



Press release

Media Relations

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## **A new contract in Switzerland. Growth plans in German-speaking countries. Strong rise in EBITDA in the USA. Promotion of the Autogrill brand across Europe**

### **Results for 2000 provide levers for growth and margins**

Milan, 3<sup>rd</sup> April 2001 - At a meeting today with analysts and the press, Autogrill chairman Gilberto Benetton and chief executive officer Livio Buttignol commented on financial results for 2000 and illustrated strategies and growth plans for 2001.

**Financial highlights.** During 2000, the group reported **net revenues of € 3,041.1 million**, up **14.7%** from 1999 in absolute terms, or **6% net of the exchange-rate effect**. For restaurant services alone, i.e., excluding retail, market, duty-free, newspapers and magazines, tobacco, lottery tickets, etc., the improvement was **7.4%** (at constant exchange rates).

Performance was particularly strong in **North American airports (+10% at constant size)** and on the **Italian network**, which achieved **overall growth of 6.8%**, rising to 10% for restaurant services alone.

Reclassified **EBITDA** rose by 21.1% to € 372.9 million, a return on revenues of 12.3%, from 11.6% in 1999.

Consolidated **cash flow** was € 258 million, or 8.5% of net sales, an improvement of 27% from the previous year (€ 204 million).

**Net earnings** attributable to the Group were € 14.9 million, against € 25.9 million in 1999. The decrease was due to amortisation of goodwill on 1999 acquisitions, charged over the full 12 months.

Net of amortisation of goodwill, earnings were € 119.7 million, an increase of 51.4% from 1999 (€ 79 million).

**Results and objectives in the USA and Europe.** The integration of the companies acquired in 1999, in particular the US HmsHost, led to an evident improvement in performance in the USA, where EBITDA rose by 23.8%, giving a return of 11.4% on net revenues, against 9.7% the previous year. In Europe, EBITDA increased to € 182.1 million, an increase of 4.4% from € 174.4 million in 1999. In Europe too, the Group reported like-for-like business and financial growth in all operating areas.

"2000 was a very important year for the Autogrill Group," said chairman **Gilberto Benetton** "We renewed our leadership, which is now in the hands of Livio Buttignol, because we believe the future offers greater opportunities for growth than the past. We are the world's leading provider of restaurant services for people on the move. Our US subsidiary HmsHost has already attained excellent margins. In Europe, we expect the acquisition of Passaggio to provide a solid foundation for growth in German-speaking countries."



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**Strategy.** The excellent results provide a sound foundation for implementing Autogrill's new strategic guidelines.

**One,** further improvements in margins and free cash flow through action to rationalise and enhance the concessions contract portfolio, which accounts for more than 90% of revenues. This will involve focusing on the most profitable locations and brands.

In the USA in particular, the goal is to boost the profitability of the contract portfolio and the flexibility of the cost structure, both of which have already been significantly improved.

**Two,** stronger performance by the existing network, with higher penetration and an increase in average spend.

In Europe in particular, the conditions have been created to build a strong European chain image by promoting the Autogrill umbrella brand in locations in all countries and enhancing the product/brand portfolio: Spizzico, Ciao, Acafe, Pan Esprit.

**Three,** organic growth (through new openings), to be achieved by leveraging synergies among concepts and brands. This will extend the network and bring an important improvement in the offer mix: the first results of this strategy were already apparent in 2000 and additional benefits will be achieved over the medium term.

As regards Spizzico, the new organisation introduced in March provides for a QSR unit in every country. This will fuel Spizzico's penetration of the concessions channel, and easily enable Autogrill to beat its target of 300-350 outlets by the end of 2003.

**Four,** higher market share through acquisitions, partnerships and joint ventures.

"We are looking out for this kind of opportunity in order to boost revenues , especially in Spain and Germany, and in the airport and railway station channels," said Autogrill chief executive **Livio Buttignol**. "In Germany, growth will also be achieved by bidding for the new contracts planned for the end of 2001."

**A new € 40 million contract in Switzerland.** A few days ago, Passaggio was awarded a contract to provide food and beverage services in four areas in Berne railway station. The ten-year contract is expect to generate revenues totalling approximately € 40 million. The offer will comprise a Spizzico restaurant, an Acafe, a Passaggio snack bar and a restaurant with waiter service