



Autogrill Group

3rd quarter 2001 results



Milan, 14 November 2001



Main comments

- In the first nine months of 2001 net sales up 10.2% compared to 2000 (+7.1% net of exchange rate differences)
 - Best results achieved in Italy (+6%), France (+10.1%), North American highways (+6% on a like-for-like basis) and North American airports (+2% on a like-for-like basis, despite the sharp drop in traffic)
 - EBITDA was 299.5 million euros (+5.8% compared to 2000), 12.5% of sales (13% in 2000), diluted by the impact of Passaggio
 - Free cash flow (pre-tax) in the nine months was 115,9 million euros compared to 61.5 million euros in the same period in 2000, an increase of 88.5%
 - The terrorist attacks in 2001 did not have a major impact on the quarter since HMS closes its accounts on the Friday of the 36th week of the year.
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3rd quarter 2001 ytd performance

Financial Highlights

	Sep.2001 ytd	Sep.2000 ytd	Var. %	Var. % net of FX impact
Net Sales	2.402,0	2.180,0	10,2%	7,1%
EBITDA	299,5	283	5,8%	3,3%
% on net sales	12,5%	13,0%		
EBITA	192,3	182	5,7%	
% on net sales	8%	8%		
PRE-TAX CASH FLOW	239	212,5	12,5%	10,3%
% on net sales	10,0%	9,7%		
CAPEX	111,4	136	-18,1%	-20,2%
% on net sales	4,6%	6,2%		
PRE-TAX FREE CASH FLOW	115,9	61,5	88,5%	
% on net sales	4,8%	2,8%		
NET DEBT	1.139,4	1.112,80	2,4%	6,0%



3rd quarter 2001 ytd performance

Financial ratios

	Sep.2001 ytd excl. Passaggio	Sep.2001 ytd	Sep.2000 ytd	Var. %
PRE-TAX EPS on restated net profit		0,52	0,44	18%
ROI*	14,1%	13,4%	13,1%	
CFROI**	17,2%	16,7%	15,3%	
EBITDA interest coverage	6,8	6,1	6,0	
EBITA interest coverage	4,4	3,9	3,8	
Pre-Tax Cash Flow/Net Debt		21,0%	19,1%	

* EBITA on Net Invested Capital

** Cash Flow on Net Invested Capital



Regional performances: HMS Host Sept.01 ytd

Highlights

- Excellent performance in like-for-like sales, positive in all channels despite the fall in airport traffic
- Strong growth in profitability, with EBITDA at 12.3% of sales compared to 11.8% in 2000, after accounting for benefits from restructuring plans launched in the last two years
- Increase of 48% in operating free cash flow, partly due to greater efficiency in managing invested capital

	HIGHWAYS	AIRPORTS	MALLS	2000	2001	
NET SALES EXCL. DISCONTINUED	6%	2%	3%			
CASH FLOW P.O.S. % OF SALES	21%	22%	7%			
EBITDA (% OF NET SALES)				11.8%	12.3%	
OPERATING FCF * (USD million)				64	95	48%

* EBITDA + extr. - capex - Δ w.cap.



Regional performances

ITALY Sept.01 ytd

- Sales in Italy rose 6% to 750 million euros.
- On a like-for-like basis, motorways +5%, overall airports +18% to 25.2 million euros
- EBITDA rose 8.7% to 16.3% of net sales, against 15.9% in 2000
- Direct sales in Spizzico outlets rose by 20% overall and by 10% on a like-for-like basis

			Year to date September		Var. %
			Act. 2000	Act. 2001	vs. 2000
Italy	Motorway	Net Sales	572,6	601,8	5,1%
		Cash Flow Store	118,8	132,1	11,1%
		% on Net Sales	20,6%	21,9%	
	Airports	Net Sales	21,4	25,2	18,0%
		Cash Flow Store	4,2	3,6	-14,8%
		% on Net Sales	19,5%	14,1%	
	Town	Net Sales	57,7	61,3	6,4%
		Cash Flow Store	6,2	6,6	6,1%
		% on Net Sales	10,8%	10,7%	
	Others	Net Sales	56,9	62,3	9,4%
		Cash Flow Store	12,2	9,8	-19,4%
		% on Net Sales	21,4%	15,7%	
Total	Net Sales	708,6	750,7	5,9%	
	Cash Flow Store	141,4	152,0	7,5%	
	% on Net Sales	20,0%	20,2%		
	EBITDA	112,9	122,7	8,7%	
	% on Net Sales	15,9%	16,3%		



