



**Autogrill S.p.A.**

**2000 Financial Statements**

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## Company Officers

Before the Stockholders' Meeting on April 27th, 2001

### Board of Directors

(in office until approval of the 2000 Annual Report)

*Chairman*

**Gilberto Benetton**

Vested with the powers conferred by law and the Company bylaws, and in particular legal representation of the Company and the power of signature.

*Chief Executive Officer*

**Livio Buttignol**

Powers of ordinary administration to be exercised with his signature alone, but with limitations on certain categories of transactions (pursuant to the resolution dated August 28th, 2000)

*No specific powers Directors*

**Alessandro Benetton**

**Giorgio Brunetti**

**Antonio Bulgheroni**

**Marco Desiderato**

**Sergio Erede**

**Gianni Mion**

### Board of Statutory Auditors

(in office until approval of the 2002 Annual Report)

*Chairman*

**Gianluca Ponzellini**

*Statutory Auditors*

**Marco Reboa**

**Ettore Maria Tosi**

*Alternate Auditors*

**Giovanni Pietro Cunial**

**Graziano Gianmichele Visentin**

### Independent Auditors

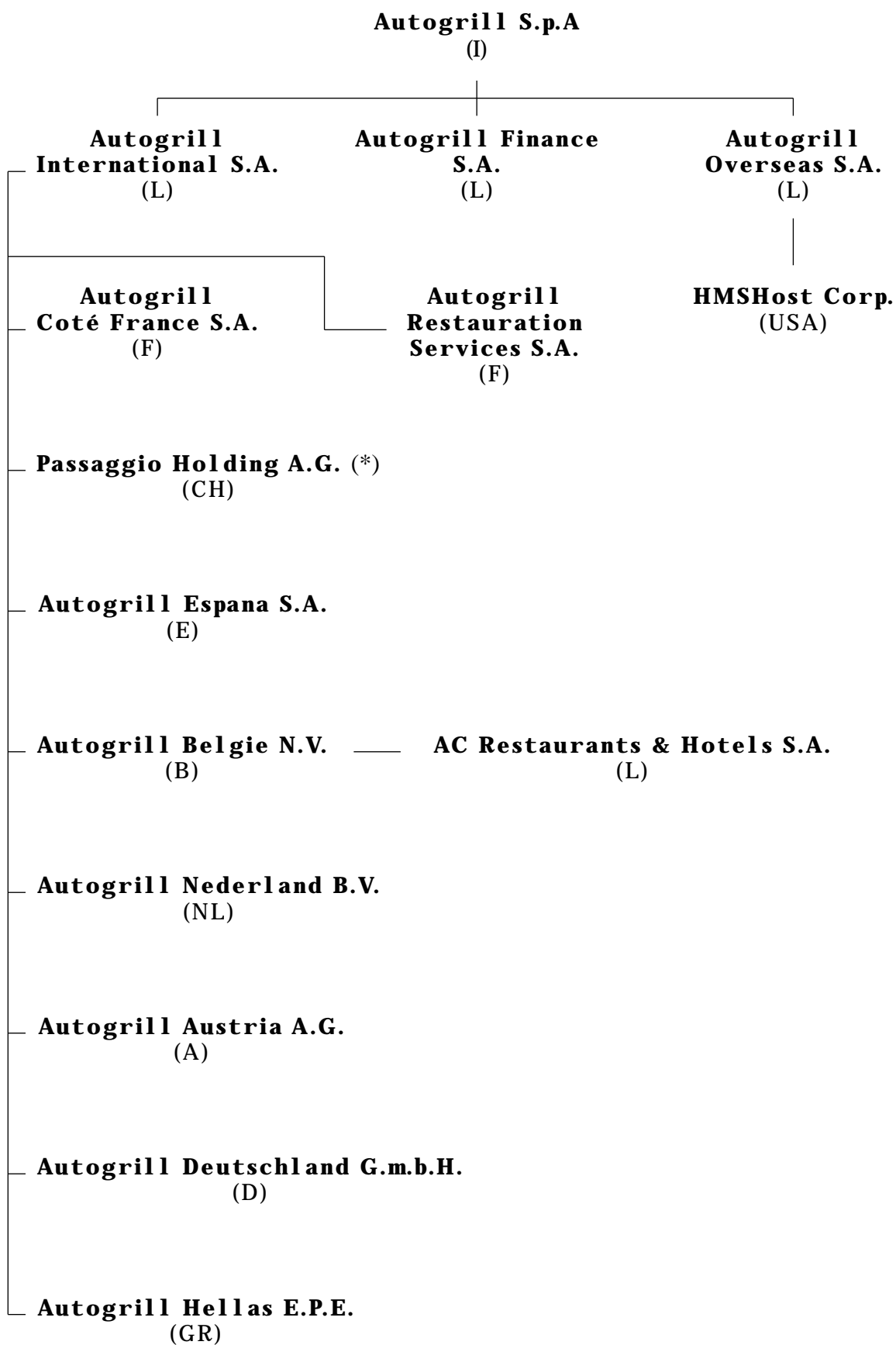
(until approval of the 2002 Annual Report)

**Arthur Andersen S.p.A.**

# **Autogrill Group 2000 Financial Statements**

# Simplified Group Organization Chart

## at December 31st, 2000



(\*) unconsolidated

## Operating Report

The amounts shown in this Report are expressed in millions of euros (represented by the symbol m€) unless otherwise indicated.

Stockholders,

During 2000, your company pursued the dual objectives of strengthening its competitive position through development of its market share and improvement of its products and services in strategic countries on the one hand, and improving its operating efficiency on the other.

The immediate effect of these activities was to improve Group results, with revenues climbing to 3,041.1 m€, up 14.7% over the previous year, and EBITDA of 372.9 m€, an increase of 21.1%.

In 2000 HMSHost was one of the most highly awarded operators appearing at the “Excellence in Airports Concessions” show organized by the ACI (Airport Council International) in Los Angeles, in recognition of its having introduced the most innovative formulas in the Food & Beverage and Retail sectors.

At the same time, efficiencies realized through streamlining measures produced a marked improvement in performance (EBITDA margin up by 23.8%, from 9.7% to 11.4%), and we believe that additional improvements can be achieved.

A study of factors favoring the success of the company’s leading brands - Ciao, Spizzico, Burger King - revealed other areas where efficiency can be improved and showed that the commercial strength of marketing formulas is enhanced by focusing on food court solutions and location.

In particular, more effective operating procedures were defined for the development of Spizzico at the European level.

The approach to and dimension of growth in the U.S.A. and Canada are currently being defined.

### Significant Events during the Fiscal Year

Livio Buttignol has been Chief Executive Officer of Autogrill S.p.A. since September 2000. In the last quarter of the year, acquisition of the Swiss group Passaggio was completed. Thanks to this acquisition, Autogrill now has a strategic and defensible position in a country of prime importance, due both to its geographical location and the characteristics of its market, which is one of the richest in the world. Moreover, this deal marks the first step in a program for further development of Autogrill in the markets of German-speaking countries.

Other developments in Europe during 2000 included preliminary image building for a European chain through the gradual introduction of the Autogrill umbrella trademark in every country.

A new organizational structure, which was designed in the second half of 2000 and implemented in the first quarter of 2001, has shifted some decision-making power from Group headquarters to the head offices for each country in Europe, especially in the areas of quality and performance operations and development projects. Among other benefits, greater operating involvement by individual countries promotes faster definition of core formulas to be developed at the European level.

These innovations in organizational structure have been accompanied by reinforcement of the management group and managerial know-how.

Three new corporate offices have been created: Technical Europe, Purchasing Europe, and Licensing in and out.

Particular attention has been devoted to diffusion of the specific skills possessed by each channel and the know-how of company personnel in different countries by means of special technological platforms. These platforms will ensure fast transfer of the most advanced know-how.

HMSHost is currently undergoing reorganization in order to realize higher levels of profitability by centralizing volume sensitive activities (purchasing, investments, etc.).

This will make it possible for the company to achieve allow higher levels of determination, quality, and certainly in achieving its short-term and long-term goals.

## Autogrill Profile

Autogrill is the world's leading provider of food and beverage services for travelers, and the third-largest modern retail catering service provider.

Its network spans four continents and 16 countries with about **4,300 retail and restaurant locations** in 892 different locations (motorway service areas, airports, railway stations, trade fairs, shopping malls, and retail districts).

Spizzico, Ciao Ristorante, Starbucks, Burger King, Sbarro, and Pizza Hut are some of the proprietary and licensed brands that endow us with a range of products unique in terms of variety, turnover, and profitability and that will enable the Group to become more visible and competitive.

With the Spizzico brand in particular, Autogrill aims to become Europe's leading provider of fast-food pizza.

The creation of stockholder value, realized thanks to the combined effects of size and ability to penetrate markets, has set off the Group year and year as one of the best performers in the industry.

### Distinguishing Features

Autogrill distinguishes itself from all its competitors thanks to the standard of its service, which is the result of a large, far-flung network, varied, high-quality products, and innovativeness.

Its growth over the last few years, which has led to revenues almost quadrupling in five years, is also expressed by its strong territorial concentration, which produces the potential for an extremely competitive cost structure that is further reinforced by possible synergies amongst various countries.

Just as important are the synergies that can be realized from concepts and brands that are first tested and launched in Europe, and then the rest of the world, with the right mix for each location.

The competitive position of Autogrill in its licensed markets assures that the Group will be able to participate in tenders for new or renewed contracts to operate food and beverage services, with cost advantages and a mix of products and services that cannot be matched in terms of quality and variety.

### Mission and Values

Autogrill intends to offer **the best choice of food and beverage services for people on the move**. Pursuing **excellence in customer service**, Autogrill creates stockholder value.

*The paramount importance of the customer* is the key value that Autogrill instills in its employees.

**Quality.** Quality is conceived primarily as the expression of company culture and cannot be separated from the organization of production processes. In this sense, the stability of partnerships with vendors favors quality, efficiency, and overall added value through the development of skills.

During 2000, Autogrill proceeded with the overhaul of its company quality management system, which is based on the most modern international standards. The next steps to be taken involve implementation of the new quality system in four business areas: customer satisfaction, hygiene, operating and product manuals, and the hiring and training of human resources.

*The importance of people.* The significance that the Group attributes to its human resources is translated into policies based on motivation, training, and merit-based incentives.



## **Activities in the Various Channels**

### **Restaurant Concessions: Autogrill and Its Target Market**

Approximately 92% of Autogrill's activities involve food and beverage service concessions in airports, motorways, railway stations, and trade fair sites.

Estimated annual revenues in this sector total approximately 30 billion €, with average traffic growth of over 3% in real terms.

Autogrill enjoys an extremely competitive position everywhere it operates.

The value it generates for customers and concession providers has enabled the Group to realize a 100% renewal rate for concessions in Europe and 87% elsewhere in the world.

### **Highways and Motorways**

Approximately 50% of Autogrill revenues are generated by restaurants located along highways and motorways and reflect major market share in the United States (approximately 45%) and Europe (29%).

In Europe, Group market share ranges from 30% to 75% in Italy, France, Spain, Belgium, The Netherlands, and Switzerland, while it has a smaller presence in Austria, Germany, and Greece.

At 611 highway and motorways service areas, the Group operates various concepts that run from the coffee shop to self-service restaurants, and from hamburgers to fast-food pizza.

Thanks to participation in new tenders for award of restaurant areas, the network of bars and restaurants on highways and motorways in the United States and Europe has expanded. At the same time, the ratio stops to overall traffic and the average amount spent per passenger are being stimulated.

Throughout Europe, but especially in Italy, development strategies call for strengthening the network by increasing the products and services offered at individual locations and, where possible, expanding and remodeling spaces.

There is often high potential for growth at quick service restaurants, especially in Italy, and investments in the expansion of locations and services will quickly generate a major increase in volumes.

### **Airports**

The airport restaurant sector represented another important area of growth in 2000. After the successes achieved at Bologna and Athens, Autogrill has established a major presence at Zurich airport through its acquisition of Passaggio, where it operates restaurant services in partnership with Gourmet Nova, a company owned by the SAir group.

The experience and skills accumulated by HMSHost over the years and shared by Autogrill will be drawn on to compete in tenders for restaurant services at other major European airports.

Just as with motorway service areas, development of Autogrill retail activities is moving ahead at airports, with a focus on providing items that are convenient to air travelers: newspapers, books, tobacco goods, souvenirs, gifts, and specialty food items.

### **Railway Stations**

With France the leader in 1999, Autogrill railway station activities grew fastest in Italy and Switzerland during 2000. At Termini Station in Rome, a Ciao restaurant and ACafé coffee shop have been successfully operating since December 1999, while two Spizzico and Burger King restaurants opened in the Milan Cadorna railway station at the beginning of 2000. The company is closely monitoring further possibilities for growth in this channel. With Passaggio, it has acquired a significant share of the Swiss market.

### **Non-concession Restaurants: the Future of the Quick Service Restaurant**

About 8% of Autogrill revenues are generated by non-concession restaurants in shopping malls and highstreet. This is another rapidly growing market: according to the most recent studies, large fast-food chains have achieved an average penetration rate of 26% in Europe (this percentage falls to 5% in countries like Italy), while in the United States penetration reaches 82%: this gap suggests major possibilities for chain restaurant growth on the Old Continent.

The number of meals eaten away from home is climbing in Europe, while the amount of time available is decreasing. The demand for low-priced restaurant services is growing, while focus on the guaranteed quality of food is also increasing.

In response to these increasingly stringent demands, Autogrill is responding - first in Italy - by concentrating on fast service, widespread availability of locations, competitive prices, and quality standards in line with customer expectations, while investing in the specific tastes of each country.

The Quick Service Restaurant formula, which now embraces 175 restaurants, is the spearhead for development of restaurants at non-concession locations. Revenues for this sector in Italy totalled about 101.1 m€ in 2000, representing growth of 14.1% over the previous year. After the restyling of the logo and layout of Spizzico restaurants, the next goal is to develop the brand in Europe.

## Group Operating Performance

In fiscal 2000 revenues totalled 3,041.1 m€, representing a 14.7% increase over 1999.

When adjusted for changes in exchange rates over the two periods, the growth rate was 6%.

Sales in Italy and North American had a particularly positive influence on this result.

Both of these areas reflected the positive impact of sustained levels of travel and better penetration following the extension of concepts and appealing brands and increased service during peaks in demand.

The introduction of Spizzico and Burger King in Italy and other successful brands in North America propelled growth in restaurant activities at rates higher than those recorded for eating away from home in general in the respective markets.

Gross operating margin increased by 15.4% to 345.0 m€, equal to 11.3% of sales.

Group EBITDA increased by 21.1%, due largely to accelerated growth in profitability in North America, where the EBITDA of HMSHost grew by 23.8%, reflecting a 1.7 point improvement as a percentage of sales, thanks to the combined effect of growing business volumes and streamlining costs across the board.

Operating income and net income for the fiscal year were 101.9 and 14.9 m€, respectively, after charging for amortization and financial charges associated with the acquisition of HMSHost over the entire 12-month period.

Consolidated cash flow grew by 26.4% to 258.0 m€, significantly exceeding investment expenses of 181.2 m€. Cash flow was 8.5% of revenues, compared with 7.7% in 1999, the first year that HMSHost was consolidated.

Net financial indebtedness at the end of the year, inclusive of the outlay of 133.4 m€ in December for acquisition of Passaggio, totalled 1,137.7 m€.

If the aforesaid acquisition were excluded, there would have been net cash flow of 60 m€.

## Highlights

(m€)

	1998	1998 pro-forma (*)	1999	2000
<b>Chains sales</b>	<b>1.195,6</b>	<b>2.544,5</b>	<b>2.726,0</b>	<b>3.122,4</b>
<b>Net sales</b>	<b>1.123,5</b>	<b>2.472,4</b>	<b>2.651,4</b>	<b>3.041,1</b>
<b>EBITDA (**)</b>	<b>163,9</b>	<b>282,7</b>	<b>308,0</b>	<b>372,9</b>
% on Net sales	14,6%	11,4%	11,6%	12,3%
<b>EBIT (**)</b>	<b>86,4</b>	<b>149,0</b>	<b>129,9</b>	<b>129,8</b>
% on Net sales	7,7%	6,0%	4,9%	4,3%
<b>Group net income</b>	<b>33,8</b>		<b>25,9</b>	<b>14,9</b>
% on Net sales	3,0%		1,0%	0,5%
<b>Cash Flow</b>	<b>111,4</b>		<b>204,0</b>	<b>258,0</b>
% on Net sales	9,9%		7,7%	8,5%
<b>Plant and equipment</b>	<b>64,2</b>		<b>211,6</b>	<b>181,2</b>
<b>Net working Capital</b>	<b>(188,7)</b>		<b>(236,1)</b>	<b>(274,9)</b>
<b>Invested Capital</b>	<b>316,9</b>		<b>1.305,6</b>	<b>1.394,9</b>
<b>Net financial position</b>	<b>(89,2)</b>		<b>(1.050,6)</b>	<b>(1.137,7)</b>

(\*) inclusive of HMSHost figures for comparison of results from subsequent years on a pro-forma basis

(\*\*) The 1999 figure has been recomputed for pro-forma comparison with 2000

## Consolidated Statement of Income

(mā)

	2000	1999	Change
Sales and service revenues	3.041,1	2.651,4	389,7
Other revenues and income	109,5	81,1	28,4
<b>Production value</b>	<b>3.150,6</b>	<b>2.732,5</b>	<b>418,1</b>
Primary cost of production	(1.827,3)	(1.570,8)	(256,5)
<b>Value added</b>	<b>1.323,3</b>	<b>1.161,7</b>	<b>161,6</b>
Payroll and benefits	(931,7)	(815,2)	(116,5)
Current-asset write-downs, provisions for risks and other provisions	(12,6)	(18,1)	5,5
Other operating costs	(34,0)	(29,6)	(4,4)
<b>Gross operating margin</b>	<b>345,0</b>	<b>298,8</b>	<b>46,2</b>
Amortization of goodwill and consolidation differences	(104,8)	(53,1)	(51,7)
Other amortization, depreciations and write-downs	(138,3)	(124,9)	(13,4)
<b>Operating income</b>	<b>101,9</b>	<b>120,8</b>	<b>(18,9)</b>
Financial expenses, net	(64,8)	(49,6)	(15,2)
Value adjustments to financial assets	(0,3)	(0,9)	0,6
<b>Income before extraordinary items and taxes</b>	<b>36,8</b>	<b>70,2</b>	<b>(33,4)</b>
Extraordinary items, net	4,8	(1,4)	6,2
<b>Income before taxes</b>	<b>41,6</b>	<b>68,8</b>	<b>(27,2)</b>
IRAP	(12,4)	(11,1)	(1,3)
Other	(9,3)	(25,2)	15,9
<b>Income taxes for the period</b>	<b>(21,7)</b>	<b>(36,3)</b>	<b>14,6</b>
Effect of change in accounting principles	-	8,4	(8,4)
<b>Net income</b>	<b>19,9</b>	<b>40,9</b>	<b>(21,0)</b>
HMSHost result before acquisition	-	11,8	11,8
Minority interest in net income	5,0	3,2	1,8
<b>Group interest in net income</b>	<b>14,9</b>	<b>25,9</b>	<b>(11,0)</b>

## Financial Situation

As the condensed balance sheet below shows, net invested capital rose by 89.3 mā, stockholders' equity by 2.3 mā, and net financial debt by 87.1 mā.

The appreciation of the U.S. dollar against the euro since December 31st, 1999 caused an increase in the value of invested capital and net financial debt by 76.5 mā and 77.2 mā, respectively.

Group stockholders' equity is only marginally affected by fluctuations in the dollar/euro exchange rate since net assets denominated in dollars are largely covered by financing in the same currency or hedging contracts.

The increase in invested capital and debt is also attributable to the acquisition of Passaggio Holding AG on December 27th, 2000, which took operating effect on January 1st, 2001. It is thus included amongst assets and liabilities but is not consolidated.

**Passaggio Holding A.G.**, a company headquartered in Zurich, is a leader in the airport, railway station, and motorway restaurant services sector, with revenues of 167 mā in 1999, EBITDA of approximately 13 mā, and 2,600 employees.

The Passaggio network is comprised of over 100 retail outlets at 51 locations. Its geographical coverage is complementary to the Autogrill network, while their channels are likewise compatible with a portfolio of highly integrated formulas and dominant market shares.

Passaggio's activities, which now flank Autogrill's existing operations in Austria and Germany, will serve as the basis for rapid growth of the Group in the important and promising market of German-speaking countries.

This investment has been posted at cost, 133.4 m€, which corresponds to the purchase price of CHF 222 million paid for the shares, in addition to transaction fees of approximately 1.2 m€. In accordance with the terms of the purchase agreement, the acquisition price will be increased upon the successful outcome of two specific development programs undertaken before the sale, and it may be adjusted according to the assessed values of shareholders' equity and net liquidity, in addition to exercise of provided guarantees.

The majority stake in Aviogrill S.r.l., which opened three restaurants at the Bologna airport on December 18th, was acquired for 0.8 m€ in another year-end deal.

Autogrill Gare de Tours S.A., which operates restaurants in the Tours railway station that generate approximately 1 m€ in annual revenues, was wholly acquired in September for 1m€.

## Condensed consolidated Balance Sheet

(m€)	31.12.2000	31.12.1999	Variazione
<b>A) Fixed assets</b>			
Intangibles	1.209,5	1.224,9	(15,4)
Property, plant and equipment	412,3	391,3	21,0
Financial fixed assets	160,7	27,9	132,8
	<b>1.782,5</b>	<b>1.644,1</b>	<b>138,4</b>
<b>B) Current assets</b>			
Inventories	82,4	91,3	(8,9)
Trade accounts receivable	71,9	57,9	14,0
Other assets	212,8	210,3	2,5
Trade accounts payable	(387,0)	(330,8)	(56,2)
Reserves for risks and charges	(74,3)	(76,1)	1,8
Other current liabilities	(180,7)	(188,6)	7,9
	<b>(274,9)</b>	<b>(236,0)</b>	<b>(38,9)</b>
<b>C) Capital invested, after current liabilities</b>	<b>1.507,6</b>	<b>1.408,1</b>	<b>99,5</b>
<b>D) Reserve for termination indemnities and other long-term non-financial liabilities</b>	<b>(112,7)</b>	<b>(102,5)</b>	<b>(10,2)</b>
<b>E) Capital invested, net</b>	<b>1.394,9</b>	<b>1.305,6</b>	<b>89,3</b>
<b>Financed by:</b>			
<b>F) Shareholders' equity</b>			
Group	240,6	239,3	1,3
Minority interests	16,6	15,6	1,0
	<b>257,2</b>	<b>254,9</b>	<b>2,3</b>
<b>G) Convertible bonds (1)</b>	<b>360,8</b>	<b>353,8</b>	<b>7,0</b>
<b>H) Long-terminated financial debt</b>	<b>643,6</b>	<b>805,8</b>	<b>(162,2)</b>
<b>I) Current net financial receivables</b>			
Current debt	332,1	119,6	212,5
Cash and current debt receivables	(198,8)	(228,5)	29,7
	<b>133,3</b>	<b>(108,9)</b>	<b>242,2</b>
<b>Net financial position (G+H+I)</b>	<b>1.137,7</b>	<b>1.050,6</b>	<b>87,1</b>
<b>L) Total, as in E)</b>	<b>1.394,9</b>	<b>1.305,6</b>	<b>89,3</b>

(1) The amount shown includes the matured value, equal to the difference between the face value and the implicit interest that will accrue in future periods.

On May 15th, 2000, when the first deadline for exercise of the call option expired, the ten-year senior notes issued in May 1995 by an HMSHost Group company were redeemed early for a charge against the credits held by the Autogrill Group. The redemption was financed on better conditions through exercise of stand-by credit lines with three-year options.

At the end of 2000, financing of the United States group debt had an average residual term of over two years. Thus, a healthy financial balance was maintained, as expressed by the ratio between Gross Operating Margin and financial charges and the ratio between net indebtedness and Gross Operating Margin.

## Consolidated statement of Cash Flow

(mā)

	2000	1999
<b>Opening current net financial position</b>	<b>109,0</b>	<b>(32,1)</b>
<b>Cash flow from operating activities</b>		
Net income for the period (including minority interests)	19,9	29,1
Depreciation, amortization, and write-downs of fixed assets, net of write-ups	243,1	178,1
(Gains)/losses on disposal of fixed assets	0,2	(0,1)
Provisions for risks, net of uses	(1,7)	42,1
Change in working capital	31,3	(28,8)
Net change in termination indemnities and other long-term liabilities	9,0	4,2
	<b>301,8</b>	<b>224,6</b>
<b>Cash flows from investing activities</b>		
Purchases of fixed assets		
- intangibles	(83,2)	(108,8)
- property, plant and equipment	(98,0)	(102,8)
- financial fixed assets	(139,2)	(4,1)
- acquisition of consolidated equity investments	(1,3)	(654,2)
Disposal of financial fixed assets	6,8	2,2
Selling price of fixed assets	15,9	11,7
Exchange rate differences and other	(0,0)	(1,0)
	<b>(299,0)</b>	<b>(857,0)</b>
<b>Cash flows from financing activities</b>		
Issuance of convertible bonds (1)	7,1	353,8
New borrowings	332,0	416,3
Repayments and current portion of long-term debt	(571,4)	(9,1)
Dividend payout	(10,5)	(10,5)
Other	(2,3)	8,8
	<b>(245,1)</b>	<b>759,3</b>
<b>Increase (decrease) in cash</b>	<b>(242,3)</b>	<b>126,9</b>
<b>Effect of variation in scope of consolidation</b>	<b>-</b>	<b>14,2</b>
<b>Closing current net financial position</b>	<b>(133,3)</b>	<b>109,0</b>
<b>Closing long-term net financial indebtedness</b>	<b>(1.004,4)</b>	<b>(1.159,6)</b>
<b>Closing total net financial indebtedness</b>	<b>(1.137,7)</b>	<b>(1.050,6)</b>

(1) The increase in 2000 reflects implicit accrued interest on a zero coupon bond.

Operations generated a significant level of cash flow, 301.8 mā.

Investing activities included allocation of 128 mā to improve and develop sales outlets and over 135 mā to finance the acquisitions discussed elsewhere in this report.

The proceeds from specific new lines of credit financed redemption of USD 9.50% senior notes and acquisition of new equity holdings.

## Revenue Analysis

Group revenues, as laid out in the table below, were as follows:

- Restaurant revenues increased by 7.4% as a result of increased penetration and “traffic”, as well as new units; in comparable sales units, the increase measured +6.4%.
- Retail sales grew more slowly overall; the performance of this sector was negatively influenced by the continued fall in sales of lottery tickets in Italy; in comparable sales units, the increased totalled +2.5%.
- Hotel services expanded appreciably and were largely concentrated in the Benelux countries, where the business traveler market was target.

(mā)

	2000	1999	Change	Δ%	Δ% net exch. effect
<b>Direct retail sales</b>					
Food and beverages	2.301,7	1.964,2	337,5	17,2%	7,4%
Retail	688,4	640,6	47,8	7,5%	1,4%
Hotels	21,0	19,2	1,8	9,3%	9,4%
<b>Total direct retail sales</b>	<b>3.011,1</b>	<b>2.624,0</b>	<b>387,1</b>	<b>14,8%</b>	<b>5,9%</b>
Sales to franchisees and others	30,0	27,4	2,6	9,6%	9,1%
<b>General total</b>	<b>3.041,1</b>	<b>2.651,4</b>	<b>389,7</b>	<b>14,7%</b>	<b>6,0%</b>

The Quick Service Restaurant (“Q.S.R.”) business continued to grow in Italy, where, thanks to major marketing efforts, the Spizzico and Burger King brands grew by approximately 33.5% (chain revenues) thanks to the opening of new restaurants, both on a direct basis and on a franchising basis, and improved sales at existing restaurants. There was a 14.1% increase in revenues at comparable sales units.

**Other revenues** and income consist primarily of rents and contributions from franchisees, subtenants, and suppliers. The increase reflects the growth in the number of franchises and related sales volumes.

Compared with 1999, the rise in purchases of goods and external services included under **Primary cost of production**, was proportionately higher than the rise in revenues. This was due to a shift in the product mix towards food and beverages.

**Payroll and benefits** amounted to 931.7 mā, compared to 815.2 mā in 1999.

The productivity gains obtained as a result of programs to improve service organization brought a percentage recovery of 0.1% against revenues. The improvement in productivity for a comparable mix of products and net of increases in labor unit costs was higher than this percentage.

The average number of employees (equivalent full-time personnel - FTE) changed as follows, broken down by geographical region:

	2000	1999 (1)	Change
Europe	11.930	11.491	439
HMSHost	25.138	24.559	579
<b>Total</b>	<b>37.068</b>	<b>36.050</b>	<b>1.018</b>

(1) The 1999 figures have been recomputed according to a new method of counting FTE used for the 2000 figures.

**Depreciation, amortization, and write-downs** for the year totalled 243.1 mā (178.0 mā in 1999).

This figure includes amortization of goodwill and consolidation differences totalling 104.8 mā (53.1 mā in the previous year).

The allowance for bad debt and provisions for risks and charges amounted respectively to 4.9 and 7.7 mā (6.9 and 12.1 mā in 1999).

**Other operating costs** totalled 34.0 m€ (29.6 m€ in 1999).

Changes in the financial position led to **net financial charges** of 64.8 m€ (49.6 m€ in 1999).

