



Autogrill Group

1st half 2000 results



Milan, 19 September 2000



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Comments on 1st half 2000 results

- 1st half well above our budget
- Net sales up 14,3% against the pro forma 1999 and 138,4% against the 1999 historical
- EBITDA up 20,6% against 1999 proforma, with a strong performance in North America
- High cash flow generation and strong improvements in all financial ratios
- We successfully put in place strategic projects to streamline core business processes and lower the overall cost structure



1st half Performance

Group Financial Highlights

	1st half 2000	1st half 1999 pro forma	1 st half 1999
EBITDA	10,7%	10,1%	12,3%
% on net sales			
CASH FLOW	7,1%	6,7%	8,5%
% on net sales			
R.O.I. **	7,0%	5,9%	12,8%
EBITDA interest coverage	4,7	3,3	
EBIT interest coverage	1,0	0,4	
CASH FLOW / Net Debt	8,2%	7,2%	

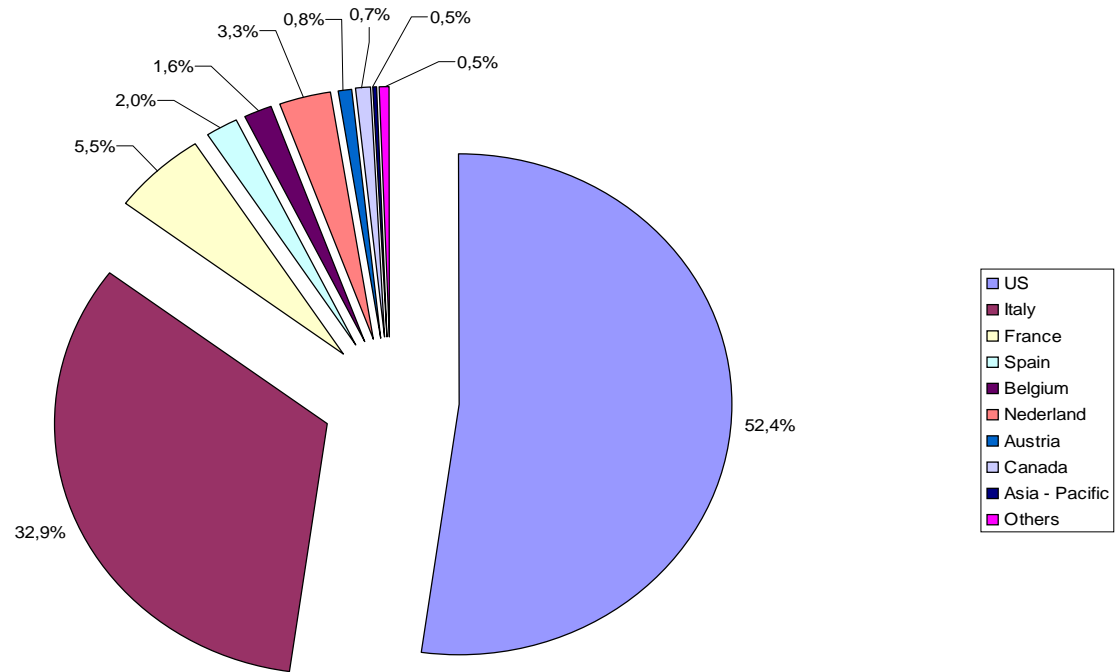
** Cash flow on net invested capital

<u>Growth</u>	on historical	on proforma	
		gross exch.rate fluct.	net exch.rate fluct.
Net Sales	138%	14,30%	6,90%
EBITDA	107%	20,60%	13,70%
CASH FLOW	92%	20,20%	14,90%



