Euro.
The translation risk associated with investments in companies whose financial statements are denominated in currencies other than the Euro is not hedged.

The following table summarises outstanding derivative financial instruments as at December 31, 2011 (compared with December 31, 2010) and shows the corresponding market value and the hedged financial liability.

(Thousands of Euro)				12.31.2011		12.31.2010		Hedged financial liability		
Type	Purpose of hedge	Currency	Contract term	Fair value (1)	Notional amount	Fair value (1)	Notional amount	Description	Par value	Term
Cash flow hedges										
Cross Currency Swap	Currency fluctuations	Euro	2004–2022	(188,034)	750,000	(217,990)	750,000	Bond 2004–2022 (gbp)	750,000	2004–2022
Interest Rate Swap	Interest rate	Euro	2004–2011	– (4)	–	(25,994) (2)	2,000,000			
Interest Rate Swap	Interest rate	Euro	2004–2015	(32,665) (5)	640,000	(34,511)	720,000	Term Loan Facility	640,000	2004–2015
Interest Rate Swap	Interest rate	Euro	2011–2034	(13,057)	500,000	–	–	Cassa Depositi e Prestiti	500,000	2011–2034
Interest Rate Swap Forward Starting	Interest rate	Euro	2012–2024	(16,266) (6)	11,601	–	–	Project financing	–	2012–2024
Interest Rate Swap	Interest rate	Euro	2008–2020	(2,043)	41,188	(1,098)	47,799	50% Project Loan Agreement (pln)	41,188	2008–2020
Total fair value losses on cash flow hedges				**(252,065)**	**1,942,789**	**(279,593)**	**3,517,799**		(252,065)	
Cross Currency Swap	Currency fluctuations	Euro	2009–2038	27,678	149,176	40,209	149,176	Bond 2009–2038 (jpy)	149,176	2009–2038
Total fair value gains on cash flow hedges				**27,678**	**149,176**	**40,209**	**149,176**			
Total hedging derivatives				**(224,387)**	**2,091,965**	**(239,384)**	**3,666,975**			
Derivatives not accounted for as hedges										
Euro Put/usd Call Option	Currency fluctuations	Euro	2007–2011	– (7)	–	1,194 (3)	16,315			
Total derivatives not accounted for as hedges				**–**	**–**	**1,194**	**16,315**			
Total derivatives				**(224,387)**	**2,091,965**	**(238,190)**	**3,683,290**			

(1) The fair value of hedging derivatives excludes accruals at the end of the reporting period.
(2) This amount is included in the current portion of medium/long–term financial liabilities.
(3) This amount is included in the current portion of derivative under medium/long–term financial assets.
(4) This derivative instrument was unwound at the time of redemption, in June 2011, of the Euro 2,000 million bond issue (2004–2011).
(5) This amount includes Euro 1,996 thousand classified in the current portion of medium/long–term financial liabilities.
(6) Fair value relates to cash flows hedges in connection with highly probable interest payments for certain project financings arranged for Ecomouv', totalling Euro 518 million, with repayments increasing over the construction period before tailing off over the term of the operation and maintenance contract.
(7) The derivative, relating to the forward purchase of currency to meet the eventual need for usd 21,800 thousand linked to the possible exercise of a call option on an additional 16% interest in Electronic Transaction Consultants, was not exercised on expiry.

Sensitivity analysis

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

The interest rate sensitivity analysis is based on the exposure of derivative and non–derivative financial instruments at the end of the reporting period, assuming, in terms of the impact on the income statement, a 0.10% (10 bps) shift in the market yield 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:

» in terms of interest rate risk, an unexpected and unfavourable 0.10% shift in market interest rates would have resulted in a negative impact on the income statement, totalling Euro 1,346 and on the statement of comprehensive income, totalling Euro 9,411 before the related taxation;
» in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the income statement, for Euro 6,331 and in the comprehensive income statement, for Euro 23,456 as a result, respectively, of change in group's overseas companies net results, and of the change in the translation reserve change.

Liquidity risk

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

As at December 31, 2011 the group has cash reserves of Euro 4,359 million, consisting of:

» Euro 620 million in cash and/or investments with terms to maturity of no more than 120 days;
» Euro 367 million primarily in term deposits allocated to finance the execution of specific construction services;
» Euro 3,372 million in undrawn committed lines of credit, details of which are shown in the following table.

(Millions of Euro)		12.31.2011				
Borrower	Facility	Drawdown period	Final maturity	Available	Drawn	Undrawn lines
Autostrade per l'Italia	Committed Revolving Credit Facility	May 2015	June 2015	1,000	–	1,000
Autostrade per l'Italia	Medium/long–term committed EIB line – tranche A	11.30.2012	12.31.2036	1,000	500	500
Autostrade per l'Italia	Medium/long–term committed EIB line – tranche B	12.31.2014	12.31.2036	300	–	300
Autostrade per l'Italia	Medium/long–term committed CDB/EIB line	08.01.2013	12.19.2034	500	500	–
Autostrade per l'Italia	Medium/long–term committed CDB/SACE line	09.23.2014	12.23.2024	1,000	–	1,000
Ecomouv	Project financing	10.20.2013	12.01.2024	582	10	572
Total lines of credit				**4,382**	**1,010**	**3,372**

The following tables show the time distributions of financial liabilities by term to maturity as at December 31, 2011 and comparable figures as at December 31, 2010.

(Thousands of Euro)	Financial liabilities					
12.31.2011	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non–derivative financial liabilities (1)						
Bond issues						
Bond 2004–2014	(2,718,247)	(3,162,500)	(137,500)	(137,500)	(2,887,500)	–
Bond 2004–2022 (gbp)	(587,526)	(1,010,117)	(37,412)	(37,412)	(112,235)	(823,058)
Bond 2004–2024	(974,575)	(1,763,750)	(58,750)	(58,750)	(176,250)	(1,470,000)
Bond 2009–2016	(1,541,479)	(1,921,875)	(84,375)	(84,375)	(1,753,125)	–
Bond 2009–2038 (jpy)	(198,979)	(346,727)	(5,449)	(5,449)	(16,347)	(319,481)
Bond 2010–2017	(991,787)	(1,202,500)	(33,750)	(33,750)	(101,250)	(1,033,750)
Bond 2010–2025	(494,508)	(806,250)	(21,875)	(21,875)	(65,625)	(696,875)
Total bond issues (A)	(7,507,101)	(10,213,718)	(379,111)	(379,111)	(5,112,332)	(4,343,164)
Bank borrowings						
Term Loan Facility	(632,731)	(671,456)	(92,517)	(170,445)	(408,495)	–
EIB	(900,455)	(1,307,134)	(71,264)	(78,884)	(259,510)	(897,477)
Cassa Depositi e Prestiti S.p.A.	(493,612)	(688,469)	(14,907)	(14,431)	(110,615)	(548,516)
Other banks	(361,814)	(517,242)	(72,232)	(65,694)	(164,602)	(214,714)
Total borrowings linked to grants	(340,562)	(340,562)	(42,680)	(57,735)	(190,829)	(49,318)
Total bank borrowings	(2,729,174)	(3,524,863)	(293,599)	(387,188)	(1,134,051)	(1,710,025)
Total other borrowings	(58,986)	(63,668)	(4,258)	(3,418)	(1,895)	(54,098)
Total medium/long–term borrowings (B)	(2,788,160)	(3,588,531)	(297,857)	(390,606)	(1,135,945)	(1,764,123)
Total non–derivative financial liabilities (C = A + B)	(10,295,261)	(13,802,249)	(676,967)	(769,717)	(6,248,278)	(6,107,287)
Derivatives (2) (3)						
Interest Rate Swap (4)	(64,031)	(101,355)	(20,099)	(17,701)	(25,123)	(38,432)
Cross Currency Swap	(160,356)	(260,516)	(11,077)	(10,600)	(32,240)	(206,599)
Total derivatives	(224,387)	(361,871)	(31,176)	(28,301)	(57,363)	(245,031)

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and held constant to final maturity.
(2) Expected contractual cash flows relate to hedged financial liabilities outstanding as at December 31, 2011.
(3) Expected cash flows are calculated on the basis of exchange rates established at the measurement date.
(4) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to maturity of the contract.