**Income taxes** included IRAP, the Italian regional tax on production activity, which amounted to 12.4 m€ (11.1 m€ in 1999).

**Minority interest in income** refers to third-party stockholdings in a number of French companies and in some HMSHost subsidiary companies.

**Group interest in net income** amounted to 14.9 m€ (down 11 m€ compared to 1999).

## Analysis by location and business segment

The Group operates through approximately 4,300 restaurants, distributed amongst 892 sites:

	Motorways	Airports	Stations	Other	Total
<b>Europe</b>					
Italy	344	7	7	94	452
Other European countries	179	0	18	21	218
Passaggio (*)	7	1	4	39	51
<b>TOTAL EUROPE</b>	<b>530</b>	<b>8</b>	<b>29</b>	<b>154</b>	<b>721</b>
HMSHost	81	78	0	12	171
<b>Total</b>	<b>611</b>	<b>86</b>	<b>29</b>	<b>166</b>	<b>892</b>

(\*) non consolidated

The Group largely operates in markets governed by concession agreements: over 90% of sales are generated by restaurants located in areas or properties granted under concessions directly obtained from the infrastructure operators or, in some cases, from oil companies.

Particularly in the United States and, to a lesser extent, in France, some concessions have been acquired in partnership with local enterprises or institutions, whose shareholding is recorded on the consolidated balance sheet as "Minority interest in net income."

## Breakdown of Performance by Geographical Area

The geographical location of our operations is currently the main key to interpreting the Group's performance. Operating responsibilities are thus organized on a geographical basis.

For the purposes of reporting activities by segment, geographical breakdown is the principal criterion used to analyze operations.

In order to facilitate comparison with financial figures from previous years, the operations of HMSHost have not been geographically subdivided. Regardless, about 95% of HMSHost operations are located in North America, while activities in Europe and other countries account for approximately 4% and 1%, respectively, of HMSHost consolidated figures.

(m€)

	Europe		HMSHost		Non allocable		Total	
	2000	1999	2000	1999	2000	1999	2000	1999
Revenues from sales	1.306,4	1.229,5	1.734,7	1.421,9			3.041,1	2.651,4
EBITDA (*)	182,1	174,4	197,2	138,2	(6,4)	(4,6)	372,9	308,0
% of revenues	13,9%	14,2%	11,4%	9,7%			12,3%	11,6%
Spending on plant and equipment	78,5	75,4	102,0	128,8	0,9	7,5	181,4	211,6
Depreciation and amortization	57,3	59,7	81,0	62,8	104,8	55,5	243,1	178,0
Total operations	521,4	485,9	385,2	451,1	1.551,5	1.412,4	2.458,0	2.349,4

(\*) The 1999 figures have been recomputed for comparison with 2000.

The geographical differences in performance indicators and investments stem from differences in the organizational models of the various companies and in the stage of development of their respective contract portfolios.

All business channels reported improvements in sales, as illustrated below.

(m€)

	Europe		HMSHost		Total	Change%	% change net	
	2000	1999	2000	1999	2000	1999	exch. effect	
Motorways	1.045,8	989,1	371,0	319,6	1.416,8	1.308,7	8,3%	4,4%
Airports	28,0	24,2	1.303,4	1.067,7	1.331,4	1.091,9	21,9%	6,1%
Railway stations	57,3	51,9	-	-	57,3	51,9	10,5%	10,5%
City centers, malls, trade fairs	147,0	140,2	60,3	34,7	207,2	174,8	18,5%	15,0%
Other, unallocated	28,3	24,1	-	-	28,3	24,1	17,6%	17,6%
<b>Total 2000</b>	<b>1.306,4</b>	<b>1.229,5</b>	<b>1.734,7</b>	<b>1.421,9</b>	<b>3.041,1</b>	<b>2.651,4</b>	<b>14,7%</b>	<b>6,0%</b>

## Europe

The Group operates in Italy, France, Spain, Benelux, Austria, Germany, Luxembourg, Greece, and, since January 1st, 2001, Switzerland.

Its main business is the operation of restaurants in motorway service areas. In France, the Group is also a leader in railway station food and beverage services.

Its activities in other European countries, excluding HMSHost Corp. operations in The Netherlands and Poland, are summarized below:

(m€)

	2000								
	Italy	France	Spain	Benelux	Austria	Germany	Greece	Not alloc.	Net Total
Revenues	945,4	161,2	61,9	103,1	21,9	10,6	2,9	(0,6)	1.306,4
EBITDA	140,7	21,2	8,4	13,7	2,0	(0,3)	0,1	(3,7)	182,1
% of revenues	14,9%	13,1%	13,6%	13,3%	9,2%	-2,5%	3,3%		13,9%
Investments	46,4	17,9	4,2	5,4	0,6	0,1	0,1	3,8	78,5
Depreciation	32,3	11,9	2,9	6,6	3,0	0,4	0,2		57,3

	1999								
	Italy	France	Spain	Benelux	Austria	Germany	Greece	Not alloc.	Net Total
Revenues	886,7	155,7	54,5	101,8	21,4	10,7	2,6	(3,9)	1.229,5
EBITDA	131,5	21,8	8,4	13,6	1,5	0,5	0,0	(2,9)	174,4
% of revenues	14,8%	14,0%	15,4%	13,4%	7,0%	4,7%	0,0%		14,2%
Investments	42,7	20,9	4,1	7,1	0,5	0,1	0,1		75,4
Depreciation	35,2	12,8	2,7	5,5	2,8	0,4	0,3		59,7

## Italy

Operations in Italy are run directly by the Holding Company, Autogrill S.p.A.

In 2000, revenues from the sale of food and beverages rose by 10% compared with the previous year, while revenues from complementary products declined, mainly as a result of the decrease in sales of lottery tickets. Autogrill S.p.A. thus contributed 944.8 m€ to consolidated revenues (+6.6% compared with 1999).

The distribution network consisted of 452 units.

Revenues can be broken down by channel, as follows:

**Motorways:** sales rose by 5.1% (35.9 m€). Of this amount, 33 m€ was generated by existing locations thanks to increased penetration of traffic: against a 3.5% increase in traffic, main sales increased by 7% (4.4% net of increases in sales prices). This performance resulted from commercial investments and increased staffing during peak operating periods.



**Airports:** revenues from food and beverage sales increased by 18.3% (4.1 m€) against an average 11.9% increase in Italian passenger traffic.

**Railway stations:** revenues were up by 4.1 m€ after the opening of a Spizzico and Burger King restaurant at the Milan Cadorna station and installation of a Spizzico and Ciao bar at the Rome Termini station.

Main sales at retail outlets in the other channels grew by 9.3% in cities and 3.9% in shopping malls.

EBITDA totalled 140.7 m€, or 14.9% of revenues.

**Depreciation, amortization, and write-downs** totalled 32.4 m€ (35.2 m€ in 1999). The useful lives of the main categories of assets were revised during the year, resulting in a 7.8 m€ reduction in depreciation and amortization allowances charged during 2000 with respect to the previously used estimates.

**Investments in plant and equipment** in the network totalled 46.4 m€ during 2000, up 3.7 m€ from 1999. Total investments in the opening of new locations and remodeling of existing ones in Italy came to 15.2 m€, 0.9 m€ more than in 1999.

Of this amount 8.4 m€ was spent on remodeling locations in the motorway channel. The biggest outlays were for completion of remodeling work on the bridge location at Limena and the new “Model 3” at La Macchia Est, which were started in 1999. Other major projects undertaken in 2000 involved Roncobilaccio Ovest and Stura Ovest, with the latter to be completed in 2001.

A total of 9.9 m€ was invested in QSR formulas, 6.2 m€ more than in 1999.

Most of this work involved the construction of new locations, particularly “dual brand” sites combining Spizzico and Burger King. These include Rome Nazionale (Tritone), Bari Cavour, and Serravalle Outlet, while other projects started in 1999 were completed, such as Venice Campo San Luca.

## France

Total sales grew by 3.5%, suffering from the negative effects of higher oil prices, poor weather during important travel seasons, and the truck driver strike that paralyzed road traffic.

Profitability also fell in 2000, partly as the result of a cutback in the legal work-week to 35 hours.

These effects are being absorbed through the implementation of specific organizational and commercial measures.

An investment program has been undertaken to extend the network and improve several important locations, thereby obtaining extensions for important concessions.

## Spain

The Spanish subsidiary continued to grow, closing 2000 with sales up by 13.5% from the year before. In particular, comparable locations enjoyed growth of 7.4%, while non-comparable locations, which include installation of a Ciao at Benicarlò (August 2000), grew by 51.6%. Finally, the two new locations Guarroman (December 1999) and Castillejo (June 2000) contributed about 2.5 m€ in revenues.

The conditions negotiated for extension to 2019 of the concession for 12 service areas on the main motorway route where the company operates, A7, explain the slight dip in current profitability. The long time horizon that has been obtained will allow upgrading of products and sales.

## Benelux

Group activities in Belgium, The Netherlands, and Luxembourg are operated under a single management structure and brand.

During 2000, these activities turned in varying performance results: overall revenue growth of 1.3% to 103.1 m€ reflected improvements in The Netherlands and contraction in Belgium, which were partially accounted for by the elimination of several barely profitable units.

Period profitability (expressed by EBITDA) was 13.7 m€, compared with 13.6 m€ in 1999.

## Austria

Sales grew by 2.3% in 2000 to 21.9 m€. This increase is wholly accounted for by non-comparable locations: in 1999 some Tauernautobahn locations suffered from the temporary closure of the tunnel.

A series of initiatives to improve products and service were undertaken towards the end of the year, and their effects will start to be felt during 2001.

The increased margin generated by higher sales was flanked by improved efficiency, largely in favor of labor costs (-1.2% against sales revenues) and operating costs (0.9%). Just as in the case of products and service,

measures have been adopted in the area of operations to realize steady improvements in results during 2001, particularly through the implementation of more efficient work planning methods that have already been tested in other countries.

### **HMSHost Corp.**

To facilitate reading, the following figures are expressed in millions of dollars, represented by the symbol “\$m.”

Operations during 2000 were focused on improving profitability and rotation of invested capital, as well as developing business activities.

The following significant results were achieved in the area of business activities:

- Award of concessions for three food and beverage service areas inside Athens International Airport: the International Area, the Domestic & Schengen Treaty Signatory Nations Area, and the Arrivals Area. The concession granted to HMSHost, for a term of five years, contains the highest number of restaurant units of all the concessions offered, for a total surface area of 446 square meters.
- Renewal of the ten-year agreement for operation of a location measuring over 1,500 square meters at the Louisville International Airport. Against an investment of \$1.8m, the new location will generate total revenues of about \$60m during the life of the agreement, of which \$25m as a surplus.
- Award of the contract for development and operation of retail business at the Salt Lake City International Airport. With 20 million travelers annually (1999), destined to increase with the Winter Olympic Games to be held at Salt Lake City in 2002, the airport ranks as one of the top 45 in the world. Against an investment of \$1.2m, the new agreement will yield total revenues of about \$45m over the seven year term of the concession. The retail activities will flank the food and beverage services that were previously awarded to HMSHost in a previous tender for a contract having the same term and which generated revenues of about \$28m in 2000.
- Award of the contract for development and operation of four new food and beverages outlets at Los Angeles International Airport. With 65 million passengers (1999), the airport is one of the three busiest in the world. The four food and beverage formulas provided under the new agreement will generate total revenues of about \$27m over the six-year term of the concession, with \$4.3m in the first year. The new restaurants join over twenty others already operated by HMSHost (including the Burger King, California Pizza Kitchen, and Chili's too brands) that generated annual revenues of over \$45m.
- Renewal of the ten-year concession to operate retail activities at the Empire State Building in New York City. This prestigious building attracts 3.7 million visitors every year, who will generate total revenues of \$125m over the ten-year life of the concession, according to company estimates.
- Seven-year concession for operation of two important retail points on Concourse A of Denver International Airport. The services to be offered will include a coffee shop (Starbucks) and a Sbarro's restaurant with pizza, pasta, and other Italian specialties. Denver is the tenth busiest airport in the world and the fourth busiest in the United States, serving over 38 million passengers annually. Out of the top ten airports in the United States, it was the only one where HMSHost still did not have a presence. The revenues that will be generated by the two retail outlets over the period will total more than \$12m.
- Opening of the “42nd Street Food Court” in New York. This location occupies a space measuring 3,251 square meters in the Forest City Ratner complex, a shopping mall and entertainment center at centrally located Times Square.
- Inauguration of the new food court at Schiphol Airport outside Amsterdam.

Following below are the earnings results of HMSHost Corp.:

Sales totalled \$1,601.9m, up 5.8% from 1999. On a comparable basis, sales grew by 6.1%.

Sales can be broken down by channel, as follows:

**Airports:** revenues grew by 5.9% (+8.6% on a comparable basis) to \$1,203.6m, thanks to excellent performance at comparable airports in North America, which increased by 10% against passenger growth of 2.6%.

**Motorways:** total revenues of \$342.6m, up 0.7% from 1999. Performance improved over 1999 in spite of the steep rise in petroleum product prices (by an average +36%), which had a strong impact on traffic. Furthermore, bad weather during high seasonal traffic periods (June/July) contributed to a reduction in tourist traffic (especially on the Garden State Parkway).

**Shopping malls:** total revenues of \$55.7m, up 50,9% from 1999. The growth in revenues is attributable to the openings at Times Square and the MacArthur Center and the non-comparable results of Concord Mills and Jersey Garden (opened in 1999). On a comparable basis, there was a fall of 5.4%.

The cost of sales recovered by 0.4% against sales, absorbed by growing labor costs. Inflationary pressures on labor costs were compensated by improved hourly productivity (+7.4%).

EBITDA, totalling \$182.1m (11.4% of sales, 9.7% in 1999), grew by 23.8% compared with 1999.

**Investments** of \$95m were made during 2000, down \$32.9m from the previous year. The level of investments with respect to revenues (5.9%) reflects the more rigorous approach taken to allocation of resources, even in the face of an ongoing cycle of contemporaneous restaurant remodeling upon renewal of contracts or licensing of brands to private parties, and expansion of restaurant units. Approximately 93% of the sum invested has been budgeted for development and remodeling activities as part of the product branding policy.

Altogether, the group headed by HMSHost Corp. had 27,000 employees.

## Research and Development

Given the nature of its business, the Group invests in innovation, product enhancements, and improvements in the service quality of its operating systems. It does not conduct technological R&D in the strict sense of the term.

## Other Information

### Relations with Related Parties

Business transactions with related parties are described below pursuant to Article 2359 of the Italian Civil Code and International Accounting Standard no. 24.

Relations with related parties are pertinent to the Group's operations and based on market conditions.

Relations with Parent Companies.

### Relations with Parent Companies

The Group is controlled by Edizione Holding S.p.A., which holds an absolute majority (57.09%) of voting rights. The remaining shares are owned by Italian and non-Italian institutional investors and by large numbers of private investors and Group employees.

Relations with Edizione Holding S.p.A. during 2000 consisted almost entirely of the transfer of one of its executives, who held the post of Chief Executive Officer of Autogrill S.p.A. and key positions in the main subsidiaries.

Transactions during 2000 and balances at December 31st, 2000 were as follows:

(ka)

	<b>Edizione Holding S.p.A.</b>
<b>Statement of Income</b>	
Other operating charges	634,2
<b>Balance Sheet</b>	
Trade accounts payable	22,7

## Main Relations with Companies Having Common Ownership

(ka)

	Benetton Group S.p.A.	Edizione Finance International S.A.	Edizione Property S.p.A.
<b>Statement of Income:</b>			
Sales of products	0,5		
Other revenues and income	196,3		
Purchases	898,6		
Cost of services	169,4		
Leases, concessions, rentals	49,1		
Financial charges		5.052,1	
<b>Balance Sheet:</b>			
Trade accounts receivable	1,0		123,9
Trade accounts payable	303,7		
Financial accounts payable		219.010,6	

Relations with companies in the Edizione Holding S.p.A. group were largely unchanged from the previous year.

Specifically:

- Benetton Group S.p.A. supplied Autogrill S.p.A. with uniforms for its sales staff. Furthermore, Autogrill SpA furnished catering services to the pit crew that participated at the world championship 125 cc class motorcycle race, which in turn advertised the Spizzico brand.
- Edizione Finance International S.A. granted the Group short-term loans to cover temporary financing requirements.
- Edizione Property S.p.A. made an agreement for lease of a space housing a sales outlet that is currently being prepared. The relative credit reflects the charge for costs sustained by Autogrill on behalf of Edizione Property.

No significant relations were entertained with other non-independent companies.

## The Euro and the Year 2000 Issue

The measures taken to avoid occurrence of the theoretical risks connected with the “millennium bug,” which were confined to the information technology procedures used to support most of the Group’s operating and administrative/accounting processes, were a success.

Most of the work yet to be completed before introduction of the euro into circulation involves the cash registers installed at some Italian outlets. However, the overall cost to the Group will be less than one billion lire.

In order to assess the strategic and operating impact of the introduction of the euro, the Parent Company has formed a special cross-functional committee, which has subsequently engaged the involvement of the subsidiaries.

From an administrative point of view, the fact that the Group mainly deals in cash transactions has led it to postpone use of the euro as the money of account for all Group companies.

Expenses relating to the implementation of the new IT platform are capitalized and generally amortized over three periods, while the costs for simple adjustments are charged as they are incurred.

## Corporate Governance

At its meeting on January 23rd, 2001, the Board of Directors took note of the Report on Corporate Governance of the Autogrill Group that was subsequently deposited at the Italian Stock Market operating company, Borsa Italiana S.p.A., on February 20th, 2001. This report describes the current status of the company’s system of corporate governance in reference to the Code of Corporate Governance of Listed Companies drafted by the Committee for Corporate Governance of Listed Companies in 1999.

The system adopted by the company and described in the aforesaid Report can be summarized as follows:

- The Board of Directors is characterized by its:

I. Centrality and unity.

The company Board of Directors shall be in charge of establishing strategic and organizational policies and verifying that the controls necessary for monitoring company performance exist. The Board of Directors shall receive periodic reports on significant transactions concluded with related parties and that might have been executed upon exercise of delegated powers.

II. Balanced Membership and Remuneration.

The Board of Directors shall include independent Directors who do not hold executive positions and who are capable of exerting a significant influence on board decisions, exploiting their personal skills and experience to stimulate debate over Board decisions that are to be taken in the interests of the company. The remuneration to be paid Directors by the Board upon approval of the Board of Statutory Auditors shall be reported in the notes to the financial statements. The remuneration to be paid to the Chief Executive Officer shall be partially tied to company operating results and achievement of other specific objectives identified as being in the interest of the company. The Board of Directors shall be kept informed of the criteria and procedures for determining this variable component of the Chief Executive Officer's compensation.

- Dedicated company structures - External Relations and Investor Relations - have been set up in response to the interest of the company in establishing and maintaining a continuing dialogue with stockholders in general and institutional investors in particular, while respecting the importance attributed to the Stockholders' Meeting. These bodies shall operate in accordance with the decisions of company management and be furnished with adequate resources and professional staff.
- Pursuant to the provisions of Italian Legislative Decree no. 58/98, the company has amended its Bylaws to ensure that a regular member of the Board of Statutory Auditors can be elected by the minority stockholders. The Board of Directors has verified that, pursuant to Article 3 of the aforesaid Decree, the members of the current Board of Statutory Auditors satisfy the requirements set forth in Articles 1 and 2 of Decree no. 162 of March 30th, 2000 issued by the Italian Ministry of Justice in collaboration with the Italian Ministry of Treasury. In particular, the current statutory auditors are entered in the register of auditors and have been practicing professionals for at least three years.
- In light of the fact that internal auditing reflects good management, the subsidiaries have been organized and a reporting system established in order to set up a monitoring and audit system at the subsidiaries - which have received directives addressing the most significant areas of control (e.g. powers of attorney, investments, confidentiality) - that is consistent with that of the Parent Company. Furthermore, starting in March 2001 the Internal Auditing office reports directly to the Chief Executive Officer.

## Shares held by Directors, Auditors, and General Managers

The information required pursuant to CONSOB regulation no. 11971/1999 is illustrated in the table below. It is drawn from the Stockholders' Register and declarations filed by the parties concerned.

As described in detail elsewhere, the position of General Manager is held by division managers, who are thus not subject to the aforementioned regulation.

Surname and name	Company stake	Number of shares			Owned at 12/31/2000
		Owned at 12/31/1999	Acquired	Sold	
Livio Buttignol	Autogrill S.p.A.	-	34.250	-	34.250
	Autogrill International S.A.	-	1	-	1
	Autogrill Coté France S.A.	-	1	-	1
	Autogrill Restauration Services S.A.	-	1	-	1
Paolo Prota Giurleo (1)	Autogrill S.p.A.	180.000	-	180.000	-
	Autogrill International S.A.	1	-	1	-
	Autogrill Coté France S.A.	1	-	1	-
	Autogrill Restauration Services S.A.	1	-	1	-

(1) Left office on August 26th, 2000.

No other director or statutory auditor holds or has held shares in the Parent Company or in any of its subsidiaries.

### Treasury stock

Neither the Parent Company nor its subsidiaries held treasury stock or shares of subsidiaries at December 31st, 2000, nor did they acquire or dispose of such shares during the year.

Pursuant to Article 2357 of the Italian Civil Code, the Ordinary Stockholders' Meeting held on April 30th, 1999 authorized the Board of Directors to purchase and subsequently sell up to a maximum of three million ordinary shares in Autogrill on the Mercato Telematico Azionario at a minimum price of 10,000 lire and a maximum price of 25,000 lire per share, inclusive of transaction fees, for a period of 18 months from the date of said meeting.

Upon performing a review of this opportunity, the Board of Directors decided not to exercise this right, which expired on October 31st, 2000 without any transaction having been executed.

### Significant events subsequent to the end of the fiscal year

On January 1st, 2001, the Autogrill Group assumed operating control of the Swiss group Passaggio Holding AG, which it had acquired on December 27th, 2000.

The organization of the Group has been modified accordingly to accommodate this new European operating unit and the new growth and integration targets adopted by management.

The new organization is characterized by its leadership strategy and operating efficiency, which is largely the fruit of size and local leverage.

The introduction of new products and continued development of the QSR sector have been respectively assured by the creation of a licensing unit and broadening the company mission to introduce Spizzico in European countries, as well as widen its presence in Italy.

Agreements have been reached to extend the terms of current concessions along the A7 motorway in Spain, the Garden State Parkway in New Jersey, and Cincinnati airport in the United States, areas that are all enjoying growing business volumes.

These extensions will make it possible to carry out programs to upgrade the services offered and thus achieve higher rates of penetration.

Autogrill S.p.A. - in partnership with Banca di Roma S.p.A., Gtech Corporation, Istituto Poligrafico e Zecca dello Stato, Oberthur Gaming Technologies S.A.S., Soget 2000 S.r.l., and T.N.T. Tecnologistica S.p.A. - filed an application on January 26th, 2001 for award of a concession to operate lotteries in Italy. In 2000, lottery turnover exceeded 330 m€.

## Operating Outlook

The first two months of 2001 were marked by growing sales and significant improvements in the operating results of the main European nations. New locations were opened in Switzerland and important concession agreements were renewed in Spain.

In the United States, activities at airports, which represent 75% of total sales, grew by 5%, with major growth in margins. During the first two months of the year, major concession agreements were renewed, one for operation of food and beverage service at the Cincinnati airport, and the other for operation of service areas along the Garden State Parkway in New Jersey.

The sale of alternatives to meat-based products has allowed the Group to weather the current market crisis in Europe without repercussions.

Group activities proceeded with the expansion and modernization of the network and renewal of agreements expiring this year.

This program of organizational reinforcement also involves a reassessment of current locations and focus on channels and locations that are more in line with company strategy.

Small-scale activities in non-core areas and channels are currently undergoing or are slated for disposal. Integration and convergence of the Passaggio group's operations in Switzerland are aimed at rounding out the Autogrill network in geographical terms and leveraging potential synergies of skills and purchasing power.

Both gross operating margin and free cash flow, which are primary indicators, confirm the traditional capacity of Autogrill to generate adequate value through sales growth, reinforced margins, and capital rotation.

The new organization approved at the beginning of 2001 decentralizes decision-making power over operating quality and development projects in favor of the individual countries where the company operates. Greater participation by each country in operations should encourage faster identification with a core concept to be developed at the European level, starting with the most diffused and promising brand: Spizzico.

Aside from the new organization, managerial know-how has been strengthened by the hiring of 12 excellent new executives and managers, while six positions left vacant by resignations have been filled. Thanks to these hires, the Group will be able to achieve its goals with greater determination, quality, and confidence.





# Consolidated Financial Statements at December 31st, 2000

## Consolidated Balance Sheet

(k€)

ASSETS	12/31/2000	31.12.1999	Change
<b>A) Receivables from shareholders</b>	-	-	-
<b>B) Fixed assets</b>			
<b>I - Intangibles</b>			
1) Start-up and expansion costs	240	636	(396)
4) Concessions, licenses, trademarks, and similar rights	17.438	19.106	(1.668)
5) Goodwill	751.971	749.778	2.193
5 bis) Consolidation difference	144.400	159.986	(15.586)
6) Work in progress and advances	4.541	3.925	616
7) Other intangibles:			
a) Leasehold improvements	267.117	273.645	(6.528)
b) Miscellaneous intangibles	23.791	17.809	5.982
<b>Total</b>	<b>1.209.498</b>	<b>1.224.885</b>	<b>(15.387)</b>
<b>II - Property, plant and equipment</b>			
1) Land and buildings	80.307	82.694	(2.387)
2) Plant and machinery	28.745	24.951	3.794
3) Manufacturing and distribution equipment	143.216	134.938	8.278
3 bis) Assets returnable at no cost	90.965	82.276	8.689
4) Other assets	9.556	7.724	1.832
5) Construction in progress	59.538	58.678	860
<b>Total</b>	<b>412.327</b>	<b>391.261</b>	<b>21.066</b>
<b>III - Financial fixed assets</b>			
1) Equity investments in:			
a) unconsolidated subsidiaries	134.137	-	134.137
b) affiliated companies	3.704	3.971	(267)
c) other companies	21	20	1
2) 2) Receivables:			
* amounts due within one year	1.057	1.095	(38)
* amounts due after one year	19.653	19.331	322
Other securities	2.163	3.504	(1.341)
<b>Total</b>	<b>160.735</b>	<b>27.919</b>	<b>132.816</b>
<b>Total fixed assets</b>	<b>1.782.560</b>	<b>1.644.065</b>	<b>138.495</b>
<b>C) Current assets</b>			
<b>I - Inventories</b>			
1) Raw materials, auxiliaries and supplies	82.112	91.184	(9.072)
5) Advances	281	150	131
<b>Total</b>	<b>82.393</b>	<b>91.334</b>	<b>(8.941)</b>
<b>II - Accounts receivable</b>			
1) Trade accounts receivable	71.923	57.892	14.031
3) Accounts receivable from affiliated companies	2.023	1.987	36
5) Accounts receivable from outsiders			
a) deferred-tax assets			
* amounts due within one year	33.470	29.668	3.802
* amounts due after one year	112.167	97.365	14.802
b) miscellaneous accounts receivable	48.147	58.434	(10.287)
<b>Total</b>	<b>267.730</b>	<b>245.346</b>	<b>22.384</b>
<b>III - Financial assets not held as fixed assets</b>			
6) Other securities	17.528	30.872	(13.344)
7) Loans receivable	-	102.794	(102.794)
<b>7) Total</b>	<b>17.528</b>	<b>133.666</b>	<b>(116.138)</b>
<b>IV - Liquid Assets</b>			
1) Bank and postal accounts	74.325	61.873	12.452
3) 3) Cash on hand	42.119	33.000	9.119
<b>Total</b>	<b>116.444</b>	<b>94.873</b>	<b>21.571</b>
<b>Total current assets</b>	<b>484.095</b>	<b>565.219</b>	<b>(81.124)</b>
<b>D) Accrued income and prepaid expenses</b>			
a) Bond issue discounts	110.192	117.287	(7.095)
b) other accrued income and prepaid expenses	81.759	22.763	58.996
<b>Total</b>	<b>191.951</b>	<b>140.050</b>	<b>51.901</b>
<b>TOTAL ASSETS</b>	<b>2.458.606</b>	<b>2.349.334</b>	<b>109.272</b>

