



Press release

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Net sales For The Period Rise 14.3% To 1,330 Million Euros, Pretax and Ebitda Up 41.4% And 20.6%, Respectively. Continued Success For The U.S. Subsidiary Hms Host

Autogrill: an upbeat first half points to sustained growth for the whole year

Milan, 13th September 2000 - The Board of Directors of Autogrill S.p.A. met today under the chairmanship of Gilberto Benetton and approved the Report for the First Half of 2000.*

Results for the Period. In the first six months of 2000, the Autogrill Group booked net sales totaling 1,330 million euros, or 14.3% more than in the same period last year. System-wide net sales, which include net sales by franchised restaurants, rose 13.9% to 1,369 million euros.

The results for the first half of 2000 are compared with the 1999 data for the same period restated on a pro-forma basis to reflect the contribution of the HMSHost Group, which was acquired on September 1, 1999. This transaction enabled the Autogrill Group to more than double its size and enter the North American market. Fluctuations in the U.S. dollar/euro exchange rate also have an impact on the data being compared (exchange rate adjusted net sales rose by 6.9%).

During the first six months of 2000, net sales grew faster than the respective benchmarks (traffic increase), particularly in facilities located at U.S. airports and on Italian highways. Net sales generated at U.S. airports by "comparable" outlets (i.e. facilities that did not undergo structural renovation) rose 21% (+9.7% net of foreign exchange differences), compared with a 4% increase in passenger departures. Net sales from restaurants on Italian highways were up 7.2% overall, as against a 4.2% rise in traffic. In the rest of Europe, net sales improved 7.0% on average.

Profitability. All the indicators of operating profitability were up sharply, with gains of 20.6% for EBITDA** (142.2 million euros, or 10.7% of net sales, compared with 10.1% in 1999), 24.3% for EBITA (77.6 million euros) and 86.9% for EBIT (30.4 million euros). During the period, amortization of goodwill and consolidation differences totaled 47.3 million euros, up from 46.1 million euros in the same period a year ago. Consolidated cash flow grew by 20.2% to 94.1 million euros (7.1% on net sales versus 6.7% in the previous year).

Earnings. The result before taxes, improved by 41.4% to a -15.4 million euros. The Group interest in the net loss came to -17.7 million euros, significantly better than the -23.4 million euros reported in the first half of 1999, restated on a pro-forma basis to eliminate the impact of Accounting Principle No. 25 on income taxes.



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Financial Position. During the period under review the Group approved investments totaling 82.8 million euros (94,3 in 1999). A total of 10,5 million euros have been distributed as dividend. Net borrowings totaled 1,153.8 million euros. To avoid seasonal distortions, this amount should be compared with the pro-forma figure at June 30, 1999. When this is done, and the impact of fluctuations in the U.S. dollar/euro exchange rate is eliminated, net borrowings decline by more than 27 million euros.

HMSHost Corp. During the period under review, the U.S. subsidiary HMSHost, the world leader in airport restaurant services and the leading operator of restaurants in travel plazas on U.S. toll roads and motorways, had net sales of \$701.3 million (equivalent to 730.2 million euros), or 6.4% more than in 1999. Activities at North American airports accounted for 72% of total net sales, with operations on U.S. highways and outlets at U.S. shopping malls contributing 20% and 3%, respectively. The remaining 5% came from activities in other countries. An analysis of operating results, i.e. excluding extraordinary items, shows that, on a comparable exchange rate basis, EBITDA rose 22.7% year-on-year to \$70.7 million, or 10.1% of net sales (8.7% in the first half 1999).

Italian Operations. During the first half of 2000, net sales from restaurant activities grew by 10.9% compared with the same period last year. However, net sales of ancillary products declined slightly, owing primarily to lower demand for the Italian State lottery tickets. In Italy, the Group had net sales of 437.7 million euros (7.6% more than in the first six months of 1999). Counting affiliated facilities, the distribution network includes 452 points of sale, or 10 more than at June 30, 1999. Investments devoted to support and implement the QSR (Quick Service Restaurants) activities and operations did limit within 6.1% (or 57.6 million euros) the Ebitda increase.

Significant Events Occurring since June 30, 2000. The Group carried out important expansion programs. In particular, the subsidiary HMSHost Corporation won the competitive bidding for the construction and operation of four new food and beverage facilities at Los Angeles International Airport. In addition, HMSHost submitted the winning bid and was awarded a 5- year renewal of the contract to operate catering and retail facilities at Atlanta Airport and a further 10-year renewal of the contract to operate retail facilities at New York's Empire State Building, a site that attracts 3.7 million visitors a year. In Italy, Autogrill entered into a partnership agreement with Aeroporto G. Marconi di Bologna Spa for the purpose of providing food and beverage services at the Guglielmo Marconi Airport. The agreement calls for the establishment of a new company, in which Autogrill will hold a 51% interest. With 3.3 million passengers using its facilities in 1999 (+15% compared with 1998), the Bologna Airport is the sixth busiest in Italy.

On August 28, 2000 Livio Buttignol was appointed Chief Executive Officer of the Parent Company. He replaced Paolo Prota Giurleo, who resigned.

Outlook for the Balance of the Year. When reviewing the results for the first half of the year, readers should take into account the strong impact of seasonal factors on passenger traffic, which is at its lowest during the first quarter and peaks during the third quarter. Since most of the Group's operations are involved in the provision of restaurant services to people on the move, net sales tend to follow a similar pattern. In August, net sales benefited from the higher volumes generated by the summer traffic flows. Operating income should continue to improve, reflecting a more efficient use



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of the means of production. On the other hand, the financial charges incurred in connection with the HMSHost acquisition and the amortization of the goodwill generated by this transaction, which in 1999 were recognized only for four months, will be reflected fully in the financial statements for the 2000 fiscal year.

* The data included in the Report for the First Half of 2000 have not been reviewed by the Board of Statutory Auditors or the Independent Auditors.

** EBITDA stands for earnings before interest charges, taxes and extraordinary depreciation and amortization.