1st half Performance

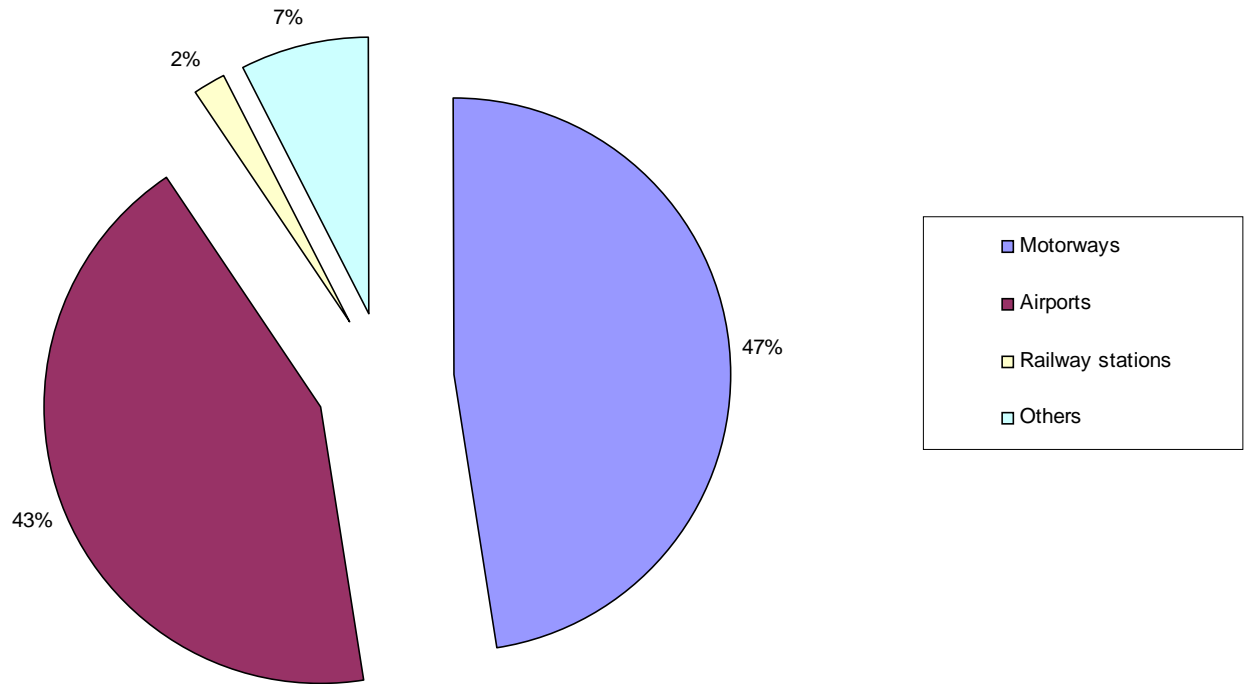
Sales Breakdown by country





1st half Performance

Sales Breakdown by channel





Group Sales by Product

Growth Rate

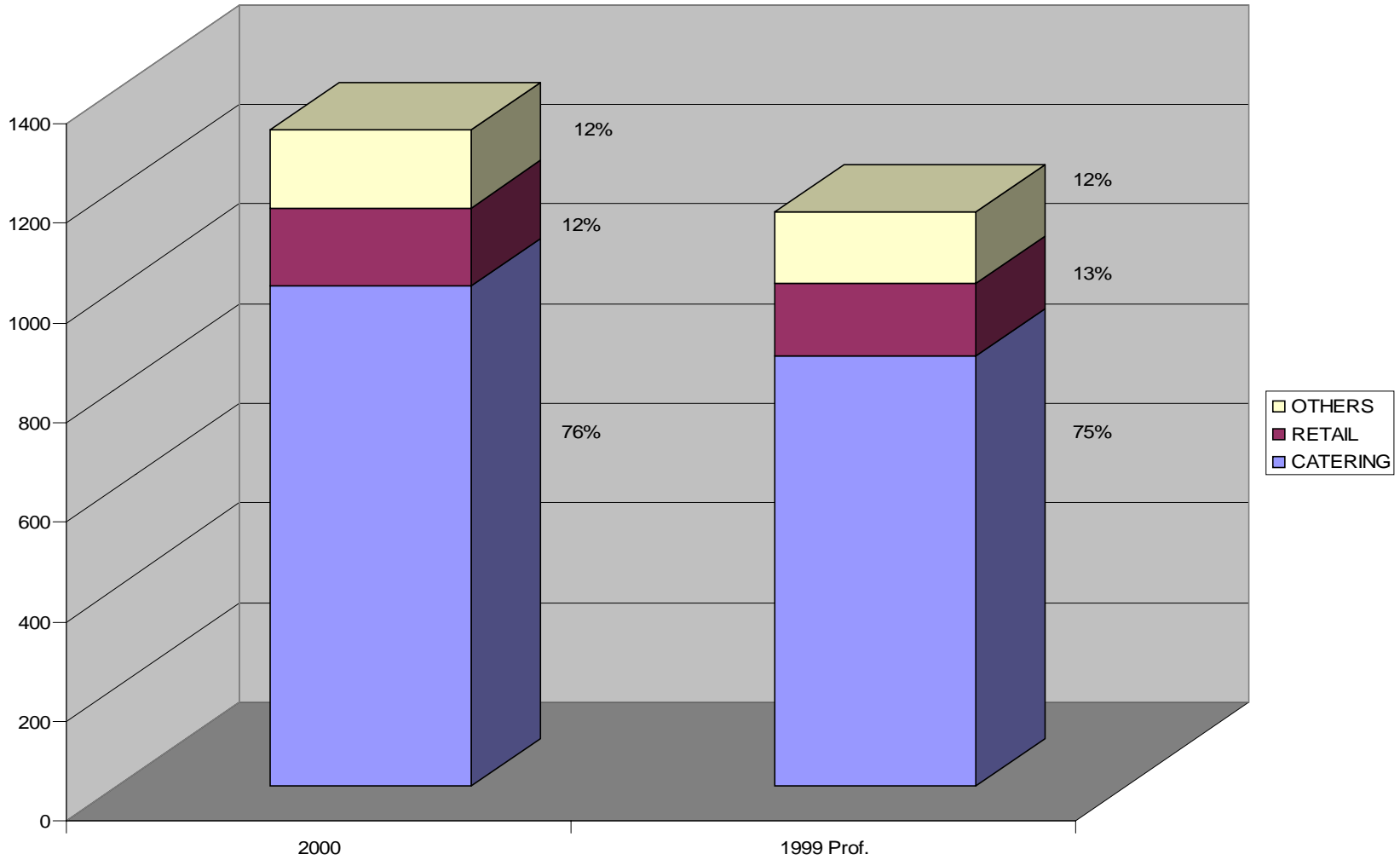
(Mio Euro)	2000	1999 Prof.	00 - 99 %	Net of Forex Impact
CATERING	1017	874	16,3%	8,0%
RETAIL	156	146	6,9%	1,6%
OTHERS (*)	157	143	9,8%	4,1%
TOTAL GROUP	1330	1163	14,3%	6,9%

