



Press release

Media Relations

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Net revenues down to 655.1 million Euro, due to the exchange rate effect the ratio of ebitda to net revenues rises from 7.8% to 8.6% cash flow improves 8.9% (+27.2% at constant exchange rates)

Autogrill improves profit margins, net financial position and pre-tax earnings in first quarter

Milan, 14th May 2003 - At a meeting today chaired by Gilberto Benetton, the Autogrill Board of Directors approved the Report for the First Quarter of 2003 (*).

First-quarter performance. The highly seasonal nature of passenger traffic, which drops to a minimum in the first quarter and peaks in the third quarter, the fact that this year's Easter holiday fell in the second quarter, together with losses on the translation to Euro of HMSHost net revenues denominated in US dollars, mean that sales for the first quarter of 2003 are not comparable with those of the year-earlier first quarter.

The Group continued to strengthen its profit margins, despite the downturn in net revenues from 721 m€ (million Euro) in first quarter 2002 to 655.1 in first quarter 2003 (-9.1%).

Comparison of net revenues net of the exchange rate effect shows a rise of 1% for the first three months of 2003 compared with the first three months of 2002, which also included the Easter holiday. The exchange rate had a positive impact on the net financial position, generating a reduction of 225.9 m€ in net debt.

Margins and pre-tax cash flow. The gross operating margin – EBITDA – came in at 56.4 m€, giving a return on net revenues which rose from 7.8% in first quarter 2002 to 8.6% in first quarter 2003, although there was no change in absolute values.

Cash flow improved by 8.9% (+27.2% net of the exchange rate effect), rising from 42.8 m€ in first quarter 2002 to 46.6 m€ in the period under review. This was equivalent to 7.1% of net revenues compared with 5.9% in the year-earlier period.

Earnings before taxes improved by 54.9%, rising from -16.6 m€ to -7.5 m€.

Compared with 31 March 2002, **net debt decreased by 225.9 m€**, from 1,235.9 m€ to 1,010 m€ at 31 March 2003, after capital expenditure totaling 202 m€ in the last twelve months. Due to seasonal factors, net debt increased by 90.2 m€ compared with the situation at 31 December 2002.

Operations in HMSHost. The operations – denominated in local currency – generated first-quarter net revenues of 351 m\$ (49.9% of Group turnover), an increase of 1.4% on the year-earlier first quarter. On a like-for-like basis (i.e., at constant size, net of new openings and disposals) net revenues rose by 2.9%.



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Sales in North American airports (277.2 m\$) increased by 4.2% against first quarter 2002, despite a 1.5% decline in air traffic (source: A.T.A.). This improvement easily offset the slowdown in the other channels (motorways, and shopping malls), caused largely by temporary shutdowns due to network restructuring.

HMSHost EBITDA was 36.3 m\$, up by 2.7% from the first three months of 2002.

Growth programs accounted for 75% of capital expenditure, which totaled 19.8 m\$ (5.6% of turnover), an increase of 38.5% against first quarter 2002.

Operations in Europe.

In Italy net revenues rose by 2.9% to 219.7 m€ (33.5% of the Group total). Performance was particularly strong on motorways, with revenues growing 3.2%, faster than traffic (+1.2%, source Autostrade S.p.A.). Net revenues in airports rose by 13.9% to 7.6 m€ and in railway stations by 25.2% to 2.8 m€.

EBITDA in Italy increased by 18% from 22.9 m€ in first quarter 2002 to 27.1 m€ in first quarter 2003. The return on net revenues rose from 10.7% to 12.3%.

Performance in the other European countries, which together account for the remaining 16.6% of Group net revenues, is detailed below.

In France net revenues improved by 1.9% to 38.2 m€, despite changes in the calendar, which moved Easter and also the school holidays – a key period in tourist flows – to the second quarter of 2003. EBITDA rose by 16% against first quarter 2002 (0.7 m€).

Spain was the country hardest hit by the move in the Easter holiday period to the second quarter. Net revenues fell by 3.8% to 15.1 m€, and EBITDA slid from 0.5 to 0.2 m€.

Switzerland reported an 8% decrease in net revenues to 44.7 million Swiss Francs, following the closure of four non-concession locations. On a like-for-like basis, the decrease was approximately 1%.

The other countries also made progress. Net revenues rose in Belgium and Greece. Key financial ratios improved in the Netherlands, Austria and Germany.

Outlook. Since closure of the first quarter, a number of important concessions have been renewed in North America, which are expected to generate cumulative revenues of more than 330 m\$ over the contract periods.

HMSHost forecasts revenues of 4.4 billion dollars over the ten-year renewal of its contract with Starbucks signed in April 2003. HMSHost has already scheduled 35 new Starbucks openings in the USA over the next few months.

“The sales trend remained positive in April for all the Group’s core business,” said Chairman Gilberto Benetton. “Network performance over the Easter period was up on that of 2002 as regards both revenues and margins.”



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The agreement for the sale by the end of the year of the five motorway travel plazas currently run by Autogrill Deutschland and other plans to enhance or reduce surface areas in non-core channels are part of the Group's strategy to improve efficiency and profitability.

Despite the continued presence of a number of external critical factors, projections and plans for the remaining months of 2003 remain positive.

(*) The Quarterly Report is not subject to review by the independent auditors.