AUTOGRILL

Press release

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Revenues for the year rise to 2,175,4 billion lire (1.1 billion Euros), up 26.6% compared with 1997. Income improves 31.4%.
AGM approves request to seek funds for growth on capitals market. Vito Gamberale joins Board.

Autogrill shareholders approve 1998 financial statements. Strong income and revenue growth. 80 lire per-share payout.

Milan, 30th April 1999 - At their Annual General Meeting today, chaired by Gilberto Benetton, the shareholders of Autogrill approved the 1998 financial statements which, as a result of the Group's expansion in Europe, saw significant improvements in both revenues and margins. At an Extraordinary Meeting, the shareholders gave their approval to the project to raise share capital in order to service a convertible bond loan, intended, according to Benetton, "to support Autogrill's immediate and long-term growth."

Results. In 1998, Group revenues were 2,175.4 billion lire (1.1 billion euros), an increase of 26.6% compared with 1997. "Chain" revenues, which include sales by franchised restaurants, amounted to 2,315 billion lire (1.2 billion euros), an increase of 27.9%. 125 billion lire (64.6 million euros) of the chain revenue figure relate to the quick-service restaurant business, where Autogrill's operations are largely based on the Spizzico formula. Income for the year – net of minority interests – was 65.5 billion lire (33.8 million euros), an improvement of 31.4%. Cash-flow (earnings plus amortisation, depreciation, provisions and other charges) rose 34.1% compared with 1997 to 219.8 billion lire (113.5 million euros). Gross operating margin was 328.7 billion lire (169.8 million euros), compared with 214.8 billion in 1997 (110.9 million euros), while operating income was 145.3 billion lire (75 million euros), an increase of 73.7 billion lire from 1997. The strong rise in margins was due in part to the introduction of Irap, a regional tax on production activities, which generated a reduction in payroll costs and an increase in taxes.
The decisive factor in both revenue and income performance was the strengthening and expansion of the Group's operations on major continental European markets, which accounted for 24.3% of 1998 consolidated revenues (6.5% in 1997). Comparison of 1998 consolidated income with a pro-forma 1997 statement including 1997 income of the new acquisitions shows a revenue increase of 5.3% and improvements of 18% and 54.8% in gross operating margin and net income respectively.
Net financial indebtedness increased 86.3 billion lire (44.6 million euros) to 172.7 billion lire (89.2 million euros) at 31 December 1998. Capital expenditure was 124.3 billion lire (64.2 million euros), compared with 150.7 billion a year earlier (77.7 million euros).
The parent company Autogrill S.p.A., which conducts the Group's operations in Italy, reported revenues totalling 1,649.3 billion lire (851.8 million euros, up 2.4% compared with 1997). Specifically, revenues from sales of food and drink rose 5.7%, while sales of lottery tickets fell by 22.9%. Net income was 33.1 billion lire (17.1 million euros, up 48,5%): this improvement was due

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in part to the extension of the goodwill write-off period from 5 to 10 years, as permitted under tax laws.

Bond loan. The shareholders today approved a share capital increase excluding stock options, to be reserved exclusively for a convertible bond loan for a maximum duration of 15 years. Share capital will be raised by up to 33.5 billion lire through the issue, in one or more instalments, of up to 33.5 million shares of Autogrill S.p.A. common stock, with a per-share par value of 1,000 lire. The new shares will be offered exclusively to the holders of bonds convertible into Autogrill S.p.A. common shares. The bonds will be issued by a non-Italian Autogrill S.p.A. subsidiary and underwritten by Autogrill S.p.A., and will be offered to Italian and international institutional investors.
The subscription ratio and terms and conditions of the new common stock issue will be as laid out in the bond regulation. The conversion price will be determined by the Board of Directors based on market prices at the time of the bond issue. Conversion will be at a premium in relation to the market share price and in any case not less than 10.33 euros per share, or 20,000 lire. The bonds will be issued in one or more instalments within one year of the date of ratification of the shareholders' resolution. The operation will raise new funds for a total amount of approximately 350 million euros, or approximately 678 billion lire, which will be used to boost the expansion of the Group's restaurant services run under concession and its quick-service restaurant business.

Other decisions. The shareholders also approved a per-common-share dividend payout of 80 lire, payable as from next 31 May on presentation of the relevant coupon on 24 May. The total payout amounts to 20.4 billion lire, 10.5 million euros. The prior-year payout was 70 lire per common share. The shareholders also granted the Board an 18-month purchase authorisation in respect of up to 3 million own shares, for a minimum price of 10,000 lire (5.16 euros) and a maximum of 25,000 lire (12.91 euros), with the allocation of up to 75 billion lire to the own-share purchase reserve.

Company officers. The Shareholders appointed a new Board for 1999: the Directors are Gilberto Benetton (Chairman), Paolo Prota Giurleo, Alessandro Benetton, Giorgio Brunetti, Antonio Bulgheroni, Marco Desiderato, Sergio Erede, Vito Gamberale and Gianni Mion. At a meeting held after the Shareholders' Meeting, the Board confirmed Paolo Prota Giurleo to the post of Chief Executive Officer.

Current year performance. Current-year sales and the investments planned by the Group to expand its network and improve service quality indicate that 1999 operating results will be in line with those reported for 1998.