Revenues of 1,162 Billion lire, up 11.1% compared with the pro-forma 1999 first quarter. Turnover rises 38% for Spizzico and Burger King. Announcement of a new organisation.

**Autogrill reports strong revenue growth for 1Q2000 in all business areas**

Milan, 12th May 2000 - At a meeting today, the Board of Directors of Autogrill, the Edizione Holding catering group, approved the Report for the first quarter of 2000.

**First-quarter performance.** In analysing first-quarter results, it should be remembered that the motorway restaurant business is highly seasonal, with the largest proportion of revenues occurring in the third quarter. Autogrill Group revenues for the first quarter to 31 March 2000 were 1,162.0 billion lire, an increase of 11.1% compared with the year-earlier period (*). Chain revenues, including sales by franchisees, were 1,197.0 billion lire (up 11.4%), of which 41.8 billion (up 38%) related to the Quick Service Restaurant Division (QSR), which operates the Spizzico and Burger King brands. The revenue rise reflects increased penetration in relation to traffic flows and the effect of dollar exchange rate trends, which generated a rise in revenues in North America. EBITDA was 83.6 billion lire, an increase of 10.6% (7.2% of revenues). Depreciation and amortisation rose from 99.1 to 105.1 billion lire, an increase of 6.1%. Financial charges decreased to 30.6 billion lire compared with 33.8 billion in the year-earlier first quarter (down 9.5%), thanks to improved debt conditions as a result of the issue of the 350 million euro convertible loan. Results before extraordinary items and taxes improved by 7%, increasing from –63.6 billion lire in 1999 to –59.2 billion in 2000.

**The parent company.** Autogrill S.p.A., which conducts the group’s activities in Italy, closed the first quarter with revenues of 382.6 billion lire, an increase of 8.5%. EBITDA was 32.2 billion (8.4% of revenues), a decrease of 11.6% as a result of the major Spizzico advertising campaigns, the effects of which will be felt throughout the year. The motorway restaurant business performed particularly well: against estimated traffic growth of 3.5% (source: Società Autostrade), turnover rose by 6.6% compared with the year-earlier period. Retail revenues (from sales of various items, mainly in motorway outlets) improved by 6.8%. Despite the decrease in sales of Italian lottery tickets, sales of complementary products (tobacco goods, lottery tickets, newspapers and magazines) rose by 1.4%.

**HMSHost.** First-quarter sales rose 5.8% net of the exchange rate effect (or 14.1% at current exchange rates), with improvements reported in all business areas. North American airport operations increased by 8.3%, against a 3.7% increase in passenger traffic (Air Transport Association estimate). This was a particularly satisfactory result given that the Millennium Bug discouraged air travel during the first few days of the year. EBITDA net of the exchange rate effect was 47 billion lire (7.3% of revenues), an increase of 23.9% compared with the year-earlier quarter.
Outlook. Performance during the Easter period, which this year occurred in April, confirmed the strong sales growth.

“The excellent sales performance for the first four months of the year is due to the strength of the European and North American economies, but above all to the success of our services and our consumer offer,” commented CEO Paolo Prota Giurleo. “We expect the growth trend to continue during the summer months, which constitute the most important season for our business.”

Financial 2000 will reflect in full the financial charges relating to the HMSHost acquisition and amortisation of relevant goodwill; in the 1999 financial statements, these items were reflected only for the four months following the acquisition.

The new organisation. Work has been completed in the last few days on the new organisation of the Autogrill Group, which is designed to:

- enable the Group to take advantage of all growth opportunities and simultaneously improve the productivity of existing operations;
- improve integration of Group operations in Europe;
- strengthen ties between European and US operations (HMSHost).

The new organisation, which reports directly to CEO Paolo Prota Giurleo, consists of two business divisions and a staff division named Corporate Worldwide.

The business divisions are:

- **Autogrill Europa**, Senior VP Enrico Ceccato, 38, formerly VP of the Strategic Marketing and QSR Division;
- **HMSHost**, headed by President and CEO John J. McCarthy, who has built up extensive operating and international experience in 26 years with the company. William W. McCarten, former HMSHost CEO, has moved to the post of Chairman.

In the Corporate Worldwide division, Carmine Meoli has been confirmed as VP for Planning, Finance & Control.

(*) The quarterly Report is not audited; comparisons are with pro-forma 1999 first-quarter figures which take account of acquisitions.