



FIRST QUARTER 2000

**QUARTELY REPORT PREPARED IN ACCORDANCE WITH
ART. 82 OF CONSOB REGULATION NO. 11971/99**

AUTOGRILL S.p.A.

Registered Office: Via L. Giulietti 9, 28100 Novara (Italy)

Head Office: Via Caldera 21, 20153 Milan (Italy)

Tax Number: 03091940266 VAT Registration Number: 01630730032

Share Capital: Lire 254,400,000,000 fully paid

Novara Register of Companies no. 21054/1997

Novara Chamber of Commerce, Economic & Administrative Index no. 188902

Board of Directors (until approval of the 2000 financial statements)

Gilberto BENETTON	<i>Chairman</i>	All powers provided by law and by the By-Laws, specifically legal representation of the company and company signature
Paolo PROTA GIURLEO	<i>Chief Executive Officer</i>	Ordinary administrative powers to be exercised with separate signature, with limitations relating to certain types of transactions.
Alessandro BENETTON	<i>Director</i>	No special powers
Giorgio BRUNETTI	<i>Director</i>	No special powers
Antonio BULGHERONI	<i>Director</i>	No special powers
Livio BUTTIGNOL	<i>Director</i>	No special powers
Marco DESIDERATO	<i>Director</i>	No special powers
Sergio EREDE	<i>Director</i>	No special powers
Gianni MION	<i>Director</i>	No special powers

Board of Statutory Auditors (until approval of the 2000 financial statements)

Gianluca PONZELLINI	<i>Chairman</i>	Registered Italian Accountant
Marco REBOA	<i>Regular Auditor</i>	Registered Italian Accountant
Ettore Maria TOSI	<i>Regular Auditor</i>	Registered Italian Accountant
Giovanni Pietro CUNIAL	<i>Alternate</i>	Registered Italian Accountant
Graziano Gianmichele VISENTIN	<i>Alternate</i>	Registered Italian Accountant

Independent Auditors (until approval of the 2000 financial statements)

Arthur Andersen S.p.A.

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Summary of the quarter

With growth of 11.1% to 1,162 billion lire (6.6% at constant exchange rates), 2000 first-quarter revenues grew faster than the market, particularly in the US airport business.

Operations at the subsidiary HMSHost improved by 8.3% against a 3.7% increase in departing passengers. EBITDA reflected this improvement in full, rising one percentage point compared with the year-earlier period.

At consolidated level, EBITDA was unchanged, due to the launch of new initiatives to develop operations and maximise operating efficiency.

With regard to development, advertising expenditure rose by 5.7 billion lire to support the expansion of Autogrill's quick-service restaurant (QSR) operations (Spizzico and Burger King) in Italy.

On a similar level (first-quarter spending of 5 billion lire), measures to improve efficiency included a reorganisation of the Group's US operations.

Performance in the period following the first quarter confirmed the strong revenue trend, with 14.2% growth in April (7% at constant exchange rates).

(billions of Italian lire)	1st quarter 2000	1st quarter 1999 proforma	Full year 1999
Chain revenues ⁽¹⁾	1,197.0	1,074.3	5,278.3
Sales revenues	1,162.0	1,045.7	5,133.8
EBITDA ⁽²⁾	83.6	75.6	604.1
% of revenues	7.2%	7.2%	11.8%
EBITA ⁽³⁾	24.7	25.1	259.2
% of revenues	2.1%	2.4%	5.0%
Result before taxes ⁽⁴⁾	(59.1)	(45.4)	154.1
% of revenues	-5.1%	-4.3%	3.0%
Cash flow (before taxes) ⁽⁵⁾	46.8	55.0	498.9
% of revenues	4.0%	5.3%	9.7%
Investments	69.2		409.7
Net working capital	(388.8)		(480.5)
Capital invested net	2,677.0		2,527.9
Net financial position	(2,237.2)		(2,034.2)

⁽¹⁾ includes sales by all locations operating Group brands, i.e., outlets run directly by Autogrill and franchisee operations.

⁽²⁾ earnings before interest, taxes, depreciation, amortisation and non-recurring income/charges

⁽³⁾ earnings before interest, taxes, amortisation of goodwill and consolidation differences, non-recurring income/charges; the first-quarter 1999 figure is net of proforma amortisation (27.4 billion lire) of goodwill recorded after the acquisition of HMSHost. In the 1999 full-year financial statements, this item totalled 29.6 billion lire to reflect the duration of ownership of the equity investment.

⁽⁴⁾ the first-quarter 1999 figure is net of proforma amortisation (see note 2) and financial charges (14.3 billion lire) relating to the acquisition of HMSHost. In the 1999 full-year financial statements, these charges totalled 14 billion lire, since they accrued in the four months following the acquisition of the equity investment.

⁽⁵⁾ the first-quarter 1999 figure is net of the proforma charges described in notes 2 and 3.

The Autogrill Group

Brief profile

The Autogrill Group is the world's leading provider of restaurant services for people on the move; with its proprietary Spizzico brand, it is one of the leading quick-service restaurant operators in Italy.

The Group has operations in 19 countries across four continents, with a total of more than 3,700 venues in 85 airports, 575 motorway service areas and in 212 other locations frequented by large numbers of consumers.

Many of its restaurants in motorway service areas are flanked by in-store retail outlets selling food, beverages and general merchandise. It also operates retail outlets in airport terminals.

Operations serving travellers are run under concessions granted by motorway and airport operating companies.

The Group's restaurant services cover a broad variety of concepts to meet the full range of customer needs.

These concepts are run as proprietary brands or as licensed brands.

One of the main proprietary brands is Spizzico, a fast-food pizza offer based on an approach typical of the latest quick-service restaurant products.