(*) Lotteries, other ancillary and hotels



Group Sales by Product

Catering and Retail





1st half 2000 Performance

Group Financial Highlights

euro million	2000	1999 pro forma	% vs 99 pro forma	% vs 99 p.f. net FX imp.
SWS	1369,2	1201,7	13,9%	7,0%
Net Sales	1330,0	1163,2	14,3%	6,9%
EBITDA	142,2	118,0	20,6%	13,7%
<i>% on Net Sales</i>	<i>10,7%</i>	<i>10,1%</i>		
EBITA	77,6	62,4	24,3%	17,6%
<i>% on Net Sales</i>	<i>5,8%</i>	<i>5,4%</i>		
EBIT	30,4	16,3	86,9%	92,8%
<i>% on Net Sales</i>	<i>2,3%</i>	<i>1,4%</i>		
PRE TAX**	-15,4	-26,3	41,4%	46,3%
<i>% on Net Sales</i>	<i>-1,2%</i>	<i>-2,3%</i>		
Cash Flow	94,1	78,3	20,2%	14,9%
<i>% on Net Sales</i>	<i>7,1%</i>	<i>6,7%</i>		
CAPEX	82,8	94,3	-12,2%	-16,3%
Net Inv. Capital	1377,7	1328,2	3,7%	
Net Debt	-1153,8	-1084,4	6,4%	-2,5%

**pre tax and before impact of new accounting principles



HMS Host





HMS Host

1st half performance - highlights

- **Net sales increase 6.4%** vs. 1st half 1999:
 - Comparable North American Airport + 9,7%
 - Motorways + 2%



• **EBITDA increased 22,7%** vs. previous year, representing an improvement from 8,7% to 10,1% in margin. This increase was mainly driven by increase in comparable sales and average check. Given the tight labor markets in U.S., this represents strong performance

• **Capex decreased 12%** vs. previous year. More or less 74% of the total amount has been invested in development and restructuring projects, 7% for maintenance, 19% for special corporate projects (mainly ICT)



HMS Host

1st half performance - operations overview

- **Net sales growth** is attributable along all business channels. Factors relating to the overall \$43,9 million increase include strong growth in comparable airports concession operations, enplanement growth and the opening of several shopping malls in the last 12 months.