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

(1) Future cash flows relating to floating rate loans have been calculated on the basis of the latest established rate and held constant to final maturity.
(2) Includes derivative instruments hedging the interest rate and currency risk associated with bond issues and loans outstanding as at December 31, 2010.
(3) Expected cash flows are calculated on the basis of exchange rates established at the measurement date.
(4) Future cash flows deriving from interest rate swap (IRS) differentials are calculated on the basis of the latest established rate and held constant to maturity of the contract.

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

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

	12.31.2011						12.31.2010					
(Thousands of Euro)	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Carrying amount	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swap												
Derivative liabilities	(64,031)	(65,575)	24,155	(71,604)	(31,361)	13,235	(61,603)	(65,633)	(46,673)	(12,843)	(6,078)	(39)
Cross currency swap												
Derivative assets	27,678	27,562	(2,471)	(2,473)	(6,675)	39,181	40,209	40,026	(2,996)	(2,830)	(7,412)	53,264
Derivative liabilities	(188,034)	(192,615)	(8,419)	(7,798)	(23,025)	(153,373)	(217,990)	(223,194)	(9,217)	(9,413)	(25,877)	(178,687)
Total cash flow hedges	**(224,387)**						**(239,384)**					
Accrued expenses on cash flow hedges	(27,585)						(30,087)					
Accrued income on cash flow hedges	21,344						20,670					
Total cash flow hedge derivative assets/(liabilities)	**(230,628)**	**(230,629)**	**13,265**	**(81,876)**	**(61,061)**	**(100,957)**	**(248,801)**	**(248,801)**	**(58,886)**	**(25,086)**	**(39,367)**	**(125,462)**

	12.31.2011					12.31.2010				
(Thousands of Euro)	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Expected cash flows (1)	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swap										
Losses on cash flow hedges	(64,031)	25,772	(75,797)	(28,329)	14,323	(61,603)	(42,756)	(12,767)	(6,040)	(41)
Cross currency swap										
Income on cash flow hedges	1,078,187	41,981	41,871	121,998	872,337	960,657	40,555	40,242	114,403	765,457
Losses on cash flow hedges	(1,238,543)	(52,599)	(52,149)	(151,225)	(982,570)	(1,138,438)	(52,773)	(52,116)	(147,510)	(886,039)
Total income/(losses) on cash flow hedges	**(224,387)**	**15,154**	**(86,075)**	**(57,556)**	**(95,910)**	**(239,384)**	**(54,974)**	**(24,641)**	**(39,147)**	**(120,623)**

(1) Expected cash flows from swap differentials are calculated on the basis of the market yield curve at the measurement date.

Credit risk

The company manages credit risk essentially through recourse to counterparties with high credit ratings and does not report significant credit risk concentrations in accordance with the Financial Policy.

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

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

General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.

[64] Related party transactions

The following table shows income and costs for the year and balance sheet figures at December 31, 2011 as a result of related party transactions. Related party transactions are conducted at arm's length and with the utmost transparency.

(Thousands of Euro)	Receivables	Payables	Operating costs	Revenues	Other operating income	Interest income	Interest charges
Non-consolidated subsidiaries	1,469	1,456	12,435	45	–	131	27
Associated companies	124,213	43,031	10,914	236	61	–	5
Other related parties	–	1,433	2,080	–	–	–	–
Total	**125,682**	**45,920**	**25,429**	**281**	**61**	**131**	**32**

The amounts shown for Associated companies include Euro 110,000 in financial receivables and Euro 41,237 in financial payables with Società Autostrada Tirrenica p.A., as discussed in Note [8] Other non–current financial assets and Note [39] Other current financial liabilities.

[65] Business combinations

The Atlantia group acquired a controlling interest in Triangulo do Sol Auto–Estradas S.A. in the second half of 2011, in accordance with the agreement with Leão & Leão of June 11, 2010 and following clearance from the relevant authorities. The group had, until that date, a 50% indirect interest through the wholly owned intermediate holding company Autostrade Concessões e Participaçoes Brasil Ltda.
Control was acquired through three separate purchases in rapid succession, each for 10% of the company's share capital, for a total of Brazilian reais 210 million (approximately Euro 90 million).

The acquisition method pursuant to IFRS 3 was used to account for the acquisition for the purposes of these consolidated financial statements. This entailed:

» redetermination of the fair value of the shares already held (50% shareholding previously accounted for using the equity method) estimated to be Reais 350 million (Euro 154.8 million), thus recognising a gain of Reais 84.8 million (Euro 36.5 million) as financial income, net, for 2011 as explained in Note [56] Financial income;
» provisional estimation for these consolidated financial statements, as permitted by IFRS 3, of the fair value of the assets acquired and liabilities assumed. This entailed holding the carrying amounts of the assets and liabilities, previously recognised in the company's financial statements, constant with the fair value of the company's concession being estimated at Reais 867 million (Euro 383.1 million).

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

(Millions of Euro)	Carrying amount	Fair value adjustments and allocation of transaction costs	Provisional fair value
Intangible assets	133.1	383.1	516.2
Non–current financial assets	0.3	–	0.3
Other non–current assets	7.4	–	7.4
Cash and cash equivalents	14.2	–	14.2
Other current financial assets	22.2	–	22.2
Trading and other current assets	12.9	–	12.9
Non–current financial liabilities	(54.2)	–	(54.2)
Deferred tax assets/(liabilities)	3.5	(130.3)	(126.8)
Other non–current liabilities	(40.5)	–	(40.5)
Current financial liabilities	(24.6)	–	(24.6)
Trading and other current liabilities	(17.6)	–	(17.6)
Total net assets acquired	**56.7**	**252.8**	**309.5**
Equity attributable to non–controlling interests			(61.9)
Goodwill/(Gains on acquisition)			–
Carrying amount of the 50% interst previously held in the acquiree			(118.3)
Gain from remeasurement of the fair value of the 50% interest previously held in the acquiree			(36.5)
Cost of acquisition			**92.8**
Cash and cash equivalents acquired			(14.2)
Net effective cash disbursement for the acquisition			**78.6**

As permitted by IFRS 3, the definitive measurement of the fair value of the assets and liabilities acquired will be completed by June 30, 2012, and may influence the following items: intangible assets, financial assets and liabilities and deferred tax liabilities, with the related effects on the income statement.

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

Benetton group

On February 1, 2012 Edizione S.r.l. announced its decision to launch a voluntary Tender Offer pursuant to Articles 102 *et seq.* of the Italian Finance Code, at a price of Euro 4.60 per share, aiming to purchase all Benetton shares not directly or indirectly held so that Benetton Group S.p.A. could be delisted from the Italian Stock Exchange (Borsa Italiana S.p.A.). As a result of the Tender Offer process and the purchases made by Edizione in the market, as of May 28, 2012, Edizione had a controlling share of 90.38% which, together with the 7.77% interest held as treasury shares, amounts to direct and indirect ownership of 98.15%, triggering the squeeze–out of all remaining shares in accordance with Article 111 of the Finance Code. Consequently, Borsa Italiana S.p.A. notified that Benetton Group shares were being delisted with effect from May 31, 2012 and that trading would be suspended from May 28, 2012.
In April, Benetton Retail Deutschland GmbH acquired the remaining 50% of New Ben GmbH and became its sole shareholder.
Benetton Group acquired a 2% interest in Brunello Cucinelli S.p.A. during that company's Initial Public Offering.