The Spizzico offer is available in restaurants run directly by Autogrill and above all in franchised operations; it is a top priority for Group growth across all its restaurant channels.

A seasonal industry

The Group's performance is very closely tied to consumer mobility. While the overall trend reflects continuous growth, interim results highlight the extremely seasonal nature of consumer flows, especially tourist flows.

Specifically, the first three months of the year are the least active period for the Group, while the third quarter is the busiest.

Unlike the year-earlier quarter, the first three months of 2000 did not benefit from the traffic peaks associated with the Easter period (especially on motorways).

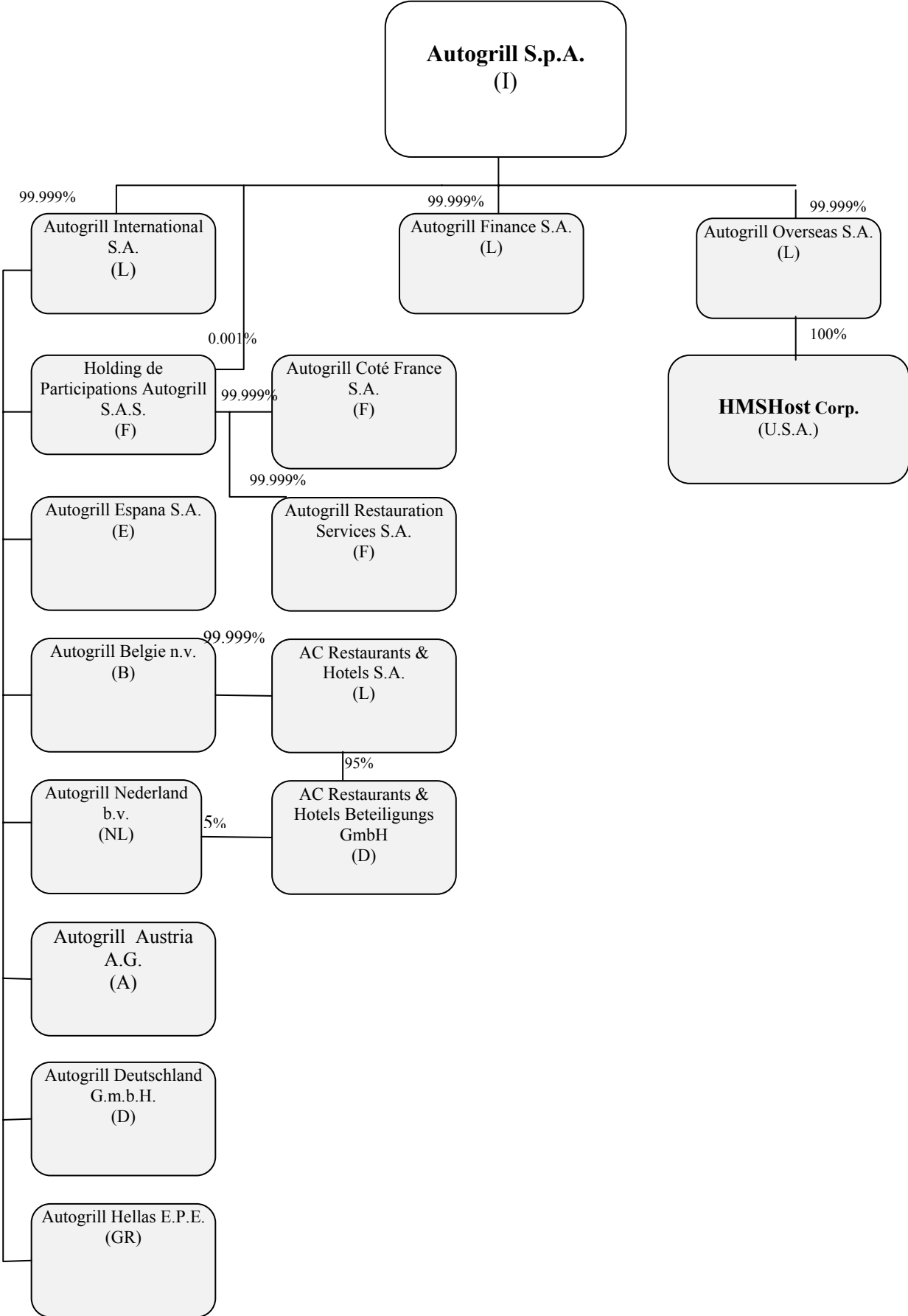
Since this is the Autogrill Group's first quarterly report, it should be noted that seasonal trends are even more evident in operating margins than in revenues, due to significant pro-rata temporis charges such as depreciation and amortisation, and to the fact that higher levels of efficiency are possible in customer services during peak periods.

In order to guarantee adequate levels of customer service, the Group, like other operators in the industry, needs to maintain a minimum level of operating costs, which can be high in proportion to revenues during low-season periods.

To counter this, the Group has been introducing flexible employment contracts wherever possible.

As far as the financial situation is concerned, the seasonal nature of revenue trends combines with the concentration in the first three months of a series of payments (specifically, concession fees and deferrals relating to personnel) that produce a temporary decrease in working capital.