- The company's continued strategic shift towards internationally known brands and unique local concept has resulted in a 19% compound annual growth rate in branded revenues since second quarter 1998. Branded revenues comprise 46% of the total portfolio versus 43% in the first half 1999

- Overall net sales increases were offset by the expiration of one domestic airport and two locations in "other channels" as well as Year 2000 fears associated with air travel during the first weeks of 2000



HMS Host

1st half performance - Business channel

- **Airports net sales**, which comprise 77% of overall Revenues, increased 6,2% during the first half of 2000 with US airport revenue up 9 %.



- **Comparable domestic airport concession revenues**, which comprise 85% of total domestic airport revenues, increased 9,7% from an estimated 4,2% growth in domestic passenger enplanements and a 6% growth in revenues per enplaning passenger (RPE).

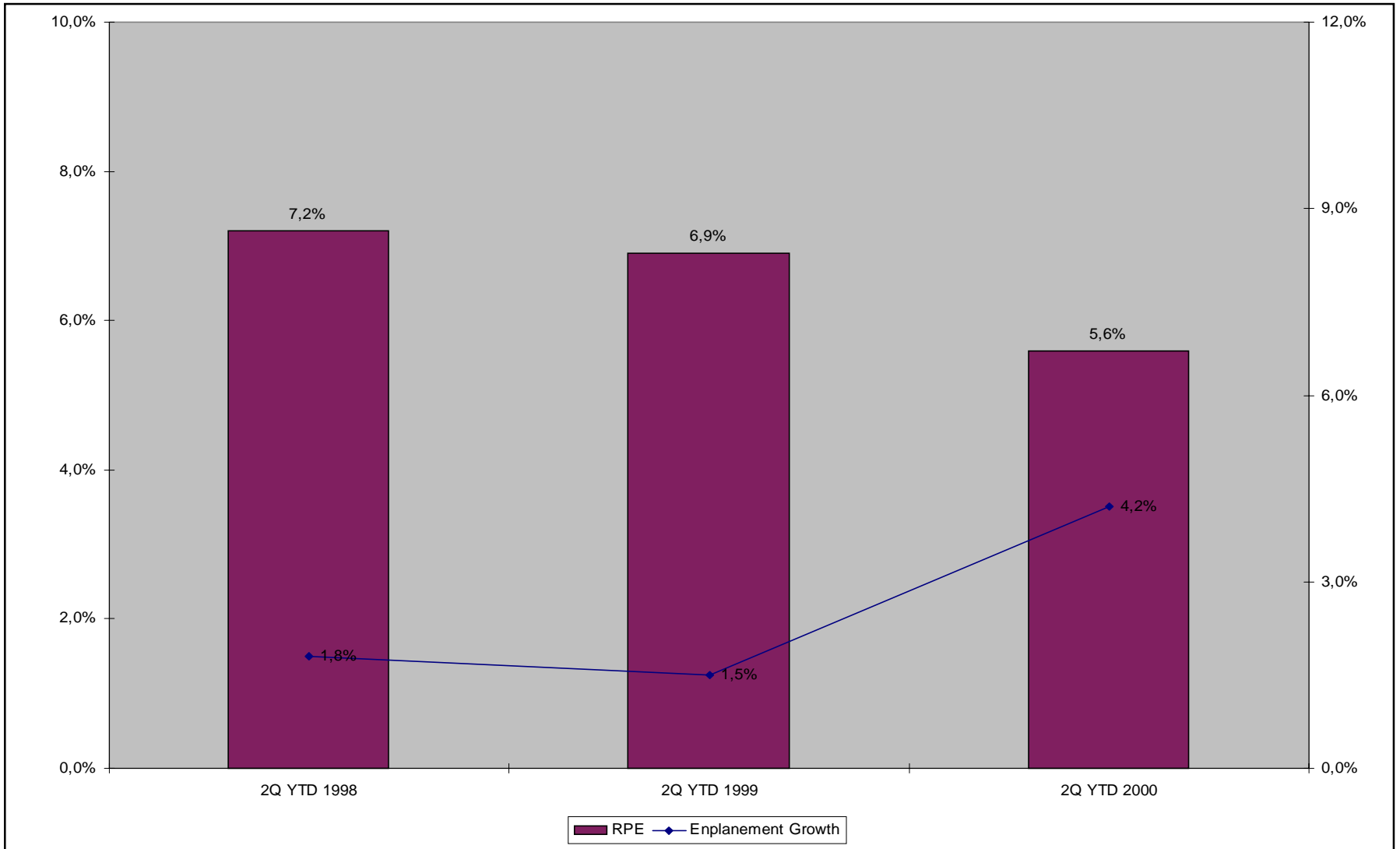
- **Toll motorway revenues**, which encompass 20% of overall revenues, grew by 2% to \$142 during the first half of 2000 : this growth is attributable mainly to an increase in toll road traffic and openings of new concepts