Autogrill group

In early 2012 the group acquired new concession agreements and renewed existing ones. In particular, it renewed the food & beverage and retail concessions at Hartsfield–Jackson International Airport in Atlanta, the largest in the world in terms of passenger traffic, where the group has operated since 1994. Autogrill will manage food & beverage operations for an additional ten years and retail operations for another seven, for total estimated revenues of more than usd 1.2 billion over the life of the contracts. The agreement covers 44 outlets in Concourse C and in the new terminal, where most of the international traffic is concentrated. These are in addition to the 35 already operated, for a total of 79 locations.

Atlantia group

As a result of Italy's downgrade on January 13, Standard & Poor's revised Atlantia's rating from A– to BBB+ and upheld a negative outlook. S&P specified that the downgrade mainly reflects the increased country risk faced by the Atlantia group, which operates primarily in the Italian market. On October 19, 2011 S&P had confirmed the credit rating of Atlantia and Autostrade per l'Italia: A– with a negative outlook. Shortly before, Moody's had also confirmed its opinion of the group's creditworthiness, rating it A3 with a stable outlook, and Fitch reached the same conclusion with an A– (stable outlook).
On January 30, 2012 Autostrade per l'Italia S.p.A., through its indirect wholly–owned subsidiary Autostrade do Brasil, signed an agreement with the Bertin group for the creation of a joint venture consisting of the two companies' interests in toll road concession holders in Brazil. Atlantia and Bertin will each own 50% of the new company while Atlantia, under the terms of the agreement, will designate its top management and therefore consolidate the concession holders' results on a line–by–line basis. The joint venture will operate 1,538 km of motorway under concession in Brazil, with the option to add the 105 km beltway around Sao Paulo.
On February 2, 2012 Atlantia S.p.A. conducted a bond issue of Euro 1 billion, guaranteed by Autostrade per l'Italia, with a duration of seven years. The new bonds pay an annual 4.50% coupon and have an issue price of Euro 99.011.
Simultaneously with the bond issue, on February 2, 2012 Atlantia announced a tender offer for the partial buy–back of a Euro 2.75 billion bond guaranteed by Autostrade per l'Italia and maturing on June 9, 2014. At the end of the offer period, on February 9, 2012, the company agreed to buy back bonds worth a nominal Euro 0.5 billion. With this transaction, Atlantia used part of its available cash to reduce the debt maturing in 2014.
On February 25, 2012 Autostrade per l'Italia signed an agreement with Argo Finanziaria S.p.A. (Gavio group) for the sale of its entire 33% interest in IGLI S.p.A., which owns 29.96% of Impregilo S.p.A. The sale was finalized on March 8, 2012 for Euro 87.6 million.
Again on February 25, Autostrade per l'Italia signed two separate agreements with SIAS S.p.A. (Gavio group), under which: (i) SIAS, subject to government clearance and consent from its lending banks, undertook to sell its entire 45.765% interest in Autostrade Sud America S.r.l. ("ASA") to Autostrade per l'Italia for Euro 565.2 million, transferring the shares by June 30, 2012; and (ii) Autostrade per l'Italia granted SIAS a call option on its 99.98% interest in Autostrada Torino–Savona S.p.A., to be exercised no later than September 30, 2012 at a price of Euro 223 million. If the

call option is exercised, the shares will be transferred by November 15, 2012, subject to the necessary authorizations (government clearance and consent from the lending banks). On February 25, Autostrade per l'Italia also reached an agreement with Mediobanca S.p.A. for the purchase of an 8.47% interest in ASA for Euro 104.6 million, according to the same terms and conditions agreed with SIAS.

On April 19, 2012, Autostrade per l'Italia S.p.A. officially promised to sell to Canada Pension Plan Investment Board (CPPIB) a 49.99% interest in Grupo Costanera. The total consideration of clp 560 billion (approximately Euro 857 million) corresponds to a valuation of 100% of Grupo Costanera at around Euro 1,725 million. In the context of that transaction, the 50% share of Nueva Inversiones currently held indirectly by Autostrade per l'Italia will come under the control of Grupo Costanera, which will thus own 100% of that company.
On April 24, 2012 the extraordinary general meeting of Atlantia S.p.A. discussed and approved a motion for a rights issue, pursuant to Article 2442 of the Italian Civil Code, through the issue of 31,515,600 ordinary shares with the same characteristics of shares outstanding, to take place on the first possible date in June.

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

[68] Guarantees given, commitments and other contingent liabilities

(Thousands of Euro)	12.31.2011	12.31.2010
Unsecured guarantees given		
Sureties	564,542	619,989
Commitments		
Purchase commitments	52,821	19,252
Sale commitments	6,438	8,492
Total	623,801	647,733

Unsecured guarantees are made up as follows:
» guarantees given to third parties by the Benetton group: Euro 144,420, 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 179,612;
» guarantees issued to third parties by the Atlantia group, including Euro 176,424 given by Atlantia S.p.A. on behalf of the Chilean holding company Grupo Costanera and its parent Autostrade Sud America to secure the loans received for the acquisition of concession holder Costanera Norte, and Euro 40,000 on behalf of Strada dei Parchi to cover the interest rate risk on cash flow hedging contracts.

Purchase commitments chiefly relate to the amount to be paid for the purchase of commercial properties by the Benetton group and the Autogrill group, and also include payments to be made to investment funds held by Schemaquattordici (Euro 2,672) and the Parent Company (Euro 8,524).

Sale commitments mainly consist of the value of sale–or–return products held at the premises of Autogrill group companies (Euro 5,321).

At December 31, 2011, the shares held in foreign operators and in Bologna & Fiera Parking S.p.A. have been pledged to collateralize loans received by certain Atlantia group companies and to back up commitments made to concession grantors.

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

(Thousands of Euro)	12.31.2011
Within 1 year	875,257
From 1 to 5 years	2,472,342
Beyond 5 years	2,011,085
Total	5,358,684

[69] Other commitments and rights

Benetton group

Benetton Korea Inc.
Benetton Korea Inc. is a Korean company, of which 50% is owned by Benetton Japan Co., Ltd. (a company indirectly wholly–owned by Benetton Group S.p.A.), 15% by Mr. Chang Sue Kim (a natural person) and 35% by F & F Co. Ltd. (a Korean company controlled by Mr. Chang Sue Kim).
The shareholders' agreement gives Benetton a call option and the Korean shareholders a put option over the latter's equity interests. These options can be exercised upon expiry of the partnership agreement, which has been renewed for another 5 years (2010–2015). Benetton can also exercise its call option if specific contract "termination" events should occur, primarily involving breach of contract.
The option exercise price is calculated using a formula based on shareholders' equity at the option exercise date and a perpetuity calculated on the basis of average net income in the previous two years. Upward or downward adjustments are made to the option exercise price, depending on the circumstances.
The estimated cost of the put option granted to the shareholders has been recognized in the group's liabilities.

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

The exercise prices of these options are calculated as follows:
» in the event of "deadlock", Benetton shall pay a price for exercising its call option corresponding to the fair value of the shares plus a margin of 20%. Likewise, if Boyner Holding A.S. exercises its put option, the price receivable would be the fair value less 20%;
» in the event of breach, the fair value of the shares shall be reduced by 30% for the party causing the breach.

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

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

Ben–Mode AG
In May 2008 the Benetton group acquired, through its subsidiary Bencom S.r.l., 10% of the shares in Ben–Mode AG, a Swiss registered company which manages a megastore in Zurich. At the same time as the acquisition, an agreement was made

with the shareholder who owns 80% of the shares, under which Bencom S.r.l. has a call option and the other shareholder a put option exercisable in 2013.
The estimated cost of the put option granted to the other shareholder has been recognized in the group's liabilities.