Simplified Group structure



Financial statements

Condensed consolidated statement of income

	1st quarter 2000	1st quarter 1999 proforma	change total	change perc.	perc. net of Δ US\$ exchange	Full-year 1999
(billions of Italian lire)						
Revenues from sales and services	1,162.0	1,045.7	116.3	11.1%	6.6%	5,133.8
Other income	37.0	31.4	5.6	18.0%	14.0%	157.0
Value of production	1,199.1	1,077.1	122.0	11.3%	6.8%	5,290.8
Cost of production	(709.3)	(634.9)	(74.4)	11.7%	7.3%	(3,041.4)
Value added	489.8	442.2	47.6	10.8%	6.2%	2,249.4
Payroll and benefits	(394.3)	(355.9)	(38.4)	10.8%	6.1%	(1,578.5)
Current-asset writedowns, provisions for risks and other provisions	(4.2)	(3.5)	(0.7)	21.5%	20.8%	(35.0)
Other expenses	(14.8)	(13.5)	(1.3)	9.4%	4.9%	(57.3)
Gross operating margin	76.5	69.3	7.2	10.4%	6.2%	578.6
Amortisation of goodwill and consolidation differences	(46.2)	(48.6)	2.4	-5.0%	-10.6%	(102.9)
Other amortisation and depreciation, and fixed-asset writedowns	(58.9)	(50.5)	(8.4)	16.6%	11.5%	(241.9)
Operating result	(28.6)	(29.8)	1.2	-4.2%	-2.8%	233.8
Financial charges, net	(30.6)	(33.8)	3.2	-9.5%	-12.9%	(96.1)
Adjustments to financial assets	-	-	-			(1.8)
Result before extraordinary items and taxes	(59.2)	(63.6)	4.4	-7.0%	-8.3%	135.9
Extraordinary income, net	0.1	18.2	(18.2)	-99.5%	-99.5%	18.2
Result before taxes	(59.1)	(45.4)	(13.7)	30.2%	27.2%	154.1
IRAP						(21.5)
Other						(53.4)
Income taxes for the year						(74.9)
Income for the year						79.2
HMSHost result prior to acquisition						22.9
Minority shareholders						6.1
Group income						50.2

Condensed consolidated balance sheet

(billions of Italian lire)	31.3.2000 (1)	31.12.1999	change	
			total	total net of Δ US\$ exchange
A) Fixed assets				
Intangible fixed assets	2,389.5	2,371.7	17.8	(67.5)
Tangible fixed assets	799.0	757.6	41.4	27.1
Financial fixed assets	53.4	54.1	(0.7)	(1.5)
	3,241.9	3,183.4	58.5	(41.9)
B) Working capital				
Inventories	171.4	176.8	(5.4)	(9.7)
Trade receivables	122.1	112.1	10.0	7.9
Other assets	435.2	407.2	28.0	12.3
Trade payables	(592.5)	(640.5)	48.1	59.6
Reserves for risks and charges	(150.0)	(147.4)	(2.6)	(1.1)
Other current liabilities	(375.2)	(388.7)	13.5	26.6
	(388.8)	(480.5)	91.7	95.6
C) Capital invested, after current liabilities	2,853.1	2,702.9	150.2	53.8
D) Reserve for severance indemnities and other long-term non-financial liabilities	(176.0)	(174.9)	(1.1)	(1.1)
E) Capital invested, net	2,677.0	2,527.9	149.1	52.7
Financed by:				
F) Shareholders' equity				
Group	407.3	463.4	(56.1)	(66.2)
Minority shareholders	32.5	30.3	2.2	2.2
	439.8	493.7	(53.9)	(64.0)
G) Convertible bonds	688.4	685.0	3.4	-
H) Long-term financial debt	1,422.3	1,560.2	(137.9)	(225.1)
I) Current net financial position				
Current debt	341.4	231.5	109.9	109.9
Cash and current financial receivables	(214.9)	(442.5)	227.6	231.8
	126.5	(211.0)	337.5	341.7
Net financial position (G+H+I)	2,237.2	2,034.2	203.0	116.6
L) Total, as in E)	2,677.0	2,527.9	149.1	52.7

(1) situation determined on the basis of pre-tax earnings

Consolidated statement of cash flows

(billions of Italian lire)

	1st quarter 2000 (1)	Full year 1999
Opening current net financial position	211.0	(62.2)
Cash flows from operating activities		
Income for period (incl. amounts attributable to minority shareholders)	(59.1)	56.3
Depreciation, amortisation and fixed-asset writedowns, net of writeups	105.1	344.8
(Gains)/losses on disposal of fixed assets	-	(0.2)
Provisions for risks, net of uses	6.7	81.6
Variation in working capital	(102.3)	(55.7)
Net change in severance indemnities and other long-term liabilities	1.1	8.1
Exchange differences and other movements	3.9	-
	(44.6)	434.9
Cash flows from investing activities		
Purchases of tangible and intangible fixed assets	(66.4)	(409.7)
Selling price of tangible and intangible fixed assets	1.7	22.7
Acquisition of consolidated equity investments	-	(1,266.8)
Net change in financial fixed assets	1.5	(3.8)
Exchange differences and other movements	(100.4)	(2.0)
	(163.6)	(1,659.6)
Cash flows from financing activities		
Issuance of convertible bonds	-	685.0
New borrowings	132.1	806.1
Repayments and current portion of long-term debt	(357.2)	(17.7)
Dividend payout	-	(20.3)
Exchange differences and other movements	95.8	17.3
	(129.3)	1,470.4
Increase(decrease) in cash	(337.5)	245.7
Effect of variation in area of consolidation	-	27.5
Closing current net financial position	(126.5)	211.0
Closing long-term net financial indebtedness	(2,110.7)	(2,245.2)
Closing total net financial indebtedness	(2,237.2)	(2,034.2)

(1) situation determined on the basis of pre-tax earnings

Comments

a) Basis of presentation

The financial statements have been prepared in accordance with the provisions of Italian Decree no. 127/1991, section III, which implements EEC Directive VII, and take account of the requirements of CONSOB Regulation no. 11971/1999.