Regional performances

Rest of Europe Sept.01 ytd

- In Rest of Europe, net sales rose by 50% to 416 million euros
- Net of the Passaggio acquisition, growth was 4.5%
- Particularly strong performance in France, with net sales of 138.6 million euros (+10.1% vs 2000) and EBITDA at 15.7% of net sales (compared to 15.5%)
- Spain grew 7.2% to 52.3 million euros; Greece reported its first positive EBITDA (0.5 million euros, 11.9% of net sales), in part as a result of the start-up of operations at Athens airport
- Passaggio profit margins in line with the first half: the Group expects to complete the asset portfolio reorganization by the end of the year, with benefits for results in 2002

			Year to date September		Var. %
			Act. 2000	Act. 2001	vs. 2000
France	Toll Motorway	Net Sales	86,4	97,0	12,3%
		Cash Flow Store	20,7	24,9	20,2%
		% on Net Sales	23,9%	25,6%	
	Railways Stations	Net Sales	38,2	39,9	4,6%
		Cash Flow Store	5,0	5,8	15,0%
		% on Net Sales	13,2%	14,5%	
	Fairs Exhibitions	Net Sales	1,3	1,7	26,9%
		Cash Flow Store	(0,1)	(0,0)	n.s.
		% on Net Sales	-6,1%	-2,8%	
Total	Net Sales	125,9	138,6	10,1%	
	Cash Flow Store	25,7	30,6	19,4%	
	% on Net Sales	20,4%	22,1%		
	EBITDA	19,5	21,8	12,0%	
	% on Net Sales	15,5%	15,7%		