[70] Contingent liabilities

Benetton group
The group has not recognized any provisions against an estimated amount of Euro 14.2 million in liabilities associated with unsettled litigation, insofar as it considers that the risk of a related financial outlay is only "possible" and so, in accordance with IAS 37, only requires disclosure but not provision.
The subsidiary Benind S.p.A. has an unsettled dispute with the Italian customs authorities, which could give rise to a liability of approximately Euro 7.5 million, plus penalties.
In addition, during 2011 Benind S.p.A. underwent a partial tax audit by the Veneto Regional Revenue Office for tax years 2006–2007–2008 in relation to IRES (Italian corporate income tax) and IRAP (Italian regional business tax). The notice of findings received has raised some transfer pricing issues.
The contested items correspond to an estimated Euro 7 million in additional tax.
The above findings have resulted in several notices of assessment (for IRES and IRAP), notified by the Revenue Office during December 2011, although only with respect to tax year 2006. The additional taxes assessed for the year in question amount to Euro 4.5 million, plus penalties and interest.
The Board of Directors of Benind S.p.A. is of the opinion that the matters raised concerning both the customs duties and the income taxes (transfer prices) are unsubstantiated and so it has not seen fit to make any provisions against the risk of losing the related disputes, since they qualify as only "possible" risks, in compliance with definitions under the accounting standards.
During 2011, the subsidiary Bencom S.r.l. underwent a partial tax audit by the Veneto Regional Revenue Office for tax year 2006, in relation to IRES (Italian corporate income tax) and IRAP (Italian regional business tax). The notice of findings received has raised some transfer pricing issues.
The above findings have resulted in several notices of assessment (for IRES and IRAP), notified by the Revenue Office during December 2011. The additional taxes assessed for the year in question amount to Euro 0.6 million plus penalties and interest.
During the month of December 2011, the French tax authorities concluded a tax audit regarding the French permanent establishment of the subsidiary Bencom S.r.l. The audit has raised issues concerning transfer pricing and "taxe professionnelle", which, if fully confirmed in court, could result in additional taxes of about Euro 3.2 million plus penalties and interest.
The company has already submitted its comments and is waiting for a response from the competent office.
With reference to the above findings, the Board of Directors of the subsidiary Bencom S.r.l. is of the opinion that the matters raised are unsubstantiated and so it has not seen fit to make any provision because the risk of losing any court case is seen as only possible.

Autogrill group
On March 21, 2011 a final arbitration decision was issued regarding the definitive purchase price of Receco S.A., and on May 12, Autogrill Iberia S.L. finalized its purchase of the remaining shares of Receco, paying the total balance due of Euro 0.8 million.

In December 2011 Autogrill S.p.A. was audited by the tax authorities for the years 2008 and 2009 on the subject of "transfer prices." The preliminary assessment report of December 29, 2011 contained some observations that Autogrill addressed in writing on February 27, 2012. The group is waiting to hear from the authorities concerned.
Regarding the preliminary assessment report received in December 2010 for a general audit of tax year 2007, for the sole purpose of settling the issue without a legal battle, Autogrill has filed a mutually–agreed assessment settlement procedure and both parties are being heard by the authorities.

For both of these audits, based in part on the opinions of its legal advisors, Autogrill is confident that it has suitably documented its proper conduct and considers the liabilities to be merely "contingent" in keeping with IAS 37.

Atlantia group
With regard to tolls, Autostrade per l'Italia is the defendant in a number of actions, which are still pending, brought before Lazio Regional Administrative Court. The actions, which have been brought by Codacons and other consumers' associations, aim to challenge the toll increases introduced in 2003.
A similar action requesting an injunction reversing the toll increases applied from January 1, 1999 was thrown out by Lazio Regional Administrative Court on November 9, 2011.

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

In relation to unfair competition issues, on July 28, 2011 TAI S.r.l. (a supplier of information systems and IT experts to Autostrade Tech S.p.A.) notified Autostrade Tech and Autostrade per l'Italia that it had filed a claim for damages, alleging unfair competition, the theft of TAI's technical know–how by Autostrade Tech and abuse of the defendants' dominant position in the form of practices designed to restrict competition. A hearing to discuss the claim has been scheduled for November 6, 2012.

The hearing on the merits of Varese Provincial Authority's suit before Lombardy Regional Administrative Court was held on May 26, 2011. The Authority is seeking cancellation, and an immediate injunction halting application, of Autostrade per l'Italia's letter dated September 28, 2010, in which the operator informed the Authority that it was not possible to satisfy its request to eliminate the toll on the Varese–Gallarate section of motorway, in addition to all arrangements governing tolls on the above motorway section. Lazio Regional Administrative Court sentence 2015/2011 turned down the Authority's appeal and ordered Varese Provincial Authority to pay the legal costs.

On March 21, 2011 Autostrade per l'Italia, together with Genoa Provincial Authority, the Municipality of Genoa, the Ministry of Infrastructure and Transport, Genoa Port Authority and ANAS, were notified of legal action brought before Liguria Regional Administrative Court by several hundred members of the public requesting an injunction annulling the Memorandum of Understanding signed on February 8, 2010, relating to construction of the "Genoa Interchange" (the so–called Gronda di Ponente). A date for the related hearing has yet to be set.

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

At the present time, the outcomes of the above litigation proceedings are not expected to result in significant charges to be incurred by group companies, in addition to the amounts already provided at December 31, 2011 and reported in the consolidated financial statements.

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

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 of Milan. The Revenue Office appealed the decision with the Regional Tax Commission of Lombardy; in the second–instance decision of May 29, 2009, the Regional Commission once again rejected the claims of the Revenue Office. The State Prosecutor's Office, however, has filed an appeal with the Court of Cassation against which the Company has filed a counterclaim, for which a court date has not yet been set;
» 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, heard before the Regional Tax Commission, which again decided in the Company's favour;

» 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 with a favourable outcome. The Revenue Office has appealed to the Regional Tax Commission and the Company is preparing its counterclaims;
» 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; the following October the Commission once again found in favour of the claimant. The Revenue Office has appealed to the Regional Tax Commission and the Company has filed its counterclaims. The matter will be discussed on May 30, 2012.

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

[71] Fees paid to the external auditors
The following table presents the fees paid to the Parent Company's external auditors (KPMG S.p.A.) and its network for all services provided to companies in the Edizione Group in 2011.

(Thousands of Euro)	2011
Type of service:	
Auditing	4,114
Attestation services	1,103
Other services	866
Total	6,083