These notes explain, analyse and, in some cases, supplement the data reported in the financial statements. They include the information required by attachment 3D of the above-mentioned CONSOB Regulation. The assessment and consolidation criteria used to present the situation relating to the first quarter of 2000 are the same as those used to present the situations presented as comparisons. These criteria are illustrated in the 1999 Annual Report.

The exchange rates used to translate subsidiary financial statements denominated in other currencies into Italian lire are set out below:

	1st quarter 2000		Full year 1999		1st quarter 1999	
	period end	average	period end	average	period end	average
US dollar	2,026.870	1,962.537	1,927.400	1,819.270	1,927.400	1,819.270
Greek drachma	5.785	5.819	5.862	5.944	5.862	5.944

The Group hedges exchange-rate risks by financing the main net assets denominated in currencies other than the euro – specifically US dollars – with debt denominated in the same currency or by transacting exchange-rate operations with similar effects.

These hedging policies do not neutralise the effects of exchange-rate fluctuations on individual balance-sheet items.

In view of the significant rise in the value of the US dollar against the euro during the first quarter, the changes in the various financial-statement headings are stated net of this exchange-rate effect; the changes to which the comments refer are net of this exchange-rate effect.

As allowed under current legislation, this report has not been reviewed by the independent auditors.

Unless otherwise specified, the amounts presented in these notes are in billions of Italian lire.

Form and content of the financial statements

Pursuant to article 26 of Italian Decree no. 127/1991, the consolidated financial statements include the accounts as of 31 March 2000 of Autogrill S.p.A. and of all the companies in which the parent company holds the majority of voting rights.

The accounts of HMSHost Corp., which subdivides the financial year into 13 periods each lasting four weeks (with the possible exception of the thirteenth period) and closes the financial year on the Friday closest to 31 December, refer respectively to the periods 1 January - 24 March 2000 and 2 January - 26 March 1999.

As allowed under legislation governing interim reports, income taxes for the period, including the IRAP tax on Italian activities, have not been assessed.

Where appropriate, the accounts of the subsidiaries have been re-classified to ensure conformity with the presentation criteria adopted by the parent company.

The area of consolidation has not changed with respect to the consolidated financial statements as of 31 December 1999. A list of the companies included in the consolidation appears on page 20.

In the 1999 financial statements, the income statement of HMSHost, which was acquired on 1 September 1999, was consolidated as from the beginning of the financial year. A special offset reversed earnings for the period prior to the acquisition.

This earnings figure did not therefore include financial charges relating to the acquisition nor amortisation of goodwill.

In order to provide a significant basis for comparison, a proforma 1999 first-quarter income statement is presented.

Specifically, the earnings situation obtained by consolidating the first-quarter results of the Group companies has been amended by stating a proforma goodwill amortisation charge and proforma interest expense on the borrowings raised to finance the acquisition, for amounts similar to those stated in the 2000 first-quarter situation.

No amendments were made in respect of the other acquisitions made during 1999 – Autogrill Restauration Services S.A. (F) and the remaining 50% of Procace S.A. – since the results relating to the brief period prior to the acquisitions were not significant.

b) Criteria used for estimates other than those normally used to present the annual financial statements

During the first quarter of 2000, the Autogrill Group launched a series of important promotional and advertising initiatives to support the expansion of its Spizzico and Burger quick-service restaurant business.

Since these initiatives also benefit the franchisees, which constitute a significant part of the QSR sales network, the franchisees are required by contract to bear a portion of the relevant costs.

These contributions are determined on the basis of annual revenues.

The portion of costs to be recovered for the quarter has been estimated by applying to the costs the projected annual recovery percentage.

c) Significant changes in key headings

First-quarter revenues rose by 6.6% despite an unfavourable calendar – the Easter period began after the close of the first quarter – and the fall in air passenger traffic as a result of fears about the millennium bug.

Revenue trends are analysed in the next section.

First-quarter cost of production rose by 7.3%. The negative differential of 70 basis points stems from the concentration in the first quarter of costs whose main benefits will be felt during the subsequent periods:

1. in Italy, the Group launched a series of advertising campaigns to support the expansion of the Spizzico and Burger King offers, with increased expenditure of 5.7 billion lire compared with the year-earlier period;
2. projects to reorganise support functions were launched in a number of countries; in terms of costs and expected results, the most important projects relate to our US operations, for which expenditure for the quarter totalled 5 billion lire. In addition, at the beginning of the year a unit was formed to provide administrative services for operations in Austria and Germany. In Italy, Autogrill has been outsourcing payroll services since 1 January 2000, while general services have been outsourced since June 1999.

Payroll and benefits reflects an improvement in productivity, especially in Italy, the USA and Spain. In the USA, improvements to labour planning tools enabled us to minimise the effects of increases in hourly wage rates as a result of the current phase of national economic expansion.

A management model designed to achieve similar objectives (the result of the “OSCAR” customer satisfaction and higher profitability project) was recently devised and successfully introduced in Italy, where the Group continues to making greater use of part-time and flexitime employment contracts in order to match labour resources with business volumes.

In France, mechanisms are being introduced to offset the effects of the introduction of the 35-hour working week.

Depreciation and amortisation, excluding charges relating to goodwill and consolidation differences, rose more than revenues as a result of the recent openings, which are still at the initial phase of the revenue growth curve.

Net financial charges decreased in relation to the corresponding proforma figure, as a result of improvements in the procurement of funds.

The result before extraordinary items and taxes improved by 4.4 billion lire compared with the corresponding proforma figure.

In the previous year, extraordinary items included prepaid taxes totalling 20.8 billion lire a result of the introduction of Accounting Policy no. 25 (in application of revised IAS 12).

With regard to the balance sheet, capital invested, net rose by 52.7 billion lire net of the effects of fluctuations in the dollar/euro exchange rate.

