Net sales rise 12.2% at North American subsidiary

**Autogrill: 2004 first-quarter Ebitda rises 7.7% to 63.5 m€ (+17.9% at constant exchange rates).**
In the last twelve months net debt improvement of around 200 m€

Milan, 13th May 2004 - At a meeting today chaired by Gilberto Benetton, the Board of Directors of Autogrill S.p.A. (Milan: AGL.MI) approved the report for the first quarter* to 31st March 2004.

**Consolidated results at 31st March 2004**

Net sales
In the first quarter, the period of the year with less passenger traffic, consolidated net sales totaled 663.0 m€, –1.4% (+6.6% at constant exchange rates) from net sales of 672.7 m€ in the first quarter of 2003 on a pro-forma basis1.

The activities of the North American subsidiary marked a significant trend, even thanks to a clear recovery of the macroeconomic scenario. In first quarter 2004 Autogrill Group, Inc. (HMSHost + Anton Airfood) reported net sales of 413.1 m$, an improvement of 12.2% from 368.2 m$ in the year-earlier first quarter.

Ebitda
Profitability continued to improve. Autogrill consolidated Ebitda in first quarter 2004 was 63.5 m€, up by 7.7% (+17.9% at constant exchange rates) from 59.0 m€ in the year-earlier first quarter. The return on net sales rose by approximately one percentage point, from 8.8% in first quarter 2003 to 9.6% in first quarter 2004.

Earnings before tax
The highly seasonal nature of passenger traffic, which slows to a minimum in the first quarter and peaks in the third quarter, affects the pre-tax result, which is structurally negative in the first quarter.

Group earnings before tax in the period to 31st March 2004 amounted to –9.3 m€, a significant improvement on –12.6 m€ in the first quarter of 2003.

Cash flow
Consolidated cash flow before tax in the first quarter of 2004 was 49.5 m€, an increase of 2.9% (+13.6% at constant exchange rates) from 48.1 m€ in the year-earlier first quarter.

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1 To permit comparison, the figures for first quarter 2003 have been restated to include Anton Airfood, Inc. (USA) and S.R.S.R.A. (Fr).
Capital expenditure
First-quarter capital expenditure amounted to 32.0 m€ compared with 36.3 m€ in the 2003 first quarter: the decrease was due in part to the translation into euro of dollar-denominated expenditure.

Net financial position
The Group achieved a year-on-year improvement in net debt of 198.4 m€ or 18.2% (12.8% at constant exchange rates), from 1,091.9 m€ at 31st March 2003 to 893.5 m€ at 31st March 2004.

Autogrill Group, Inc.
Autogrill Group, Inc. benefited from greater mobility and targeted marketing measures: with a 3.6% increase in passenger traffic (source: A.T.A.) it reported a 12.6% year-on-year increase in sales for the airport channel to 331.6 m$, from 294.4 m$ in the first quarter of 2003. Sales also rose in the motorway channel (+11%) and in shopping centers (+6.1%).

The company’s business growth and on-going action to optimize costs had a positive impact on earnings. Autogrill Group, Inc. first-quarter Ebitda rose to 47.5 m$, with an improvement of 20.7% from 39.3 m$ in the year-earlier first quarter. The return on net sales improved by approximately one percentage point, from 10.7% in first quarter 2003 to 11.5% in first quarter 2004.

Europe
Net sales in Europe – which were affected by the business restructuring carried out in 2003 with the disposal of outlets in Germany, Switzerland and Italy – totaled 332.5 m€, an increase of 0.9% (+1.5% at constant exchange rates) from 329.6 m€ in the first quarter of 2003. A key factor was the growth achieved in motorway channels (Spain +7.5%, Italy +5.5%, France +4.9%).

Despite the seasonal nature of the business, operations in Europe made significant progress in terms of Ebitda, thanks to the program of efficiency improvements introduced in 2003. First-quarter Ebitda was 29.9 me, an increase of 14.4% from 26.1 m€ in the first quarter of 2003, while the return on sales was 9%, compared with 7.9% in the year-earlier period.

Post first-quarter performance
In the period from closure of the first quarter up until May 9th, the positive net sales trend of the Group continued.

*In accordance with current laws, the Quarterly Report is not subject to review by the independent auditors.*