ANNEXES

LIST OF COMPANIES CONSOLIDATED AT DECEMBER 31, 2011

Name	Registered office	Currency	Share capital	Percentage held
Companies consolidated on a line–by–line basis				
Parent Company and holding companies				
Edizione S.r.l.	Italy	Eur	1,500,000,000	
Schemaquattordici S.p.A.	Italy	Eur	19,214,893	58.99%
Sintonia S.A.	Luxembourg	Eur	1,337,550	69.53%
Schematrentaquattro S.r.l.	Italy	Eur	100,000,000	100.00%
Schemaventotto S.p.A.	Italy	Eur	818,048,000	100.00%
Investimenti Infrastrutture S.p.A.	Italy	Eur	535,833,504	100.00%
Food & beverage and Travel retail & duty–free				
Autogrill S.p.A.	Italy	Eur	132,288,000	59.28%
Ac Apeldoorn B.V.	The Netherlands	Eur	45,378	100.00%
Ac Bodegraven B.V.	The Netherlands	Eur	18,151	100.00%
Ac Heerlen B.V.	The Netherlands	Eur	23,143	100.00%
Ac Hendrik Ido Ambacht B.V.	The Netherlands	Eur	2,596,984	100.00%
Ac Holding NV	The Netherlands	Eur	150,000	100.00%
Ac Holten B.V.	The Netherlands	Eur	34,034	100.00%
Ac Leiderdrop B.V.	The Netherlands	Eur	18,151	100.00%
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 NV	Belgium	Eur	5,500,000	100.00%
Ac Restaurants & Hotels B.V.	The Netherlands	Eur	90,756	100.00%
Ac Sevenum B.V.	The Netherlands	Eur	18,151	100.00%
Ac Vastgoed B.V.	The Netherlands	Eur	18,151	100.00%
Ac Vastgoed I B.V.	The Netherlands	Eur	18,151	100.00%
Ac Veenendaal B.V.	The Netherlands	Eur	18,151	100.00%
Ac Zevenaar B.V.	The Netherlands	Eur	57,176	100.00%
Alpha Future Airport Retail Pvt Ltd.	India	Inr	97,416,000	100.00%
Airside C F&B Joint Venture	USA	Usd	–	70.00%
Airside E Joint Venture	USA	Usd	–	50.00%
Airport Duty Free Shops Ltd. (in liquidation)	United Kingdom	Gbp	2	100.00%
Aldeasa Atlanta JV	USA	Usd	2,200,000	76.00%
Aldeasa Atlanta Llc	USA	Usd	1,122,000	100.00%
Aldeasa Cabo Verde S.A.	Cabo Verde	Cve	6,000,000	100.00%
Aldeasa Canada Inc.	Canada	Cad	1,000	100.00%
Aldeasa Chile Ltda	Chile	Usd	2,516,819	99.99%
Aldeasa Colombia Ldta	Colombia	Cop	2,356,075,724	100.00%
Aldeasa Curaçao NV	Netherlands Antilles	Usd	500,000	100.00%
Aldeasa Duty Free Comercio e Importación de Productos Ltda	Brazil	Brl	145,300	100.00%
Aldeasa Internacional S.A.	Spain	Eur	5,409,000	100.00%
Aldeasa Italia S.r.l.	Italy	Eur	10,000	100.00%
Aldeasa Jordan Airports Duty Free Shops Ltd. (Ajadfs)	Jordan	Usd	705,219	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Aldeasa Mexico S.A. de CV	Mexico	Mxn	60,962,541	100.00%
Aldeasa Projets Culturels S.a.s.	France	Eur	823,183	100.00%
Aldeasa S.A.	Spain	Eur	10,772,462	99.96%
Aldeasa Servicios Aeroportuarios Ltda (in liquidation)	Chile	Usd	15,000	99.99%
Aldeasa US Inc.	USA	Usd	49,012,087	100.00%
Aldeasa Vancouver Lp	Canada	Cad	25,701,000	100.00%
Aldeasa Jamaica Ltda	Jamaica	Usd	–	100.00%
Alpha Airport Group (Jersey) Ltd.	United Kingdom	Gbp	4,100	100.00%
Alpha Airport Holdings B.V. (in liquidation)	The Netherlands	Eur	74,874	100.00%
Alpha Airport Retail Holdings Pvt Ltd.	India	Inr	404,743,809	100.00%
World Duty Free US Inc.	USA	Usd	1,400,000	100.00%
Alpha Airports (Furbs) Trustees Ltd. (in liquidation)	United Kingdom	Gbp	26,000	100.00%
Alpha Airports Group (Channel Island) Ltd. (in liquidation)	United Kingdom	Gbp	21	100.00%
Autogrill International Airports Ltd.	United Kingdom	Gbp	2	100.00%
Alpha ESOP Trustee Ltd. (in liquidation)	United Kingdom	Gbp	100	100.00%
Alpha Euroservices Ltd. (in liquidation)	United Kingdom	Gbp	170	100.00%
Alpha Keys Orlando Retail Associates Ltd.	USA	Usd	100,000	85.00%
Alpha Kreol (India) Pvt Ltd.	India	Inr	100,000	50.00%
Alpha Retail Ireland Ltd. (in liquidation)	Ireland	Eur	1	100.00%
Alpha Retail Italia S.r.l.	Italy	Eur	10,000	100.00%
Anton Airfood Inc.	USA	Usd	1,000	100.00%
Anton Airfood Jfk Inc.	USA	Usd	–	100.00%
Anton Airfood of Boise Inc.	USA	Usd	–	100.00%
Anton Airfood of Cincinnati Inc.	USA	Usd	–	100.00%
Anton Airfood of Minnesota Inc.	USA	Usd	–	100.00%
Anton Airfood of Newark Inc.	USA	Usd	–	100.00%
Anton Airfood of North Carolina Inc.	USA	Usd	–	100.00%
Anton Airfood of Ohio Inc.	USA	Usd	–	100.00%
Anton Airfood of Seattle Inc.	USA	Usd	–	100.00%
Anton Airfood of Texas Inc.	USA	Usd	–	100.00%
Anton Airfood of Tulsa Inc.	USA	Usd	–	100.00%
Anton Airfood of Virginia Inc.	USA	Usd	–	100.00%
Anton/JQ RDU Joint Venture	USA	Usd	–	100.00%
Audioguiarte Servicios Culturales SL	Spain	Eur	251,000	100.00%
Autogrill Aéroports S.a.s.	France	Eur	2,207,344	100.00%
Autogrill Austria AG	Austria	Eur	7,500,000	100.00%
Autogrill Belgie NV	Belgium	Eur	20,750,000	100.00%
Autogrill Belux NV	Belgium	Eur	10,000,000	100.00%
Autogrill Catering UK Ltd.	United Kingdom	Gbp	217,063	100.00%
Autogrill Centres Commerciaux S.àr.l.	France	Eur	501,960	100.00%
Autogrill Commercial Catering France S.a.s.	France	Eur	2,916,480	100.00%
Autogrill Coté France S.A.	France	Eur	31,579,526	100.00%
Autogrill Czech S.r.o.	Czech Republic	Czk	126,000,000	100.00%
Autogrill Deutschland GmbH	Germany	Eur	205,000	100.00%
Autogrill D.o.o.	Slovenia	Eur	1,342,670	100.00%
World Duty Free Group S.A.	Spain	Eur	1,800,000	100.00%
Autogrill Europe Nord–Ouest S.A.	Luxembourg	Eur	41,300,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Autogrill FFH Autoroutes S.àr.l.	France	Eur	375,000	100.00%
Autogrill FFH Centres Villes S.àr.l.	France	Eur	375,000	100.00%
Autogrill Gares Métropoles S.àr.l.	France	Eur	4,500,000	100.00%
Autogrill Group Inc.	USA	Usd	–	100.00%
Autogrill Hellas Epe	Greece	Eur	1,696,350	100.00%
Autogrill Holdings UK Pension Trustee Ltd. (in liquidation)	United Kingdom	Gbp	100	100.00%
Autogrill Holdings UK Plc (in liquidation)	United Kingdom	Gbp	24,249,234	100.00%
Autogrill Iberia S.l.u.	Spain	Eur	7,000,000	100.00%
Autogrill Nederland B.V.	The Netherlands	Eur	41,371,500	100.00%
Autogrill Polska Sp.zo.o.	Poland	Pln	10,050,000	100.00%
Autogrill Restauration Carrousel S.a.s.	France	Eur	2,337,000	100.00%
Autogrill Restauration Services S.a.s.	France	Eur	15,394,500	100.00%
Autogrill Retail UK Ltd.	United Kingdom	Gbp	360,000	100.00%
Autogrill Schweiz AG	Switzerland	Chf	23,183,000	100.00%
Autogrill Trois Frontières S.àr.l.	France	Eur	621,999	100.00%
Bay Area Restaurant Group	USA	Usd	–	49.00%
Ben–Zey/Host Lottery JV	USA	Usd	–	40.00%
Cancouver Uno SL	Spain	Eur	3,010	100.00%
Carestel Beteilingungs GmbH & Co. (in liquidation)	Germany	Eur	25,000	100.00%
Carestel Motorway Services NV	Belgium	Eur	9,000,000	100.00%
Carestel Nord S.àr.l. (in liquidation)	France	Eur	76,225	99.80%
Cbr Speciality Retail Inc.	USA	Usd	–	100.00%
Cs Host Joint Venture	USA	Usd	–	70.00%
Dynair B.V. (in liquidation)	The Netherlands	Eur	18,151	100.00%
East Terminal Chili's Joint Venture	USA	Usd	–	55.00%
Fresno AAI Inc.	USA	Usd	–	100.00%
Gladieux Corporation	USA	Usd	750	100.00%
HK Travel Centres GP Inc.	Canada	Cad	–	51.00%
HK Travel Centres Lp	Canada	Cad	–	51.00%
HMS–Airport Terminal Services Inc.	USA	Usd	1,000	100.00%
HMS–Airport Terminal Services Inc. (Christchurch branch)	New Zealand	Nzd	–	100.00%
HMSHost Family Restaurants Inc.	USA	Usd	2,000	100.00%
HMSHost Family Restaurants Llc	USA	Usd	–	100.00%
HMSHost Holdings F&B GP Inc.	Canada	Cad	–	100.00%
HMSHost Holdings GP Inc.	Canada	Cad	–	100.00%
HMSHost Motorways Inc.	Canada	Cad	–	100.00%
HMSHost Motorways Lp	Canada	Cad	–	100.00%
HMSHost New Zealand Ltd.	New Zealand	Nzd	1,520,048	100.00%
HMSHost Tollroads Inc.	USA	Usd	–	100.00%
HMSHost USA Inc.	USA	Usd	–	100.00%
HMSHost USA Llc	USA	Usd	–	100.00%
HMSHost/Coffee Partners Joint Venture	USA	Usd	–	50.01%
HMS/Blue Ginger Joint Venture	USA	Usd	–	55.00%
HMS Host Egypt Catering & Services Ltd.	Egypt	Egp	1,000,000	60.00%
HMSHost Corporation	USA	Usd	–	100.00%
HMSHost International Inc.	USA	Usd	–	100.00%
HMSHost Ireland Ltd.	Ireland	Eur	13,600,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
HMSHost Services India Private Ltd.	India	Inr	668,441,680	100.00%
HMSHost Shellis Trans Air Joint Venture	USA	Usd	–	60.00%
HMSHost Singapore Pte Ltd.	Singapore	Sgd	8,470,896	100.00%
HMSHost Sweden AB	Sweden	Sek	2,500,000	100.00%
Holding de Participations Autogrill S.a.s.	France	Eur	84,581,920	100.00%
Horeca Exploitatie Maatschappij Schiphol B.V.	The Netherlands	Eur	45,378	100.00%
Host – Chelsea Joint Venture #2	USA	Usd	–	75.00%
Host – Prose Joint Venture II	USA	Usd	–	70.00%
Host – Prose Joint Venture III	USA	Usd	–	51.00%
Host – Tinsley Joint Venture	USA	Usd	–	84.00%
Host & Garrett Joint Venture	USA	Usd	–	75.00%
Host (Malaysia) Sdn Bhd	Malaysia	Myr	–	100.00%
Host/Tarra Enterprises Joint Venture	USA	Usd	–	75.00%
Host Adevco Joint Venture	USA	Usd	–	70.00%
Host Bush Lubbock Airport Joint Venture	USA	Usd	–	90.00%
Host Canada Lp	Canada	Cad	–	99.90%
Host Chelsea Joint Venture # 1	USA	Usd	–	65.00%
Host CTI Denver Airport Joint Venture	USA	Usd	–	90.00%
Host D&D St, Louis Airport Joint Venture	USA	Usd	–	75.00%
Host Honolulu Joint Venture Company	USA	Usd	–	90.00%
Host–Houston 8 San Antonio Joint Venture	USA	Usd	–	63.00%
Host International (Poland) Sp.zo.o. (in liquidation)	Poland	Pln	–	100.00%
Host International Inc.	USA	Usd	–	100.00%
Host International of Canada Inc.	Canada	Cad	75,351,237	100.00%
Host International of Kansas Inc.	USA	Usd	1,000	100.00%
Host International of Maryland Inc.	USA	Usd	79,576	100.00%
Host of Kahului Joint Venture Company	USA	Usd	–	90.00%
HMS – D/FW Joint Venture	USA	Usd	–	65.00%
HMS – D/FW Airport Joint Venture II	USA	Usd	–	75.00%
Host of Holland B.V.	The Netherlands	Eur	–	100.00%
Host of Santa Ana Joint Venture Company	USA	Usd	–	75.00%
Host PJJD Jacksonville Joint Venture	USA	Usd	–	51.00%
Host Services Inc.	USA	Usd	–	100.00%
Host Services of New York Inc.	USA	Usd	1,000	100.00%
Host Services Pty Ltd.	Australia	Aud	6,252,872	100.00%
Host Shellis Atlanta JV	USA	Usd	–	70.00%
Host–Taco Joy Joint Venture	USA	Usd	–	80.00%
Host/Aranza Services Joint Venture	USA	Usd	–	50.01%
Host/Coffee Star Joint Venture	USA	Usd	–	50.01%
Host/Diversified Joint Venture	USA	Usd	–	90.00%
Host/Forum Joint Venture	USA	Usd	–	70.00%
Host/Howell – Mickens Joint Venture III	USA	Usd	–	51.00%
Host/Howell – Mickens Joint Venture	USA	Usd	–	65.00%
Host/JQ Raleigh Durham	USA	Usd	–	75.00%
Host/JV Ventures McCarran Joint Venture	USA	Usd	–	60.00%
Host/JQ RDU Joint Venture	USA	Usd	–	75.00%
Host/LJA Joint Venture	USA	Usd	–	85.00%