- **Shopping center revenues**, which make up 3% of overall revenues, grew to \$23 million from \$12 million in the first half 1999 due to new openings



HMS Host

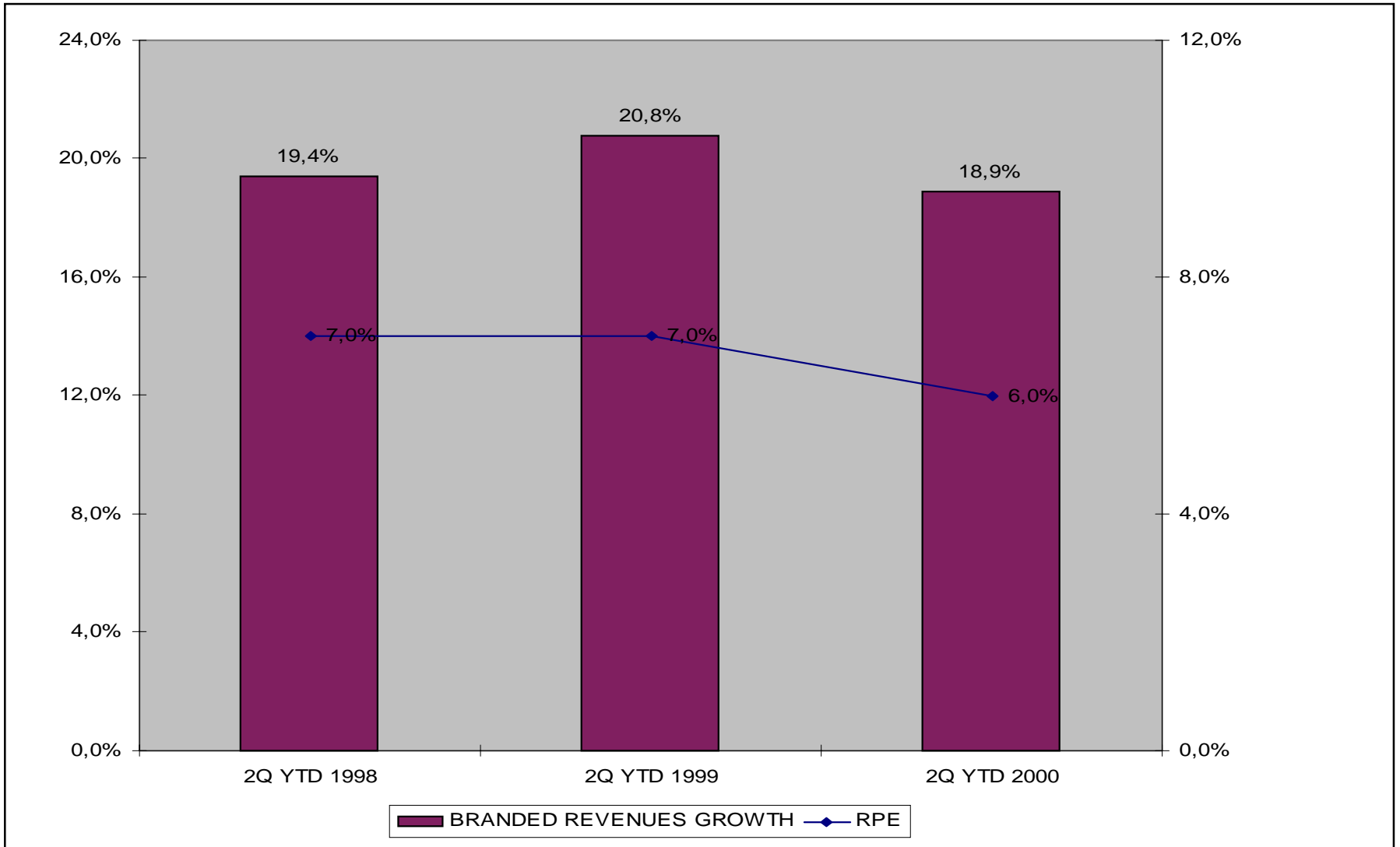
1st half performance - RPE & Enplanement Growth