The increase reflected the seasonal decrease in the absolute value of structurally negative working capital. Specifically, trade payables and other current liabilities decrease due to the high concentration of payments in the first quarter of the year.

Net fixed assets decreased by 41.9 billion lire net of exchange-rate differences, due to the combined effect of investments for the period (69.2 billion lire) and depreciation and amortisation (105.1 billion lire, of which 46.2 billion in respect of goodwill and consolidation differences).

Shareholders' equity – determined on the basis of pre-tax earnings – decreased by an amount corresponding to the pre-tax result for the period, net of the change in the conversion reserve.

The temporary rise in capital invested net was financed by short-term debt.

The long-term debt trend reflects the acquisition of a portion of the notes issued by a US subsidiary.

The net financial position reflects a decrease in liquid funds, which were used to make additional purchases of dollar-denominated senior notes issued in 1995 by an HMSHost subsidiary.

Long-term borrowings maturing beyond the fifth financial year total 21.4 billion lire.

The consolidated net financial position as of 31 March 2000 is set out below:

(billions of Italian lire)	at 31.3.2000	at 31.12.1999	Change
Convertible bonds	688.4	685.0	3.4
- Collateral bank loans	36.0	36.0	0.0
- Unsecured bank loans	932.9	807.1	125.8
- Senior notes	447.2	709.8	(262.6)
- Other providers of finance	6.2	7.3	(1.1)
Long-term debt	1,422.3	1,560.2	(137.9)
- Collateral bank loans	2.0	2.2	(0.2)
- Unsecured bank loans	170.1	177.0	(6.9)
- Other providers of finance	7.2	6.5	0.7
- Bank current accounts and short-term borrowings	162.1	45.5	116.6
Short-term debt	341.4	231.2	110.2
- Bank and post office deposits	(110.6)	(120.7)	10.1
- Cash and cash equivalents	(54.8)	(62.9)	8.1
- Other securities	(45.7)	(254.8)	209.1
- Amounts due from associated companies	(3.8)	(3.8)	0.0
Liquid funds and current financial receivables	(214.9)	(442.2)	227.3
Net financial position	2,237.2	2,034.2	203.0

d) Breakdown of revenues by business areas and by geographical areas

Revenues by business areas

The Group's core business is modern restaurant services. Its restaurant offer for travellers is flanked by retail services and a range of supplementary facilities , primarily hotel services.

During the first quarter, restaurant services showed particularly strong growth (up 7.9% net of the exchange-rate effect to 876.4 billion lire), while growth in retail revenues was more moderate (up 2% to 126.3 billion lire).

Revenues from *complementary* products (tobacco, lottery tickets, newspapers and magazines) grew by 3.6% to 140.7 billion lire net of the exchange-rate effect. The gradual reduction in sales of Italian lottery tickets (down 32.5% to 9.7 billion lire) was more than offset by the rise in revenues from sales of tobacco products, newspapers and magazines and other merchandise.

(billions of Italian lire)	1st quarter 2000	1st quarter 1999	Change		perc. net of D US\$ exchange
			total	perc.	
Sales to the public					
Core offers					
Restaurant services	876.4	775.7	100.6	13.0%	7.9%
Retail	126.3	120.5	5.8	4.8%	2.0%
Hotel	7.7	7.4	0.3	4.5%	4.5%
	1,010.4	903.6	106.7	11.8%	7.1%
Complementary	140.7	131.6	9.1	6.9%	3.6%
	1,151.1	1,035.2	115.8	11.2%	11.2%
Sales to 3rd parties/franchisees	10.9	10.4	0.5	5.0%	5.0%
Total	1,162.0	1,045.7	116.3	11.1%	6.6%

Revenues by geographical area

The Autogrill Group is active in the Far East and Oceania but its main operations are in Europe and North America, where it makes an organisational distinction between Italy, other European countries and HMSHost (which essentially represents the group's North American operations). Revenues from the Group's European operations and HMSHost totalled 15.7 billion lire.

(billions of lire)	Italy	Other European countries	HMSHost	Total
Motorways	304.9	107.8	116.9	529.6
Airports	11.3	-	503.6	514.9
Railway stations	1.7	23.7	-	25.4
City centres, shopping malls, exhibition centres	60.6	6.3	21.1	88.0
Other	4.1	0.1	-	4.2
Total 1st quarter 2000	382.6	137.8	641.5	1,162.0
Total 1st quarter 1999	352.8	130.9	562.1	1,045.7
% change in total	8.5%	5.3%	14.1%	11.1%
exchange rate effect (bn lire)			44.3	44.3
% change net of exchange rate effect	8.5%	5.3%	5.8%	6.6%

Italy

Operations in Italy are conducted directly by Autogrill S.p.A.

In first quarter 2000, Autogrill S.p.A. had revenues of 382.6 billion lire (up 8.5% compared with the year-earlier period), made up as detailed below:

billions of Italian lire	1st quarter 2000	1st quarter 1999	Change	
Sales to the public				
Core offers				
Restaurant services	222.3	198.6	23.7	11.9%
Retail	72.6	68.0	4.6	6.8%
Hotel	0.1	0.1	0.0	36.5%
	295.0	266.7	28.3	10.6%
Complementary	76.7	75.3	1.4	1.9%
	371.7	342.0	29.7	8.7%
Sales to 3rd parties/franchisees	10.9	10.8	0.1	0.9%
Total	382.6	352.8	29.8	8.5%

Revenue results reflect the expansion of the Spizzico and Burger King offers (35 additional outlets compared with the situation twelve months earlier, for a total of 170), and the greater penetration of the motorway channel, where an estimated 3.5% rise in traffic volumes (in terms of daily average number of vehicles) was matched by a 6.6% increase in sales volumes.