OUTLOOK 2001 - 2002



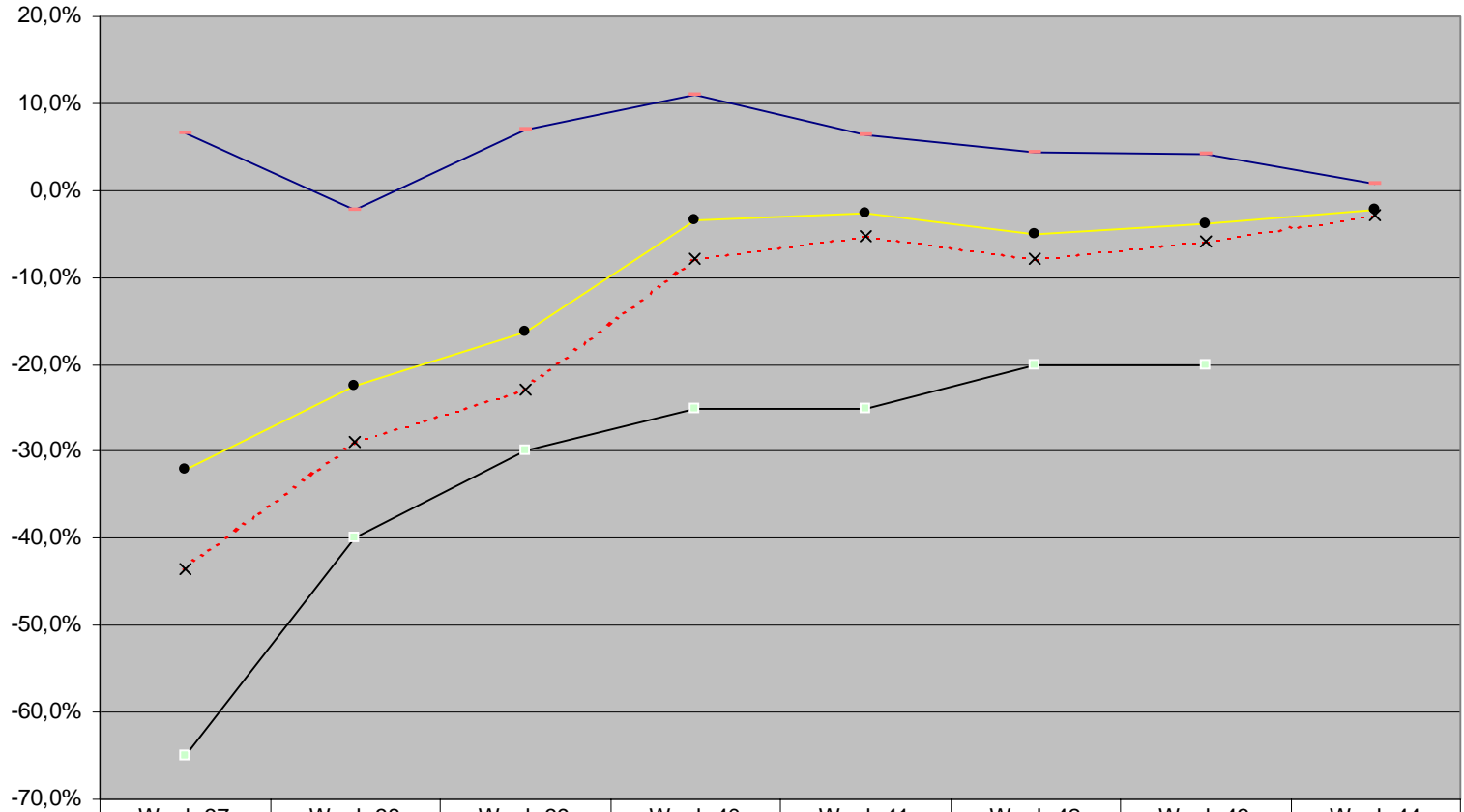


Outlook

- The terrorist attack of 11 September has had important consequences for the Group's business activities, because enplanements have fallen and short-term business levels have become less predictable
 - The Group has introduced a series of measures aimed at rescheduling capital expenditure and reducing structural and operating costs, in order to achieve projected cash flow levels
 - We believe the events have strengthened our strategic position by:
 - enhancing relationships with airport operators, in order to provide greater stability and quality through an increase in average contract length and in our competitive bidding capabilities
 - creating a new business opportunity/consolidation scenario, to the benefit of the strongest and most reliable operators
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Sales and air traffic growth in North America during four weeks after Sept. 11 events



	Week 37	Week 38	Week 39	Week 40	Week 41	Week 42	Week 43	Week 44
---x---	-43,6%	-29,0%	-22,9%	-7,9%	-5,2%	-7,8%	-5,9%	-2,9%
—■—	6,5%	-2,3%	6,9%	11,0%	6,4%	4,3%	4,2%	0,8%
—●—	-32,1%	-22,5%	-16,2%	-3,5%	-2,6%	-5,1%	-3,8%	-2,2%
—■—	-65%	-40%	-30%	-25%	-25%	-20%	-20%	



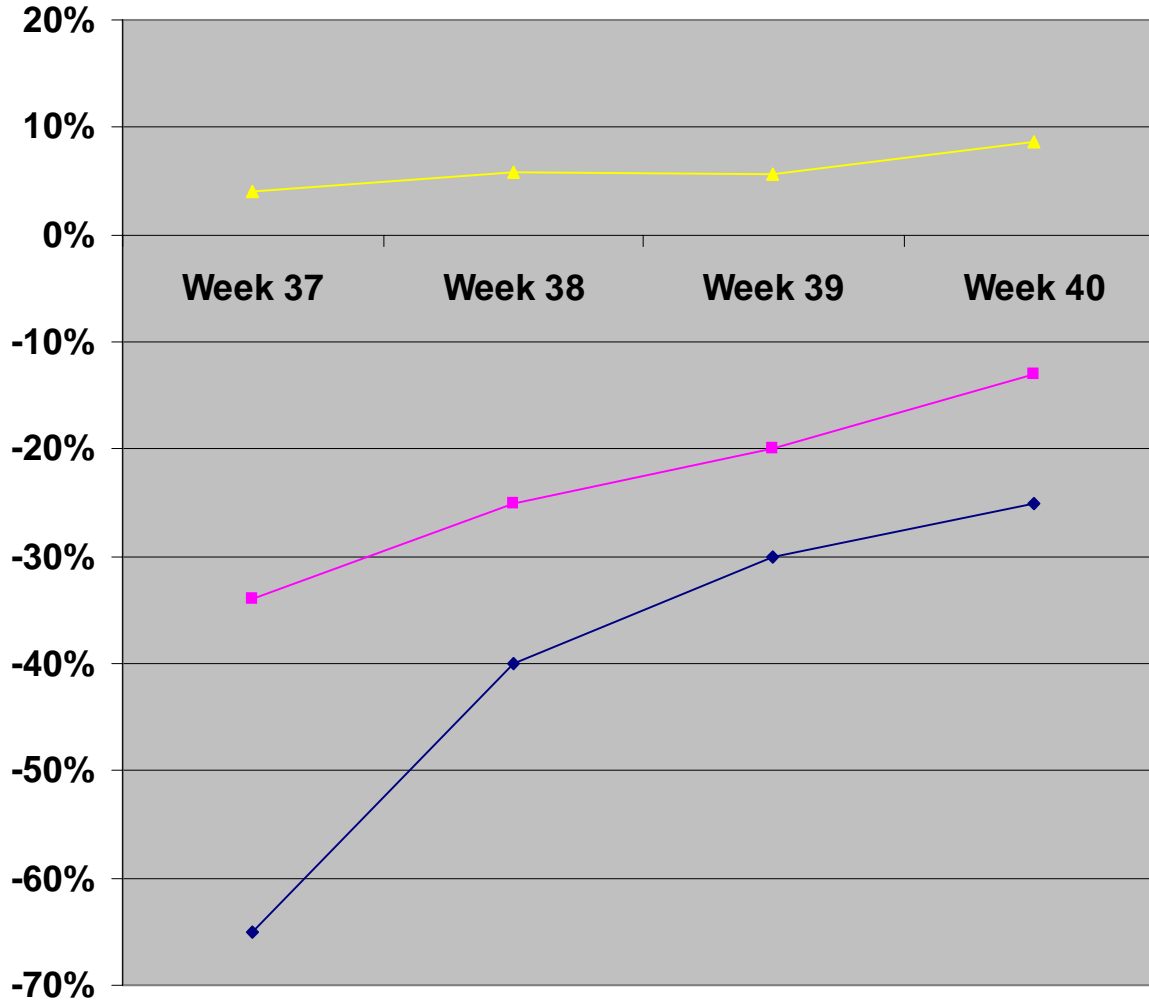
Why have we outperformed traffic levels?