<b>LIABILITIES</b>	<b>12/31/2000</b>	<b>31.12.1999</b>	<b>Change</b>
<b>A) Shareholders' equity</b>			
I) Capital stock	131.387	131.387	-
II) Additional paid-in capital	-	-	-
III) Reserve for inflation adjustments	14.519	14.519	-
IV) Statutory reserve	1.512	1.431	81
V) Reserve for treasury stock	-	-	-
VI) Reserves under the Bylaws	-	-	-
VII) Other reserves	78.316	66.027	12.289
VIII) Retained earnings	-	-	-
IX) Net income (loss)	14.879	25.940	(11.061)
<b>Group interest in stockholders' equity</b>	<b>240.613</b>	<b>239.304</b>	<b>1.309</b>
<b>Minority interest in stockholders' equity</b>	<b>16.558</b>	<b>15.646</b>	<b>912</b>
<b>Total shareholders' equity</b>	<b>257.171</b>	<b>254.950</b>	<b>2.222</b>
<b>B) Reserves for risks and charges</b>			
1) Reserve for pensions and similar obligations	13.570	9.192	4.378
2) Reserve for taxes	46.997	45.257	1.740
3) Other reserves	29.457	38.089	(8.632)
<b>Total</b>	<b>90.024</b>	<b>92.537</b>	<b>(2.513)</b>
<b>C) Reserve for employee severance indemnities</b>	<b>82.086</b>	<b>80.272</b>	<b>1.814</b>
<b>D) Liabilities</b>			
1) Bonds	-	366.616	(366.616)
2) Convertible bonds	471.055	471.055	-
3) Due to banks:			
* amounts due within one year	175.882	116.093	59.789
* amounts due after one year	571.197	435.484	135.713
4) Due to other lenders			
* amounts due within one year	220.581	3.471	217.110
* amounts due after one year	2.400	3.673	(1.273)
5) Advances	118	76	42
6) Trade accounts payable	386.898	329.958	56.963
7) Liabilities represented by credit instruments due within one year			
9) Accounts payable to affiliated companies	-	19	(19)
10) Accounts payable to the Parent Company	23	400	(400)
11) Taxes payable	24.250	19.721	4.529
12) Contributions owed to pension and social security institutions	15.494	17.131	(1.637)
13) Other liabilities:			
* amounts due within one year	102.301	100.813	1.488
* amounts due after one year	14.818	23.376	(8.558)
<b>Total liabilities</b>	<b>1.985.017</b>	<b>1.888.236</b>	<b>96.781</b>
<b>E) Accrued expenses and deferred income</b>	<b>44.308</b>	<b>33.339</b>	<b>10.969</b>
<b>TOTAL LIABILITIES</b>	<b>2.458.606</b>	<b>2.349.334</b>	<b>109.272</b>
<b>MEMORANDUM ACCOUNTS</b>	<b>12/31/2000</b>	<b>31.12.1999</b>	<b>Change</b>
<b>Unsecured guarantees</b>	<b>27.321</b>	<b>27.437</b>	<b>(116)</b>
<b>Collateral provided for:</b>			
* obligations other than liabilities	385	449	(64)
* liabilities listed on the balance sheet	16.237	38.662	(22.425)
<b>Purchase commitments</b>	<b>1.488.797</b>	<b>364.188</b>	<b>1.124.609</b>
<b>Other commitments</b>	<b>725.021</b>	<b>227.046</b>	<b>497.975</b>
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>2.257.761</b>	<b>657.782</b>	<b>1.599.979</b>

## Consolidated Statement of Income

(ke)

	12/31/2000	31.12.1999	Change
<b>A) Value of production</b>			
1) Sales and service revenues	3.041.130	2.651.402	389.728
3) Changes in contract work in progress	-	(1.200)	1.200
5) Other revenues and income	109.456	82.278	27.178
<b>Total</b>	<b>3.150.586</b>	<b>2.732.480</b>	<b>418.106</b>
<b>B) Cost of production</b>			
6) Raw materials, auxiliaries, supplies, and merchandise	1.059.670	943.863	115.807
7) Outside services	297.872	244.091	53.781
8) Leases, concessions and rentals	457.139	384.173	72.966
9) Personnel:			
a) wages and salaries	743.822	646.070	97.752
b) social security contributions	124.967	116.006	8.961
c) provision for employee severance indemnities	14.602	13.179	1.423
d) provision for pension and similar obligations	5.750	2.052	3.698
e) other personnel costs	42.603	38.019	4.584
10) Depreciation, amortization and write-downs:			
a) amortization of intangibles	172.059	112.244	59.815
b) depreciation of property, plant and equipment	70.213	62.987	7.226
c) write-downs of property, plant and equipment	783	2.905	(2.122)
d) write-downs of loans included in current assets	4.990	6.956	(1.966)
11) Change in inventory of raw materials, auxiliaries and merchandise	12.609	(1.022)	13.631
12) Provisions for risks	2.977	4.973	(1.996)
13) Other provisions	4.632	6.147	(1.515)
14) Other operating costs	34.042	29.056	4.986
<b>Total</b>	<b>3.048.730</b>	<b>2.611.701</b>	<b>437.029</b>
<b>Net production value (A-B)</b>	<b>101.856</b>	<b>120.779</b>	<b>(18.923)</b>
<b>C) Financial income and expense</b>			
15) Income from equity investments	349	321	28
16) Other financial income from:			
a) loans included in financial fixed assets	-	9	(9)
b) securities included in fixed assets other than equity	373	475	(102)
c) securities included in current assets other than equity investments	3.090	6.787	(3.697)
d) other financial income	225.765	17.441	208.324
17) Interest and other financial expenses paid to:			
a) credit institutions	(46.328)	(17.311)	(29.017)
b) the Parent Company	-	-	-
c) outsiders	(14.441)	(35.622)	21.181
d) other lenders	(233.620)	(21.750)	(211.870)
<b>Total</b>	<b>(64.812)</b>	<b>(49.650)</b>	<b>(15.162)</b>
<b>D) Value adjustments on financial assets</b>			
18) Upward adjustments of securities included in current assets	-	53	(53)
19) Write-downs of:			
c) securities included in current assets	(296)	(1.009)	713
<b>Total</b>	<b>(296)</b>	<b>(955)</b>	<b>659</b>
<b>E) Extraordinary income and expense</b>			
20) Other income	8.404	2.053	6.351
21) Other expense	(3.559)	(3.414)	(145)
<b>Total</b>	<b>4.845</b>	<b>(1.361)</b>	<b>6.206</b>
<b>Income before taxes</b>	<b>41.593</b>	<b>68.812</b>	<b>(27.219)</b>
Income taxes	(21.679)	(36.286)	14.607
Net impact of change in accounting principles	-	8.388	(8.388)
<b>Net income (loss)</b>	<b>19.914</b>	<b>40.914</b>	<b>(21.000)</b>
Result of HMSHost before acquisition	-	11.857	(11.857)
Minority interest in net income	5.035	3.116	1.919
<b>Group interest in net income</b>	<b>14.879</b>	<b>25.940</b>	<b>(11.061)</b>

# Notes to the Consolidated Financial Statements



## **Significant accounting policies**

The consolidated financial statements have been prepared in accordance with the provisions of Legislative Decree no. 127/1991, Title III, in implementation of EEC Directive VII.

The purpose of the notes is to provide an explanation, analysis, and, in some cases, information supplementing the balance sheet figures. The notes contain the information required by Article 38 and other provisions of Legislative Decree no. 127/1991.

Moreover, in order to facilitate valid comparisons with the consolidated financial statements at December 31st, 2000, some items on the previously published financial statements at December 31st, 1999 have been reclassified without changing the amounts shown for stockholders' equity at December 31st, 1999 and the net income for the year closed on that date.

The valuation criteria used to prepare the financial statements at December 31st, 2000 are the same as those used to prepare the consolidated financial statements for the previous year, with the exception of adjustments to Italian assets in accordance with the accounting principles for valuation of amortization of the goodwill paid upon purchase of individual restaurants and several classes of property, plant, and equipment. Starting in fiscal 2000:

- Goodwill: this has been amortized at a rate of 10% on the basis of a useful life recomputed for a maximum duration of 10 years, against the 20% rate used in previous years;
- Property, plant and equipment: in view of the slower rate of deterioration reported during the first three years of operation of several classes of assets, straight-line depreciation is charged over time, rather than accelerated depreciation over the first three years through doubling of the ordinary rates, as was done through fiscal 1999.

The effects of these changes in valuation are reflected in the respective entries on the Balance Sheet and Statement of Income at December 31st, 2000. They have produced an improvement in income before taxes of 0.9 and 6.9 million euros, respectively. Since these effects are clearly evident, no pro-forma comparisons were prepared.

Starting in fiscal 2000, the financial statements are expressed in euros after converting ledger balances, which are kept in Italian lire.

The values shown in the Notes are expressed in thousands of euros (represented by the symbol k€).

## **Group Activities**

Autogrill S.p.A., a worldwide operator in the travel catering and services industry and the modern fast food industry (Quick Service Restaurant), operates directly and through its subsidiary companies in high consumer traffic locations.

## **Contents and Format of the Consolidated Financial Statements**

Pursuant to Article 26 of Legislative Decree no. 127/1991, the consolidated financial statements include the financial statements at December 31st, 2000 of Autogrill S.p.A. and all companies in which the Parent Company controls a majority of voting rights or possesses a dominant influence. This last category includes: Soborest S.A., Sorebo S.A., and Soberest S.A., which are controlled by virtue of a 50% interest in company capital stock and a contract conferring management of the business on the Group.

The companies included in the scope of consolidation are listed in the appendix on page 56.

The financial statements of the subsidiary companies have been reclassified as necessary to bring their formats into compliance with the criteria adopted by the Parent company.

The stockholders' equity and net income figures shown on the financial statements of Autogrill S.p.A. and the corresponding items on the consolidated financial statements of the Group is reconciled in the note specifically dedicated to stockholders' equity.

In comparison with the consolidated financial statements at December 31st, 1999, the scope of consolidation includes:

- La Manza s.r.l. (a company that operates an “Acafé” coffee shop at the Rome Termini railway station);
- Autogrill Gare de Tours S.A. (which operates food and beverage services at the railway station of Tours, France).

Given the modest dimensions of the newly consolidated companies, pro-forma comparisons were not prepared.

The following companies were not included in the scope of consolidation:

- Passaggio Holding AG and its subsidiaries, because the seller retains title to the operating result through December 31st, 2000 pursuant to the provisions of the sales agreement, even if the group was acquired on December 27th, 2000. Furthermore, as discussed below, the balance sheet of the acquisition is currently being audited in accordance with the sales agreement in order to determine the amount of adjustments to be made to the purchase price.

An operating review of individual activities is nearing completion, a preliminary step towards streamlining them in conformity with Autogrill Group operating standards.

- Aviogrill s.r.l., which has operated three retail outlets at the Bologna Airport since December 18th, 2000, is considered insignificant. ()

Therefore, both of these subsidiaries have been posted at their purchase price plus ancillary expenses.

The reader is referred to the operating report, which contains a detailed description of the acquisitions made during the year.

In order to provide an accurate description of the dimensions assumed by the Group, as well as ensure continuity with the financial statements for the following year and the information previously furnished to the public upon acquisition of HMSHost Corp. in 1999, all acquired companies have been consolidated starting from January 1st, 1999. The costs and revenues for all of 1999 have been included in the statement of income for that year.

The net income earned by HMSHost Corp. up to the date of its acquisition has been reclassified together with related entries in order to show Group interest in income. A specific entry has been made to show this adjustment on the statement of income.

The results reported by Procace S.A. and the French group headed by Autogrill Restauration Services S.A. between January 1st, 1999 and their acquisition date were insignificant and thus not reclassified. Autogrill Overseas S.A. was founded at the beginning of 1999 and had not yet started operations. Since it was acquired at face value, it has been handled as if it had been created by the Group.

## **Principles of Consolidation**

Following below is a list of the most significant principles of consolidation used to prepare the consolidated financial statements:

- a) The financial statements of the consolidated companies are merged according to the global integration method, with elimination of the book value of equity holdings owned by the parent company and the other consolidated companies.

If elimination of the value of the equity holding results in a positive difference in the first fiscal year that a company is included in the consolidated financial statements, this difference is allocated, when applicable, to the assets of that equity holding. Any excess is allocated to the item “Consolidation difference” under assets.

Instead, if there is a negative difference, this amount is posted to “Consolidation reserve for future risks and charges” under liabilities if it results from expected future losses; otherwise, it is allocated to stockholders’ equity, at the item “Consolidation reserve.”

The consolidation differences are amortized in equal installments for the useful life of the asset, corresponding to the average residual term of the concessions held by the respective companies.

- b) The entries for payables and receivables, costs and revenues, and all transactions for a significant amount amongst consolidated companies are eliminated, including dividends distributed within the Group. Furthermore, any profits that have not yet been realized and capital gains and losses resulting from transactions amongst Group companies are also eliminated.
- c) The effects of postings made strictly in compliance with tax laws are eliminated.



- d) The balance sheets of subsidiary companies belonging to countries that are not a part of the EMU are converted into euros by applying the exchange rate in effect on the date of the financial statements, while their statements of income are converted by applying the average exchange rate for the entire period. Exchange rate differences resulting from conversion of the initial value of stockholders' equity and 2000 net income at the exchange rate in effect on December 31st, 2000 are directly allocated to stockholders' equity under "Other reserves."

Following below are the principle exchange rates that are applied:

	2000		1999	
	year-end	average	year-end	average
USD	0,9305	0,9234	1,0046	1,0643
Greek Drachma (x 000)	2,9347	2,9709	3,0275	3,0275

## Valuation Criteria

Following below are the valuation criteria applied to the most important postings on the financial statements:

*Intangible fixed assets:* intangibles are posted at their purchase or production cost, inclusive of any directly allocable ancillary costs, and are subject to amortization according to the length of their useful life. Amortization of leasehold improvement costs has been computed according to the shorter of the following: the useful life of the costs incurred or the residual term of the lease. Other intangibles are normally amortized over a period of five years, corresponding to their presumed useful life. The valuation and amortization criteria applied to goodwill and concessions, licenses, and trademarks are separately discussed below. If, independently of previously booked amortization, there is a lasting loss in value, the asset is written down by a corresponding amount. If the reasons for the write-down cease to exist in subsequent fiscal years, it is cancelled.

*Property, plant and equipment:* property, plant, and equipment are posted at their purchase or construction cost, except as provided by law for inflation adjustments, and are depreciated at rates corresponding to the presumed useful life of the various asset classes. In the case of assets that are returnable at no cost, these rates are replaced by those appearing on the financial amortization plan, if they are higher.

If, independently of previously booked depreciation, there is a lasting loss in value, the asset is written down by a corresponding amount. If the reasons for the write-down cease to exist in subsequent fiscal years, it is cancelled.

*Finance leasing:* finance leasing agreements are posted according to the financial method. The property, plant, or equipment covered by the agreement are posted at their contract value, and a liability equal to the residual debt on the principal is also posted. The amount of interest payable during the fiscal year is posted to the statement of income under interest paid. The contract value is amortized according to the same criteria applied to owned assets.

*Equity investments:* equity investments in affiliated enterprises are valued according to the equity method. Equity holdings in other enterprises are valued according to the LIFO method (last in, first out) with annual installments. This is reduced for lasting losses in value and is restored when the reasons for the write-down no longer exist.

*Inventories:* inventories are posted at the lesser of purchase and production costs, inclusive of directly allocable ancillary costs, and the presumable salvage value that can be estimated on the basis of market prices. The purchase cost is determined according to the FIFO method (first in, first out).

The United States subsidiaries calculate the cost of inventories of products for resale by applying the retail method, which is similar to FIFO due to the high level of inventory rotation.

*Accounts receivable and liabilities:* Accounts receivable have been posted at their presumed salvage value. Liabilities are reported at their face value. Short-term accounts receivable and liabilities in denominated in currencies other than the euro are expressed in euros upon conversion at the exchange rate in effect on the closing date of the fiscal year. The profits and losses resulting from conversion of individual receivables and liabilities have been respectively credited and charged to the statement of income in accordance with the provisions of Accounting Principle no. 26.

*Securities*: those securities that do not constitute financial fixed assets are valued at the lesser of their cost and market value, as determined by the arithmetic average of the daily quotations for the last month. Their cost is calculated according to the LIFO method with annual installments, charging the average cost for the year to the annual increases. Any write-downs taken to adjust the value of the securities to market values are cancelled if the reasons for the write-down cease to exist in subsequent fiscal years.

The bonds and public debt securities that the company intends to hold until maturity, and the securities that have been pledged as collateral are classified as financial fixed assets and valued at their purchase cost as adjusted for the portion of the trading spread allocable to the period according to the maximum term of the loan. Furthermore, the value of callable bonds has been adjusted for the possible capital loss that would result in the event of early repayment.

*Accruals and payables*: portions of income and expenses that are spread out over two or more fiscal years are posted here according to their temporal allocation.

When concession agreements provide for increasing rents over time, these rents are averaged over the lifetime of the contract by entering the specific accrued expenses.

*Employee severance indemnities*: this item expresses the amount payable to employees for the indemnities that they have accrued at the date of the financial statements in compliance with applicable laws and contractual agreements.

*Reserves for risks and charges*: reserves are set aside to cover the potential liabilities of the Group on the basis of realistic estimates of the liabilities resulting from their settlement. The reserves for charges include specific reserves for charges that, in the expectation that the normal rate and extent of maintenance work will be maintained, are assumed will be sustained upon expiration of current contracts in compliance with the obligation to relinquish assets returnable at no cost and those constituting a part of leased businesses, pursuant to legal and contractual requirements.

*Recognition of costs and revenues*: revenues from the sale of merchandise and the costs for purchase of same are posted at the time ownership changes hands. Revenues and costs for services are posted according to the time when they are performed. Interest earned and paid and other revenues and costs are recorded and posted according to the principle of temporal allocation, with posting of accruals and payables as appropriate.

*Income taxes*: these are recorded by each consolidated company according to a reasonable estimate of taxable income in compliance with current law. National accounting principle no. 25 is applied. On the basis of this principle, and pursuant to the principle of prudence, the deferred-tax assets and liabilities resulting from temporal differences between the statutory values and tax values of balance sheet items are posted, as well as losses that can be carried forward. Furthermore, deferred taxes resulting from consolidation adjustments are also set aside. These allocations are made pursuant to the tax rules applicable when the tax falls due, as far as they are known.

*Derivative financial instruments*: Off-budget financial instruments used to manage exchange rate and interest rate risks, these are posted to the memorandum accounts at the nominal value of the relative contracts on the dates said contracts are made. The proceeds and expenses resulting from these contracts are posted to the statement of income for the applicable year during the life of the contract, with contra-entries for accruals and payables on the balance sheet.

Memorandum accounts: the principal criteria applied to these are as follows:

- unsecured guarantees: posted in the amount of the assumed commitment;
- collateral provided: if this consists of a pledge on bonds, public debt securities, or unlisted shares, it is posted at their book value; if it consists of a pledge on listed shares, it is listed at their market value; if it consists of real property, it is posted in the amount of the registered mortgage value
- other commitments: if these involve rented property or property held in bailment, they are posted at the value assigned to it by the owner, but if they involve commitments to acquire fixed assets, they are posted at their purchase value.

*Derogations pursuant to Subsection 4, Article 2423 Italian Civil Code*: no derogations have been performed pursuant to the cited norm.

## Discussion of Principal Asset Items

### Fixed Assets

#### Intangibles

At December 31st, 2000, intangibles totalled 1,209,408 k€. Please refer to the appendix for information on the changes with respect to December 31st, 1999.

This item reflects not only the increases resulting from the acquisitions and programs described in the operating report and amortization charged for the year (172,057 k€), but also the effect of changes in exchange rates (67,337 k€).

(k€)

	12/31/2000	12/31/1999	Change
Start-up and expansion costs	240	636	(396)
Concessions, licenses, trademarks and similar rights	17.438	19.106	(1.668)
Goodwill	751.971	749.778	2.193
Consolidation difference	144.400	159.986	(15.586)
Work in progress and advances	4.541	3.925	616
Other intangibles:			
Leasehold improvements	267.117	273.645	(6.528)
Miscellaneous intangibles	23.791	17.809	5.982
<b>Total</b>	<b>1.209.498</b>	<b>1.224.885</b>	<b>(15.387)</b>

“Goodwill” refers to the residual value of the sums paid for this purpose upon acquisition of food and beverage service activities. It includes commercial goodwill, originally worth 158,644 k€. In fiscal 1997, the deficit resulting from the merger by incorporation of Autogrill S.p.A. and Finanziaria Autogrill S.p.A. in the Parent Company was allocated to this item on the basis of their respective balance sheets at December 31st, 1996. This largely represents the goodwill connected with the business operated under concession on Italian toll motorways (“autostrade”) and is thus amortized over a period of 12 years, corresponding to the average residual term of the concessions at the time of the merger.

This item also includes the goodwill acquired from HMSHost Corp. at the time it was merged with Autogrill Acquisition Co. (701,112 k€). It has been amortized over a period of ten years on the basis of growth prospects existing at the time of the acquisition. The residual term of the concessions, approximately eight years long, has been deemed unsuitable as a representation of the useful life of this intangible asset.

Following audits duly carried out after acquisition of HMSHost on September 1st, 1999, the balance sheet of the purchasing company was adjusted in fiscal 2000, leading to adjustments in the amount of the merger deficit, which had already been allocated to goodwill.

In particular,

1. Adjustment of the book value of some fixed assets to their balance sheet value generated a write-down of USD 33.9 million (36.4 million euros).
2. Adjustment of the book value of current assets to their presumed salvage value generated adjustments of USD 7.9 million (8.5 million euros)
3. A prudent estimate of the tax effects of these adjustments was then made, resulting in USD 7.6 million (8.2 million euros) being posted under assets.

After verification of the congruity of the new value attributed to goodwill, the balance sheet for the current year was adjusted without preparing a restatement of the 1999 balance sheet.

As a result of the adjustment to goodwill, amortization during the period totalled USD 1.9 million (2.1 million euros).

Finally, the goodwill paid for acquisition of individual Italian businesses from 2000 on are amortized over the ten-year term of the property lease agreement, if less, rather than in five years as previously. If the amortization period used in 1999 had been used, 875 k€ more in amortization would have been charged.

The item “Consolidation difference” fully accounts for the differences between the price paid for acquisition of equity holdings and the respective stockholders’ equity value at the time of purchase that were not allocated to asset items. In general, the amortization period corresponds to the average weighted life of the concessions held by the respective company at the time of acquisition. An exception to the foregoing rule is the consolidation difference posted for Autogrill Nederland b.v., which is prudently amortized over a period of 30 years, while the average term of its concessions exceeds 70 years.

This item is broken down as follows:

(k€)

	Amortization period (years)	Gross value	Accumulated amortization	Net Value
Autogrill Espana S.A.	10	19.528	11.717	7.811
Autogrill Restauration Services S.A.	7	36.745	10.501	26.244
Autogrill Gare de Tours S.A.	10	924	46	878
Autogrill Cotè France S.A.	13	80.380	18.548	61.832
Autogrill Nederland b.v.	30	28.916	2.888	26.028
Autogrill Belgie n.v.	15	23.863	4.772	19.091
Autogrill Deutschland GmbH	9	3.125	1.042	2.083
Nuova Sidap Srl	5	574	345	230
Nuova Estral srl	5	509	305	203
<b>Total</b>		<b>194.564</b>	<b>50.164</b>	<b>144.400</b>

Leasehold improvements, which are included under the item “Other intangibles,” refer to costs incurred to build or remodel real properties and businesses operated under lease. These costs include expenses sustained to set up retail operations in airports, along motorways, and at American shopping malls, as well as numerous European retail locations.

“Work in progress and advances” are also largely connected with the costs of remodeling leased properties.

The applied amortization periods are illustrated in the following table:

Start-up and expansion costs	5 years
Concessions, licenses, trademarks	5 years; 30 years for surface rights, corresponding to the term of the right; term of the license for the costs or permits to resell monopoly goods; 3 years for software application user licenses
Goodwill	12 years for trade goodwill acquired by the parent company and 10 for the goodwill of HMSHost and, starting in 2000, a maximum of 10 for the goodwill pertaining to individual locations
Consolidation difference	Generally speaking, the residual duration of the concessions upon acquisition of the equity investment
Other intangibles:	
Leasehold improvements	The lesser of their economically useful life and the residual term of the lease
Custom-made software applications	3 years
Miscellaneous intangibles	5 years

## Property, Plant and Equipment

At December 31st, 2000, this item showed the following entries:

(k€)

	12/31/2000			12/31/1999		
	Historical cost	Deprec.	net value	Historical cost	Deprec.	net value
Land and buildings	117.828	37.521	80.307	120.065	37.371	82.694
Plant and machinery	80.517	51.772	28.745	73.101	48.150	24.951
Manufact. and distrib. equip.	492.296	349.080	143.216	444.096	309.158	134.938
Assets returnable at no cost	243.247	152.282	90.965	224.459	142.183	82.276
Other assets	35.059	25.503	9.556	32.041	24.317	7.724
Construction in progress and advances	59.538	-	59.538	58.678	-	58.678
<b>Total</b>	<b>1.028.485</b>	<b>616.158</b>	<b>412.327</b>	<b>952.440</b>	<b>561.179</b>	<b>391.261</b>

The foregoing values reflect the inflation adjustments made to Italian assets pursuant to Law no. 72 of March 13th, 1983 and Law no. 413 of December 30th, 1991, in the amounts detailed below:

(k€)

	Law no. 72/83			Law no. 413/91		
	adjustment	deprec.	net value	adjustment	deprec.	net value
Land and buildings	151	-	151	316	-	316
Industrial land and buildings	895	(594)	300	3.382	(2.257)	1.125
Plant and machinery	410	(410)	-	-	-	-
Manuf. and distrib. equip.	1.189	(1.189)	-	-	-	-
Assets returnable at no cost	3.266	(3.266)	-	12.030	(11.835)	195
Other assets	78	(78)	-	-	-	-
<b>Total</b>	<b>5.987</b>	<b>(5.536)</b>	<b>451</b>	<b>15.727</b>	<b>(14.092)</b>	<b>1.636</b>

Mortgages totalling 16,237 k€ have been registered on land and buildings as collateral for loans.

In accordance with the financial method of accounting, this item includes the contractual value of an industrial property held by the parent company pursuant to a finance lease. The relevant figures are shown in the following table:

(k€)

	12/31/2000			12/31/1999		
	Historical cost	Deprec.	net value	Historical cost	Deprec.	net value
Industrial land and bldgs	3.709	770	2.939	3.709	550	3.159
Plant and machinery	757	484	273	757	346	411
<b>Total</b>	<b>4.466</b>	<b>1.254</b>	<b>3.212</b>	<b>4.466</b>	<b>896</b>	<b>3.570</b>

For an explanation of the increases and decreases over the period, please refer to the operating report and, in regard to changes in this item, the table found on page 40.

The decreases reflect retirements of assets replaced due to ordinary obsolescence or planned changes in products and services. Adjustments in the conversion ratio of balance sheets denominated in currencies other than the euro largely account for the net increase of 11,189 k€.

The principal rates used by Group companies to depreciate their property follow below:

	Percentage rate
Industrial buildings	3
Plant and machinery	10-30
Manufacturing and distribution equip.	15-33.3
Furniture and furnishings (1)	10-20
Vehicles (1)	25

(1)classified under "Other assets"

"Construction in progress" largely reflects work underway in the United States on new units at airports, for a total of 47,582 k€.

## Financial fixed assets

### Equity investments in unconsolidated subsidiaries

This item reflects the acquisition of Passaggio Holding AG and Aviogrill s.r.l. in 2000, which were not consolidated for the reasons discussed elsewhere in this report.

Name	Seat	Currency	Capital Stock	Number of shares or quotas	Stockholders' Equity at 12.31.2000 (k€)	Profit (Loss) (k€)	Owned (%)	Book value (k€)
Passaggio Holding A.G. (1)	Zurich CH	CHF	10.000	10.000	21.768	227	100	133.358
Aviogrill S.r.l.	Bologna	euros	10	10	10	-0,03	51	779
<b>Total</b>								<b>134.137</b>

(1) Provisional figures

### Equity investments in affiliated companies

This item represents the holdings listed below:

Name	Seat	Currency	Capital Stock (million)	Stockholders' Equity (k€)	Profit (Loss) (k€)	Quota owned (%)	Book value (k€)
Volcarest SA – S.R.S.R.A S.A.	Chatelguyon (F) Saint Rambert d'Albon (F)	FRF	1,8	2.787	478	40,00	795
Isardrome S.A. –	Saint Rambert d'Albon (F)	FRF	0,2	809	41	4,5	304
Union Services– C.p.a.	Luxembourg (L)	EURO	0,051	27	(15)	50,00	27
Dewina Host – Sdn Bhd.	Kuala Lumpur (Malaysia)	MYR	250	(540)	(312)	49,00	56
HMSC – AIAL, Ltd	Auckland (New Zealand)	NZD	111,9	867	189	50,00	1056
<b>Total</b>							<b>3.704</b>

(1) provisional figures

The change from the previous year is mainly due to the Group interest in net income for 2000, net of dividends paid out over the same period and credited to the statement of income.

### Equity investments in other companies

The value of this item is unchanged, as illustrated below:

Name	Seat	Currency	Capital Stock (million)	Stockholders' Equity (k€)	Profit (Loss) (k€)	Quota owned (%)	Book value (k€)
Convivium 2000 S.C.p.A. (1)	Milan (I)	LIT	252	n.d.	n.d.	14,28	20
Aire Autoroutiere d'Orange - Piolenc SAEM (1)	Avignon (F)	FRF	6	749	2	6,00	0
ISTUD S.p.A.	Milan (I)	LIT	2.200	n.d.	n.d.	0,04	1
<b>Total</b>							<b>21</b>

## Receivables from others

This item totals 20,710 k€, reflecting an increase of 284 k€ from 1999. It is largely comprised of the following components:

(k€)

	31.12.2000		31.12.1999	
	Due within one year	Due after one year	Due within one year	Due after one year
Interest bearing accounts with oil companies	-	4.166	-	4.065
Security deposits	488	6.256	404	5.467
Advance payments to the Italian Treasury	-	5.882	-	6.738
Other receivables	569	3.349	691	3.060
Subtotals	1.057	19.653	1.095	19.331
<b>Total receivables from others</b>	<b>20.710</b>		<b>20.426</b>	

The advance payments to the Italian Treasury have been revalued according to the same criteria applied to the related employee severance indemnities set aside by the Parent Company. Recovery of these advance payments started in 2000. However, the portion that can be recovered within one year cannot be calculated and has thus not been separated from the total amount.