HMS Host

1st half performance - RPE & Branded Revenue Growth

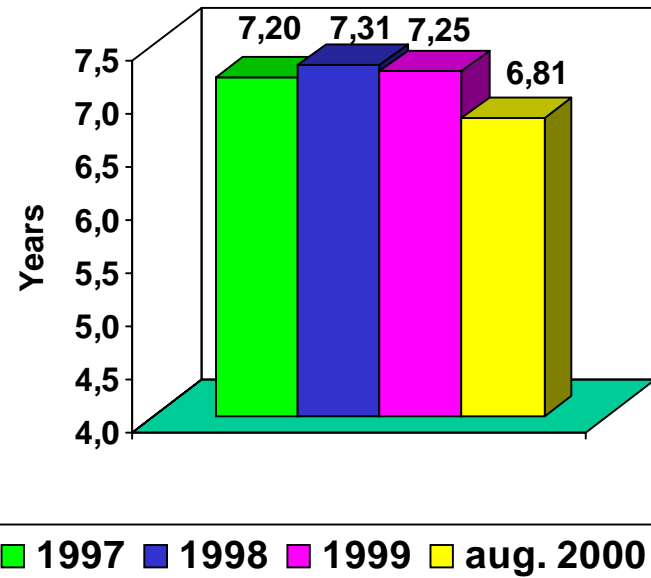
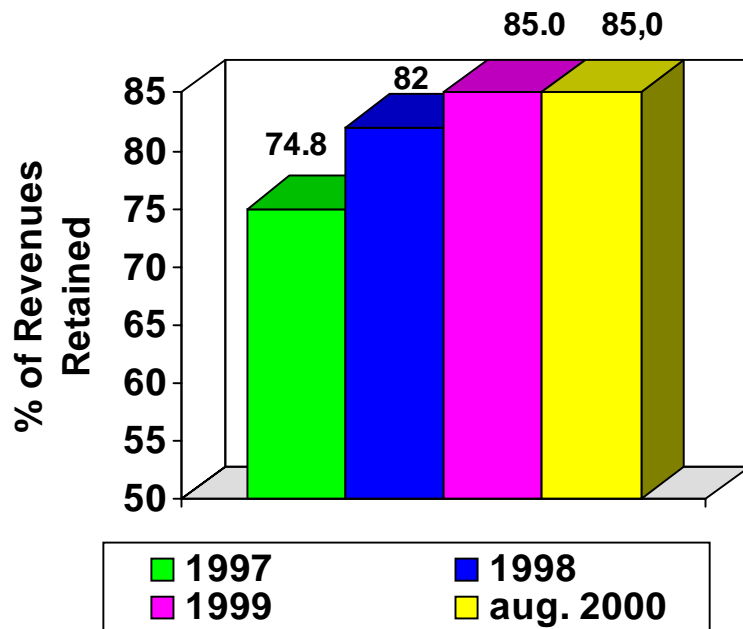




HMS Host

1st half - Contract Retention Rate and Average Contract Life

The company's contract retention rate has increased from 75% to 85% since 1997 and we have maintained an average contract life of approximately 7 years.





HMS Host

1st half 2000 Financials

euro million constant exch.rate	2000 1st half	1999 1st half	Diff. %
Net sales	730,2	686	6,4%
EBITDA	73,7	60	22,8%
<i>% on net sales</i>	10,1%	8,7%	
EBITA	38,1	27,9	36,6%
<i>% on net sales</i>	5,2%	4,1%	
Capex	53	60	-11,8%
<i>% on net sales</i>	7,3%	8,8%	



TRADING PROFIT BY CHANNEL

(Mo.Euro - Constant Exch.rate)	1999			2000			
	Sales	Trad. Profit	%	Sales	Δ % vs 99	Trad. Profit	%
Airports	530,8	51,9	9,8%	560,8	5,6%	74,3	13,2%
Toll Motorways	143,3	5,2	3,6%	146,3	2,0%	7,7	5,3%
Shopping Mall	11,9	(0,8)	-6,4%	23,2	94,8%	(3,8)	-16,5%
TOTAL COMPANY	686,0	56,3	8,2%	730,2	6,4%	78,1	10,7%



 Italy





Italy

1st half performance - highlights

- Net sales increased **7,7%** vs. 1st half 1999:
 - Italy division up 7,5%
 - QSR division up 28,8% (+ 38% System Wide Sales)
- Italy Division EBITDA grew to 13,8% on net sales against 13,4% in 1st half 1999 while QSR Division EBITDA was 3,5% due to strong investments in marketing, organization and human resources.
- First tests for two new brands in coffee bar (“A-cafe”) and sandwiches (“PanEsprit”)
- “Grandi aree “ Project started with the opening in May of the first new generation motorway area