- Increasing average time spent in airports with greater capture and a higher average check
 - Low-fare flights are increasing consumption of airport meals compared to on-board meals
 - Introduction of high-street brands is driving continuous growth in capture rate and RPE
 - Following on from the above, in the four weeks following 11 September, the number of transactions fell on average by 20% compared to an average fall in traffic of about 25%
 - Also, in the same period, average spend increased by 6.5% (+9% in the last week surveyed)
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Outlook

Strong growth in capturing and average check



◆ Traffic ■ Transactions 2001 vs 2000 ▲ Average check 2001 vs 2000



Outlook

US operations saving plans

- Following the events of 11 September, we have considered the possibility of bringing forward the implementation of cost-saving/efficiency plans that had already been finalized but were initially intended for 2003

Plans	Total Costs (US\$ millions)	Annual Savings (US\$ millions)
- Redefining activities and processes at Headquarter level	8-10	14
- Centralization of administrative and operational activities currently performed at individual branch level	8	12
- Delivery of new organization model at a branch level		

- In light of the Group's performance, we have decided to implement the first project immediately (costs to be charged to 2001), and to evaluate the possible implementation of the second at a later date



Outlook

2001 financial targets

	<u>2001</u>	
	<i>Min</i>	<i>Max</i>
Net Sales (Δ vs 2000)	6.5%	7.5%
EBITDA <i>% on net sales</i>	11.5%	12.3%
FREE CASH FLOW <i>% on net sales</i>	2.0%	3.0%

Amounts in euro million
Exchange rate euro/Usd 0.90

- Priority in fourth quarter on reviewing the business model
- Implementation of efficiency at HMSHost involve non-recurring charges of approximately 15 million dollars
- Net sales, EBITDA and free cash flow are expected to be strong, even in the most conservative sales scenario



Outlook

2002 goals

- Visibility on future sales trends in North American airports is still low
- Nevertheless, best and worst sales hypotheses can be formulated
- Introduction of efficiency programs will enable the Group to raise EBITDA from 2001
- Flexibility in capital expenditure will ensure achievement of the free cash flow targets set in the Business Plan

Hmshost sensitivity analysis	<u>2002</u>		<u>2002 Realistic scenario</u>	
	<i>Worst</i>	<i>Best</i>	<u>Hmshost</u>	<u>Autogrill Group</u>
Traffic (Δ vs 2001)	-15,0%	0,0%		
Net Sales (Δ vs 2001)	-10,0%	5,0%	-1,0%	3.300 - 3.350
EBITDA	11,5%	12,5%	12,0%	12,5%
<i>% on net sales</i>				
OP.FREE CASH FLOW*				
<i>% on net sales</i>	7,1%	6,5%	6,8%	
FREE CASH FLOW				3% - 3,5%
<i>% on net sales</i>				

*EBITDA - extr. - capex +- Δ work.cap.
euro/usd exch.rate 0,90



Outlook

Strategic development

- Higher business volumes and market share in core channels and countries continue to be the key priority, to be achieved through renewal and expansion of existing contracts and acquisitions.
- In North America every opportunity is being taken in small airports and the retail sector.
- In Europe, the Motorway channel will continue to predominate, but resources are being allocated to drive growth in rail stations and airports. The Group intends to exploit opportunities arising from the current restructuring of rail stations in Italy and other European countries.