



Press release

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**Revenues rise 14.1% in first 9 months.  
Improvements in cash flow (9.8% of revenues) and Ebitda (up 17.5%).  
US operations account for 55% of revenues**

## **Autogrill: strong growth in revenues and profitability**

Milan, 14<sup>th</sup> November 2000 - At a meeting today chaired by Gilberto Benetton, the Board of Directors of Autogrill S.p.A. approved the Quarterly Report for the third quarter of 2000.

**Performance in the first nine months.** At 30 September 2000, the Autogrill Group had consolidated revenues of 2,180.2 million euro, an increase of 14.1% from the corresponding year-earlier period (\*), or 6.5% net of the exchange rate effect. Key factors contributing to this important result were the performance of Autogrill's US subsidiary, HMSHost, and the growth of the motorway and Quick-Service Restaurant (QSR) businesses in Italy.

Consolidated chain revenues, which include sales by franchisees, totalled 2,242.7 million euro (1,965 in the year-earlier period). They included 73.5 million euro (up 37.7%) for the Quick-Service Restaurant Division, which operates with the Spizzico and Burger King brands.

EBITDA rose by 17.5% (11% at constant exchange rates) to 283 million euro, accounting for 13% of revenues (12.5% in the previous year at constant exchange rates). This result reflects higher promotional and advertising expenses for the Spizzico and Burger King brands in Italy, and the costs of a series of restructuring projects.

At constant exchange rates, the net financial position improved by 64.5 million euro compared with the proforma 1999 third-quarter figure, and by 80 million euro compared to 31 December 1999. At current exchange rates, consolidated net financial indebtedness increased by 62.2 million euro.

Cash flow before taxes was 212.6 million euro (9.8% of revenues) compared with 167.7 million euro proforma at 30 September 1999 (8.8% of revenues). Earnings before taxes and the effects of changes in accounting policies were 38.3 million euro (1.8% of revenues), compared with 21.2 million euro in 1999 (1.1% of revenues).

**HMSHost Corp.** Sales by the US subsidiary at 30 September totalled 1,193.9 million euro, compared with 982.3 in the corresponding year-earlier period, and accounted for 55% of Group revenues. Net of the exchange rate effect, revenue growth was 6.7%. EBITDA for the first nine months of the year amounted to 141 million euro (11.8% of revenues), an increase of 21% compared with the year-earlier period. The US airport business reported strong third-quarter revenue growth of 9.9% at constant size (i.e., not including new operations).



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**Operations in Italy and Europe.** For the first nine months, Autogrill reported revenues of 708.6 million euro in Italy (46.8 up on the year-earlier period), mainly as a result of the growth of the Spizzico and Burger King offers (a total of 175 outlets) and the expansion of the motorway restaurant channel, where sales volumes grew faster than traffic.

Performance in the rest of Europe was also satisfactory, especially in areas where enhancements were introduced to the offer. The countries with the greatest potential were Spain, with 15.2% revenue growth, and Greece (17.2%). In France, the second-largest market after Italy, revenues grew by 2.9% to 125.9 million euro. Austria and Germany still need to acquire a critical mass in line with the particular characteristics of the business.

#### **Performance in the third quarter.**

Third-quarter revenues rose by 13.8% (6.1% at constant exchange rates) to 850.2 million euro, with a more than proportional improvement in EBITDA. This enabled the group to reduce consolidated net financial indebtedness by 41 million euro; at constant exchange rates, the net financial position improved by 64.5 million euro compared with the proforma 1999 third-quarter figure.

Restaurant service operations turned in a particularly strong performance, with revenues rising 7.4% at constant exchange rates to 644.9 million euro. HMSHost reported third-quarter sales of 467.5 million euro at constant exchange rates (up 6.7%), with improvements in all areas of activity.

#### **Positive full-year projections**

"The results for the period reflect the growth trend in demand and confirm that we are on the right course with our expansion strategies," said Autogrill chairman Gilberto Benetton. "The acquisition of HMSHost has improved volumes and efficiency throughout the Group, especially in North America. Our organisational and investment plans will help us enhance our international market presence by consolidating our current leadership positions. Despite interest expense and amortisation of goodwill over the 12 months, for the full year we expect to improve operating performance compared with 1999 and to report net earnings."

(\* ) The quarterly Report is not audited; figures for 1999 have been reclassified on a proforma basis to take account of acquisitions.