Italy

Operating results by Division

euro million		1st half 1999	1st half 2000	Diff. %
Italy Division	System wide Sales	430,4	456,4	6,0%
	Net Sales	403,0	433,3	7,5%
	EBITDA	54,2	59,8	10,5%
	<i>% on Net Sales</i>	<i>13,4%</i>	<i>13,8%</i>	
QSR Division	System wide Sales	33,1	46,0	38,7%
	Net Sales	3,3	4,3	28,8%
	Total Revenues	6,3	10,1	62,0%
	EBITDA	1,8	0,4	-80,2%
	<i>% on Total Revenues</i>	<i>28,7%</i>	<i>3,5%</i>	
Total	System wide Sales	463,6	502,4	8,4%
	Net Sales	406,3	437,6	7,7%
	EBITDA	56,0	60,2	7,6%
	<i>% on Net Sales</i>	<i>13,8%</i>	<i>13,8%</i>	



Italy

Sales Breakdown by Product

euro million	1st half 2000	1st half 1999	00 - 99 %
CATERING	256	231	10,8%
RETAIL AND COMPL.	172,7	162,9	6,0%
LOTTERIES	9	13	-30,8%
TOTAL	437,7	406,9	7,6%



A-Cafe





A-Cafe





PanEsprit





PanEsprit





La Macchia Motorway area





La Macchia Motorway area





Italy QSR

1st half performance

- During the first seven months of the year, we opened 17 new locations of which 5 in dual branding
- Spizzico is continuing to show good performances in like - for like growth (+14%) and in average check
- EBITDA was penalized by strong investments in marketing (3 million euro) and in building the organization for strategic development
- We substantially confirm the expansion plans in Italy and in Europe



Rest of Europe

1st half 2000 Performance

euro million		1999	2000	vs. 1999
France	Net Sales	71,0	73,1	3,0%
	EBITDA	7,2	7,2	0,4%
	<i>% on Net Sales</i>	10,1%	9,8%	
Autogrill España	Net Sales	22,3	26,4	18,2%
	EBITDA	1,7	1,6	-5,8%
	<i>% on Net Sales</i>	7,4%	5,9%	
Autogrill Belgie	Net Sales	21,6	21,3	-1,3%
	EBITDA	1,8	1,3	-30,1%
	<i>% on Net Sales</i>	8,5%	6,0%	
Autogrill Nederland	Net Sales	24,3	25,3	4,4%
	EBITDA	2,8	3,0	6,6%
	<i>% on Net Sales</i>	11,7%	12,0%	
Autogrill Austria	Net Sales	9,9	10,0	0,8%
	EBITDA	0,4	0,6	45,4%
	<i>% on Net Sales</i>	4,0%	5,8%	
Autogrill Deutschland	Net Sales	4,8	4,9	1,3%
	EBITDA	0,2	(0,2)	-209,5%
	<i>% on Net Sales</i>	4,0%	-4,3%	
Autogrill Hellas	Net Sales	1,2	1,4	18,2%
	EBITDA	0,0	0,0	-50,2%
	<i>% on Net Sales</i>	1,7%	0,7%	
Total Europe	Net Sales	154,9	162,2	4,7%
	EBITDA	14,1	13,5	-4,7%
	<i>% on Net Sales</i>	9,1%	8,3%	



New deals 1st half 2000

Motorways

May 15, 2000: Area La Macchia

- opening of the first new generation motorway area. Thirteen years of concession period, estimated sales over the concession contract 60 euro million (+ 300% versus 1999 sales)

June 2000 : Montelimar east and west

- We opened , after a complete restructuring, the two outlets of Montelimar east and west. The extension and the number of shops and services rank Montelimar n° 1 site on the french motorways. Over the 17 years of contract, the location will generate above 250 euro million of sales

August 2000: Benincarlo

- This motorway area, located between Alicante and Tarragona, was reopened after restructuring period. The new area contains some of the main concepts of the Autogrill brand and network: a Ciao self service restaurant, an outlet of the new A-Cafè concept, the new Toilette - Lounge standard now adopted by Autogrill. Over the 20 years of the concession contract the location will generate 90 euro million of estimated revenues



New deals 1st half 2000

Airports

March 20, 2000: Louisville International Airport

- ten-year renewal to operate 15,000 square feet . For capital investment of USD 1,8 million over the life of the concession, the new location will generate revenues totalling an estimated USD 60 million, of which USD 25 million is incremental.