Name	Registered office	Currency	Share capital	Percentage held
Host/NCM Atlanta E Joint Venture	USA	Usd	–	75.00%
Host–Chelle–Ton Sunglass Joint Venture	USA	Usd	–	80.00%
Host–Chelsea Joint Venture #3	USA	Usd	–	63.80%
Host–Chelsea Joint Venture #4	USA	Usd	–	63.00%
Host–CJ & Havana Joint Venture	USA	Usd	–	70.00%
Host–Grant Park Chili's Joint Venture	USA	Usd	–	60.00%
Host–TFC–RSL Llc	USA	Usd	–	65.00%
Host – Houston 8 Terminal E Llc	USA	Usd	–	60.00%
Houston 8/Host Joint Venture	USA	Usd	–	60.00%
Islip AAI Inc.	USA	Usd	–	100.00%
Islip Airport Joint Venture	USA	Usd	–	50.00%
Host GRL LIH F&B Llc	USA	Usd	–	85.00%
Host DLF JV DAL F&B Llc	USA	Usd	–	51.00%
La Rambertine S.n.c.	France	Eur	1,524	100.00%
Las Vegas Terminal Restaurants Inc.	USA	Usd	–	100.00%
Maison Ledeboer B.V.	The Netherlands	Eur	69,882	100.00%
Marriott Airport Concessions Pty Ltd.	Australia	Aud	3,910,102	100.00%
Metro–Host Joint Venture	USA	Usd	–	70.00%
Miami Airport Retail Partners Joint Venture	USA	Usd	–	70.00%
Michigan Host Inc.	USA	Usd	1,000	100.00%
Nuova Sidap S.r.l.	Italy	Eur	100,000	100.00%
Autogrill Lanka Ltd.	Sri Lanka	Lkr	30,000,000	99.98%
Palacios y Museos S.l.u.	Spain	Eur	160,000	100.00%
Palm Springs AAI Inc.	USA	Usd	–	100.00%
Panalboa S.A.	Panama	Pab	150,000	80.00%
Phoenix – Host Joint Venture	USA	Usd	–	70.00%
Pratt & Leslie Jones Ltd. (in liquidation)	United Kingdom	Gbp	8,900	100.00%
Prestadora de Servicios en Aeropuertos S.A. de CV	Mexico	Mxn	50,000	100.00%
RDU A&W JV–Anton	USA	Usd	–	100.00%
Restair UK Ltd. (in liquidation)	United Kingdom	Gbp	1	100.00%
Restoroute de Bavois S.A.	Switzerland	Chf	2,000,000	73.00%
Restoroute de la Gruyère S.A.	Switzerland	Chf	1,500,000	54.30%
Savannah Airport Joint Venture	USA	Usd	–	45.00%
Seattle Restaurant Associates	USA	Usd	–	70.00%
Shenzen Host Catering Company Ltd. (in liquidation)	China	Cny	–	100.00%
SMSI Travel Centres Inc.	Canada	Cad	9,800,000	100.00%
Sociedad de Distribucion Aeroportuaria de Canarias SL	Spain	Eur	667,110	60.00%
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	France	Eur	288,000	50.01%
Société de Gestion de Restauration Routière S.A. (Sgrr S.A.)	France	Eur	1,537,320	100.00%
Société Porte de Champagne S.A. (Spc)	France	Eur	153,600	53.44%
Société de Restauration Autoroutière Dromoise S.a.s. (Srad)	France	Eur	1,136,000	100.00%
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	France	Eur	144,000	50.00%
Société de Restauration de Troyes–Champagne S.A. (Srtc)	France	Eur	1,440,000	70.00%
Société Régionale de Saint–Rambert d'Albon S.A. (Srsra)	France	Eur	515,360	50.00%
Southwest Florida Airport Joint Venture	USA	Usd	–	80.00%
SPB S.àr.l.	France	Eur	4,500	100.00%
The American Lunchroom Co. B.V.	The Netherlands	Eur	18,151	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Tinsley/Host – Tampa Joint Venture	USA	Usd	–	49.00%
Tj2d S.n.c.	France	Eur	1,000	100.00%
Transportes y Suministros Aeroportuarios S.A. (in liquidation)	Spain	Eur	1,202,000	100.00%
Vert Pré St, Thiébault Sci	France	Eur	457	100.00%
Volcarest S.A.	France	Eur	1,050,144	50.00%
World Duty Free Europe Ltd.	United Kingdom	Gbp	12,484,397	99.10%
HMSHost–Shangai Enterprise Ltd.	China	Cny	–	100.00%
Host Fox PHX F&B Llc	USA	Usd	–	75.00%
Host–CMS SAN F&B Llc	USA	Usd	–	65.00%
Textiles & clothing				
Benetton Group S.p.A.	Italy	Eur	237,482,716	67.08%
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 Comercio de Produtos Texteis do Brasil Ltda	Brazil	Brl	3,000,000	100.00%
Benetton Hellas Agency of Clothing Single Partner Epe	Greece	Eur	50,010	100.00%
Benetton Commerciale Tunisie S.àr.l.	Tunisia	Tnd	2,429,000	100.00%
Benetton de Commerce International Tunisie S.àr.l.	Tunisia	Tnd	150,000	100.00%
Benetton Denmark Aps	Denmark	Dkk	125,000	100.00%
Benetton France Commercial S.a.s.	France	Eur	10,000,000	100.00%
Benetton France S.àr.l.	France	Eur	99,495,712	100.00%
Benetton Giyim Sanayi Ve Ticaret AS	Turkey	Try	7,000,000	50.00%
Benetton Holding International NV S.A.	The Netherlands	Eur	92,759,000	100.00%
Benetton India Pvt Ltd.	India	Inr	2,900,000,000	100.00%
Benetton Industrielle Tunisie S.àr.l.	Tunisia	Tnd	2,000,000	100.00%
Benetton International Kish Pjsc	Iran	Irr	100,000,000	100.00%
Benetton International S.A.	Luxembourg	Eur	133,538,470	100.00%
Benetton Pars Pjsc	Iran	Irr	50,000,000	100.00%
Benetton Istanbul Real Estate Emlat Yatirim ve Insaat Ticaret Ltd.	Turkey	Try	34,325,000	100.00%
Benetton Tekstil D.o.o.	Croatia	Hrk	155,750,000	100.00%
Benetton Japan Co. Ltd.	Japan	Jpy	400,000,000	100.00%
Benetton Korea Inc.	South Korea	Krw	2,500,000,000	50.00%
Benetton Mexicana S.A. de CV	Mexico	Mxn	327,000,405	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	Kazakhstan	Kzt	62,920,000	100.00%
Benetton Realty France S.A.	France	Eur	94,900,125	100.00%
Benetton Realty Portugal Imobiliaria S.A.	Portugal	Eur	100,000	100.00%
Benetton Russia Ooo	Russia	Rub	473,518,999	100.00%
Benetton Realty Spain SL	Spain	Eur	15,270,450	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Benetton Realty Sukhbaatar Llc	Mongolia	Mnt	115,000	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.zo.o.	Poland	Pln	4,900,000	100.00%
Benetton Retail Spain SL	Spain	Eur	10,180,300	100.00%
Benetton Serbia D.o.o.	Serbia	Eur	10,000	100.00%
Benetton Services S.A. de CV	Mexico	Mxn	50,000	100.00%
Benetton Services II 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	959,147,833	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	215,654,000	100.00%
Ben–Mode AG	Switzerland	Chf	500,000	10.00%
Benind S.p.A.	Italy	Eur	26,000,000	100.00%
Benlim Ltd. (in liquidation)	Hong Kong	Hkd	16,000,000	100.00%
Sc Benrom S.r.l.	Romania	Ron	1,416,880	100.00%
Fabrica S.p.A.	Italy	Eur	4,128,000	100.00%
Filatura di Vittorio Veneto S.r.l.	Italy	Eur	110,288	50.00%
Fynlab S.r.l. (in liquidation)	Italy	Eur	100,000	100.00%
La Cantina delle Nostre Ville Venete – Società Agricola a r.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	100.00%
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	60.00%
Sc Anton Industries S.r.l.	Romania	Ron	1,162,460	60.00%
Olimpias Tunisia S.àr.l.	Tunisia	Tnd	100,000	100.00%
Olimpias Serbia D.o.o.	Serbia	Eur	10,000	100.00%
Olimpias Knitting Serbia D.o.o.	Serbia	Eur	10,000	60.00%
Ponzano Children S.r.l.	Italy	Eur	110,000	100.00%
Property Russia Zao	Russia	Rub	10,000	100.00%
Benetton Latvia Llc	Lettonia	Lvl	630,000	100.00%
Real Estate Russia Zao	Russia	Rub	10,000	100.00%
Real Estate Ukraine Llc	Ukraine	Usd	7,921	100.00%
Shanghai Benetton Trading Co. Ltd.	China	Usd	26,321,056	100.00%
Società Investimenti e Gestioni Immobiliari (S.I.G.I.) S.r.l.	Italy	Eur	36,150,000	100.00%
United Colors Communication S.A.	Switzerland	Chf	1,000,000	100.00%
Infrastructure & services for mobility				
Atlantia S.p.A.	Italy	Eur	630,311,992	46.03%
AD Moving S.p.A.	Italy	Eur	1,000,000	100.00%
Autostrada Torino–Savona S.p.A.	Italy	Eur	161,720,000	99.98%
Autostrade Concessões e Participaçoes Brasil Ltda	Brazil	Brl	181,590,863	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%