Other European countries

Overall performance was satisfactory, especially in countries where innovations were introduced in offers.

Revenue growth was particularly strong in Spain (up 16.9% to 21.5 billion lire) and France (up 6.2% to 61.8 billion lire), due in part to the restructurings of 10 outlets in 1999.

Double-digit growth was maintained in Greece (up 17.3% to 1.4 billion lire).

Moderate performance was reported in the Netherlands (up 4.3% to 21.5 billion lire) while sales in Luxembourg were stable at first-quarter 1999 levels.

In Belgium, motorway revenue growth (up 1.0%) was offset by the effects of the planned closure of two unprofitable restaurants in shopping malls.

In Austria (down 3.7% to 8.3 billion lire) and Germany (up 2.5% to 4.4 billion lire), the current restaurant concepts are about to be replaced with proprietary brands. The current formulas, which are associated with the Wienerwald brand, are enjoying less popularity among the public partly because of events concerning the city outlets run under an identical brand by the Wienerwald group.

HMSHost

Net of the exchange-rate effect, first-quarter 2000 sales rose 5.8% to 641.6 billion lire, with improvements across all business sectors:

(billions of Italian lire)	1st quarter 2000	1st quarter 1999	Change	
Airports				
North America	471.5	440.1	31.4	7.1%
Other countries	21.9	23.9	(02)	-8.5%
Theme parks	10.3	19.5	(09)	-47.2%
	503.6	483.5	20.2	4.2%
Motorways	116.9	112.8	4.1	3.6%
Shopping malls	21.1	10.1	11.0	109.0%
Total	641.6	606.3	35.2	5.8%

On a comparable basis, i.e., net of closures and openings, revenues in North American airports rose 8.3%, against a 3.7% increase in passenger traffic (Air Transport Association estimate).

Revenues per passenger – the key performance indicator in the airport business – therefore rose by 4.6%, largely due to the stronger appeal of the company's newly converted locations featuring better known brands.

Revenues from theme parks decreased as the result of the closure of a number of outlets during 1999.

Motorway operations were affected by the expiry of a contract during the quarter.

The improvement in shopping mall revenues chiefly stemmed from the outlets opened during the fourth quarter of 1999. On a comparable basis, revenues rose 3.9%.

e) Foreseeable outlook for the current year

Significant events subsequent to 31 March 2000

Major growth initiatives included the concessions awarded for the provision of restaurant services at the new Athens airport.

In the financial area, Autogrill announced its intention of proceeding with the early redemption on the first possible date (15 May 2000) of the dollar-denominated senior notes issued in 1995 by an HMSHost subsidiary.

This will enable the Group to make a significant reduction in loan costs, given that the notes carried a fixed 9.5% annual coupon.

With regard to organisation, having accumulated knowledge about the specific operating and market conditions of the companies acquired in Europe over the last few years, the Group formed a new division to manage its operations in Europe. The new unit has been provided with all the tools needed to accelerate business growth and build up the sales network.

Foreseeable operating outlook

Any analysis of first-quarter results must consider the highly seasonal nature of passenger traffic flows, which fall to a minimum during the first quarter and rise to a maximum during the third quarter. Since the Group's core business is providing restaurant services for travellers, its revenues reflect these trends.

April sales, which benefited from the higher traffic flows of the Easter period, confirmed the positive revenue trend (up 6.2% compared with the first four months of the previous year, net of the exchange-rate effect).

EBITDA should reflect improved efficiency in the use of key production factors.

In 2000, the impact of financial charges relating to the acquisition of HMSHost and amortisation of goodwill will be felt over the entire financial year; in 1999, these charges affected only the four months following the acquisition.

Directors' comments on operating performance and key events in the first quarter

The increase in revenues in the first quarter of 2000 (up 11.1% to 1,162 billion lire, or 6.6% net of the exchange-rate effect) is an extremely satisfactory result, given that with Easter falling on 23 April, the high mobility of the Easter period did not benefit the first quarter, as it did in part in 1999, and given the negative impact of millennium bug fears on air traffic in the first few days of the year.

The drivers behind revenue growth were the expansion of the sales network and the growing appeal of our branded services offer.

The expansion of the sales network focused on Italy, specifically on the quick-service restaurant offer with the Spizzico brand, which generated chain revenues of 36.5 billion lire (up 26.7%), and the Burger King brand, which generated revenues of 5.3 billion lire in the first quarter of 2000. Burger King was not part of our brand portfolio in the first quarter of 1999.

Operating network at 31 March 2000 - locations

	Motorways	Freeways	Airports ⁽¹⁾	Railway stations	Exhibition centres	City centres	Shopping malls	Total at 31/3/00	Total at 31/3/99	Change
Italy	324	23	6	6	3	44	46	452	441	11
Other European countries	158	19	2	16	1	2	21	219	214	5
North America	93	-	71	-	15	-	16	195	195	0
Other	-	-	6	-	-	-	-	6	6	0
Total	575	42	85	22	19	46	83	872	856	16
of which franchisees	62	15	-	4	0	10	19	110	105	5

(1) airport revenues and revenues of two shopping centres in "Other European countries" are included in the revenues of HMSHost, which controls these operations.

Greater use of well-known brands had particularly significant effects on our North American operations, which reported a significant increase in revenues per departing passenger, the key business performance indicator in this area.

Similar trends were reported on Italian motorways and, for other European countries, by motorway operations in Spain and France.

EBITDA improved despite higher promotional/advertising spending in the first quarter in Italy to support the growth of the QSR business (Spizzico and Burger King) and the start-up in the USA and a number of European countries of major reorganisations of support functions, especially in the administrative area, which should lead to further improvements in operating profits.