On the basis of their original cause and the expected evolution of the relationships associated with them, the amounts included in the item “Interest bearing accounts with oil companies” will be fully collected sometime after fiscal 2005. The “Security deposits” and “Other receivables” will be collected after fiscal 2005 in the respective amounts of 2,389 k€ and 1,921 k€.

## Other securities

*Government securities and similar paper:* these total 2,163 k€, reflecting a decrease of 1,341 k€ since December 31st, 1999. This item refers to bonds that are held mainly by the Parent Company, are intended to be held until maturity, or are restricted by collateral agreements for loans and credit lines granted to consolidated companies, as well as financing and other contractual obligations of the Parent Company.

Bonds that are paid above par, some of which may be repaid by drawing of lots, are listed in the net amount of 90 k€ (143€ at December 31st, 1999) set aside to cover the capital loss expected if they are called early.

## Table of Changes in Fixed Asset Accounts During the Fiscal Year

(k€)

Intangibles	December 31st, 1999					Changes in gross value		
	Gross value	Amortization	Net value	Perimeter change	Exch. rate differences	Increases	Decreases	Other movements
Start-up and expansion costs	2.507	(1.871)	636	-	(4)	26	(3)	(140)
Concessions, licences tardemarks and similar rights	40.798	(21.692)	19.106	-	9	1.148	(60)	575
Goodwill	831.006	(81.228)	749.778	-	51.721	-	-	37.962
Consolidation difference	193.599	(33.613)	159.986	-	-	924	-	41
Work in progress	3.925	-	3.925	-	-	4.282	(1.443)	(2.223)
Othr intangibles	645.134	(353.680)	291.454	-	37.143	76.756	(45.025)	(8.363)
<b>Total</b>	<b>1.716.969</b>	<b>(492.084)</b>	<b>1.224.885</b>	<b>-</b>	<b>88.869</b>	<b>83.136</b>	<b>(46.531)</b>	<b>27.852</b>

Property, plant and equipment	December 31st, 1999					Changes in gross value		
	Gross value	Amortization	Net value	Perimeter change	Exch. rate differences	Increases	Decreases	Other movements
Land and buildings	119.292	(36.598)	82.694	-	44	1.282	(625)	(2.165)
Plant and machinery	72.863	(47.912)	24.951	2	-	7.578	(2.157)	2.231
Manufacturing and distribution equipment	442.191	(307.253)	134.938	3	20.221	49.143	(28.862)	9.600
Assets returnable at no costs	224.459	(142.183)	82.276	766	-	14.028	(3.145)	7.139
Other assets	32.340	(24.616)	7.724	8	336	4.259	(492)	(1.392)
Construction in progress and advances	58.678	-	58.678	-	2.354	21.736	(16.491)	(6.739)
<b>Total</b>	<b>949.823</b>	<b>(558.562)</b>	<b>391.261</b>	<b>779</b>	<b>22.955</b>	<b>98.026</b>	<b>(51.772)</b>	<b>8.674</b>

Financial fixed assets	December 31st, 1999					Changes in gross value		
	Gross value	Amortization	Net value	Perimeter change	Exch. rate differences	Increases	Decreases	Other movements
Equity investments in unconsolidated subsidiaries	0	-	0	-	-	134.137	-	-
Equity investments in affiliated companies	3.991	-	3.991	-	(100)	398	(566)	(19)
Equity investments in other companies	55	(55)	-	-	-	2	-	19
Other securities	3.504	-	3.504	-	-	-	(1.341)	-
Receivables	20.424	-	20.424	-	490	4.705	(4.909)	-
<b>Total</b>	<b>27.974</b>	<b>(55)</b>	<b>27.919</b>	<b>-</b>	<b>390</b>	<b>139.242</b>	<b>(6.816)</b>	<b>-</b>



Changes in amortization						December 31st, 2000			
Totals	Perimeter change	Exch. rate differences	Increases	Decreases	Other movements	Totals	Gross value	Amortization	Net value
(121)	-	2	(407)	-	130	(275)	2.386	(2.146)	240
1.672	-	-	(3.196)	44	(188)	(3.340)	42.470	(25.032)	17.438
89.683	-	(1.144)	(89.081)	1.322	1.413	(87.490)	920.689	(168.718)	751.971
965	-	-	(16.545)	-	(6)	(16.551)	194.564	(50.164)	144.400
616	-	-	-	-	-	-	4.541	-	4.541
60.511	-	(20.390)	(62.828)	22.943	(782)	(61.057)	705.645	(414.737)	290.908
<b>153.326</b>	<b>-</b>	<b>(21.532)</b>	<b>(172.057)</b>	<b>24.309</b>	<b>567</b>	<b>(168.713)</b>	<b>1.870.295</b>	<b>(660.797)</b>	<b>1.209.498</b>

Changes in depreciation						December 31st, 2000			
Totals	Perimeter change	Exch. rate differences	Increases	Decreases	Other movements	Totals	Gross value	Amortization	Net value
(1.464)	-	(41)	(3.099)	16	2.201	(923)	117.828	(37.521)	80.307
7.654	-	-	(6.169)	1.948	361	(3.860)	80.517	(51.772)	28.745
50.105	-	(11.477)	(46.812)	19.325	(2.863)	(41.827)	492.296	(349.080)	143.216
18.788	-	-	(11.847)	2.453	(705)	(10.099)	243.247	(152.282)	90.965
2.719	-	(248)	(3.069)	1.284	1.146	(887)	35.059	(25.503)	9.556
860	-	-	-	-	-	-	59.538	-	59.538
<b>78.662</b>	<b>-</b>	<b>(11.766)</b>	<b>(70.996)</b>	<b>25.026</b>	<b>140</b>	<b>(57.596)</b>	<b>1.028.485</b>	<b>(616.158)</b>	<b>412.327</b>

Value adjustments						December 31st, 2000			
Totals	Perimeter change	Exch. rate differences	Increases	Decreases	Other movements	Totals	Gross value	Amortization	Net value
134.136	-	-	-	-	-	-	134.137	0	134.137
(287)	-	-	-	-	-	-	3.704	0	3.704
21	-	-	-	-	-	-	76	(55)	21
(1.341)	-	-	-	-	-	-	2.163	0	2.163
286	-	-	-	-	-	-	20.710	0	20.710
<b>132.816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160.790</b>	<b>(55)</b>	<b>160.735</b>

## Current assets

### Inventories

Inventories total 82,393 k€, reflecting a net decrease of 8,941 k€. This amount includes the effect of the change in the dollar/euro exchange rate, +2,885 k€, resulting from higher inventory rotation.

They are broken down as follows:

(k€)	12/31/2000	12/31/1999	Change
Food and beverages and retail	76.866	89.377	(12.511)
Merchandise and sundry items	5.246	1.807	3.439
Advances	281	150	131
<b>Total</b>	<b>82.393</b>	<b>91.334</b>	<b>(8.941)</b>

### Accounts receivable

**Trade accounts receivable:** these total 71,923 k€, up 14,031 k€ since December 31st, 1999, largely due to an increase in the number of agreements for purveyance and commercial affiliation relationships.

This item is net of write-downs for 7,722 k€ (12,844 k€ at December 31st, 1999).

The balance sheet figure also includes receivables under litigation totalling 3,180 k€ (1,727 k€ at December 31st, 1999).

**Accounts receivable from others:** at December 31st, 2000, this item was composed of the following:

(k€)	12/31/2000	12/31/1999	Change
Prepaid taxes	145.637	127.033	18.604
Treasury for advance tax payments	15.561	27.401	(11.840)
Vendors	10.703	12.034	(1.331)
Treasury and government agencies	335	3.231	(2.896)
Personnel	2.100	2.255	(155)
Other debtors	19.448	13.513	5.935
<b>Total</b>	<b>193.784</b>	<b>185.467</b>	<b>8.317</b>

Of the prepaid taxes, 128,293 k€ are attributable to the HMSHost group. This sum largely resulted from the different period of amortization for leasehold improvements and taxed provisions set aside for concession fees.

Changes in the dollar/euro exchange rate produced an increase of 9,463 k€ in the amount of prepaid taxes.

The impact of time differences that generated the prepaid taxes will be diluted over time. More specifically, the amount that will flow back during the next fiscal year is estimated at approximately 33 m€. Approximately 80 m€ of the posted deferred-tax asset can be recovered after fiscal 2005. However, further net deductible differences might be generated in the meantime.

## Financial assets not held as fixed assets

These assets represent the investment of temporary excesses in Group liquidity and consist of bonds issued by highly rated issuers and Italian public debt instruments.

At December 31st, 2000, they were composed of the following:

(k€)

	12/31/2000	12/31/1999	Change
Securities held by the Parent Company	12.223	28.363	(16.140)
Securities held by other companies	5.305	2.508	2.796
Subtotal	17.528	30.872	(13.344)
Receivables for repo agreements executed by the company	-	102.794	(102.794)
<b>Total</b>	<b>17.528</b>	<b>133.666</b>	<b>(116.138)</b>

Use of a portion of the Parent Company's liquid funds to refinance debts of the United States subsidiary resulted in contraction of this item.

## Liquid assets

These total 116,444 k€, up 21,571 k€ (18,429 k€ net of the exchange rate effect) from their amount at December 31st, 1999.

## Accrued income and prepaid expenses

These total 191,951 k€, an increase of 51,901 k€ from December 31st, 1999, which was largely the effect of improvements in interest rate and exchange rate hedging transactions.

(k€)

	12/31/2000	12/31/1999	Change
Accrued income:			
interest on securities	1.207	3.355	(2.149)
interest and exchange rate risk hedging	61.573	-	61.573
other accrued income	352	302	50
Total accrued income	63.132	3.658	59.475
Issue discounts on bonded loans	110.192	117.287	(7.095)
Other prepaid expenses:			
finance lease payments	1.207	989	218
lease and concessions fees	11.178	12.399	(1.221)
others	6.242	5.718	524
Total other prepaid expenses	18.627	19.106	(479)
<b>Total accrued income and prepaid expenses</b>	<b>191.951</b>	<b>140.050</b>	<b>51.901</b>

The "Issue discounts" refer to the convertible zero coupon bond issued by Autogrill Finance S.A. at a discount off its par value (so-called "OID"). They are amortized over the fifteen-year term of the loan, adjusting the amount of this item as a contra-entry under financial expenses.

The prepaid lease and concession fees stem from advance payment of fees due in part on what is owed in successive periods.

The accrued income and prepaid expenses listed above will expire within the next twelve months, with the exception of 5,108 k€ for rent and leasing payments to be made between 2001 and 2005, and 102,948 k€ for issue discounts on the convertible bond (for 72,583 k€, to be paid after 2005).

## Comments on the main Liabilities

### Shareholders' Equity

#### Capital stock

The capital stock of Autogrill S.p.A., which is fully subscribed and paid-in, totals 131,387 thousand euros and is represented by 254,400,000 ordinary shares with a face value of 1,000 lire (conversion of this value into 0.52 euros has been approved).

No changes have occurred since December 31st, 1999.

The Stockholders Meeting held on April 30th, 1999 approved an increase in capital stock through issuance of a maximum of 33,500,000 ordinary shares to service the convertible bond issue of 471,055,000 euros issued by the subsidiary Autogrill Finance S.A. on June 15th, 1999. This issue generated receipts of 350,000,000 euros, net of the implicit interest and gross of the issue costs.

This transaction was subjected to the condition that a maximum of 24,475,000 shares be issued to service conversion of the loan. Note is made that the conversion right can be exercised by the bearer of the bonds at any time during the term of the loan.

Company shares have been traded on the online market of the Italian Stock Market since August 1st, 1997.

**Reserve for inflation adjustments:** this totals 14,519 k€ and represents the balances maintained for inflation adjustments pursuant to Law no. 72/1983 (754 k€) and Law no. 413/1991 (13,765 k€).

**Statutory reserve:** this totals 1,512 k€, representing an increase of 81 k€ compared with December 31st, 1999, following allocation of a portion of 1999 income pursuant to a resolution by the Stockholders Meeting on April 28th, 2000.

The table of movements in consolidated stockholders' equity is illustrated on page 45. The following table instead shows the reconciliation of Autogrill S.p.A. stockholders' equity and income and the corresponding consolidated figures for the Group at December 31st, 2000.

(k€)

	net income	stockholders' equity
Autogrill S.p.A. financial statements	3.993	183.017
Elimination of effect of tax-related items posted by Parent Company	4.231	23.264
Adjustment of valuation criteria applied by Parent Company	27	(10)
Effects of transfer of intragroup profits upon disposal of fixed assets	72	(1.863)
Effect of consolidation of financial statements of subsidiaries, adjusted to bring their valuation criteria in line with those of Parent Company and eliminate effect of transfers of stockholdings amongst Group companies	6.556	36.205
<b>Groups consolidated financial statements</b>	<b>14.879</b>	<b>240.613</b>

## Table of Changes in Consolidated Stockholders' Equity During the Fiscal Year

(ke)

	Capital stock	Reserve for inflation	Statutory reserve	Other reserves and joint profits	Net income	Total
Balances at 12/31/1998	131.387	14.519	576	44.578	33.831	224.890
Application of 1998 income	-	-	855	22.465	(33.831)	(10.511)
Increase in amount available for capital grants	-	-	-	76	-	76
Conversion differences and other movements	-	-	-	(1.092)	-	(1.092)
1999 income	-	-	-	-	25.940	25.940
<b>Balances at 12/31/1999</b>	<b>131.387</b>	<b>14.519</b>	<b>1.431</b>	<b>66.027</b>	<b>25.940</b>	<b>239.304</b>
Application of 1999 income	-	-	81	15.348	(25.940)	(10.511)
Increase in amount available for capital grants	-	-	-	77	-	77
Conversion differences and other movements	-	-	-	(3.136)	-	(3.136)
2000 income	-	-	-	-	14.879	14.879
<b>Balances at 12/31/2000</b>	<b>131.387</b>	<b>14.519</b>	<b>1.512</b>	<b>78.316</b>	<b>14.879</b>	<b>240.613</b>

### Reserves for risks and charges

A detailed breakdown of reserves for risks and charges at December 31st, 2000 and movements during the year is presented in the following table.

(ke)

	Balance at 12/31/1999	Other movements	Provisions	Uses	Balance at 12/31/2000
Reserves for employee severance indemnities	9.192	1.863	5.750	(3.235)	13.570
Reserves for taxes	45.257	249	8.061	(6.570)	46.997
Other reserves:					
Reserves for restoration costs	16.423	(290)	4.456	(4.831)	15.757
Reserves for litigation and other risks	11.982	1.126	2.977	(6.967)	9.118
Reserves for exchange rate variations	3.919	-	-	(3.919)	0
Reserve for capital grants (restricted funds)	575	-	-	(100)	475
For sundry costs	5.189	196	176	(1.455)	4.106
Total other reserves	38.089	1.032	7.609	(17.272)	29.457
<b>Total</b>	<b>92.537</b>	<b>3.144</b>	<b>21.419</b>	<b>(27.076)</b>	<b>90.024</b>

### Reserves for taxes

These include deferred-tax liabilities posted primarily in coverage of consolidation adjustments (35,140 ke) and revaluation of real estate in The Netherlands (8,143 ke).

They also include 2,267 ke set aside for pending assessments of United States subsidiaries and 930 ke prudently set aside by the Parent Company to cover possible tax liabilities for fiscal years that have not yet been closed with the Tax Authorities.

**Reserves for restoration costs:** these consist of the liabilities that are likely to be sustained pursuant to contractual clauses providing for conservation of returnable assets and leased property.

## Employee Severance Indemnities

The following movements have taken place in this item:

(k€)	12/31/2000	12/31/1999
Initial balance	80.272	76.094
Increase due to provisions over the year	14.602	13.179
Decreases due to provisions over the year	(13.280)	(8.775)
Other movements	492	(226)
<b>Final balance</b>	<b>82.086</b>	<b>80.272</b>

## Liabilities

Liabilities total 1,985,017 k€, reflecting an increase of 96,781 k€ from December 31st, 1999. Net of the exchange rate effect, the increase was 71,788 k€. The individual components comprising this item are described below.

**Bonds:** the senior notes issued by Host International Inc. in 1995 and maturing in 2005 were repaid on May 15th, 2000. This loan, denominated in US dollars, paid an annual coupon yield of 9.50% and was repaid upon payment of a premium of 3.56%.

The economic impact of this repayment was almost nil given that the debt had been valued at market conditions upon acquisition of the company.

**Convertible bonds:** these total 471,055€ and represent the face value of the loan issued by Autogrill Finance S.A. on June 15th, 1999. It corresponds to the amount to be paid upon maturity, set at 15 years after issue. Since the issue does not include a coupon, its placement generated proceeds net of the implicit yield (so-called "OID"), set at a nominal 2% annually with capitalization every six months.

Subscribers may request conversion at any time, with the exception of several technical suspension periods.

The loan may be repaid early on the issuer's initiative starting on the fifth anniversary of the issue, and on the bearer's initiative between the fifth and tenth anniversaries. In this case, the value that will have matured up to the time the option is exercised will be repaid in order to guarantee the originally agreed annual yield of 2%.

The amount of interest payable in periods after the period being reported here is subject to a discount of 110,192 k€ at December 31st, 2000.

**Liabilities due to banks:** these total 747,079 k€, up 195,502 k€ (175,953 k€ net of the exchange rate effect) from December 31st, 1999. They consist of the following:

(k€)	12/31/2000			12/31/1999		
	Within one year	After one year	Total	Within one year	After one year	Total
Bank account and short-term loans	15.283	-	15.283	23.519	-	23.519
Collateralized loans	1.215	17.550	18.765	1.159	18.766	19.925
Unsecured long-term loans	159.384	553.647	713.031	91.414	416.718	508.132
<b>Total</b>	<b>175.882</b>	<b>571.197</b>	<b>747.079</b>	<b>116.093</b>	<b>435.484</b>	<b>551.577</b>

The collateralized loans pertain to units operating in The Netherlands and Belgium. Installments due after 2005 total 11,075€.

The item "Unsecured long-term loans" refers to the financing obtained for acquisition of 100% of HMSHost and Passaggio Holding. Their average term is two-and-a-half years, and the amount shown does not include debts maturing after five fiscal years.

The liabilities due to banks and other lenders (discussed in the next section) are subject to variable rate interest tied to changes in the financial markets.

In accordance with Group interest rate risk management policy, the Group has made recourse to derivative

financial instruments obtained on the basis of agreements made with leading financial institutions.

In 2000, the Group (inclusive of its subsidiaries) paid an average interest rate of slightly more than 6% on existing loans covered by these hedging contracts, and this rate will be maintained over the next three years if market conditions remain unchanged.

Thanks to these hedging contracts, the Group is fully protected against rises in interest rates up to a limit of 7.5% in LIBOR; beyond that limit, coverage would be reduced to 60% of the amount of the rates.

For more information on the notional amount of the contracts outstanding at December 31st, 2000 and the Group financial risk management policy, please refer to the comments on "Memorandum accounts."

**Liabilities due to other lenders:** these total 222,981 k€, up 215,837 k€ from December 31st, 1999.

Of this amount, 219,011 k€ is represented by the loan granted by Edizione Finance S.A at market rates.

These payables also include debts stemming from finance leasing and the non-interest bearing loan for purchase of computer equipment by the Parent Company.

Of this total, 2,400 k€ will fall due between 2002 and 2005.

**Trade accounts payable:** these total 386,898 k€, up 56,940 k€ from December 31st, 1999 due to higher business volumes.

**Taxes payable:** these total 24,250 k€ and are broken down as follows:

(k€)

	12/31/2000	12/31/1999	Change
Income taxes	1.491	553	939
Withholding taxes	9.413	5.399	4.015
VAT and indirect taxes	8.297	9.554	(1.257)
Other payables	5.048	4.216	833
<b>Total</b>	<b>24.250</b>	<b>19.721</b>	<b>4.528</b>

The 939 k€ increase in "Income taxes" reflects the tax liability calculated for the current fiscal year.

The principal component of the item "VAT and indirect taxes" is the current liability for indirect taxes on United States activities.

**Contributions owed to pension and social security institutions** are composed as follows:

(k€)

	12/31/2000	12/31/1999	Change
INPS and other italian institutions	11.196	12.599	(1.404)
Various foreign social security institutions	4.298	4.531	(233)
<b>Total</b>	<b>15.494</b>	<b>17.131</b>	<b>(1.637)</b>

The lower amount of contributions owed to Italian social security institutions is explained by the fact that the Parent Company did not owe contributions to INAIL (the Italian National Insurance Institute for Industrial Accidents) at the end of the year; instead, the company was a net creditor of that institution on December 31st, 2000, with the corresponding amount being posted under receivables.

## Other liabilities

These consist of:

(k€)

	12/31/2000	12/31/1999	Change
Liabilities due to the personnel	91.860	95.397	(3.537)
Other liabilities:			
customers for credit notes to be issued	1.626	1.655	(29)
payables to Telecom Italia for phone cards	413	1.085	(671)
liabilities for purchase of firms and equity holdings	-	425	(425)
miscellaneous liabilities	23.220	25.628	(2.408)
<b>Total Others</b>	<b>25.259</b>	<b>28.791</b>	<b>(3.532)</b>
<b>Total</b>	<b>117.119</b>	<b>124.188</b>	<b>(7.069)</b>

The payables due to personnel include the sum of 2,059 k€ that will be paid in 2001 to some employees of the United States subsidiaries upon termination of previous incentive plans tied to the stock price trends of HMSHost.

The residual item “miscellaneous liabilities” includes liabilities of 9,488 k€ stemming from personnel incentive plans of the Host Marriott Corporation, the company that originally controlled HMSHost and that had made a specific agreement with the latter, which was cancelled at the time Autogrill acquired HMSHost. This liability will be gradually paid off over time, as the rights thereto held by Host Marriott Corporation employees mature.

This item includes 14,818 k€ in liabilities falling due after one year.

## Accrued expenses and deferred income

These are broken down as follows:

(k€)	12/31/2000	12/31/1999	Change
Accrued expenses			
insurance premiums	284	3.899	(3.616)
interest paid	5.001	5.552	(550)
rents	14.046	18.025	(3.979)
other expenses	21.218	1.662	19.556
Total accrued expenses	40.549	29.138	11.410
Deferred income	3.759	4.201	(442)
Total deferred income	3.759	4.201	(442)
<b>Total</b>	<b>44.308</b>	<b>33.339</b>	<b>10.969</b>

The deferred rental expenses are the fruit of standardized minimum guaranteed rents for some American concessions, which increase by agreement over time.

“Other expenses” includes 16,008 k€ for the amount allocable to 2000 for foreign currency swap transactions executed by the subsidiary HMSHost.

The amount due after one year totals 15,755 k€ - 619 k€ of which after 2005 - and 13,706 k€ of this amount regards the aforementioned rents for American concessions.

## Memorandum accounts

The items are broken down as follows:

(k€)	12/31/2000	12/31/1999	Change
Suretyships granted to others	27.321	27.437	(116)
Collateral for obligations other than liabilities	385	449	(65)
Collateral for liabilities listed on the balance sheet	16.237	38.662	(22.425)
Purchase commitments	1.488.797	364.188	1.124.608
Other commitments	725.021	227.046	497.976
<b>Total</b>	<b>2.257.761</b>	<b>657.782</b>	<b>1.599.979</b>

The purchase commitments refer to 1,438,315 k€ for currency hedging contracts entered into against exchange rate risks connected with financing liabilities denominated in euros for assets denominated in U.S. dollars.

The item “Other commitments” refers to the notional value of derivative contracts outstanding at December 31st, 2000 to hedge interest rate risks (701,225 k€) and the value of third-party property that has been leased or is in the possession of Group companies (23,796 k€).

Group financial policy considers the management and control of financial risks to be of particular importance since they can significantly influence Group profits. The Group has adopted a series of guidelines for management of risks stemming from changes in foreign exchange rate and interest rates. In accordance with this policy, the use of derivative financial instruments is limited to the management of exchange rate and interest rate risks connected with cash flows and monetary assets and liabilities.



The financial instruments utilized by the Group largely consist of the following types of contracts: “currency futures,” “interest rate swaps,” “forward rate agreements,” “interest rate options,” and possible combinations of the foregoing instruments.

The aforementioned notional value of contracts open at December 31st, 2000 does not constitute a measure of risk exposure, which is limited strictly to the flows of interest that are periodically collected.

The derivative contracts have been made with the most financially sound counterparties in order to reduce the risk of breach of contract to a minimum.

## Discussion of the Principal Items on the Consolidated Statement of Income

### Production Value

#### Sales and service revenues

Revenues are broken down by business segment, as follows:

(k€)

	2000	1999	Change
Food and beverage	2.301.712	1.964.205	337.507
Retail	688.331	640.613	47.718
Hotel	21.021	19.212	
Sale to others and affiliates	30.066	27.372	2.694
<b>Total</b>	<b>3.041.130</b>	<b>2.651.402</b>	<b>389.727</b>

Please see the operating report for comments on sales performance in 2000 and an analysis of sales by geographical area.

#### Other revenues and income

They consist of the following:

(k€)

	2000	1999	Change
Business lease income	37.171	30.133	7.038
Affiliation fees	5.305	3.935	1.370
Recovery of expenses from others	7.764	8.521	(757)
Promotional contributions by vendors	13.960	11.683	2.277
Compensation for newspaper distribution	16.102	10.112	5.990
Gains on disposals of property, plant and equipment	559	389	170
Other income	28.594	17.505	11.089
<b>Total</b>	<b>109.456</b>	<b>82.278</b>	<b>27.178</b>

### Costs of production

#### For purchases of raw materials, auxiliaries, supplies and semi-finished goods

These total 1,059,670 k€ and are broken down as follows:

(k€)

	2000	1999	Change
Food beverages and retail	982.584	909.162	73.422
Sundry materials	77.086	34.701	42.385
<b>Total</b>	<b>1.059.670</b>	<b>943.863</b>	<b>115.807</b>

The changes in this item are consistent with the changes in revenues. The growth rate is connected with changes in the sales mix, which are causing the share of food and beverage revenues to increase and the share of “complementary” sales to fall, with the latter being characterized by a lower gross margin.

### For services and leases, concessions and rentals

This item is broken down as follows:

(k€)

	2000	1999	Change
Costs for services			
Servomechanisms	62.216	57.727	4.489
Maintenance costs	41.198	41.124	74
Warehousing and transportation costs	14.711	11.646	3.065
Professional advice and services	24.041	19.825	4.215
Janitorial and pest removal services	25.197	18.935	6.262
Advertising and market research	21.720	18.488	3.232
Postage and telephone	11.988	10.409	1.579
Insurance	12.861	9.362	3.499
Commissions on credit card receipts	11.287	5.636	5.652
Employee expense reimbursements	20.756	15.006	5.750
Security	4.357	4.204	152
Employee training	3.883	2.514	1.369
Other services	43.657	29.214	14.443
<b>Total services</b>	<b>297.872</b>	<b>244.091</b>	<b>53.781</b>
Costs for rents and concessions	390.486	334.420	56.066
Rental and leasing of movable property	22.855	17.380	5.475
Royalties for use of trademarks	43.798	32.373	11.425
<b>Leases, concessions and rentals</b>	<b>457.139</b>	<b>384.173</b>	<b>72.966</b>
<b>Total</b>	<b>755.011</b>	<b>628.264</b>	<b>126.747</b>

“Professional advice and services” increased largely as the result of higher costs sustained in connection with the acquisitions made over the year and reorganization of the Group to integrate fully its international activities. This item also includes the costs of monitoring customer satisfaction.

The increase in advertising costs stems from the large-scale radio and television communication program in support of the Spizzico and Burger King brand growth programs.

Net of the exchange effect, “Maintenance costs” were down 7.7% from 1999 thanks to real savings realized over the year upon better organization and planning of these activities.

### Labor costs

(k€)

	2000	1999	Change
Wages and salaries	743.822	646.070	97.752
Social security contributions	124.967	116.006	8.961
Employee severance indemnities and similar	20.352	15.232	5.120
Other personnel costs	42.603	38.019	4.583
<b>Total</b>	<b>931.744</b>	<b>815.327</b>	<b>116.416</b>

In 2000, the average number of employees, expressed as the equivalent number of full-time employees, was composed as shown in the following table, with the employees who belong to companies included in accordance with Article 37 of Decree Law no. 127/91 being indicated separately:

	2000	1999	Change
Executives	34	31	3
Office workers	1.747	1.776	(29)
Blue collar workers	6.235	5.422	813
Foreign subsidiaries (1)	29.052	28.821	231
<b>Total</b>	<b>37.068</b>	<b>36.050</b>	<b>1.018</b>

(1) Classification by job category has no contractual relevance in foreign countries.

## Depreciation, amortization and write-downs

These items show a combined total of 248,045 k€ (185,091 k€ in 1999), which is broken down as follows:

(k€)

	2000	1999	Change
Amortization and depreciation:			
Intangibles	172.059	112.244	59.814
Depreciation of property, plant and equipment	58.365	52.193	6.172
Property, plant and equipment returnable at no cost	11.848	10.793	1.055
Write-down of property, plant and equipment	783	2.905	(2.122)
Write-down of loans included in current assets	4.990	6.956	(1.965)
<b>Total</b>	<b>248.045</b>	<b>185.091</b>	<b>62.954</b>

“Amortization of intangibles” shows an increase stemming from amortization of the goodwill resulting from extension of the scope of consolidation, which was applicable for only four months in 1999. Furthermore, the exchange rate effect amounted to 20,480 k€.

