



Press release

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Net sales rose 14.4 in North America and 1.3% in Europe

Autogrill: 2004 first half Ebitda rose 8.8% to 178.3 m€ (+14,8% at constant exchange rates). Pre-tax earnings almost doubled to 28.4 m€

Milan, 5th August 2004 - The Board of Directors of Autogrill S.p.A. (Milan: AGL.MI) met today and approved the report for the first half of 2004¹.

"In the period of the year which reflects the low season, we still improved sales and reported further important increases in margins even in Europe, where the economic scenario is not buoyant – stated Autogrill Group CEO **Gianmario Tondato da Ruos**. – We are determined to maintain this progress in the second half through targeted marketing efforts, cost containment and a multi-branding strategy."

Consolidated results for the first half of 2004

Net sales

In the first half, when sales are usually 15-20% below those of the second part of the year, mainly due to lower tourist traffic, Autogrill's consolidated sales were 1,453.3 m€, a 1.9% increase (+7.4% at constant exchange rates) against 1,425.8 m€ for the first half of 2003². North America and Italy mainly contributed to this result.

Group revenues in North America outperformed economic and traffic trends. In the first half of 2004, Autogrill Group, Inc. (HMSHost + Anton Airfood) reported a 14.4% increase in revenues, from 770.8 m\$ for the first half of 2003 to 881.7 m\$ in the first half of 2004.

Ebitda

Group profitability significantly improved throughout all geographical areas including Europe, where the economic situation is still stagnant. In the first half of 2004, Autogrill's consolidated Ebitda increased by 8.8% (+14.8% at constant exchange rates) to 178.3 m€ against 163.8 m€ for the same period in 2003. The progressive rolling out of the Group's "best practice" procedures to the countries where Autogrill operates positively affected the Ebitda margin, which increased by about one percent, from 11.5% in the first half of 2003 to 12.3% in the first half of 2004.

Pre-tax earnings

The increase in operating profitability almost doubled pre-tax earnings, which were 28.4 m€, compared to 14.7 m€ at 30 June 2003.

¹The figures for the Half Year Report 2004 have not been independently audited yet. Here attached the summarized financial figures included in the Half Year Report, produced in accordance with the regulations in force.

²The first half figures for 2003 have been restated so as to make the numbers comparable.



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Cash flow

Consolidated pre-tax cash flow was 143.7 m€, a 1.5% increase (+7,1% at constant exchange rates) compared to 141.6 m€ for the same period in 2003.

Capital expenditures

First half capital expenditures amounted to 71.1 m€ compared to 73.7 m€ in the first half of 2003. Spending occurred mainly in North America and are a result of renewed concessions.

Net financial position

The Group achieved a year-on-year improvement in net debt of 165.9 m€ or 16% (12,7% at constant exchange rates), from 1,033.7 m€ in the first half of 2003 to 867.8 m€ in the first half of 2004. Compared to 800.2 m€ at the end of 2003, net debt shows an increase of 8.5% (+5.2% at constant exchange rates) due to seasonal effects.

Autogrill Group, Inc.

Autogrill Group, Inc. benefited from the positive traffic trend and a strategy focused on international brands: while passenger traffic rose by 6.2% (source: A.T.A.), the company recorded a 15.5% increase in net sales in the airport channel to 691.4 m\$ for the half-year, compared to 598.4 m\$ for the same period in 2003. Net sales also rose in the motorway channel, from 152.4 m\$ to 169.3 m\$ in the first half of 2004 (+11.1%) due to increased traffic volumes and to the re-opening of some outlets refurbished in 2003.

Improvement in sales and labour productivity were the key drivers of increased profitability. Autogrill Group, Inc.'s first half Ebitda rose to 113.3 m\$, a 20.2% increase compared to 94.2 m\$ for the same year-ago period. The Ebitda margin improved from 12.2% in the first half of 2003 to 12.8% in the first half of 2004.

Europe (excluding Italy)

There was a marked improvement in operating profitability in the rest of Europe albeit a slight downturn in net sales, which are still affected by the closure of German operations and business restructuring in Switzerland, as well as by low seasonal effects.

At 30th June 2004, sales totaled 236.3 m€, a decrease of 2.8% (-1.8% at constant exchange rates), compared to 243.2 m€ at 30th June 2003, while Ebitda grew by 39,1% (+39.3% at constant exchange rates) to 17.6 m€ against 12.8 m€ for the first half of 2003. The Ebitda margin improved by more than two percentage points, from 5.2% for the first half of 2003 to 7.4% for the first half of 2004.

Progress was particularly significant in Switzerland, where Ebitda rose to 3.7 m€ from 0.4 m€ for the first half of 2003. The Ebitda margin increased from 0.7% to 6.8% at 30th June 2004 also as a result of the re-development of Zurich airport, in spite of 6 million fewer passengers due to SwissAir's operating difficulties.



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Italy

At 30th June 2004, taking account of a reduced market share on Autostrade per l'Italia, net sales increased by 2.8% to 498.8 m€ against 485.3 m€ at 30th June 2003. Through multi-channel growth and Autogrill's ability to stimulate consumer spending even in off-peak hours, net sales from concession operations (motorway, railway and airports) increased by 4.5% compared to the first half of 2003. Ebitda was 73.7 m€ against 70.0 m€ for the same year-ago period, a 5.4% increase with an Ebitda margin rising from 14.4% to 14.8%.

During this period, the Company has been also involved in a dispute brought on by multiple competitors regarding the bids on Autostrade per l'Italia and also subject to an Antitrust decision. This dispute is particularly focused on the compatibility of bids made by ATI (temporary association of companies) with the exercise of pre-emption rights. Three bids won in this way have been the subject of a negative but not final decision by the Administrative Supreme Court (Consiglio di Stato).

The Half Year Report as of 30 June 2004, today approved by the Board of Directors, will be made available to the public by 13 September 2004. Therefore the Company is exonerated from filing the quarterly report as of 30 June 2004, in accordance with the regulations set out in article 82.2 of CONSOB resolution 11971/99.