Attachments

List of Companies included in the Consolidation and other Equity Investments

Companies consolidated on a line-by-line basis

Company name	Registered Office	Country	Currency	Share capital (in currency)	% ownership
Parent Company					
Autogrill SpA	Novara	Italy	Lit.	254,400,000,000	57.09% Edizione Holding S.p.A.
Subsidiary companies					
ISIC SpA	Novara	Italy	Lit.	400,000,000	100.00% Autogrill SpA
Nuova Estral Srl	Novara	Italy	Lit.	20,000,000	100.00% Autogrill SpA
Nuova Sidap Srl	Novara	Italy	Lit.	20,000,000	100.00% Autogrill SpA
Autogrill International SA	Luxembourg	Luxembourg	LUF	1,700,000,000	99.99% Autogrill SpA
Autogrill Austria AG	Gottesbrunn	Austria	Ats	100,000,000	100.00% Autogrill International SA
Autorest Hungaria Kft	Budapest	Hungary	HUF	1,000,000	100.00% Autogrill Austria A.G.
Autogrill Belgie N.V.	Herentals	Belgium	BEF	230,000,000	100.00% Autogrill International SA
AC Restaurants & Hotels Beheer S.A.	Herentals	Belgium	BEF	16,819,814	99.99% Autogrill Belgie N.V. 0.01% AC Restaurants & Hotels S.A.
AC Arlux .S.A.	Arlon	Belgium	BEF	50,757,000	100.00% AC Restaurants & Hotels Beheer S.A.
AC Restaurants Chesnoy S.A.	Herentals	Belgium	BEF	2,501,000	100.00% AC Restaurants & Hotels Beheer S.A.
AC Restaurants & Hotels S.A.	Luxembourg	Luxembourg	LUF	5,000,000	99.99% AC Restaurants & Hotels Beheer S.A. 0.01% Autogrill Belgie N.V.
AC Restaurant & Hotels Beteiligungs GmbH	Niederzissen	Germany	DEM	150,000	95.00% AC Restaurants & Hotels S.A. 5.00% AC Holding N.V.
AC Restaurant & Hotels Betriebs GmbH	Niederzissen	Germany	DEM	50,000	100.00% AC Restaurant & Hotels Beteiligungs GmbH
Autogrill Deutschland GmbH	Munich	Germany	DEM	400,000	100.00% Autogrill International SA
Autogrill Espana SA	Madrid	Spain	Ptas	300,000,000	100.00% Autogrill International SA
Autogrill Hellas EpE	Avlona Attikis	Greece	GRD	20,000,000	100.00% Autogrill International SA
Autogrill Nederland bv	Breukelen	Netherlands	NLG	14,040,000	100.00% Autogrill International SA
Maison Ledebor B.V.	Zaandam	Netherlands	NLG	154,000	100.00% Autogrill Nederland bv
AC Holding N.V.	Breukelen	Netherlands	NLG	300,000	100.00% Maison Ledebor B.V.
The American Lunchroom Co. B.V.	Zaandam	Netherlands	NLG	40,000	100.00% AC Holding N.V.
AC Apeldoorn B.V.	Apeldoorn	Netherlands	NLG	100,000	100.00% The American Lunchroom Co. B.V.
AC Bodegraven B.V.	Bodegraven	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Heerlen B.V.	Heerlen	Netherlands	NLG	51,000	100.00% The American Lunchroom Co. B.V.
AC Hendrik Ido Ambacht B.V.	Hendrik Ido Ambacht	Netherlands	NLG	35,000	100.00% The American Lunchroom Co. B.V.
AC Holten B.V.	Holten	Netherlands	NLG	75,000	100.00% The American Lunchroom Co. B.V.
AC Leiderdorp B.V.	Leiderdorp	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Meerkerk B.V.	Meerkerk	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Nederweert B.V.	Wert	Netherlands	NLG	75,000	100.00% The American Lunchroom Co. B.V.
AC Nieuwegein B.V.	Nieuwegein	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Oosterhout B.V.	Oosterhout	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Restaurants & Hotels B.V.	Breukelen	Netherlands	NLG	200,000	100.00% The American Lunchroom Co. B.V.
AC Sevenum B.V.	Sevenum	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Vastgoed B.V.	Zaandam	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Vastgoed I B.V.	Zaandam	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Veenendaal B.V.	Veenendaal	Netherlands	NLG	40,000	100.00% The American Lunchroom Co. B.V.
AC Zevenaar B.V.	Zevenaar	Netherlands	NLG	125,000	100.00% The American Lunchroom Co. B.V.
Holding de Participations Autogrill Sas	Marseilles	France	FRF	122,778,000	99.99% Autogrill International SA
Autogrill Coté France S.A.	Marseilles	France	FRF	203,738,880	99.99% Holding de Participations Autogrill Sas
Hotelimar S.A.	Marseilles	France	FRF	7,500,000	79.98% Autogrill Coté France S.A.
Soberest S.A.	Marseilles	France	FRF	800,000	49.97% Autogrill Coté France S.A.
SO.BO.REST S.A.	St. Savin	France	FRF	3,500,000	49.99% Autogrill Coté France S.A.
Socopal S.A.	Marseilles	France	FRF	1,350,000	65.50% Autogrill Coté France S.A.
Sorebo S.A.	Marseilles	France	FRF	900,000	49.98% Autogrill Coté France S.A.
S.P.C. S.A.	Perrogney les Fontaines	France	FRF	800,000	50.31% Autogrill Coté France S.A.
S.R.A.D. S.A.	Marseilles	France	FRF	3,100,000	49.99% Autogrill Coté France S.A.
S.R.T.C. S.A.	Marseilles	France	FRF	9,000,000	69.98% Autogrill Coté France S.A.
Autogrill Restauration Services S.A.	Marseilles	France	FRF	200,276,400	99.99% Holding de Participations Autogrill Sas
Autogrill Gare Chateauroux S.a.r.l.	Marseilles	France	FRF	50,000	100.00% Autogrill Restauration Services S.A.