Name	Registered office	Currency	Share capital	Percentage held
Autostrade International US Holdings Inc.	USA	Usd	4	100.00%
Autostrade Mazowsze S.A.	Poland	Pln	20,000,000	87.51%
Autostrade Meridionali S.p.A.	Italy	Eur	9,056,250	58.98%
Autostrade per l'Italia S.p.A.	Italy	Eur	622,027,000	100.00%
Autostrade Portugal – Concessoes de Infraestructuras S.A.	Portugal	Eur	30,000,000	100.00%
Autostrade Tech S.p.A.	Italy	Eur	1,120,000	100.00%
Biuro Centrum Sp.zo.o.	Poland	Pln	80,000	43.41%
Electronic Transaction Consultants Co.	USA	Usd	16,692	62.81%
Ecomouv' D&B S.a.s.	France	Eur	500,000	75.00%
Ecomouv' S.a.s.	France	Eur	30,000,000	70.00%
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%
Inversiones Autostrade Holding do Sur Ltda	Chile	Clp	195,054,278,000	100.00%
Mizard S.r.l.	Italy	Eur	10,000	100.00%
Newpass S.p.A.	Italy	Eur	1,747,084	51.00%
Pavimental Polska Sp.zo.o.	Poland	Pln	3,000,000	99.39%
Pavimental S.p.A.	Italy	Eur	10,045,468	99.39%
Port Mobility S.p.A.	Italy	Eur	1,610,000	70.00%
Raccordo Autostradale Valle d'Aosta S.p.A.	Italy	Eur	343,805,000	24.46%
Sociedad Concesionaria de Los Lagos S.A.	Chile	Clp	37,433,282,600	99.99%
Società Italiana p.A. per il Traforo del Monte Bianco	Italy	Eur	109,084,800	51.00%
Spea Ingegneria Europea S.p.A.	Italy	Eur	5,160,000	100.00%
Stalexport Autoroute S.àr.l.	Luxembourg	Eur	56,149,500	58.37%
Stalexport Autostrada Dolnošlaska S.A.	Poland	Pln	10,000,000	58.37%
Stalexport Autostrada Malopolska S.A.	Poland	Pln	66,753,000	58.37%
Stalexport Autostrady S.A.	Poland	Pln	185,446,517	58.37%
Stalexport Transroute Autostrada S.A.	Poland	Pln	500,000	32.10%
Tangenziale di Napoli S.p.A.	Italy	Eur	108,077,490	100.00%
Tech Solutions Integrators S.a.s.	France	Eur	2,000,000	100.00%
Telepass S.p.A.	Italy	Eur	26,000,000	100.00%
Telepass France S.a.s.	France	Eur	5,000,000	100.00%
Tirreno Clear S.r.l.	Italy	Eur	10,000	100.00%
TowerCo S.p.A.	Italy	Eur	20,100,000	100.00%
Triangulo do Sol Auto–Estradas S.A.	Brazil	Brl	61,000,000	80.00%
Other companies				
Edizione Property S.p.A.	Italy	Eur	8,780,500	100.00%
Edizione Alberghi S.r.l.	Italy	Eur	5,000,000	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%
Maccarese S.p.A.	Italy	Eur	31,135,805	100.00%
Cia de Tierras Sud Argentino S.A.	Argentina	Ars	186,000,000	100.00%
San Giorgio S.r.l.	Italy	Eur	100,000	100.00%
Allevamento San Giorgio S.r.l.	Italy	Eur	50,000	100.00%
Verde Sport S.p.A.	Italy	Eur	12,912,000	100.00%