March 2000: Palm Beach International Airport

- We opened nine new restaurants at this airport in Florida introducing brands such as Starbucks, Burger King and California Pizza Kitchen. This new 10 year contract will generate revenues for 50 million of USD.

May 5, 2000: Athens International Airport

- New food and beverage contract to operate three locations with a 5 + 5 years contract. The new food concepts will be located in a 4.800 square feet of space and expected revenues are close to 5 m. Euro per year.

June 23, 2000: Salt Lake City Int. Airport

- Contract to develop and manage retail operations in the Airport of the City that will guest 2002 Olympic Games. Against an Investment of 1,2 m. USD, revenues are projected to exceed 45 m. Usd over the 7 year term of contract



New deals 1st half 2000

New deals - Airports

August 4, 2000: Bologna Airport

- Autogrill creates a joint venture with “Aeroporto di Bologna” to manage catering operations in a 2000 square feet space. Total investment is 2 million euro, expected revenues are 8,5 million euro per year

August 9, 2000: Atlanta International Airport

- Renewal of the catering (till 2011) and retail services (till 2007) concessions in one of the biggest world’s airports with more than 80 million passengers per year. The generated revenues for the additional concession period (5 years) will be over 250 million USD.

August 24, 2000: Los Angeles International Airport

- 6 year contract to develop and manage 4 new restaurants at L. A. Int. Airp., one of the world’s 3 largest hubs. The 4 concessions will generate revenues of 27 m. USD .

Other deals

- **September 2000: Dayton International Airport**_Contract extension till 2010
- **August 2000: Santa Ana Airport, California**, extension till 2002 of the existing contract
- **August 2000: Valley Int. Aitport, Harlington, Texas**, extension till 2005 of the existing contract
- **August 2000: Dallas Forth Worth Airport**, new 5 years contract to develop the new Terminal 1E catering services



New deals 2000

Railway stations

We were awarded three new contracts in France:

Historical Leisure Park of Pont Du Gard:

- Autogrill won a public tender to build and manage, with a 10 year concession, the restaurants of the new Pont du Gard Historical Leisure Park (Provence, Southern France). 1,5 million visitors are expected, sales are forecasted to 1,8 euro million full year, with an investment of 1,3 euro million

Brest

- 10 year restaurant concession, with an investment of 0,5 euro million and forecasted sales of 0,7 euro million per year

Tours and St. Pierre des Corps (Val de Loire)

- 10 year concession, investment of 1,5 euro million ,forecasted sales of 2,3 euro million per year



Outlook

AIRPORTS

The outlook for airport forecast is favourable. The International Agencies have forecasted long-term average annual passenger enplanement growth of worldwide carriers of 5% through 2010 (3,8% in U.S).

Within our portfolio, over the next 3 years 37 airport contract representing annualized total revenues of 250 euro million will come up for renewal.

We expect continued success in retaining these contracts, while striving to achieve the highest levels of product quality and customer satisfaction.

Furthermore, we expect to increase our worldwide market share bidding for new terminals and expiring contracts in US and Europe



Outlook

MOTORWAYS

EUROPE

- Summer operations confirmed a good increase in traffic and capturing rate despite the impact of oil price increases. We are successfully working on the improvement of the capturing rate, moving versus branded concepts and delivering Autogrill brand and integrated network, as well as the improvement of the performances, rolling out Oscar Project in other countries and redefining the business model versus outsourcing or shared services.

U.S. Market

- The outlook for toll motorways includes implementing additional retail concepts and the introduction of new branded food and beverage concepts. Three toll motorway contract will come up for renewal over the next three years with annualized revenues of 30 euro million.



Outlook

Financials

	2000	<i>Diff. Vs 99</i> %	2002 PLAN
Net Sales	2900	9,4%	3400
EBITDA	357	14,3%	442
<i>% on net sales</i>	<i>12,30%</i>		<i>13%</i>
CASH FLOW	232	13,7%	306
<i>% on net sales</i>	<i>8%</i>		<i>9%</i>
CAPEX	200	-5,7%	AVG YEAR
<i>% on net sales</i>	<i>6,9%</i>		<i>5%</i>
Net financial position	1020	-2,9%	800

Amounts in euro million

Exchange rate euro/Usd 1:1