Excluding the allowances for goodwill and consolidation differences, amortization of intangibles was charged principally for leasehold improvements.

As previously mentioned in the section “Significant Accounting Policies,” as the result of changes in the criteria used to determine trade amortization and depreciation and the useful life of certain classes of fixed assets, amortization and depreciation charges in fiscal 2000 were 9.8 m€ lower than they would have been had they been computed according to the same criteria applied in 1999.

Depreciation of property, plant, and equipment returnable at no cost has been determined on the basis of economic and technical criteria, and thus based on the presumed useful life of each asset or, if less, the residual term of the concession.

## Provisions for risks and other provisions

The provisions set aside during the period are detailed below:

(k€)

	2000	1999	Change
For litigation and other risks	2.977	4.973	(1.996)
Other provisions for:			
Restoration costs	4.456	4.387	69
Miscellaneous costs	176	1.761	(1.585)
Total other provisions	4.632	6.147	(1.516)
<b>Total</b>	<b>7.609</b>	<b>11.120</b>	<b>(3.512)</b>

## Other operating expenses

These have increased by 4,986 k€ with respect to the corresponding period of the previous year.

They consist of the following:

(k€)

	2000	1999	Change
Indirect taxes and taxes allocable to fiscal year	20.134	18.855	1.279
Association membership fees	203	740	(537)
Cash deposit differences	5.404	3.921	1.483
Losses on disposal or conversions	853	297	556
Other costs	7.447	5.243	2.205
<b>Total</b>	<b>34.042</b>	<b>29.056</b>	<b>4.986</b>

## Financial income and expense

Foreign exchange risk hedging transactions resulted in the settlement of positive and negative trading differences.

Negative exchange rate differences posted to foreign exchange losses were recorded against positive exchange rate differences of almost the same amount that were posted to foreign exchange gains.

## Other financial income

This totals 229,228 k€, representing an increase of 204,516 k€ compared with 1999.

It is broken down as follows:

(k€)

	2000	1999	Change
Interest and other income from securities:			
interest premiums/income on securities included in financial fixed assets	373	484	(111)
Income different from the preceding:	3.090	6.787	(3.697)
	<b>3.463</b>	<b>7.271</b>	<b>(3.808)</b>
Income different from the preceding:			
bank interest earned	1.426	1.738	(312)
foreign exchange gains	212.695	13.478	199.217
from interest rate hedging transactions	7.100	-	7.100
from foreign exchange rate hedging transactions	3.705	-	(3.705)
others	839	2.225	(1.386)
	<b>225.765</b>	<b>17.441</b>	<b>208.324</b>
<b>Total</b>	<b>229.228</b>	<b>24.712</b>	<b>204.516</b>

## Interest and other financial charges

These total 294,389 k€ and are comprised by:

(k€)

	2000	1999	Variazione
Interest on bonds	12.331	35.622	(23.291)
Interest on long-term loans and financing	44.005	14.231	29.774
Interest on bank accounts and short-term financing	2.323	3.080	(757)
Others	2.110	137	1.973
	<b>60.769</b>	<b>53.070</b>	<b>7.699</b>
Expenses other than the preceding:			
foreign exchange losses	210.710	1.766	208.944
for interest rate hedging transactions	4.261	13.139	(8.878)
for foreign exchange rate hedging transactions	16.435	1.701	14.734
others	2.214	5.007	(2.793)
	<b>233.620</b>	<b>21.613</b>	<b>212.007</b>
<b>Total</b>	<b>294.389</b>	<b>74.683</b>	<b>219.706</b>

## Extraordinary income and expense

Extraordinary income totalled 8,404 k€ (12,814 k€ in 1999) and largely stems from excess provisions set aside for costs in previous years (5,529 k€).

Extraordinary expenses total 3,559 k€ (3,414 k€ in 1999) and are largely accounted for by the renewed agreement for a Spanish motorway concession (2,075 k€). The remaining part is for settlement of provisions set aside for costs in previous years.

## Income taxes

Income taxes total 52.1% of income before taxes (52.7% in the previous year).

This item includes 19,537 k€ for current taxes and 2,142 k€ for deferred taxes. IRAP - the Italian regional tax on production activity, whose taxable basis is largely equal to the sum of operating income and labor costs - totals 12,437 k€ (11,103 k€ in 1999), equal to 29.9% of consolidated income before taxes (16.1% in 1999).

## Minority interest in net income

A total of 5,035 k€ is due to other stockholders of several subsidiaries in the United States and France. This item totalled 3,116 k€ in 1999.

## Remuneration of Directors, Statutory Auditors, and General Managers

The following information is provided pursuant to Article 78 of CONSOB resolution no. 11971/1999:

1. The title of General Manager is given to division heads. Therefore, the Group does not believe that they are covered by the aforesaid rule.
2. The Group does not dispose of an executive committee.
3. Dr. Paolo Prota Giurleo, Chief Executive Officer until August 2000, was an executive at Edizione Holding S.p.A., the Parent Company. Autogrill S.p.A. reimbursed Edizione Holding S.p.A. for the costs that the latter incurred under its employment relationship with Dr. Giurleo. In fiscal 2000 these costs totalled 600.6 k€, inclusive of his gross remuneration and social security contributions.
4. Directors do not receive stock options. Members of the Board of Directors and the Chief Executive Officer are paid a variable annual amount tied to the achievement of previously defined targets and appreciation in the value of the company. The variable amount may also accrue on a three-year basis according to achievement of long-term goals.
5. No non-monetary benefits were granted.

The remuneration paid in fiscal 2000 is summarized below:

Recipient (surname and name)	Position	Term	Remuneration (in €)
Benetton Gilberto	Chairman of the Board of Directors	01.01/31.12.00	34.603
Buttignol Livio	Chief Executive Officer	28.08/31.12.00	183.772
Buttignol Livio	Director	28.04/28.08.00	10.329
Prota Giurleo Paolo	Chief Executive Officer	01.01/28.08.00	23.499
Benetton Alessandro	Director	01.01/31.12.00	33.570
Brunetti Giorgio	Director	01.01/31.12.00	34.086
Bulgheroni Antonio	Director	01.01/31.12.00	34.603
Desiderato Marco	Director	01.01/31.12.00	35.119
Erede Sergio	Director	01.01/31.12.00	34.603
Gamberale Vito Antonio	Director	01.01/15.03.00	7.385
Mion Gianni	Director	01.01/31.12.00	34.603
<b>Total directors</b>			<b>466.171</b>
Ponzellini Gianluca	Chairman, Board of Statutory Auditors	01.01/31.12.00	29.749
Tosi Ettore Maria	Statutory Auditor	01.01/31.12.00	25.722
Reboa Marco	Statutory Auditor	01.01/31.12.00	22.336
<b>Total statutory auditors</b>			<b>77.807</b>
<b>Total</b>			<b>543.978</b>



## **Appendix**

### **List of Subsidiaries and Other Equity Investments**

## Companies consolidated on a line-by-line basis

Name	Seat	Country	Currency	Capital stock	%	Stockholders
Parent Company						
Autogrill S.p.A.	Novara	Italy	Lit.	254.400.000.000	57,093%	Edizione Holding
<b>Subsidiaries</b>						
Aviogrill S.r.l.	Bologna	Italy	Euro	10.000	51,000%	Autogrill S.p.A.
ISIC SpA	Novara	Italy	Lit.	400.000.000	100,000%	Autogrill S.p.A.
Autogrill Overseas S.A.	Luxembourg	Luxembourg	Euro	60.650.000	99,999%	Autogrill S.p.A.
Autogrill Finance S.A.	Luxembourg	Luxembourg	Euro	250.000	99,996%	Autogrill S.p.A.
Nuova Estral Srl	Novara	Italy	Lit.	20.000.000	100,000%	Autogrill S.p.A.
Nuova Sidap Srl	Novara	Italy	Lit.	20.000.000	100,000%	Autogrill S.p.A.
Autogrill International S.A.	Luxembourg	Luxembourg	Luf.	42.300.000	99,999%	Autogrill S.p.A.
La Manza S.r.l.	Roma	Italy	Lit.	50.000.000	100,000%	Autogrill S.p.A.
Autogrill Austria AG	Gottesbrunn	Austria	Ats	100.000.000	100,000%	Autogrill International S.A.
Autorest Hungaria Kft	Budapest	Ungheria	Huf.	1.000.000	100,000%	Autogrill Austria AG
Autogrill Belgie N.V.	Herentals	Belgium	BEF	230.000.000	99,999% 0,001%	Autogrill International S.A. AC Restaurants & Hotels S.A.
Ac Restaurants & Hotels Beheer S.A.	Herentals	Belgium	BEF	16.819.814	99,999% 0,001%	Autogrill Belgie N.V. AC Restaurants & Hotels S.A.
Ac Arlux .S.A.	Arlon	Belgium	BEF	50.757.000	99,998% 0,002%	Autogrill Belgie N.V. AC Restaurants & Hotels S.A.
Ac Restaurants Chesnoy S.A.	Herentals	Belgium	BEF	2.501.000	100,000%	Autogrill Belgie N.V.
Ac Restaurants & Hotels S.A.	Luxembourg	Luxembourg	Luf.	5.000.000	99,995% 0,005%	Autogrill Belgie N.V. Ac Beheer
Ac Restaurant & Hotels Beteiligungs GmbH	Niederzissen	Germany	DM	150.000	95,000% 5,000%	AC Restaurants & Hotels S.A. AC Holding N.V.
Ac Restaurant & Hotels Betriebs GmbH	Niederzissen	Germany	DM	50.000	100,000%	AC Restaurant & Hotels Beteiligungs GmbH
Autogrill Deutschland GmbH	Monaco	Germany	DM	400.000	100,000%	Autogrill International S.A.
Autogrill Espana S.A.	Madrid	Spain	Ptas	300.000.000	100,000%	Autogrill International S.A.
Autogrill Hellas EpE	Avlona Attikis	Greece	GRD	408.530.000	100,000%	Autogrill International S.A.
Autogrill Nederland bv	Breukelen	Netherlands	NLG	14.040.000	100,000%	Autogrill International S.A.
Ac Ledeboer B.V.	Zaandam	Netherlands	NLG	154.000	100,000%	Autogrill Nederland bv
AC Holding N.V.	Breukelen	Netherlands	NLG	300.000	100,000%	Maison Ledeboer B.V.
The American Lunchroom Co. B.V.	Zaandam	Netherlands	NLG	40.000	100,000%	AC Holding N.V.
Ac Apeldoorn B.V.	Apeldoorn	Netherlands	NLG	100.000	100,000%	The American Lunchroom Co. B.V.
Ac Bodegraven B.V.	Bodegraven	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.
Ac Heerlen B.V.	Heerlen	Netherlands	NLG	51.000	100,000%	The American Lunchroom Co. B.V.
Ac Hendrik Ido Ambacht B.V.	Hendrik Ido Ambacht	Netherlands	NLG	35.000	100,000%	The American Lunchroom Co. B.V.
Ac Holten B.V.	Holten	Netherlands	NLG	75.000	100,000%	The American Lunchroom Co. B.V.
Ac Leiderdorp B.V.	Leiderdorp	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.
Ac Meerkerk B.V.	Meerkerk	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.
Ac Nederweert B.V.	Wert	Netherlands	NLG	75.000	100,000%	The American Lunchroom Co. B.V.
Ac Nieuwegein B.V.	Nieuwegein	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.
Ac Oosterhout B.V.	Oosterhout	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.
Ac Restaurants & Hotels B.V.	Breukelen	Netherlands	NLG	200.000	100,000%	The American Lunchroom Co. B.V.
Ac Sevenum B.V.	Sevenum	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.
Ac Vastgoed B.V.	Zaandam	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.
Ac Vastgoed I B.V.	Zaandam	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.
Ac Veenendaal B.V.	Veenendaal	Netherlands	NLG	40.000	100,000%	The American Lunchroom Co. B.V.



Name	Seat	Country	Currency	Capital stock	%	Stockholders
Ac Zevenaar B.V.	Zevenaar	Netherlands	NLG	125.000	100,000%	The American Lunchroom Co. B.V.
Holding de Participation Autogrill S.a.s.	Marseille	France	FF	122.778.000	99,999% 0,001%	Autogrill International S.A. Autogrill SpA
Autogrill Coté France S.A.	Marseille	France	FF	203.738.880	99,999%	Holding de Participations Autogrill S.a.s.
Hotelimar S.A.	Marseille	France	FF	7.500.000	79,975%	Autogrill Coté France S.A.
Soberest S.A.	Marseille	France	FF	800.000	49,962%	Autogrill Coté France S.A.
SO.BO.REST S.A.	St. Savin	France	FF	3.500.000	49,991%	Autogrill Coté France S.A.
Socopal S.A.	Marseille	France	FF	1.350.000	65,708%	Autogrill Coté France S.A.
Sorebo S.A.	Marseille	France	FF	900.000	49,978%	Autogrill Coté France S.A.
S.P.C. S.A.	Perrogney les Fontaines	France	FF	800.000	50,250%	Autogrill Coté France S.A.
S.R.A.D. S.A.	Marseille	France	FF	3.100.000	49,993% 49,923%	Autogrill Coté France S.A. SRSRA
S.R.T.C. S.A.	Marseille	France	FF	9.000.000	69,978%	Autogrill Coté France S.A.
Autogrill Restauration Services S.A.	Marseille	France	FF	200.276.400	99,999%	Holding de Participations Autogrill S.a.s.
Autogrill Gare Chateauroux S.a.r.l.	Marseille	France	FF	50.000	100,000%	Autogrill Restauration Services S.A.
Autogrill Gare Lyon Part Dieu S.a.r.l.	Marseille	France	FF	200.000	100,000%	Autogrill Restauration Services S.A.
Autogrill Gare Lyon Perrache S.a.r.l.	Marseille	France	FF	2.314.000	100,000%	Autogrill Restauration Services S.A.
Autogrill Gare Toulon S.a.r.l.	Marseille	France	FF	50.000	100,000%	Autogrill Restauration Services S.A.
Autogrill Gare Des Alpes S.a.r.l.	Marseille	France	FF	50.000	100,000%	Autogrill Restauration Services S.A.
Autogrill Gare du Paris Nord S.a.r.l.	Marseille	France	FF	200.000	100,000%	Autogrill Restauration Services S.A.
Autogrill Gare Paris Saint Lazare S.a.r.l.	Marseille	France	FF	8.265.200	100,000%	Autogrill Restauration Services S.A.
Autogrill Gare Paris Est S.a.r.l.	Marseille	France	FF	100.000	100,000%	Autogrill Restauration Services S.A.
Autogrill Gare Nevers S.n.c.	Marseille	France	FF	10.000	99,000% 1,000%	Autogrill Restauration Services S.A. Autogrill Gare Paris Est S.a.r.l.
Autogrill Gares Ile de France S.n.c.	Marseille	France	FF	10.000	99,000% 1,000%	Autogrill Restorations Services S.A. Autogrill Gare Paris Est S.a.r.l.
Autogrill Gare Lille S.n.c.	Marseille	France	FF	250.000	99,960% 0,040%	Autogrill Restauration Services S.A. Autogrill Gare Paris Est S.a.r.l.
Autogrill Gare de Tours S.A.	Marseille	France	FF	250.000	99,790% 0,040%	Autogrill Restorations Services S.A. Holding de Participations Autogrill S.a.s.
HMS Host Corp.	Bethesda	USA	USD	175.000.000	100,000%	Autogrill Overseas S.A.
HMSHost Tollroads, Inc.	Bethesda	USA	USD	125.000.000	100,000%	HMSHost Corp.
Host International Inc.	Bethesda	USA	USD	125.000.000	100,000%	HMSHost Corp.
Sunshine Parkway Restaurants Inc.	Bethesda	USA	USD	125.000.000	50,000% 50,000%	HMSHost Corp. Gladieux Inc.
Cincinnati Terminal Services Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
Cleveland Airport Services Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
HMS-Airport Terminal Services Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
HMS-Airport Terminal Services (Christchurch branch) Inc.	Bethesda	USA	USD	125.000.000	100,000%	HMS-Airport Terminal Services Inc.
HMS B&L Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
HMS Holdings Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
HMS Host Family Restaurants Inc.	Bethesda	USA	USD	125.000.000	100,000%	HMS Holdings Inc.
Gladieux Corporation	Bethesda	USA	USD	125.000.000	100,000%	HMS Holdings Inc.
Host (Malaysia) Sdn Bhd	Kuala Lumpur	Malesia	MYR	100.000	100,000%	Host International Inc.
Host Gifts Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
Host International of Canada Ltd	Vancouver	Canada	CAD	4.600.000	100,000%	Host International Inc.
Host International of Kansas Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
Host International of Maryland Inc	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
HMS Host USA Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.

Name	Seat	Country	Currency	Capital stock	%	Stockholders
Host International (Hellas) Ltd.	Pallini Attica	Greece	GRD	35.000.000	100,000%	Host International Inc.
Host International (Poland) Sp. zo. o.	Warsaw	Polonia	PLN	6.557.600	100,000%	HMS Host USA Inc.
Host of Holland B.V.	Haarlemmermeer	Netherlands	NLG	200.000	100,000%	Host International Inc.
Horeca Exploitatie Maatschappij Schiphol B.V.	Schiphol	Netherlands	NLG	100.000	100,000%	Host of Holland B.V.
Host Services (France) S.a.s.	Paris	France	FRF	250.000	100,000%	Host International Inc.
Host Services Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
Host Services of New York Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
Host Services Pty Ltd	North Cairns	Australia	AUD	12	100,000%	Host International Inc.
Las Vegas Terminal Restaurants Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
Marriott Airport Concessions Pty Ltd	Tullamarine	Australia	AUD	999.998	100,000%	Host International Inc.
Michigan Host Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
Shenzen Host Catering Company Ltd	Shenzen	CHINA	CNY	2.500.000	90,000%	Host International Inc.
The Gift Collection Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.
Turnpike Restaurants Inc.	Bethesda	USA	USD	125.000.000	100,000%	Host International Inc.

## Companies Valued According to the Equity Method

Name	Seat	Currency	Capital stock (in foreign currency)	%	Stockholders
Convivium 2000 S.C.p.A.	Milan (I)	Lit	252.000.000	14,29%	Autogrill S.p.A.
Union Services S.a.r.l.	Luxembourg (L)	>	51.000	20,00%	Autogrill International S.A.
				20,00%	Autogrill Overseas S.A.
				10,00%	Autogrill Finance S.A.
S.R.S.R.A. S.A.	Saint Rambert d' Albon (F)	FRF	3.200.000	40,73%	Autogrill Coté France S.A.
Isardrome S.A.	Saint Rambert d' Albon (F)	FRF	200.000	81,00%	S.R.S.R.A. S.A.
				4,50%	Autogrill Coté France S.A.
Volcarest S.A.	Chatelguyon (F)	FRF	1.800.000	39,98%	Autogrill Coté France S.A.
Dewina Host Sdn Bhd	Kuala Lumpur (Malesia)	MYR	250.000	49,00%	Host International Inc.
HMSC-AIAL Ltd	Auckland (Nuova Zelanda)	NZD	111.900	50,00%	Host International Inc.

## Companies valued at cost

Name	Seat	Currency	Capital stock (in foreign currency)	%	Stockholders
Passaggio Holding AG	Oltén	CHF	10.000.000	100,00%	Autogrill International S.A.
Aviogrill S.r.l.	Bologna	Euro	10.000	51,000%	Autogrill S.p.A.

# **Autogrill S.p.A. Financial Statements**

## Company Officers

Before the Stockholders' Meeting on April 27th, 2001

### Board of Directors

(in office until approval of the 2000 Annual Report)

*Chairman*

**Gilberto Benetton**

Vested with the powers conferred by law and the Company bylaws, and in particular legal representation of the Company and the power of signature.

*Chief Executive Officer*

**Livio Buttignol**

Powers of ordinary administration to be exercised with his signature alone, but with limitations on certain categories of transactions (pursuant to the resolution dated August 28th, 2000)

*No specific powers Directors*

**Alessandro Benetton**

**Giorgio Brunetti**

**Antonio Bulgheroni**

**Marco Desiderato**

**Sergio Erede**

**Gianni Mion**

### Board of Statutory Auditors

(in office until approval of the 2002 Annual Report)

*Chairman*

**Gianluca Ponzellini**

*Statutory Auditors*

**Marco Reboa**

**Ettore Maria Tosi**

*Alternate Auditors*

**Giovanni Pietro Cunial**

**Graziano Gianmichele Visentin**

### Independent Auditors

(until approval of the 2002 Annual Report)

**Arthur Andersen S.p.A.**

## Directors' Report on Operations

Unless otherwise indicated, amounts are in millions of euro, represented by the symbol m€.

### Operating Performance

The year closed with Revenues up 6.6% to 945.4 m€. Gross operating margin rose by 5.8% to 128.1 m€. Net earnings for the year were 4 m€, more than double the 1.6 m€ reported for 1999.

Cash flow, determined from the sum of net earnings and fixed-asset depreciation, amortisation and write-downs, increased by 9.3% to 131.1 m€.

After expenditure of 91.3 m€ to purchase or capitalise subsidiaries and a dividend payout for 10.5 m€, the Parent Company's net financial resources decreased by 13.2 m€ to 133.3 m€.

The consolidated financial statements, drawn up in compliance with the relevant laws, fully reflect the financial and business dimensions of the Group, which in 2000 recorded revenues in excess of 3 billion euro, up 14.7%, and its equity structure, with debt of approximately 1.1 billion euro as a result of the recent acquisitions.

The Parent Company's operations reported higher volumes and efficiency, especially for restaurant services, where revenues rose by an overall 10%, faster than the general rise in demand for restaurant meals. Penetration capacity of the motorway channel increased, with an overall rise of 5.1% in revenues, of which 4.4% from higher volumes, against an increase of 3.5% in network traffic.

The Quick Service Restaurant business (Spizzico and BK) continued to report high growth, in part thanks to investment in communication: chain revenues, i.e., including franchisees, improved by 33.5%, with an average increase of 14.1% in sales at constant prices for comparable (stores) restaurants.

The Parent Company continued to pursue its policy of expansion in Italian railway stations and airports. Important enhancements were introduced in the offer at the Termini Station in Rome, with the opening of a Ciao restaurant and, through a company acquired during the year, an ACafe coffee shop. With the newly acquired Aviogrill S.r.l., at the end of the year Autogrill took over the management of three restaurants at Bologna's G. Marconi airport, strengthening its leadership of airport restaurant services in Italy, where it runs 21 other outlets in five different airports (Milan Malpensa terminals 1 and 2, Milan Linate, Rome Fiumicino and Naples Capodichino). Aggregate annual revenues will total more than 75 m€ once all outlets are fully operational.

Other European subsidiaries also negotiated important contract renewals, paving the way for improvements to the offer and higher revenues and earnings.

Specifically, Autogrill Espana renewed the concession for its main motorway operation, on the A7, until 2019, while a series of motorway concessions were extended in France.

At the end of the year, with the acquisition of Switzerland's Passaggio Holding AG, Autogrill completed coverage of the European motorway network and achieved a significant expansion of its operations in German-speaking areas, boosting prospects for additional growth.

With regard to internal organisation, in 2000 Autogrill introduced a new structure, to which further enhancements were made at the beginning of 2001, geared to its increased dimensions and the new Group strategy. Local growth and improved overall efficiency are the goals of the new structure.

The composition of the Italian operating network, which comprises mono-concept outlets and multiservice foodcourts, is as follows:

	2000	1999
Locations managed directly	344	339
Locations managed by franchisees	108	111
<b>Total</b>	<b>452</b>	<b>450</b>

During the year, 27 new Spizzico and Burger King locations were opened, bringing the total to 172 by the end of 2000.

Among these, in June 2000 Autogrill opened two new Spizzico and Burger King restaurants at Milan's Cadorna station, which has more than 40 million passengers a year. The restaurants cover a total surface area of 500 square metres on two floors, and have a daily production capacity of more than 1,500 pizzas and 2,000 hamburgers; they are flanked by a snack bar and a market selling basic commodities.

For an outlay of 1.7 m€, the new locations will generate revenues totalling approximately 70 m€ over the 12 years of the concession.

Results for the year were as follows:

## Condensed Statement of Income

(m€)

	2000	1999	Change
Revenues from sales and services	945,4	886,7	58,7
Other revenues and income	44,6	36,0	8,6
<b>Value of production</b>	<b>990,0</b>	<b>922,7</b>	<b>67,3</b>
Primary cost of production	(619,0)	(575,5)	(43,4)
<b>Value added</b>	<b>371,0</b>	<b>347,2</b>	<b>23,9</b>
Salaries, wages and employee benefits	(228,3)	(213,3)	(15,0)
Provisions for risks and other provisions	(5,6)	(6,0)	0,4
Other charges	(9,0)	(6,8)	(2,2)
<b>Gross operating margin</b>	<b>128,1</b>	<b>121,1</b>	<b>7,0</b>
Depreciation, amortisation and write-downs	(52,5)	(57,9)	5,4
<b>Operating result</b>	<b>75,6</b>	<b>63,2</b>	<b>12,4</b>
Financial income, net	16,2	6,5	9,7
Value adjustment to financial assets	(73,1)	(62,2)	(10,9)
<b>Result before non-recurring items and taxes</b>	<b>18,7</b>	<b>7,5</b>	<b>11,2</b>
Non-recurring items	1,5	4,6	(3,1)
<b>Result before taxes</b>	<b>20,2</b>	<b>12,1</b>	<b>8,1</b>
Income taxes	(16,2)	(10,5)	(5,7)
<b>Earning for the year</b>	<b>4,0</b>	<b>1,6</b>	<b>2,4</b>

The table below provides a breakdown of revenues by service:

(m€)

	2000			1999		
	direct	franchise	chain	direct	franchise	chain
<i>Sales to the public</i>						
Food & beverages	550,5	64,2	614,7	500,7	55,5	556,2
Retail	366,1	37,6	403,7	358,6	37,6	396,2
Hotels and other	0,4	-	0,4	0,3	-	0,3
<b>Total direct sales to the public</b>	<b>917,0</b>	<b>101,8</b>	<b>1.018,8</b>	<b>859,6</b>	<b>93,1</b>	<b>952,7</b>
<i>Sales to third parties and franchisees</i>	28,4	(26,8)	1,6	27,1	(25,8)	1,3
<b>Total</b>	<b>945,4</b>	<b>75,0</b>	<b>1.020,4</b>	<b>886,7</b>	<b>67,3</b>	<b>954,0</b>

Revenue growth was largely driven by food and beverages, which rose by 10% overall.

In addition to the contribution of the QSR business mentioned above, key contributing factors were the snack-bar concept (+7%) and self-service restaurants (+6.3%).

In the retail area, sales of lottery tickets decreased by 7.8 m€, with an impact on the performance of the business as a whole.

Autogrill S.p.A. had total revenues of 945.4 m€ (+6.6% from 1999).

Performance by channel is analysed below:

**Motorways:** sales for this channel rose by 5.1% (35.9 m€ in value), of which the increased traffic penetration capacity of existing locations accounted for (33 m€); against a 7% increase in core sales (4.4% at constant sales prices), motorway traffic rose by 3.5% (source Soc. Autostrade). This performance reflects dual action on the sales network, comprising commercial investments and an increase in staff during peak periods.

**Airports:** growth of 18.3% in core sales (4.1 m€) against an average rise of 11.9% in passenger traffic in Italy (source Assaeroporti).

**Railway stations:** + 4.1 m€ as a result of the start-up of the Spizzico and Burger King outlets at Milan's Cadorna station and the opening of a snack bar, Spizzico and Ciao offers at Rome Termini. Core sales at locations in **other channels** rose 9.3% in city centres and 3.9% in shopping malls.

**Primary cost of production** included costs for the purchase of external goods and services. Service costs were particularly affected by the rise in advertising costs (4 m€, +70% from 1999). Support for Spizzico was a key area of activity, with the production of two television campaigns. The cost of other services rose by 12.1% from 1999, rising from 6.5% to 6.8% of sales. The increase was mainly due to the cost of electricity and costs incurred to resolve manpower shortages in some areas of Italy.

**Value added** was 371 m€, an increase of 6.9% from the previous year.

**Salaries, wages and employee benefits** increased by 7.1% from the previous year. The ratio to revenues was virtually unchanged, despite the continued shift in the revenue mix toward offers with higher gross margins and requiring greater use of manpower. This was achieved by further improvements in the use of personnel in line with customer flows. The average unit cost decreased by 3.5%, mainly as a result of the change in the mix of professional levels and the reduction in social security charges, which more than outweighed the normal rise in wages and salaries.

The average workforce, expressed as equivalent full-time units, was 8,016 heads (+10.9% from 1999) and the proportion of part-time contracts continued to grow: at 31 December 2000 5,613 employees or 53.55% of the total payroll had part-time contracts, compared to 51.6% at 31 December 1999.

EBITDA, or gross operating margin excluding non-recurring items and corporate staff costs, totalled 140.7 m€, a return on revenues of 14.9%.

**Depreciation, amortisation and write-downs** totalled 52.5 m€ (57.9 m€ in 1999), with a reduction of 2.8 m€ in charges applied solely for tax purposes (5.9 m€, compared with 8.7 m€ in 1999), in respect of goodwill and improvements to leased property. During the year, as detailed in the explanatory notes, the depreciation periods of the main asset categories were realigned, generating a reduction of 7.8 m€ in depreciation and amortisation charges for the year.