Name	Registered office	Currency	Share capital	Percentage held
Asolo Golf Club S.r.l.	Italy	Eur	312,000	100.00%
Companies carried on a proportional basis				
Alpha ASD Ltd.	United Kingdom	Gbp	20,000	50.00%
Caresquick NV	Belgium	Eur	3,300,000	50.00%
Associated valued on an equity basis				
Dewina Host Sdn Bhd	Malaysia	Myr	–	49.00%
TGIF National Airport Restaurant Joint Venture	USA	Usd	–	25.00%
HKSC Developments Lp (Projecto)	Canada	Cad	–	49.00%
HKSC Opco Lp (Opco)	Canada	Cad	–	49.00%
Souk al Mouhajir S.A. (in liquidation)	Morocco	Dhs	6,500,000	35.84%
Creuers del Port de Barcelona S.A.	Spain	Eur	3,005,061	23.00%
Autostrade for Russia GmbH	Austria	Eur	60,000	51.00%
Arcea Lazio S.p.A.	Italy	Eur	1,983,469	34.00%
Autostrade Sud America S.r.l.	Italy	Eur	100,000,000	45.77%
Bologna & Fiera Parking S.p.A.	Italy	Eur	13,000,000	32.50%
GEIE del Traforo del Monte Bianco	Italy	Eur	2,000,000	50.00%
IGLI S.p.A.	Italy	Eur	24,120,000	33.33%
Nueva Inversiones S.A.	Chile	Clp	324,836,101,955	50.00%
Pedemontana Veneta S.p.A.	Italy	Eur	6,000,000	29.18%
Società Infrastrutture Toscane S.p.A.	Italy	Eur	30,000,000	46.60%
Tangenziali Esterne di Milano S.p.A.	Italy	Eur	51,609,375	27.43%
Pune Solapur Expressways Pvt Ltd.	India	Inr	100,000,000	50.00%
Società Autostrada Tirrenica p,A,	Italy	Eur	24,460,800	24.98%
Gemina S.p.A.	Italy	Eur	1,472,960,320	34.77%
SAGAT S.p.A.	Italy	Eur	12,911,481	24.38%
Subsidiaries and associated carried on at cost or fair value				
Schematrentatre S.r.l.	Italy	Eur	15,000	100.00%
Schematrentasei S.r.l.	Italy	Eur	15,000	100.00%
Volley Treviso Società Sportiva Dilettantistica per Azioni	Italy	Eur	1,000,000	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%
Eurostazioni S.p.A.	Italy	Eur	160,000,000	32.71%
Anton Industries Macedonia Llc (non-operating)	Republic of Macedonia	Eur	10,000	60.00%
Bensec S,c,ar.l.	Italy	Eur	110,000	78.00%
Benetton Beograd D.o.o. (non-operating)	Serbia	Eur	500	100.00%
Benetton Real Estate Azerbaijan Llc (non-operating)	Azerbaijan	Usd	130,000	100.00%
Benetton Real Estate Csh S.r.l. (non-operating)	Moldova	Mld	30,000	100.00%
Pavimental Est Ao	Russia	Rub	4,200,000	100.00%
Petrostal S.A. (in liquidation)	Poland	Pln	2,050,500	100.00%
Stalexport Wielkopolska Sp.zo.o. (in liquidation)	Poland	Pln	8,080,475	97.96%

REPORT OF THE INDEPENDENT AUDITORS

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

Telefono 0422 576711
Telefax 0422 410891
e-mail it-fmauditaly@kpmg.it

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

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

To the quotaholders of
Edizione S.r.l.

1 We have audited the consolidated financial statements of the Edizione Group as at and for the year ended 31 December 2011, comprising the statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity, cash flow statement and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the parent's directors restated some of the corresponding figures included in the prior year consolidated financial statements, as required by IFRS 5 – "Non-current assets held for sale and discontinued operations". We audited the 2010 consolidated financial statements and issued our report thereon on 10 June 2011. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2011.

3 In our opinion, the consolidated financial statements of the Edizione Group as at and for the year ended 31 December 2011 comply with the International Financial Reporting Standards endorsed by the European Union. Therefore, they are clearly stated and give a true and fair view of the financial position of the Edizione Group as at 31 December 2011, the results of its operations and its cash flows for the year then ended.

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

Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report is consistent with the consolidated financial statements of the Edizione Group as at and for the year ended 31 December 2011.

Treviso, 8 June 2012

KPMG S.p.A.

(signed on the original)

Alessandro Ragghianti
Director of Audit

CONTACTS

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

Telephone +39 0422 5995
Telefax +39 0422 412176

www.edizione.it

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