Company name	Registered office	Country	Currency	Share capital (in	
				currency	% ownership
Autogrill Gare Lyon Part Dieu S.a.r.l.	Marseille	France	FRF	200,000	100.00% Autogrill Restauration Services S.A.
Autogrill Gare Lyon Perrache S.a.r.l.	Marseille	France	FRF	2,314,000	100.00% Autogrill Restauration Services S.A.
Autogrill Gare Toulon S.a.r.l.	Marseille	France	FRF	50,000	100.00% Autogrill Restauration Services S.A.
Autogrill Gare Des Alpes S.a.r.l.	Marseille	France	FRF	50,000	100.00% Autogrill Restauration Services S.A.
Autogrill Gare du Paris Nord S.a.r.l.	Marseille	France	FRF	20,000	100.00% Autogrill Restauration Services S.A.
Autogrill Gare Paris Saint Lazare S.a.r.l.	Marseille	France	FRF	8,265,200	100.00% Autogrill Restauration Services S.A.
Autogrill Gare Paris Est S.a.r.l.	Marseille	France	FRF	100,000	100.00% Autogrill Restauration Services S.A.
Autogrill Gare Nevers S.n.c.	Marseille	France	FRF	10,000	99.00% Autogrill Restauration Services S.A. 1.00% Autogrill Gare Paris Est S.a.r.l.
Autogrill Gares Ile de France S.n.c.	Marseille	France	FRF	10,000	99.00% Autogrill Restauration Services S.A. 1.00% Autogrill Gare Paris Est S.a.r.l.
Autogrill Gare Lille S.n.c.	Marseille	France	FRF	250,000	99.96% Autogrill Restauration Services S.A. 0.04% Autogrill Gare Paris Est S.a.r.l.
HMSHost Corp.	Bethesda	USA	USD	125,000,000	100.00% HMSHost Overseas S.A.
Host Marriott Tollroads Inc.	Bethesda	USA	USD	125,000,000	100.00% HMSHost Corp.
Host International Inc.	Bethesda	USA	USD	125,000,000	100.00% HMSHost Corp.
Sunshine Parkway Restaurants Inc.	Bethesda	USA	USD	125,000,000	50.00% HMSHost Corp. 50.00% Gladieux Inc.
Cincinnati Terminal Services Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Cleveland Airport Services Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
HMS-Airport Terminal Services Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
HMS-Airport Terminal Services (Christchurch branch) Inc.	Bethesda	USA	USD	125,000,000	100.00% HMS-Airport Terminal Services Inc.
HMS B&L Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
HMS Holdings Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Host Marriott Services Family Restaurants Inc.	Bethesda	USA	USD	125,000,000	100.00% HMS Holdings Inc.
Gladieux Inc.	Bethesda	USA	USD	125,000,000	100.00% HMS Holdings Inc.
Host (Malaysia) Sdn Bhd	Kuala Lumpur	Malaysia	MYR	100,000	100.00% Host International Inc.
Host Gifts Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Host International of Canada Ltd	Vancouver	Canada	CAD	4,600,000	100.00% Host International Inc.
Host International of Kansas Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Host International of Maryland Inc	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Host Marriott Services USA Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Host International (Poland) Sp zo o	Warsaw	Poland	PLN	6,557,600	100.00% Host International Inc.
Host of Holland B.V.	Haarlemmermeer	Netherlands	NLG	200,000	100.00% Host International Inc.
Horeca Exploitatie Maatschappij Schiphol B.V.	Schiphol	Netherlands	NLG	100,000	100.00% Host of Holland B.V.
Host Services (France) S.a.s.	Paris	France	FRF	250,000	100.00% Host International Inc.
Host Services Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Host Services of New York Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Host Services Pty Ltd	North Cairns	Australia	AUD	12	100.00% Host International Inc.
Las Vegas Terminal Restaurants Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Marriott Airport Concessions Pty Ltd	Tullamarine	Australia	AUD	999,998	100.00% Host International Inc.
Michigan Host Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Shenzen Host Catering Company Ltd	Shenzen	USA	USD	2,500,000	90.00% Host International Inc.
The Gift Collection Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.
Turnpike Restaurants Inc.	Bethesda	USA	USD	125,000,000	100.00% Host International Inc.

Companies accounted for using the equity method

Company name	Registered office	Currency	Share capital (in currency)	%	Ownership
Convivium 2000 S.C.p.A.	Milan	Lit	252,000,000	14.29%	Autogrill S.p.A.
Union Services S.a.r.l.	Luxembourg	Lit	100,000,000	20.00%	Autogrill International S.A.
				20.00%	Autogrill Overseas S.A.
				10.00%	Autogrill Finance S.A.
S.R.S.R.A. S.A.	Saint Rambert d'Albon (F)	FRF	3,200,000	40.73%	Autogrill Coté France S.A.
Isardrome S.A.	Saint Rambert d'Albon (F)	FRF	200,000	81.00%	S.R.S.R.A. S.A.
				4.50%	Autogrill Coté France S.A.
Volcarest S.A.	Chatelguyon (F)	FRF	1,800,000	33.99%	Autogrill Coté France S.A.
Dewina Host Sdn Bhd	Kuala Lumpur (Malaysia)	MYR	250,000	49.00%	Host International Inc.
HMSC-AIAL Ltd	Auckland (New Zealand)	NZD	111,900	50.00%	Host International Inc.