**Operating income** totalled 75.6 m€ (+19.6% from the previous year).

The rise in interest rates and the on-going centralisation of the Group's treasury operations generated **net financial income** of 16.2 m€ (+9.7 m€ from 1999).

**Value adjustments to financial assets** showed a write-down of 73.1 m€, due chiefly to the valuation of subsidiaries with the equity method. This compared to a prior-year write-down of 62.2 m€.

The application of the FIFO inventory valuation method – consistently with management practice in the other Group companies – generated a revaluation of 1.7 m€ of inventories at 31 December 1999, which was recorded under non-recurring income. Non-recurring items showed net income of 1.5 m€.

Income before taxes was 20.2 m€ (+66.9%), while net earnings totalled 4.0 m€ (+2.4 m€), after IRAP (regional taxes) of 12.3 m€.

The IRPEG taxable base was significantly lower due to the presence of financial income taxed at a lower rate and the impact of application of dual-income tax regulations, which lowered the rate to 27%. Current Irpeg totalled 2.8 m€. Temporary differences between the tax value of assets and liabilities and their cor-

responding book value, consisting primarily of accelerated depreciation, generated an additional net charge for IRPEG of 1,1 m€.

## Financial situation

The condensed balance sheet shows:

- A 15 m€ net increase in fixed assets, as a result of a 17,1 m€ net increase in financial fixed assets, specifically equity investments in subsidiary companies;
- a decrease of 6.5 m€ in working capital due to faster inventory turnover and the physiological growth of net current liabilities;
- a decrease of 5.7 m€ in shareholders' equity as a result of the dividend payout of 10.5 m€;
- a decrease of 13.2 m€ in net financial resources.

## Condensed Balance Sheet at 31 December 2000

(m€)

	31.12.2000	31.12.1999	Change
<b>A) Fixed assets</b>			
Intangible fixed assets	125,2	139,7	(14,4)
Tangible fixed assets	82,6	70,1	12,5
Financial fixed assets	54,2	37,1	17,1
	<b>262,0</b>	<b>246,9</b>	<b>15,1</b>
<b>B) Working capital</b>			
Inventories	33,2	36,9	(3,7)
Trade receivables	38,8	32,4	6,4
Other assets	62,7	33,9	28,8
Trade payables	(202,2)	(168,2)	(34,0)
Reserves for risks and charges	(8,5)	(8,5)	-
Other current liabilities	(47,3)	(43,4)	(3,9)
	<b>(123,4)</b>	<b>(116,9)</b>	<b>(6,5)</b>
<b>C) Invested Capital, after current liabilities</b>	<b>138,6</b>	<b>130,0</b>	<b>8,6</b>
<b>D) Reserve for employee termination indemnities and other long-term non-financial liabilities</b>	<b>(88,9)</b>	<b>(87,8)</b>	<b>(1,1)</b>
<b>E) Invested Capital, net</b>	<b>49,7</b>	<b>42,2</b>	<b>7,5</b>
<b>financed by</b>			
<b>F) Shareholders' equity</b>	<b>183,0</b>	<b>188,7</b>	<b>(5,7)</b>
<b>G) Long-term financial borrowings</b>	<b>-</b>	<b>3,7</b>	<b>(3,7)</b>
<b>H) Net money balances</b>			
Short-term debt	356,7	7,6	349,1
Liquid balances and short-term financial receivables	(490,0)	(157,8)	(332,2)
	<b>(133,3)</b>	<b>(150,2)</b>	<b>16,9</b>
<b>(G+H) Net financial resources</b>	<b>(133,3)</b>	<b>(146,5)</b>	<b>13,2</b>
<b>I) Total, as in E)</b>	<b>49,7</b>	<b>42,2</b>	<b>7,5</b>



To aid understanding of the changes in the balance sheet during the year, the statement of cash flows is set out below:

## Statement of Cash Flow

(m€)

	2000	1999
<b>Opening net short term liquidity</b>	<b>150,2</b>	<b>154,4</b>
<b>Cash flows from operating activities</b>		
Net result for the period	4,0	1,6
Depreciation and amortization	50,8	56,2
(Gains)/losses on disposal of fixed assets	(0,4)	(0,4)
Write-downs of fixed assets, net of revaluations	72,8	62,2
Provisions for risks, net of uses	0,0	1,2
Change in working capital	6,5	(4,1)
Provision for employee termination indemnities and other long-term liabilities	1,1	4,9
	<b>134,8</b>	<b>121,6</b>
<b>Cash flows from investing activities</b>		
Purchases of fixed assets		
- Intangible fixed assets	(22,4)	(22,0)
- Tangible fixed assets	(28,8)	(24,3)
- Financial fixed assets	(91,3)	(71,2)
Disposal of financial fixed assets	1,7	0,8
Selling price of fixed assets	2,7	1,0
Other movements	0,6	0,6
	<b>(137,5)</b>	<b>(115,0)</b>
<b>Cash flows from financing activities</b>		
Repayments and current portion of long-term debt	(3,7)	(0,3)
Dividend payout	(10,5)	(10,5)
	<b>(14,2)</b>	<b>(10,7)</b>
<b>Cash flow for the period</b>	<b>(16,9)</b>	<b>(4,1)</b>
<b>Closing net monetary balances</b>	<b>133,3</b>	<b>150,2</b>
<b>Closing long-term debt</b>	<b>-</b>	<b>(3,7)</b>
<b>Closing net short term liquidity</b>	<b>133,3</b>	<b>146,6</b>

Cash flow from operating activities was equivalent to 13.6% of the value of production, compared to 13.2% in 1999.

Purchases of financial assets related to the acquisition of 100% of the capital of La Manza Srl (0.3 m€), which opened an ACafe coffee shop at Rome's Termini station, and a controlling stake (51%) in Aviogrill Srl (0.8 m€), which opened three restaurants at Bologna's G. Marconi airport. The largest investment were the capital increases at Autogrill Overseas and Autogrill International. The first was used to finance in part a capital increase at the HMSHost subsidiary, while the second covered part of the outlay for the acquisition of Passaggio Holding.

The other investments concerned operations in Italy. Specifically, 9.9 m€ were invested in the QSR business (+6.2 m€) and 40.9 m€ in the rest of the sales network. In the QSR area, investments mainly focused on the conversion of stand-alone locations into dual-brand locations featuring both the Spizzico and Burger King offers. These included Rome Nazionale (Tritone) (overall expenditure of 2.5 m€), Bari Cavour (0.9 m€) and the Serravalle Outlet (1 m€); work was completed on projects that commenced in 1999, such as the Venice Campo S. Luca location for 1 m€.

The Ciao restaurant at the Orefici location was replaced with a Burger King.

In addition to the 27 new QSR locations, the main investments related to:

- on the motorway network, the new location at La Macchia Est (Rome-Naples motorway), full renovation of the Limena bridge (Milan-Venice) and significant work on the Roncobilaccio Ovest location (Bologna-Florence) and the Stura Ovest location (...Alessandria-Volti);
- on the freeway network, total renovation of the Rotonda di Saronno location (adjacent to a major intersection at Saronno).

## Workforce and organisation

At 31 December 2000, the Parent Company had 10,488 employees (9,645 at 31 December 1999), of whom 5,613 on a part-time basis (4,978 at 31 December 1999). 10,047 employees were with the sales network (+778 heads), 441 with the central and corporate staff units (+42 heads).

## Main subsidiary companies

### Autogrill Overseas S.A.

This Luxembourg-based company co-ordinates the Group's non-European operations conducted through HMSHost Corp., which was indirectly acquired on 1 September 1999 with an investment of 536 million dollars. As a result of financial charges relating to the acquisition and valuation of the subsidiary with the equity method, Autogrill Overseas' shareholders' equity decreased by 55.3 m€ during the year.

### HMSHost Corp.

This company is the world's leading provider of restaurant services in airports, and has distinguished itself in the management of multi-brand concepts.

Sales totalled 1,601.9 million dollars, up 5.8% from 1999. On a like-for-like basis, overall growth was 6.1%, subdivided by airports +8.6%, motorways +0.7%, shopping malls -5.4%.

**Airports:** total revenues of 1,203.6 million dollars, giving overall growth of 5.9%, thanks to excellent performance in North America, where locations boosted revenues by 9.4% against a 2.6% rise in passengers (number of receipts +3.6%, average spend +6%, price delta approximately 1.5%).

**Motorways:** total revenues of 342.6 million dollars, +0.7% from 1999. Performance improved despite the sharp rise in oil product prices (an average increase of 36%), which led to a sharp downsizing in traffic volumes. Poor weather conditions during high season periods (June/July) also led to a reduction in tourist traffic (particularly on the Garden State Parkway).

**Shopping malls:** total revenues 55.7 million dollars, +50.9% from 1999, but 5.4% on a like-for-like basis. Revenue growth was generated by the locations opened in Times Square and the Mac Arthur Center and the non-comparable Concord Mills and Jersey Garden (which were opened in 1999).

Selling costs recovered 0.4 points on sales, which was absorbed by the increase in labour costs. Inflationary factors on labour costs were offset by the rise in hourly productivity (+7.4%).

EBITDA, at 182.1 million dollars (11.4% of sales - 9.7% in 1999), rose by 23.8% from the previous year. The main driver was the containment of costs relating to indirect personnel as a result of the corporate reorganisation and gradual centralisation of administrative functions.

Capital expenditure for 2000 totalled 95 million dollars, a decrease of 32.9 million dollars from the previous year. The level of expenditure to revenues in the current cyclical phase, in which a number of restaurants are being renovated following contract renewals and the offer is being enhanced with the introduction of branded products, reflects greater rigour in resource allocation. Approximately 93% of expenditure focused on development and restructuring, as part of the company's offer branding program.

The average workforce for 2000 at HMSHost Corp. was 27,000 heads.

As a result of financial charges on borrowings for the acquisition (approximately 32 million dollars) and amortisation of the merger deficit (classified under goodwill) for 67.4 million dollars, the subsidiary post-

ed a loss of 43 million dollars, compared to a loss of 23.5 million dollars for the four months following the acquisition in 1999.

In 2000 management attention focused on improving margins and rotation of invested capital and on business growth.

Major results were achieved with regard to business growth:

- a ten-year contract renewal for a surface area of more than 1,500 square metres at Louisville International Airport. Against an outlay of 1.8 million dollars, the new location will generate revenues totalling approximately 60 million dollars over the term of the concession, of which 25 million in additional revenues;
- a successful bid for the development and management of retail business at Salt Lake City International Airport. With 20 million passengers a year (1999), a figure that will rise when Salt Lake City hosts the Winter Olympics in 2002, this airport is one of the world's 45 largest hubs. Against an outlay of 1.2 million dollars, the new contract will generate revenues totalling approximately 45 million dollars over the seven-year concession. The retail operations will be flanked by restaurant services, for which HMSHost already has a 7-year contract and which brought in revenues of approximately 28 million dollars in 2000;
- a successful bid for the development and management of four new restaurants at Los Angeles International Airport. With 65 million passengers a year (1999), Los Angeles is one of the world's three largest airports. The four concepts to be implemented under the new contract will generate revenues totalling approximately 27 million dollars over the six years of the concession, of which 4.3 million dollars in the first year. The new restaurants join the more than twenty already run by HMSHost (brands include Burger King, California Pizza Kitchen and Chili's too), which produce annual revenues of more than 45 million dollars;
- a ten-year renewal for retail operations at the Empire State Building in New York. This famous landmark attracts 3.7 million visitors a year, who, according to company estimates, will generate revenues totalling 125 million dollars over the ten-year concession;
- a seven-year concession to run two important outlets on Concourse A at Denver airport (Colorado). The offer will comprise a coffee-shop (Starbucks) and a Sbarro's restaurant with pizza, pasta and other Italian specialities. Denver is the world's tenth largest airport, the fourth largest in the USA, and handles more than 38 million passengers every year. It was the only one of the top ten US airports in which HMSHost was not present. Revenues for the two outlets over the concession term will amount to more than 12 million dollars;
- the opening of the "42nd Street Food Court" in New York. The new location covers a surface area of 3,251.5 square metres in the Forest City Ratner shopping mall and entertainment complex in Times Square at the heart of the city;
- the opening of a new food-court at Amsterdam's Schiphol airport;
- a contract to operate three restaurants at Athens International Airport: the International Area, the National and Schengen Area and the Arrivals Area. Of all the contracts awarded, the 5-year contract awarded to HMSHost has the largest number of restaurants, covering a total surface area of 445.92 square metres.

## Europe

Autogrill operates through subsidiaries in France, Spain, the Benelux countries, Austria, Germany, Luxembourg and Greece. In 2000, it also acquired equity investments in two restaurant service providers in Italy. As from 2001, with the acquisition of Passaggio, the European network will also include Switzerland. The main business in Europe is restaurant services on motorways. In France, the Group is also the leading provider of restaurant services in railway stations.

Operations in the other European countries, excluding activities conducted by HMSHost Corp. in the Netherlands and Poland, are summarised in the table below, which also shows operations handled directly by the Parent Company.

(m€)

2000									
	Italy	France	Spain	Benelux	Austria	Germany	Greece	Not alloc.	Net total
Revenues	945,4	161,2	61,9	103,1	21,9	10,6	2,9	(0,6)	1.306,4
EBITDA	140,7	21,2	8,4	13,7	2,0	(0,3)	0,1	(3,7)	182,1
% of revenues	14,9%	13,1%	13,6%	13,3%	9,2%	-2,5%	3,3%		13,9%
Capex	46,4	17,9	4,2	5,4	0,6	0,1	0,1	3,8	78,5
Deprec/amort	32,3	11,9	2,9	6,6	3,0	0,4	0,2		57,3

1999									
	Italy	France	Spain	Benelux	Austria	Germany	Greece	Not alloc.	Net total
Revenues	886,7	155,7	54,5	101,8	21,4	10,7	2,6	(3,9)	1.229,5
EBITDA	131,5	21,8	8,4	13,6	1,5	0,5	0,0	(2,9)	174,4
% of revenues	14,8%	14,0%	15,4%	13,4%	7,0%	4,7%	0,0%		14,2%
Capex	42,7	20,9	4,1	7,1	0,5	0,1	0,1		75,4
Deprec/amort	35,2	12,8	2,7	5,5	2,8	0,4	0,3		59,7

### Autogrill International S.A.

This company is responsible for the strategic and financial coordination of the equity investments in Europe. An overview of these equity investments is provided on page 6. A full list is provided in the specific attachment.

The performance of the main subsidiary companies in 2000 is described below. The financial statements of Autogrill International S.A. show a decrease of 20.8 m€ in shareholders' equity due to the method used to value the company's equity investments and to financial charges.

### Holding de Participations Autogrill S.A.S.

This company heads operations in France. It consists of the motorway business conducted through the Autogrill Coté France S.A. group, and the railway station business conducted through the Autogrill Restauration Services S.A. group.

Consolidated revenues from sales totalled 161.2 m€, +3.5% from 1999.

EBITDA for the French group was 21.2 m€ (13.1% of revenues), a slight decrease (-2.8%) from the previous year, as a result of the introduction of the 35-hour working week.

Capital expenditure totalled 17.98 m€ compared to 20.97 in 1999.

The average workforce numbered 2,712 heads (3,052 in 1999), a reduction caused by the reorganisation of the railway station business.

The French parent posted a loss of 6.5 m€ in 2000, compared to 2.7 m€ in 1999. Autogrill Coté France and Autogrill Restauration Services reported earnings of 3.3 m€ (4.8 m€ in 1999) and a loss of 0.2 m€ (unchanged) respectively.

### Autogrill España S.A.

The Spanish company continued to expand, with sales rising 13.5% from 1999. Comparable locations reported growth of 7.4%; non-comparable locations, including the new Ciao restaurant in Benicarlò (August 2000), rose 51.6%; sales for the two locations in Guarroman (December 99) and Castillejo (June 00) were approximately 2.5 m€.

With regard to costs, the proportion of royalties rose from 9.6% to 10.3%, mainly as a result of the renewal of the A7 motorway concession. The increase in maintenance and cleaning resources and the rise in motor

vehicle costs led to an increase in overheads (from 7.5% to 8.6% of sales).

EBITDA was in line with the figure for 1999, at 8.4 m€.

The extension until 2019 of the concession for 12 service areas on the A7 will enable the company to enhance its offer and boost sales.

Net earnings for 2000 were 1.8 m€ (1.7 m€ in 1999).

The average workforce numbered 1,004 heads (1,003 in 1999).

Capital expenditure was 7.2 m€ compared to 4.1 in 1999.

### **Autogrill Nederland B.V.**

This company heads operations in the Netherlands, which are conducted through AC Holding n.v. and its subsidiaries. At the beginning of the year, it sold the operations it previously controlled in Belgium, Luxembourg and Germany to Autogrill Belgie n.v.

Dutch consolidated revenues totalled 57.6 m€, an increase of 4.1% from 1999.

Consolidated EBITDA was 8.8 m€ (15.3% of revenues).

Capital expenditure on the network amounted to 3.52,9 m€.

The average workforce numbered 807 heads (756 in 1999).

Autogrill Nederland b.v. posted a loss of 1.6 m€ in 2000 (-1.2 m€ in 1999).

### **Autogrill Belgie B.V.**

This company heads operations in Belgium and Luxembourg, and also has an outlet in Germany. Consolidated revenues were 45.5 m€, almost unchanged from the previous year.

Consolidated EBITDA for the two channels was 4.9 m€ (10.7% of revenues).

Capital expenditure on the network amounted to 1.97 m€, and focused mainly on maintaining operating efficiency.

The Belgian group also implemented a reorganisation to enhance synergies between service units in Belgium and the Netherlands.

The average workforce numbered 663 heads.

Autogrill Belgie n.v. posted loss of 0.8 m€ for 2000 (0.4 m€ in 1999).

### **Autogrill Austria A.G.**

The 14 restaurant areas produced revenues totalling 21.9 m€ in 2000.

EBITDA was 2 m€ (9.2% of revenues).

The year closed with a loss of 1.5 m€, unchanged from 1999.

The average workforce numbered 366 heads (416 in 1999).

The subsidiary Autorest Hungaria K.f.t. was wound up.

### **Autogrill Deutschland G.m.b.H.**

This company owns seven restaurants on German motorways, of which three annexed to hotels.

Revenues at Autogrill Deutschland amounted to 10.6 m€.

Capital expenditure was limited pending the introduction of a new, wider-ranging growth program.

The average workforce numbered 183 heads in 2000.

The company posted a loss of 0.8 m€, having broken even in 1999.

### **Autogrill Hellas E.p.E.**

This company, which runs a single motorway service area in Greece, reported revenues of 2.9 m€ and a further important improvement in volumes (+14.2%), reflecting the growing penetration of the offer.

The year closed with a loss of 0.1 m€, a significant improvement compared with the 0.4 m€ loss posted in 1999.

The average workforce numbered 46 heads (36 in 1999).

### **Autogrill Finance S.A.**

Formed in the first half of 1999 to specialise in the procurement of funds to finance the Group's growth, in June 1999 Autogrill Finance S.A. raised 350 m€ through a 15-year zero coupon bond with an implicit annual yield of 2%, convertible into Autogrill S.p.A. shares. Early redemption is possible in the 5th and 10th year at the request of the bearer and as from the 5th year at the request of the issuer.

The proceeds were used to refinance the Group's previous European acquisitions and subsequently to fund the acquisition of HMSHost Corp.

Thanks to the low cost of funding, the company reported net earnings of 8.6 m€ in 2000, a significant improvement compared to 0.8 m€ posted in 1999.

In order to expand its support services for the Group subsidiaries, during 2000 the company set up a branch office in Belgium.

## **Research and Development**

Given the nature of its business, Autogrill S.p.A. does not conduct technological research activities in the strict sense. It does however invest in product innovation and development and in the enhancement of service quality and operating systems.

## **Other Information**

### **Relations with related parties**

In compliance with art. 2359 of the Italian Civil Code and International Accounting Standard no. 24, the year's transactions with related parties are illustrated below.

All dealings with related parties are pertinent to the Group's operations and based on market conditions.

### **Relations with controlling companies**

The Group is controlled by Edizione Holding S.p.A. which holds the absolute majority of voting rights.

Transactions during the year and balances as of 31 December 2000 are set out below:

(ke)

	<b>Edizione Holding S.p.A.</b>
<b>Statement of income</b>	
Other operating charges	634,2
<b>Balance Sheet</b>	
Trade accounts	22,7

Relations with Edizione Holding S.p.A. during 2000 consisted almost entirely of the transfer of one of its managers, who held the post of chief executive officer of Autogrill S.p.A.

## Main relations with companies having common ownership

(ke)

	Benetton Group S.p.A.	Edizione Finance International S.A.	Edizione Property S.p.A.
<b>Statement of income:</b>			
Sales of products	0,5		
Other revenues and income	196,3		
Purchases	898,6		
Cost of services	169,4		
Leases, concessions, rentals		49,1	
Financial income			
Financial charges		3.145,7	
<b>Balance Sheet:</b>			
Trade accounts receivable	1,0		123,9
Trade accounts payables	303,7		
Financial accounts receivable			
Debt		78.431,9	

Relations with companies in the Edizione Holding S.p.A. group were substantially the same as in 1999. Specifically:

- Benetton Group S.p.A. supplied Autogrill S.p.A. with uniforms for sales staff. Autogrill S.p.A. provided a pit restaurant services for the team that took part in the 125 cc motorbike world championship, which publicised the Spizzico brand.
- Edizione Finance International S.A. granted short-term loans to cover temporary Group financing requirements.
- Edizione Property S.p.A. stipulated a leasehold for a sales unit for which work is in progress. The receivable refers to the re-debiting of expenses sustained by Autogrill on behalf of Edizione Property.

No significant relations took place with other non-independent entities.

## Main relations with subsidiary and associated companies

These transactions are illustrated in the table below:

(k€)

	HMSHost Corp.	Autogrill Overseas S.A.	Autogrill Belgie S.A.	AC Holding N.V.	Autogrill España S.A.	H.P.A. S.A.S.
<b>Income Statement:</b>						
Sales of products for sale and restaurant services	-	-	-	-	439	-
Other income and amounts recovered	125	-	631	646	626	98
Financial income	17.964	3.378	-	-	-	-
Financial charges	-	-	-	-	-	-
Cost of services	-	-	-	-	-	12
Leases and rentals	-	-	-	-	-	-
<b>Balance Sheet:</b>						
Trade receivables	125	-	618	646	664	99
Financial receivables	446.345	-	-	-	-	-
Trade payables	-	-	-	-	1	12
Financial payables -	-	-	-	-	-	-
Suretyships and personal guarantees	191.089	272.268	7	-	3.065	926



<b>Autogrill Deutschland G.m.b.H.</b>	<b>Autogrill Austria A.G.</b>	<b>Autogrill Hellas E.p.E.</b>	<b>Autogrill International S.A.</b>	<b>I.S.I.C. S.p.A.</b>	<b>Nuova Sidap S.r.l.</b>	<b>Nuova Estral S.r.l.</b>	<b>La Manza S.r.l.</b>
-	8	23	-	-	-	-	145
3	53	-	-	1	2	2	83
-	-	-	4	-	-	-	-
-	5	1	1	1	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	109	99	-
<b>7</b>	<b>52</b>	<b>23</b>	-	-	<b>11</b>	<b>7</b>	<b>69</b>
-	-	-	-	-	-	-	<b>257</b>
-	-	-	-	-	-	-	<b>1</b>
-	-	135	37	30	-	-	-
-	20	-	3.870	-	-	-	-

The most significant trade-related items refer to products sold to Autogrill Espana S.A. for restaurant operations and for sale to the public.

In the interests of the subsidiaries, suretyships or personal guarantees were provided in respect of bank borrowings, as follows:

(ke)

	Autogrill Overseas S.A.	Autogrill Finance S.A.	Autogrill Austria A.G.	Holding de Participations Autogrill S.A.S.	Autogrill Coté France S.A.	Autogrill Hellas E.p.E.	Autogrill Belgie
Debt	483.418	353.498	15.987	36.861	15.466	1.735	2.541

No significant transactions took place with other non-independent entities.

## The euro and the Year 2000 issue

The action taken to avoid possible risks relating to the millennium bug arising on the information technology procedures used to support most of the group's management and administrative/accounting processes was successful.

This included a series of adjustments for the introduction of the euro. Work still to be completed with regard to the introduction of the euro is largely related to the cash registers in a number of outlets and other measures whose overall costs will be negligible.

From an administrative and accounting point of view, since the Group mainly deals in cash operations, use of the euro as the money of account has been postponed until the new currency enters circulation.

Expenses relating to the implementation of the new IT platform are capitalised and generally amortised over three periods; costs for simple adjustments are charged as incurred.

## Shares held by Directors, Auditors and General Managers

The information requested pursuant to art. 79 of CONSOB resolution no. 11971/1999 is illustrated in the table below. It is taken from the Shareholders' Registers and the declarations of the parties concerned.

As specified in detail elsewhere, the position of General Manager is held by division managers, who are therefore not subject to the above-mentioned requirement.

Surname and name	Shareholding held in	Number shares			
		Held at 31.12.1999	Acquired	Sold	Held at 31.12.2000
Livio Buttignol	Autogrill S.p.A.	-	34.250	-	34.250
	Autogrill International S.A.	-	1	-	1
	Autogrill Coté France S.A.	-	1	-	1
	Autogrill Restauration Services S.A.	-	1	-	1
Paolo Prota Giurleo (1)	Autogrill S.p.A.	180.000	-	180.000	-
	Autogrill International S.A.	1	-	1	-
	Autogrill Coté France S.A.	1	-	1	-
	Autogrill Restauration Services S.A.	1	-	1	-

(1) Relinquished post on 26 August 2000.

No other director and no auditor holds or has held shares in the parent company or in any of its subsidiaries.

## Corporate Governance

At a meeting on 23 January 2001, the Board of Directors approved the Autogrill Group Report on Corporate Governance, which was filed on 20 February 2001 with Borsa Italiana S.p.A., the company that manages the Italian stock exchange. The report illustrates the Corporate Governance system currently adopted by the Company with reference to the Voluntary Code of Practice for Listed Companies drawn up in 1999 by the Committee for the Corporate Governance of Listed Companies.

The system adopted by the company and illustrated in the Report is described below.

- With regard to the Board of Directors:

I. Centrality and unitariness.

The Parent Company Board of Directors heads the company functions and is responsible for strategy and organisation and for ensuring the presence of the controls needed to monitor performance. It receives periodic reports on major operations, including those transacted with related parties and those effected during the exercise of delegated powers.

II. Balanced Composition and Remuneration.

The Board of Directors is composed of independent non-executive Directors who can offer a significant contribution to board decisions by bringing their specific competencies to bear in discussions of matters requiring collegial decisions in the interests of the company. The remuneration of the Directors by the Board with the approval of the statutory auditors is illustrated in the explanatory notes to the financial statements. The remuneration of the Chief Executive Officer is linked in part to the business performance of the Parent Company and to the attainment of other specific goals set in the interest of the company. The Board is kept informed of the criteria and procedures used to determine this variable portion of the Chief Executive Officer's remuneration.

- With regard to relations with shareholders, in view of the company's interest in creating and maintaining a continuous dialogue with the shareholding body and, in particular, with institutional investors, subject to the importance attributed to the Shareholders' Meeting, two special divisions, External Relations and Investor Relations, have been formed. They have been provided with the necessary resources and skills to perform their functions according to the decisions taken by top management.

- With regard to the composition of the Board of Statutory Auditors, in compliance with Legislative Decree no. 58/98, the Parent Company By-Laws provide for the election of a regular auditor by the minority. The Board of Directors has ascertained pursuant to art. 3 of this decree that the members of the current Board of Statutory Auditors fulfil the requirements of arts. 1 and 2 of Decree no. 162 of 30 March 2000 issued by the Ministry of Justice jointly with the Treasury. Specifically, the current auditors are registered on the roll of auditors and have exercised their profession for at least three years.

- With regard to internal control as a key instrument of good management, the corporate organisation of the subsidiary companies and the reporting system are designed to ensure that the subsidiaries, which have been issued with instructions regarding the key areas to be controlled (e.g., procurements, expenditure, confidentiality), implement a monitoring and control system consistent with that of the parent company. As from March 2001, the Internal Auditing function reports directly to the Chief Executive Officer.

## Treasury Stock

The Parent Company did not hold treasury stock or shares of the controlling company as of 31 December 2000, nor did it buy or dispose of such shares during the year.

The ordinary Shareholders' Meeting of 30 April 1999 authorised the Board of Directors, pursuant to art. 2357 of the Italian Civil Code, and for a period of eighteen months from the date of the meeting, to purchase and if necessary subsequently sell on the computer-based trading system a maximum of three million Autogrill ordinary shares at a price per share, including purchase charges, between a minimum of Lire 10,000 and a maximum of Lire 25,000.

Having performed the requisite assessments and checks, the Board of Directors decided not to avail itself of this faculty, which expired on 31 October 2000 without any operation having been performed.

## **Significant events subsequent to the end of the financial year**

On 1 January 2001, management of the Swiss group headed by Passaggio Holding AG, which was acquired on 27 December 2000, was transferred to the Group.

Further organisational changes were introduced to cater for the new operating structure and for the new growth and integration goals set by management.

The new organisation is designed to ensure consistency between the group's leadership strategy and operating efficiency, especially at local level.

A licensing unit has been formed to enhance the product portfolio, while the decision to expand the Spizzico network to cover other European countries besides Italy will guarantee the continued growth of the QSR business.

Under the growth programme, the existing concessions for the A7 motorway in Spain, the Garden State Parkway and at Cincinnati airport in the USA were renewed.

These extensions will enable Autogrill to enhance its offer and boost penetration.

Other acquisitions, openings and tenders for smaller contracts were effected in Italy and France.

On 26 January 2001, Autogrill S.p.A. – in a consortium with Banca di Roma Spa, Gtech Corporation, Istituto Poligrafico e Zecca dello Stato, Oberthur Gaming Technologies S.A.S., Soget 2000 Srl, and T.N.T. Tecnologistica Spa – presented an application for the concession to manage Italy's lotteries. In 2000, lottery turnover amounted to more than 330 m€.

Pursuant to Legislative Decree no. 213/1998, on 27 March 2001 the Board of Directors passed a resolution to convert share capital into euro. Each share therefore has a par value of 0.52 euro and share capital totals 132,288,000 euro. In compliance with the decree, reserves totalling 901,364.87 euro were utilised for the purposes of the conversion.

## **Operating outlook**

In the first two months of 2001, sales increased and significant improvements were reported in operating results in the main European countries. With regard to expansion, new outlets were opened in Switzerland and major contracts were renewed in Spain.

In the USA, the airport business, which accounts for 75% of total sales, grew by more than 5% on a like-for-like basis, with a significant increase in margins. Two major agreements were renewed in the first two months, for restaurant services at Cincinnati airport, and management of service areas on the Garden State Parkway in New Jersey.

Since our offer includes products other than beef-based items, we were able to maintain high consumer levels and a uniform average spend on all activities, with a slowdown emerging only on the hamburger line.

The presence of food-court locations enabled us recover consumption and avoid a significant impact on overall sales.

Action continued in 2001 to strengthen all our channels and obtain new sites for the airport and railway business and for operations on a non-concessionary basis, especially for the Spizzico offer.

We are also considering further changes to the offers of acquired companies, in order to eliminate low-margin concepts.

The new structure introduced at the beginning of 2001 delegates greater decisional power to country level with regard to management quality and growth plans. The operating empowerment of the Countries should enable us to identify faster a group of concepts to be developed at European level, beginning with Spizzico, our most widespread concept and the one offering the greatest potential.

As well as the new organisation, management knowhow has been enhanced with the recruitment of 12 highly skilled executives, and six posts that had been vacant have been filled. This will strengthen our determination and quality in reaching our goals.



# **Financial Statements at December 31st, 2000**

## Balance Sheet

(E)

	31.12.2000	31.12.1999	Change
<b>ASSETS</b>			
<b>A) Amounts due from shareholders</b>			
<b>B) Fixed assets</b>			
<b>I) Intangible fixed assets</b>			
1 Start up and expansion costs	32.114,43	328.142	(296.028)
4 Concessions licences, trademarks and similar rights	2.998.276,00	3.498.953,97	(500.677,98)
5 Goodwill	85.602.511,95	97.909.577,57	(12.307.065,63)
6 Assets in process of formation and advance payments	4.540.608,79	3.549.206,96	991.401,82
7 Other assets	32.056.325,59	34.374.028,26	(2.317.702,66)
<b>Total</b>	<b>125.229.836,76</b>	<b>139.659.909,09</b>	<b>(14.430.072,35)</b>
<b>II) Tangible fixed assets</b>			
1 Land and buildings	16.352.598,66	16.338.469,46	14.129,21
2 Plant and machinery	5.023.431,66	4.248.977,10	774.454,56
3 Industrial and commercial equipment	25.981.409,99	21.561.820,68	4.419.589,32
3 bis Buildings for gratuitous transfer	23.904.276,31	18.889.308,85	5.014.967,46
4 Other assets	3.921.668,24	2.904.385,72	1.017.282,52
5 Assets under construction and advance payments	7.433.381,19	6.199.072,73	1.234.308,46
<b>Total</b>	<b>82.616.766,07</b>	<b>70.142.034,54</b>	<b>12.474.731,53</b>
<b>III) Financial fixed assets</b>			
1 Equity investments in:			
a) subsidiaries	39.592.004,44	20.740.500,81	18.851.503,63
b) other companies	21.194,10	19.108,91	2.085,19
2 Receivables:			
* collectible within next financial year	2.042,75	6.201,90	(4.159,15)
* collectible beyond next financial year	12.570.870,16	12.978.636,46	(407.766,30)
3 Other securities	1.969.426,43	3.310.656,67	(1.341.230,24)
<b>Total</b>	<b>54.155.537,88</b>	<b>37.055.104,74</b>	<b>17.100.433,13</b>
<b>Total fixed assets</b>	<b>262.002.140,71</b>	<b>246.857.048,37</b>	<b>15.145.092,32</b>
<b>C) Current assets</b>			
<b>I - Inventories</b>			
1 Raw, ancillary and consumable materials	33.154.280,19	36.898.751,06	(3.744.470,86)
<b>Total</b>	<b>33.154.280,19</b>	<b>36.898.751,06</b>	<b>(3.744.470,86)</b>
<b>II - Receivables</b>			
1 Trade receivables	36.304.958,31	32.388.525,94	3.916.432,37
2 Subsidiaries	448.201.530,54	276.317,04	447.925.213,50
5 Other receivables			0,00
* collectible within next financial year	12.850.321,73	18.653.881,29	(5.803.559,56)
* collectible beyond next financial year	4.158.425,84	5.291.344,76	(1.132.918,91)
<b>Total</b>	<b>501.515.236,42</b>	<b>56.610.069,03</b>	<b>444.905.167,40</b>
<b>III. Financial assets not held as fixed assets</b>			
6 Other securities	12.223.206,67	28.363.458,75	(16.140.252,08)
7 Financial receivables	-	102.794.394,43	(102.794.394,43)
<b>Total</b>	<b>12.223.206,67</b>	<b>131.157.853,18</b>	<b>(118.934.646,51)</b>
<b>IV - Liquid funds</b>			
1 Bank and Post Office deposits	1.464.855,29	2.369.142,10	(904.286,81)
3 Cash and cash equivalents	30.626.721,74	24.227.674,12	6.399.047,62
<b>Total</b>	<b>32.091.577,02</b>	<b>26.596.816,22</b>	<b>5.494.760,81</b>
<b>Total current assets</b>	<b>578.984.300,30</b>	<b>251.263.489,49</b>	<b>327.720.810,81</b>
<b>D) Accrued income and prepaid expenses</b>	<b>45.715.323,87</b>	<b>9.722.257,34</b>	<b>35.993.066,53</b>
<b>TOTAL ASSETS</b>	<b>886.701.764,88</b>	<b>507.842.795,20</b>	<b>378.858.969,68</b>



	31.12.2000	31.12.1999	Change
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>A) Shareholders' equity</b>			
I - Share capital	131.386.635,13	131.386.635,13	-
II - Additional paid-in capital	-	-	-
III - Revaluation reserve	14.518.942,02	14.518.942,02	-
IV - Legal reserve	1.512.111,44	1.431.091,62	81.019,81
V - Reserve for treasury stock	-	-	-
VI - Statutory reserve	-	-	-
VII - Other reserves	31.606.306,84	39.856.134,83	(8.249.827,99)
VIII - Retained earnings	-	-	-
IX - Net income for the year	3.992.821,38	1.620.396,26	2.372.425,12
<b>Total shareholders' equity</b>	<b>183.016.816,81</b>	<b>188.813.199,86</b>	<b>(5.796.383,06)</b>
<b>B) Reserves for risks and charges</b>			
2 Taxation	929.622,42	929.622,42	-
3 Other	22.081.817,71	21.375.085,68	706.732,03
<b>Total reserves for risks and charges</b>	<b>23.011.440,13</b>	<b>22.304.708,10</b>	<b>706.732,03</b>
<b>C) Reserves for employee termination indemnities</b>			
	<b>74.447.003,59</b>	<b>73.927.386,03</b>	<b>519.617,55</b>
<b>D) Payables</b>			
3 Due to banks			
* due within next financial year	12.055.901,50	4.136.955,82	7.918.945,68
* due beyond next financial year	261.741.337,41	-	261.741.337,41
4 Due to other providers of finance			
* due within next financial year	80.061.344,38	3.438.671,13	76.622.673,25
* due beyond next financial year	2.932.405,46	3.672.231,09	(739.825,63)
6 Due to suppliers			
	202.191.391,84	167.507.422,36	34.683.969,48
8 Due to subsidiaries			
	209.651,06	210.851,21	(1.200,14)
9 Due to associated companies			
	-	16.397,51	(16.397,51)
10 Due to parent companies			
	-	400.078,50	(400.078,50)
11 Due tax authorities			
* due within next financial year	9.198.172,68	7.165.688,80	2.032.483,88
* due beyond next financial year	165.565,75	331.131,51	(165.565,75)
12 Due to social security authorities			
	11.188.938,89	12.599.707,12	(1.410.768,22)
13 Other payables:			
* due within next financial year	22.761.786,27	20.423.970,16	2.337.816,12
* due beyond next financial year	413.165,52	1.084.559,49	(671.393,97)
<b>Total payables</b>	<b>602.919.660,76</b>	<b>220.987.664,68</b>	<b>381.931.996,09</b>
<b>E) Accrued expenses and deferred income</b>			
	<b>3.306.843,59</b>	<b>1.809.836,52</b>	<b>1.497.007,06</b>
<b>TOTAL LIABILITIES</b>	<b>886.701.764,88</b>	<b>507.842.795,20</b>	<b>378.858.969,68</b>

#### MEMORANDUM ACCOUNTS

<b>Personal securities</b>	<b>857.933.582,29</b>	<b>936.679.231,98</b>	<b>(78.745.649,69)</b>
<b>Collateral securities</b>			
* to secure subsidiary commitments	-	25.822,84	(25.822,84)
* to secure commitments other than payables	384.760,39	449.317,50	(64.557,11)
* to secure balance sheet payables	-	7.455.571,80	(7.455.571,80)
<b>Purchase and sale commitments</b>	<b>391.667.519,11</b>	<b>5.940.047,94</b>	<b>385.727.471,17</b>
<b>Other commitments</b>	<b>388.796.148,95</b>	<b>226.682.884,78</b>	<b>162.113.264,16</b>
<b>Total memorandum accounts</b>	<b>1.638.782.010,74</b>	<b>1.177.232.876,85</b>	<b>461.549.133,89</b>

## Statement of Income

(E)

	2000	1999	Change
<b>A) Value of production</b>			
1 Revenues from sales and services	945.369.473,66	886.706.268,98	58.663.204,68
3 Changes in contract work in progress	-	(1.199.724,70)	1.199.724,70
5 Other income			
* grants	331.086,98	13.772,12	317.314,86
* other	44.325.421,39	37.227.852,52	7.097.568,88
<b>Total</b>	<b>990.025.982,03</b>	<b>922.748.168,92</b>	<b>67.277.813,11</b>
<b>B) Costs of production</b>			
6 Raw, ancillary and consumables materials and goods for resale	454.667.627,50	439.624.471,36	15.043.156,14
7 Services received	67.857.426,38	56.977.592,88	10.879.833,50
8 Leases, concessions and rentals	90.952.444,65	82.231.483,01	8.720.961,64
9 Personnel:			
a) salaries and wages	162.115.403,65	149.344.353,80	12.771.049,84
b) social security charges	51.053.683,53	48.234.055,37	2.819.628,16
c) termination indemnities	12.847.589,91	13.179.476,59	(331.886,68)
e) other costs	2.294.209,09	2.505.707,99	(211.498,89)
10 Depreciation, amortisation and write-downs:			
a) amortisation of intangible fixed assets	35.310.724,68	36.630.781,54	(1.320.056,86)
b) depreciation of tangible fixed assets	15.527.213,25	19.565.599,97	(4.038.386,72)
d) allowances for doubtful accounts	1.710.505,20	1.770.148,51	(59.643,31)
11 Changes in inventories of raw, ancillary and consumable materials, and goods for resale	5.466.719,31	(3.306.867,24)	8.773.586,56
12 Provisions for risks	1.165.628,08	2.207.059,26	(1.041.431,18)
13 Other provisions	4.456.265,55	3.780.861,61	675.403,94
14 Other operating expenses	9.036.619,94	6.808.950,22	2.227.669,71
<b>Total</b>	<b>914.462.060,72</b>	<b>859.553.674,88</b>	<b>54.908.385,84</b>
<b>Difference between vale and costs of production (A-B)</b>	<b>75.563.921,31</b>	<b>63.194.494,04</b>	<b>12.369.427,27</b>
<b>C) Financial income and expenses</b>			
15 Income from equity investments:			
* in subsidiaries	4.644.201,42	-	4.644.201,42
16 Other financial income:			
b) from fixed asset securities other than equity investments	362.066,28	474.612,31	(112.546,02)
c) from current asset securities other than equity investments	2.624.878,63	6.643.100,50	(4.018.221,87)
d) Income other than above:			
* from subsidiaries	21.342.365,42	5,94	21.342.359,48
* from others	111.857.581,69	1.001.857,82	110.855.723,87
17 Interest and other financial charges:			
* due to subsidiaries	(6.638,37)	(3.352,17)	(3.286,20)
* other	(124.603.706,22)	(1.624.969,07)	(122.978.737,16)
<b>Total</b>	<b>16.220.748,85</b>	<b>6.491.255,33</b>	<b>9.729.493,52</b>
<b>D) Adjustments to financial assets</b>			
18 Revaluations in equity investments	3.979.125,00	810.483,89	3.168.641,11
19 Write-downs in:			
a) equity investments	(76.820.151,01)	(62.612.195,27)	(14.207.955,75)
b) Financial fixed assets other than equity investments	(296.034,02)	(446.264,51)	150.230,50
c) current asset securities	-	-	-
<b>Total</b>	<b>(73.137.060,03)</b>	<b>(62.247.975,89)</b>	<b>(10.889.084,14)</b>
<b>E) Non-recurring income and charges</b>			
20 Income			
* deriving from changes in accounting principles on income tax	-	4.344.435,44	(4.344.435,44)
* other non-recurring income	1.722.248,45	1.113.692,41	608.556,03
21 Charges	(193.138,87)	(811.547,71)	618.408,84
<b>Total</b>	<b>1.529.109,58</b>	<b>4.646.580,14</b>	<b>(3.117.470,56)</b>
<b>Results before taxation</b>	<b>20.176.719,71</b>	<b>12.084.353,63</b>	<b>8.092.366,08</b>
22 Income taxes	(16.183.898,33)	(10.463.957,37)	(5.719.940,96)
<b>NET INCOME FOR THE YEAR</b>	<b>3.992.821,38</b>	<b>1.620.396,26</b>	<b>2.372.425,12</b>

## Notes to the Financial Statements



## **Company business**

Autogrill S.p.A. operates on the modern restaurant service market in Italy and, through subsidiary companies, in other countries. Its main areas of business are restaurant services for people on the move, flanked by a range of supplementary services, and quick-service restaurant activities in locations frequented by large numbers of consumers.

## **Form and contents and format of the financial statements**

The financial statements have been prepared in accordance with current legislation and comprise the Balance Sheet (based on the model laid out in arts. 2424 and 2424 bis of the Italian Civil Code), the Statement of Income (based on the model laid out in arts. 2425 and 2425 bis of the Italian Civil Code ) and these Explanatory Notes, which provide the information required by art. 2427 of the Italian Civil Code, by the other provisions of the Italian Civil Code as regards financial statements, and by other major laws. The notes also supply information deemed necessary to provide a true and fair view, even if not specifically required by law.

Beginning from financial 2000, the financial statements are presented in euro, through the conversion of the account balances denominated in lire.

The amounts in these Explanatory Notes are expressed in thousands of euro, with the symbol k€.

The financial statements in lire are provided in an attachment.

## **Valuation criteria and accounting policies**

The valuation criteria and accounting policies comply with art. 2426 of the Italian Civil Code and take account, where necessary, of the accounting principles drawn up by the Italian Accounting Profession and those issued by the International Accounting Standards Committee (IASC).

No circumstances arose requiring recourse to the exceptions provided under art. 2423 par 4 of the Italian Civil Code.

The valuation criteria used to prepare the financial statements at 31 December 2000 are the same as those used to prepare the prior-year financial statements, with the exception of the valuation of inventories, where the LIFO method adopted previously was replaced with the FIFO (first in first out) method, to ensure alignment with management criteria and with the criteria adopted by all the other companies in the group.

The change produced a net improvement of 1.7 million euro in the result before taxes, of which 1.8 million have been classified as non-recurring income since they refer to the higher opening value of inventories.

Furthermore, adjustments have been made in the criteria adopted to determine amortisation of goodwill paid for the purchase of individual restaurants and depreciation of certain tangible fixed asset categories. For financial 2000:

- *Goodwill*: goodwill has been amortised at a rate of 10%, based on the redefinition of useful life as a maximum of 10 years, compared with the 20% rate applied in previous years;
- *Tangible fixed assets*: depreciation has been provided on a straight-line basis in view of the fact that, for some categories of assets, wear is less in the first three years of service. Previously, until financial 1999, depreciation was accelerated in the first three years by doubling the ordinary rates.

These changes generated an improvement in the result before taxes of 0.9 and 6.9 million euro respectively, as illustrated in the comments on the specific headings in the Balance Sheet as of 31 December 2000 and the Statement of Income for 2000.

Contrary to the practice adopted in the previous years, the parent company did not avail itself of the faculty provided under art. 2426 par 2 of the Italian Civil Code in determining amortisation of commercial goodwill, to which the merger deficit was attributed. Consequently, amortisation has been determined in relation to the useful life of commercial goodwill, which is 12 years, and no additional amortisation has been charged purely for the purpose of obtaining tax benefits (2.6 million euro in 1999).

Since the above effects are easily identified, no corresponding pro-forma statements have been drawn up.

The main accounting policies are described below.

- *Intangible fixed assets*: intangible fixed assets are carried at purchase or production cost including related charges, written down to reflect any other than temporary impairment in value, irrespective of amortisation already provided. The original value is reinstated in subsequent years if the reasons for such write-downs no longer exist.

The write-off periods for intangible fixed assets are as follows:

Start-up and expansion costs	5 years
Concessions, licences, trademarks and similar rights	5 years, except: - 3 years for application software licences - licence duration for the costs of resale licences on monopoly merchandise
Goodwill	A maximum of 10 years, as from financial 2000, for goodwill paid on the purchase of individual restaurants. As from financial 2000, 12 years for the goodwill to which the merger deficit was attributed, subject to exceptions pursuant to art. 2426 par 2 applied in previous years as illustrated below.
Others:	
Leasehold improvements	the shorter of economic/technical life and residual duration of the contract, subject to exceptions pursuant to art. 2426 par 2 as illustrated below.
Bespoke application software	3 years
Other	5 years

As mentioned above, in 2000 and the previous years, the following value adjustments were made solely for the purpose of applying tax laws, in compliance with art. 2426 par 2 of the Italian Civil Code:

- amortisation of goodwill: a rate of 20% was applied in 1997 and 10% as from 1998.
- amortisation of expenses for extensions and improvements to leased property incurred in 1998 and 1999 is calculated over the shorter period of three years, as allowed under art. 14 of the attachment to the 1998 Italian budget.

The effects of these value adjustments are illustrated in the comments on adjustments and provisions made exclusively for the purposes of applying tax laws.

- *Tangible fixed assets*: tangible fixed assets are carried at purchase or construction cost. In some cases, previous-year values have been restated in accordance with monetary revaluation laws. Depreciation is provided at rates that reflect the estimated useful lives of the assets concerned, as set out in the following table.

	%
Industrial buildings	3
Plant and machinery	10-30
Industrial and commercial equipment	15-33,3
Furniture and fixtures	10-20
Motor vehicles	25

These rates are halved in the first year in which the asset enters service.

If higher, the rates set out in the amortisation schedule are applied to freely transferable buildings.

- *Equity investments*: equity investments in the main subsidiary companies are valued using the equity method.  
Minority investments and those in non-active or low-value subsidiaries are valued at cost, with the LIFO annual-increment method, written down to reflect any other than temporary impairment in value; book value is reinstated in subsequent years if the reason for the write-downs no longer apply.
- *Inventories*: inventories are valued at the lower of cost or market value. As mentioned above, as from financial 2000 cost is determined using the FIFO method.
- *Receivables and payables*: receivables are stated at estimated realisable value. Payables are stated at nominal value. Short-term receivables and payables denominated in currencies other than the euro are translated into euro at the closing exchange rate. Gains and losses arising from the translation of individual receivables and payables are credited or charged to income, pursuant to Accounting Principle no. 26.
- *Securities*: securities not held as fixed assets are valued at the lower of cost and market value, which is determined as the arithmetic average of daily stock market prices for the last month. Cost is calculated with the LIFO method, applying annual increments based on average cost for the year. Bonds and public securities that the parent company intends to hold until redemption and securities lodged as guarantees are classified as financial fixed assets. They are stated at purchase cost adjusted on an accruals basis for the dealing spread for the duration of the loan.  
Redeemable bonds are stated at cost adjusted on an accruals basis for losses that may arise in the event of early redemption.
- *Accruals and deferrals*: accruals and deferrals are recorded to reflect the correct apportionment of revenue and expense transactions covering two or more accounting periods.
- *Reserve for employee termination indemnities*: this reserve reflects the liability accrued in relation to employees as of the balance-sheet date in compliance with current legislation and employment contracts.
- *Reserves for risks and charges*: reserves are provided to cover potential liabilities based on realistic estimates of such liabilities. Specifically, with regard to freely transferable buildings and assets of operations run on leased property, reserves are provided to cover charges that are expected to arise on expiry of current contracts, routine maintenance work having been duly performed, in order to fulfil the obligation of conservation.
- *Recognition of costs and revenues*: revenues from the sale of goods and purchase costs of goods are recognised on the transfer of title. Revenues and costs relating to services are recognised as the services are performed. Interest expense and income and other revenues and costs are recognised and recorded in the accounting periods to which they relate, recording accruals and deferrals as appropriate.
- *Income taxes*: income taxes are recorded based on an estimate of taxable income in accordance with current legislation.  
As from 1999, Italian accounting principle no. 25 has been applied, whereby, in accordance with prudent accounting policies, prepaid tax credits are recognised in respect of temporary differences between the book values of assets and liabilities and their corresponding tax values. Previously, only any net deferred taxes were provided. Prepaid tax credits relating to the initial situation have been recorded as sundry income in the 1999 statement of income.
- *Derivative instruments*: off-balance-sheet financial instruments adopted to hedge risks arising from fluctuations in exchange rates and interest rates are recorded under memorandum accounts at the transaction date, for the nominal value of the contract. Income and charges relating to these transactions are posted to income on a time apportionment basis over the life of the contract, with contra items to accruals and deferrals.
- *Memorandum accounts*: the main accounting policies are as follows:
  - personal securities given are shown for the amount of outstanding commitments; specifically, the

guarantee in favour of the holders of the discount bonds convertible into Autogrill S.p.A. ordinary shares issued by Autogrill Finance S.A. is shown for the amount matured at year-end;

- purchase and financial leasing commitments: purchase commitments in respect of fixed assets are stated at acquisition value, financial leasing commitments are shown for the full contract amount;
- other commitments: commitments relating to leased assets or assets deposited by third parties are shown at the value attributed by the owner.

## Comments on the main Assets

### B. Fixed assets

#### B.I. Intangible fixed assets

These totalled 125,230 k€ which was 14,430 k€ less than the previous year. They comprised the following:

(k€)	2000	1999	Change
Start-up and expansion costs	32	328	(296)
Concessions, licences, trademarks and similar	2.998	3.499	(501)
Goodwill	85.603	97.910	(12.307)
Assets in process of formation and advance payments	4.541	3.549	991
Other:			
- improvements to third party assets	28.405	30.155	(1.750)
- other	3.651	4.219	(568)
<b>Total</b>	<b>125.230</b>	<b>139.660</b>	<b>(14.430)</b>

“Start-up and expansion costs” reflect the residual value of registry tax paid on share capital.

The item “Goodwill” is predominantly the balance of the deficit arising from the merger of Autogrill S.p.A. and Finanziaria Autogrill S.p.A. with Schemaventidue S.p.A. on the basis of each company's balance sheet as of 31 December 1996; the rest is the residual value of goodwill paid to take over the operation of commercial activities.

Amortisation on goodwill posted to 2000 was calculated over a 12-year life-span, which corresponds to the average residual life of the concessions at the date of the merger. In 1997 and the two-year period 1998-1999, amortisation was calculated on shorter life-spans, that is, of 5 and 10 years respectively, in compliance with article 2426, paragraph 2 of the Italian Civil Code.

Had amortisation been calculated for 2000 in the same way as it was in the previous year, there would have been an additional charge to the statement of income of 2,644 k€.

The “Other” intangible fixed assets mainly refer to improvements to sites leased from third parties which do not include any of the kind referred to in article 2426, paragraph 1, point 5 of the Italian Civil Code.

The addition for the period of 22,383 k€ was mainly due to improvements to third-party assets, in particular renovations of buildings held on leasehold and improvements for operations on leased sites (in particular, the chain of sites rented out from Agip), classified as “Other”. It is pointed out that amortisation on expenses sustained in 1998 and 1999, totalling 14,498 k€, has been included, in compliance with article 2426, paragraph 2 of the Italian Civil Code.

The net decrease compared with 31 December 1999 was a result of the effect of the movements summarised on page 92 and mainly due to the amortisation charges for the financial year and decreases for improvements to leased sites.



## B.II. Tangible fixed assets

As of 31 December 2000, the balance on this heading amounted to 82,617 k€, as follows:

(k€)

	2000			1999		
	Historical cost	accumulated depreciation	Net value	Historical cost	accumulated depreciation	Net value
Civil land and buildings	2.042	-	2.042	2.042	-	2.042
Industrial land and buildings	27.151	(12.840)	14.311	26.432	(12.136)	14.297
Plant and machinery	25.077	(20.053)	5.023	23.271	(19.022)	4.249
Industrial and commercial equipment	139.331	(113.350)	25.981	129.334	(107.773)	21.562
Buildings for gratuitous transfer	120.130	(96.226)	23.904	111.584	(92.695)	18.889
Other assets	18.699	(14.777)	3.922	17.355	(14.450)	2.904
Assets under construction and advance payments	7.433	-	7.433	6.199	-	6.199
<b>Total</b>	<b>339.863</b>	<b>(257.246)</b>	<b>82.617</b>	<b>316.217</b>	<b>(246.075)</b>	<b>70.142</b>

The amounts shown above include the effects of the revaluation carried out in accordance with Law no. 72 of 13 March 1983 and Law no. 413 of 30 December 1991; the details are as follows:

(k€)

	Act 72/83			Act 413/91		
	Revaluation	accumulated depreciation	Net value	Historical cost	accumulated depreciation	Net value
Civil land and buildings	151	-	151	316	-	316
Industrial land and buildings	895	(594)	300	3.382	(2.257)	1.125
Plant and machinery	410	(410)	-	-	-	-
Industrial and commercial equipment	1.189	(1.189)	-	-	-	-
Buildings for gratuitous transfer	3.266	(3.266)	-	12.030	(11.835)	195
Other goods	78	(78)	0	-	-	-
<b>Total</b>	<b>5.987</b>	<b>(5.536)</b>	<b>451</b>	<b>15.727</b>	<b>(14.092)</b>	<b>1.636</b>

Advance payments on fixed assets include prepayments of 3,512k€, on a total charge of approximately 5,681 k€, paid in 1992 to Agip Petroli S.p.A. for the purchase of two locations on the Great Ring Road of Rome, run by the company from the time they were built. The purchase was suspended following a pronouncement of illegitimacy by the Services Conference, which had originally approved the expropriation of the land on which the locations were built. The deadlock has so far precluded any calculation of depreciation on the buildings used. The related cost is provided in the "Reserve for risks relating to motorway operations".

The movements of the year are summarised in the chart on page 92

A comment on the year's additions totalling 28,773 k€ is provided in the directors' report on operations, whilst the decrease of 574 k€ is due to sales for routine replacements or relates to expenses for site renovation work.

Assets under construction increased by 1,234 k€ compared with the previous year; they are almost entirely related to the work carried out for the new head office, which was completed in the first few days of 2001.

### B.III. Financial fixed assets

Financial fixed assets amounted to 54,155 k€, with an increase of 17,100 k€ on the previous year. The increase arose in relation to the events described in detail below, the effects of which are summarised in the statement of changes on page 92.

#### B.III.1. Equity investments

##### B.III.1.a. Subsidiaries

Equity investments in subsidiaries amounted to 39,592 k€, an increase of 18,852 k€ on the previous year. They comprised the following:

Name	Seat	Currency	Capital Stock (Mln)	Number of shares or quotas	Stockholders' Equity at 31.12.2000	Profit/ (Loss) 2000 (1)	Owned %	Book value (k€)
Autogrill Overseas S.A.	Luxembourg	Euro	60,650	17.040	5.353	(55.313)	99,99	5.353
Autogrill International S.A.	Luxembourg	Euro	42,300	8.460	26.945	(20.802)	99,99	26.945
Autogrill Finance S.A.	Luxembourg	Euro	0,250	25	4.986	8.582	99,99	4.986
Nuova Sidap S.r.l.	Novara	Lire	20,000	-	30	5	100,00	598
Nuova Estral S.r.l.	Novara	Lire	20,000	-	18	4	100,00	541
Isic S.p.A.	Novara	Lire	400,000	400	171	(10)	100,00	171
Holding de Participations								
Autogrill S.A. (2)	Marseilles	Frfr	122,778	122.778	8.008	(6.532)	0,01	-
La Manza S.r.l.(3)	Rome	Lire	50,000	1	(27)	(50)	100,00	218
Aviogrill S.r.l.	Bologna	Euro	0,010	10	10	(0,03)	51,00	779
<b>Total</b>								<b>39.592</b>

(1) Decrease in shareholders' equity for companies which value equity investments with the equity control

(2) Shareholding controlled through Autogrill International S.A.

(3) Autogrill S.p.A holds 51.000 shares which correspond to 51% of total share capital

The increase is the sum of the following movements:

1. Recapitalisation of Autogrill Overseas S.A. for 50 million euros; subsequent write-down of the shareholding for 55,313 k€, of which 55,664 k€ charged to income, by applying the equity method, and 351 k€ booked to a translation fund.
2. Recapitalisation of Autogrill International S.A. for 40 million euros; subsequent write-down of the shareholding for 20,802 k€, of which 21,096 k€ charged to income and including the reversal of the previous accrual on the translation fund for 294 k€, made when the equity method of valuation was applied.
3. Increase of 3,979 k€ in the valuation of Autogrill Finance S.A. determined by applying the equity method and corresponding to the year's result of 8,582 k€ net of distributed dividends for 4,603 k€ credited to income.
4. Write-down of ISIC S.p.A. for 10 k€, equivalent to the losses for the period.
5. Acquisition for 250 k€ of La Manza S.r.l., the title-holder of an operating lease on the restaurant operation inside the Termini Station in Rome; subsequent capitalisation for 18 k€ and write-down for 50 k€, equivalent to the losses of the period.
6. Acquisition for 779 k€, of a 51% shareholding in Aviogrill S.r.l., the title-holder of a sub-concession for the restaurant operation in the Guglielmo Marconi Airport of Bologna; subsequent write-down of 0.03 k€ equivalent to the share of the loss for the period of involvement of the company.

With reference to points 1 and 2, the practical application of the equity valuation method resulted in a charge to income for an amount totalling 76,760 k€, which corresponds to the decrease in the book share-

holders' equity of the subsidiaries as shown in the formally approved balance sheets of each company.

The reduction in shareholders' equity is net of exchange-rate differences arising from the translation of balance sheets expressed in currencies other than the euro, which have been posted separately to the specific equity reserve.

According to the fiscal regulations regulating the valuation of equities that are not traded on the stock market, the value posted to the income statement should essentially be equivalent to the write-down that is deductible from the year's taxable income.

The surplus in the book values of Nuova Sidap S.r.l., Nuova Estral S.r.l. and Aviogrill S.r.l. compared with the corresponding share of equity is economically justified by the companies' earning capacity.

### B.III.1.d. Other companies

Equity investments in other companies totalled 21 k€, of which 20 k€ for Convivium 2000 S.c.p.A., a consortium set up to provide catering services to the participants of the Jubilee 2000 celebrations.

### B.III.2. Receivables

These amounted to 12,573 k€, with a net decrease of 412 k€ compared with 31 December 1999, and can be summarised as follows:

(k€)

	2000			1999			Change
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	
Interest-bearing prepayments made on behalf of petrol companies	-	4.166	4.166	-	3.921	3.921	245
Security deposits	-	2.347	2.347	-	2.084	2.084	263
Interest-bearing prepaid taxed	-	5.882	5.882	-	6.738	6.738	(856)
Other receivables	2	175	177	6	235	241	(64)
<b>Total</b>	<b>2</b>	<b>12.571</b>	<b>12.573</b>	<b>6</b>	<b>12.979</b>	<b>12.985</b>	<b>(412)</b>

It is expected that the sums for "Interest-bearing prepayments made on behalf of petrol companies" and "Security deposits" will be recovered beyond the next five financial years.

The prepaid taxes made in compliance with Law 662/96 have been recalculated using the same parameters that were used to revalue the Termination Indemnity (T.F.R); recovery of prepaid taxes began in 2000. It is not, however, possible to determine the share that may be recovered within a 12-month period, and consequently no recoverable amount has been shown separately from the total amount.

### A.III. 3. Other securities

These consist exclusively of fixed rate securities or similar securities totalling 1,969 k€, a decrease of 1,341 k€ compared with 31 December 1999. Of these, 1,564 k€ are for callable bonds that the company intends to keep until expiry, and 405 k€ refer to securities pledged against long-term obligations contracted by the company.

The value of the callable bonds has been written down by an amount equal to the possible loss deriving from any bonds being called before the final expiry date of the loan. The write-down amounts to 90 k€ (142.31 k€ as of 31 December 1999). The decrease of 52 k€ refers to the bonds reimbursed during 2000.

## Statement of changes in the year's Fixed Assets

(k€)

Intangible Fixed Assets	31 December 1999			Changes in gross value		
	Gross Value	Amortisation Fund	Net Value	Additions	Disposals	Other movements
Cost of start-up and enhancements	1.489	(1.161)	328	-	-	-
Concessions, licences, trademarks	20.414	(16.915)	3.499	604	(3)	40
Goodwill	174.443	(76.533)	97.910	1.353	-	447
Other	110.159	(75.785)	34.374	16.145	(1.561)	1.769
Assets in the process of formation and advance payments	3.549	-	3.549	4.282	(1.232)	(2.058)
<b>Total</b>	<b>310.054</b>	<b>(170.394)</b>	<b>139.660</b>	<b>22.384</b>	<b>(2.796)</b>	<b>198</b>

Tangible Fixed Assets	31 December 1999			Changes in gross value		
	Gross Value	Amortisation Fund	Net Value	Additions	Disposals	Other movements
Civil land and buildings	2.042	-	2.042	-	-	-
Industrial land and buildings	26.432	(12.136)	14.297	642	-	77
Plant and machinery	23.271	(19.022)	4.249	1.860	(307)	254
Industrial and commercial equipment	129.334	(107.773)	21.562	12.444	(2.887)	439
Buildings for gratuitous transfer	111.584	(92.695)	18.889	8.018	(667)	1.195
Other assets	17.355	(14.450)	2.904	2.107	(814)	51
Assets under construction and advance payments	6.199	-	6.199	3.702	(255)	(2.213)
<b>Total</b>	<b>316.217</b>	<b>(246.075)</b>	<b>70.142</b>	<b>28.774</b>	<b>(4.930)</b>	<b>(198)</b>

Financial fixed assets	31 December 1999			Changes in gross value		
	Gross Value	Amortisation Fund	Net Value	Additions	Disposals	Other movements
Equity investments in subsidiaries	130.621	(109.881)	20.740	91.047	-	-
Equity investments in other companies	19	-	19	2	-	-
Other securities	3.453	(142)	3.311	-	(1.097)	-
Receivables	12.985	-	12.985	245	(657)	-
<b>Total</b>	<b>147.078</b>	<b>(110.023)</b>	<b>37.055</b>	<b>91.294</b>	<b>(1.754)</b>	<b>-</b>

Changes in the Amortisation Fund					31 December 2000		
Total	Additions	Disposals	Other movements	Total	Gross Value	Amortisation Fund	Net Value
-	(296)	-	-	(296)	1.489	(1.457)	32
641	(1.143)	1	-	(1.142)	21.055	(18.057)	2.998
1.800	(14.107)	-	-	(14.107)	176.243	(90.640)	85.603
16.353	(19.765)	1.094	-	(18.671)	126.512	(94.456)	32.056
992	-	-	-	-	4.541	-	4.541
<b>19.786</b>	<b>(35.311)</b>	<b>1.095</b>	<b>-</b>	<b>(34.216)</b>	<b>329.840</b>	<b>(204.610)</b>	<b>125.230</b>

Changes in the Amortisation Fund					31 December 2000		
Total	Additions	Disposals	Other movements	Total	Gross Value	Amortisation Fund	Net Value
-	-	-	-	-	2.042	-	2.042
719	(705)	-	-	(705)	27.151	(12.840)	14.311
1.806	(1.310)	278	-	(1.032)	25.077	(20.053)	5.024
9.997	(8.330)	2.752	-	(5.577)	139.331	(113.350)	25.981
8.546	(4.107)	575	-	(3.531)	120.130	(96.226)	23.904
1.344	(1.076)	749	-	(327)	18.699	(14.777)	3.922
1.234	-	-	-	-	7.433	-	7.433
<b>23.646</b>	<b>(15.527)</b>	<b>4.355</b>	<b>-</b>	<b>(11.172)</b>	<b>339.863</b>	<b>(257.246)</b>	<b>82.617</b>

Changes in the Amortisation Fund					31 December 2000		
Total	Additions	Disposals	Other movements	Total	Gross Value	Amortisation Fund	Net Value
91.047	(76.820)	3.979	645	(72.841)	221.077	(182.722)	39.592
2	-	-	-	-	21	-	21
(1.097)	(296)	-	52	(244)	2.356	(386)	1.970
(412)	-	-	-	-	12.573	-	12.573
<b>89.540</b>	<b>(77.116)</b>	<b>3.979</b>	<b>697</b>	<b>(73.085)</b>	<b>236.619</b>	<b>(182.463)</b>	<b>54.156</b>

## C. Current assets

### C.I. Inventories

Inventories totalled 33,154 k€, a variation of 3,744 k€ compared with 31 December 1999; they comprised the following:

(k€)

	31.12.2000	31.12.1999	Change
<b>Inventories:</b>			
Products for catering and sale	24.535	26.859	(2.324)
State monopoly articles, newspapers/magazines	6.375	6.542	(167)
National lottery tickets	1.327	2.231	(904)
Miscellaneous goods and articles	918	1.268	(350)
<b>Total</b>	<b>33.154</b>	<b>36.899</b>	<b>(3.744)</b>

As described in the paragraph “Valuation Criteria and Accounting Policies”, the FIFO method of inventory valuation has been used, starting with the financial year 2000.

Had inventories of catering products and goods for sale been valued with the LIFO method, as in previous years, their value would have decreased by 1,722 k€.

The actual reduction in warehouse inventory levels at 31 December 2000, equal to 5,466 k€, is the result of the action taken along the supply chain to increase stock rotation. The inventory balance at 31 December 1999 also reflected procurement policies aimed at reducing the risk of suppliers being unable to fill orders because of the “millennium bug”, obviously a non-recurring contingency.

### C.II. Receivables

Receivables totalled 501,515 k€, with an increase of 444,905 k€ compared with 31 December 1999. They comprised:

(k€)

	31.12.2000	31.12.1999	Change
C.II.1. Trade receivables	36.305	32.389	3.916
C.II.2. Subsidiaries	448.202	276	447.925
C.II.5. Other receivables	17.009	23.945	(6.936)
<b>C.II. Total receivables</b>	<b>501.515</b>	<b>56.610</b>	<b>444.905</b>

#### C.II.1. Trade receivables

Trade receivables amounted to 36,305 k€, an increase of 3,916 k€ compared with 31 December 1999. They are split as follows:

(k€)

	31.12.2000	31.12.1999	Change
Trade receivables	38.566	34.134	4.433
Disputed receivables	2.720	1.721	999
Allowance for doubtful accounts	(4.982)	(3.466)	(1.515)
<b>C.II.1 Total verso</b>	<b>36.305</b>	<b>32.389</b>	<b>3.916</b>

The increase of 4,433 k€ for Trade receivables is mainly due to an increase in the number of franchising operations and agreements with companies for the provision of canteen meals to employees, the company's principal outlet for sales on credit.

Of the increase of 999 k€ for Disputed receivables, 819 k€ concerns just one disputed account, relating to a franchising operation, which emerged during 2000.

The increase in the balance of the “Allowance for doubtful accounts” includes an amount totalling 1,711 k€ for the year's provision for new disputed accounts, after deductions for losses on unrecoverable accounts of the year totalling 196 k€.

The amounts for Trade receivables shown are all due within the next 12 months.

### C.II.2. Subsidiaries

Receivables due from subsidiaries amounted to 448,202 k€ . The increase in Subsidiaries receivables is mainly due to arms'-length interest-bearing loans made to the subsidiary HMSHost Co. The balance includes loans for 33,255 million yen and 125 million US dollars.

### C.II.5. Other receivables

These amounted to 17,009 k€, a reduction of 6,936 k€ compared with 31 December 1999.

(k€)

	31.12.2000	31.12.1999	Change
Suppliers	8.454	9.039	(584)
Tax, social security and other public authorities	565	5.580	(5.015)
Prepaid taxes	4.158	5.291	(1.133)
Personnel	1.598	1.674	(76)
Others	2.232	2.362	(129)
<b>Total</b>	<b>17.009</b>	<b>23.945</b>	<b>(6.936)</b>

The item “Suppliers” mainly consists of leasing fees and other prepayments made in advance of due dates as well as credit notes for returned goods.

The figure for “Tax, social security and other public authorities” is a lesser amount because of the classification of prepaid taxes for the year paid during the year to offset the tax payable posted to the liabilities account D11 “Payables due to tax authorities”; as of 31 December 1999 the balance of this account included 4,983 k€ for prepaid taxes paid in excess of the taxes due for the same period.

The “Prepaid Taxes” account represents the tax credit resulting from the application of National Accounting Principle no. 25. In calculating the credit, account has been taken of the variation in tax rates introduced by the 2000 Budget Act.

Except for this latter item, receivables due beyond 12 months have been classified as financial fixed assets.

### C.III. Financial assets not held as fixed assets

Financial assets not held as fixed assets amounted to 12,223 k€, a decrease of 118,935 k€ compared with 31 December 1999. This decrease is linked to the different deployment of cash, in part relating to loans made to subsidiaries and in part to capital expenditure.

#### C.III.6. Other securities

These refer to government securities or securities guaranteed by the State, securities issued by sovereign bodies and other institutions. They amounted to 12,223 k€, and compared with 31 December 1999 showed a reduction of 16,140 k€.

The securities showing a loss compared to the average stock prices for December were adjusted to this valuation and written down by 296 k€.

The market values of the other securities were 636 k€ more than the balance sheet values.

#### C.III.7. Financial receivables

The amount of 102,794 k€ as of 31 December 1999 has been completely annulled. These financial receivables related to repurchase agreements on securities purchased using temporary cash surpluses of the company, which at expiry were cashed normally. Similar financial operations were not subsequently transacted because of the new cash requirements that arose, as already illustrated.

## C.IV. Liquid funds

These totalled 32,092 k€, an increase of 5,495 k€ compared with 31 December 1999, and comprised the following:

(k€)

	31.12.2000	31.12.1999	Change
C.IV.1. Bank and Post Office deposits	1.465	2.369	(904)
C.IV.3. Cash and cash equivalents	30.627	24.228	6.399
<b>C.IV. Total</b>	<b>32.092</b>	<b>26.597</b>	<b>5.495</b>

The item C.IV.3 Cash and cash equivalent includes 22,119 k€ for year-end takings at the sales outlets awaiting collection and crediting to the bank current accounts. (This was 13,630 k€ in the previous year.) Significant changes may occur in the balance on this heading, depending on the frequency with which takings are collected by specialised companies from sales outlets.

The residual figure of 8.507 k€ for item C.IV.3 relates to the cash held at the sales outlets and central warehouses (10,597 k€ in the previous year). The decrease of approximately 1,136 k€ compared with 31 December 1999 is due to the decrease in the telephone cards being kept at the central warehouses.

## D. Accrued income and prepaid expenses

Accrued income and prepaid expenses amounted to 45,715 k€ compared to 9,722 k€ as of 31 December 1999, and comprised:

(k€)

	31.12.2000	31.12.1999	Change
Accrued income	41.148	3.355	37.793
Prepaid expenses:			
rentals and concessions	817	1.694	(877)
leasing	3.649	4.387	(738)
other	102	287	(185)
Total prepaid expenses	4.567	6.367	(1.800)
<b>Total accrued income and prepaid expenses</b>	<b>45.715</b>	<b>9.722</b>	<b>35.993</b>

The increase of 37,793 k€ for accrued income is mainly due to earned interest and exchange rate gains in respect of hedging operations on changes in interest and exchange rates in hand as of 31 December 2000, maturing in the following financial year and relating to financial receivables and payables denominated in US dollars and Yen.

The item "leasing" for 3,649 k€ includes 2,915 k€ for leasing instalments relating to the financial years 2002-2005.

The item "rentals and concessions" amounting to 817 k€ includes 547 k€ for instalments due in the financial years 2002-2022 (of which 387 k€ due beyond five years).

## Comments on the main Liabilities

### A. Shareholders' equity

Shareholders' equity as of 31 December 2000 amounted to 183,017 k€, a decrease of 5,796 k€ compared with the previous year. The changes of the past two financial years are summarised in the table on page 92. Following the decision of the Shareholders' Meeting of 29 April 2000, dividends have been paid totalling 10.511 k€, approximately 0.04 euro per share.

#### A.I. Share capital

The fully subscribed and paid-up share capital of the company as of 31 December 2000 comprised 254,400,000 shares of ordinary stock with a nominal par value of Lire 1,000 per share and was unchanged from 31 December 1999.



The Shareholders' Meeting held on 30 April 1999 resolved to increase share capital by a maximum of 33,500,000 ordinary shares to service the convertible bond loan with a nominal value of 471,055,000 euro issued last June by the subsidiary Autogrill Finance S.A. which generated proceeds of 350,000,000 euro, net of implicit interest and gross of issuing costs.

According to the conditions of the bond issue, the maximum number of shares that may be issued to service the loan totals approximately 24,475,000. It is pointed out, that the right to convert shares may be exercised by the holder of the bonds at any time during the lifetime of the loan.

The shares that constitute the share capital of the company have been listed on the electronic trading systems of the Italian Stock Exchange since 1 August 1997.

### A.III. Revaluation reserve

The revaluation reserve totalled 14,519 k€ and consisted of the credit balances arising from monetary revaluations pursuant to Law 72/1983 for 754 k€ and Law 413/1991 for 13,766 k€. The posting has remained unchanged since 31 December 1999.

### A.IV. Legal reserve

The legal reserve totalled 1,512 ke, an increase of 81 ke from 31 December 1999, as a result of the allocation of 1999 earnings approved by the Shareholders' Meeting of 28 April 2000.

### A.VII. Other reserves

These totalled 31,606 k€ and comprised the following:

*Reserve for surpluses resulting from share swaps:* this reserve reflects the residual value of the share-swap surplus resulting from the upstream merger of Finanziaria Autogrill S.p.A., after restating restated the reserves exempt from tax; it amounted to 29,110 k€, a decrease of 2,893 k€ compared with 31 December 1999, following the distribution of 1999 income approved by the Shareholders' Meeting of 28 April 2000. An amount of 766 k€ has been reclassified and posted to the reserve for equity investments valued with the equity method.

*Reserve for reinvested gains:* this reserve, which totalled 270 k€ as of 31 December 1999, has been entirely used in accordance with the decisions of the Shareholders Meeting of 28 April 2000.

*Capital grants - available portions:* these also result from the incorporation of Autogrill S.p.A. and totalled 1,379 k€, an increase of 77 k€ compared with 31 December 1999 following the transfer from the unavailable portions of an amount equal to the year's depreciation charge in respect of the assets purchased with the grant in question. They mainly refer to the grant provided for the construction of the factory at Anagni, for which a Commission appointed by the competent Ministry carried out the final assessment of costs in 1998. Issue of the final grant authorisation is still outstanding following the initiation of fuller checks on the qualifications of the project and therefore on its eligibility for the statutory benefits.

*Reserve for extraordinary items:* this was used up entirely during the year in keeping with the decisions of the Shareholder's Meeting of 29 April 2000. As of 31 December 1999, the extraordinary reserve amounted to 6,584 k€.

*Reserve for equity investments valued with the equity method:* this reserve amounted to 766 k€, and was created as a result of the application of the equity method for the valuation of overseas subsidiaries.

*Reserve for translation of equity investments valued with the equity method:* this reserve amounted to 351 k€ compared to a balance of -294 k€ at the end of 1999, the movements being the result of the effects of fluctuations in the exchange rates between the euro and the other non-euro currencies in which the financial statements of companies controlled indirectly are denominated.

### Value adjustments for compliance with tax provisions

(art. 2424, par 2, Italian Civil Code)

As already mentioned in the paragraph "Valuation Criteria and Accounting Policies", in compliance with tax legislation, adjustments have been made to the values of intangible fixed assets. This has resulted in a

decrease of 22,499 k€ in shareholders' equity, net of taxes, and a reduction of 3,465 k€ in income for the year, as detailed in the table on the next page.

These value adjustments have been omitted from the consolidated balance sheet, substituting the related provision for deferred taxes, which, in accordance with prudent accounting practice, has been calculated using the maximum tax rates currently applicable.

### Tax credits on the payment of income and reserves

Details of the 'baskets' are given below, in k€, as declared in the latest income tax return presented in 2000.

full tax credit (basket A)	19,363 k€
partial tax credit (basket B)	2,515 k€

As a result, up to 32,970,345 euro of retained earnings and reserves could be distributed with full tax credits.

### Effects of adjustments made to values pursuant to the provisions of art. 2426, par 2 of the Italian Civil Code

(k€)

	at 31.12.99			2000			at 31.12.2000	
	Gross of taxes	tax effect	Net of taxes	Gross of taxes	tax effect	Net of taxes		Net of taxes
Higher amortisation charges on commercial goodwill (from merger surplus)	23.797	9.816	13.981	-	41,25%	-	-	13.981
Higher amortisation charges on improvements to leased buildings	8.600	3.548	5.052	5.898	41,25%	2.433	3.465	8.517
<b>Total</b>	<b>32.397</b>	<b>13.364</b>	<b>19.033</b>	<b>5.898</b>		<b>2.433</b>	<b>3.465</b>	<b>22.498</b>

### Statement of changes in shareholders' equity

(k€)

Description	Share Capital	Revaluation reserves	Legal Reserve	Other reserves and retained earnings	Result for the period	Total
<b>Balance as of 31 december 1998</b>	<b>131.387</b>	<b>14.519</b>	<b>576</b>	<b>34.042</b>	<b>17.104</b>	<b>197.627</b>
Distribution of 1998 income	-	-	855	5.738	(17.104)	(10.511)
Increase in the available portion of capital grants	-	-	-	77	-	77
Net Income 1999	-	-	-	-	1.620	1.620
<b>Balance as of 31 december 1999</b>	<b>131.387</b>	<b>14.519</b>	<b>1.431</b>	<b>39.856</b>	<b>1.620</b>	<b>188.813</b>
Distribution of 1999 income	-	-	81	(8.972)	(1.620)	(10.511)
Increase in the available portion of capital grants	-	-	-	77	-	77
Change in translation differences resulting from the valuation of equity investments with the equity method	-	-	-	645	-	645
Net Income 2000	-	-	-	-	3.993	3.993
<b>Balance as of 31 december 2000</b>	<b>131.387</b>	<b>14.519</b>	<b>1.512</b>	<b>31.606</b>	<b>3.993</b>	<b>183.017</b>

## B. Reserves for Risks and charges

The items making up the balance as of 31 December 2000 and the movements of the year are detailed as follows:

(k€)

	Balance as of 31.12.1999	Other Movements	Provisions	Uses	Balance as of 31.12.2000
<b>B.2. Reserves for taxes</b>	<b>930</b>	-	-	-	<b>930</b>
<b>B.3. Other reserves:</b>					
For charges relating to:					
renovation of buildings for gratuitous transfer	10.055	-	3.939	(3.380)	10.615
renovation of leased property	3.752	-	517	-	4.269
Management of motorway/urban operations	2.455	-	-	(28)	2.427
other minor charges	134	-	132	(103)	162
unavailable capital grants	512	(74)	-	-	438
litigation risks	4.468	-	1.034	(1.330)	4.172
<b>Total other reserves</b>	<b>21.375</b>	<b>(74)</b>	<b>5.622</b>	<b>(4.841)</b>	<b>22.082</b>
<b>Total reserves for risks and charges</b>	<b>22.305</b>	<b>(74)</b>	<b>5.622</b>	<b>(4.841)</b>	<b>23.011</b>

Item B.2. "Reserves for Taxes" refers to provisions made, in accordance with prudent accounting principles, for tax liabilities that may arise in relation to open tax years, listed below:

Company	Year of formation	Financial years
Autogrill S.p.A. (previously Schemaventidue S.p.A.)	1995	1995 and following
Finanziaria Autogrill S.p.A. (incorporated in 1997)	1996	1996 and 1997
Autogrill S.p.A. (incorporated in 1997)	1977	from 1995 to 1997

The item "Reserve for renovation charges relating to buildings for gratuitous transfer" is provided, pro-rata temporis, to cover the liabilities expected to arise on the transfer back of property built under concession, in such condition as agreed in the contract.

The item "Reserve for renovation of leased property" covers extraordinary maintenance, including replacement of obsolete moveable property, relating to assets of operations run on leased property, for which the company is liable. The periodic provisions are determined using the depreciation rates that are applied to owned assets, calculated on the book value of the goods declared by the lessor.

The item "Reserve for management of motorway / urban operations" is provided largely to cover the figurative depreciation charges for two motorway locations, which are already in use but for which transfer of ownership has not yet been completed.

## C. Reserve for employee termination indemnities

The reserve for employee termination indemnities totalled 74,447 k€, an increase of 520 k€ compared with the previous year. The movements on this reserve are set out below:

(k€)

	31.12.2000	31.12.1999	Change
Opening balance	73.927	69.749	4.178
Provisions for the year	12.848	13.179	(332)
Uses and reversals	(11.597)	(8.775)	(2.822)
Pensions / Supplementary pension schemes	(731)	(726)	(6)
From companies acquired during the financial year	-	499	(499)
<b>Closing balance</b>	<b>74.447</b>	<b>73.927</b>	<b>520</b>

Details of the qualifications and the numbers of staff employed by the company at 31 December 2000 are given in the table below, which also reflects the significant increase in the number of part-time contracts.

	31.12.2000	31.12.1999	Change
Managers	36	32	4
White-collar	1.845	1.935	(90)
Blue-collar	8.607	7.678	929
<b>Total</b>	<b>10.488</b>	<b>9.645</b>	<b>843</b>
of whom, part-time	5.613	4.697	916

## D. Payables

Payables totalled 602,920 k€, an increase of 381,857 k€ compared with 31 December 1999. The split is as follows:

(k€)

	31.12.2000	31.12.1999	Change
D.3. Due to banks	273.797	4.137	269.660
D.4. Due to other providers of finance	82.994	7.111	75.883
D.6. Due to suppliers	202.191	167.507	34.684
D.8. Due to subsidiaries	210	211	(1)
D.9. Due to associated companies	-	16	(16)
D.10. Due to parent companies	- 400	(400)	
D.11. Due to tax authorities	9.364	7.497	1.867
D.12. Due to social security authorities	11.189	12.600	(1.411)
D.13. Other payables	23.175	21.509	1.666
<b>D. Total payables</b>	<b>602.920</b>	<b>220.988</b>	<b>381.932</b>

### D.3. Amounts due to banks

Amounts due to banks item totalled 273,797 k€ an increase of 269,660 k€ compared with 31 December 1999. It includes 261,741 k€ of borrowings denominated in US dollars. These borrowings, committed on contracts with an average residual term of about three years, were obtained to cover cash requirements emerging, above all, to finance the subsidiary HMS Host Co. with loans in US dollars and Yen, which have been illustrated in the note on "Receivables - subsidiaries".

The remaining amount relates to the balances of bank current accounts as of 31 December 2000.

The amounts owing to banks and to other providers of finance (which are commented on in the following paragraph) are held at rates that vary with the fluctuations of the money market.

Under the Group's financial strategy to hedge the risk of fluctuations in interest rates, the Group makes use of derivative instruments acquired through contracts with leading financial institutions.

As a result of the hedging operations and with regard to the amount of debt covered, the average interest rate for the period was little more than 6%, and should remain at this level for the next three years if market conditions remain the same.

The above-mentioned operations will provide complete protection for the Group against increases in interest rates up to a LIBOR standard of 7.5%; beyond that, the degree of cover would decrease to 60% as rates increased.

Further information on the notional size of the contracts outstanding at 31 December 2000 and on the financial management policy of the Group is provided in the comments on the Statement of Income.

#### **D.4. Amounts due to other providers of finance**

Amounts due to other providers of finance totalled 82,994 k€ of which 78,000 k€ refer to a short-term loan provided by Edizioni Finance S.A, in 2000 at market conditions, and 3,665 k€ refer to a finance lease contract on a building invoiced in advance, of which 2,932 k€ are due beyond the next financial year.

In addition, the item includes the residual balance of 1,328 k€ of non-interest -bearing loans for the purchase of IT equipment, which are due within the next financial year.

#### **D.6. Amounts due to suppliers**

Amounts due to suppliers amounted to 202,191 k€, an increase of 34,684 k€ compared with 31 December 1999. Of this, 21,990 k€ refer to increases in amounts due to external suppliers for the purchase of goods necessary for the normal activities of the company, and 6,685 k€ refer to increases in amounts due to suppliers for leasing and concessions charges and auxiliary expenses, an increase resulting from the greater weight of these costs as a result of higher sales volumes.

These payables fall due within the next 12 months.

#### **D.8. Amounts due to subsidiaries**

Amounts due to subsidiaries totalled 210 k€ and remained essentially unchanged compared with the previous year. 196 k€ refer to the debit balance of intermittent current accounts held at market rates by the company with the subsidiaries ISIC S.p.A., Nuova Estral S.r.l., and Nuova Sidap S.r.l.

These payables fall due within the next 12 months.

#### **D.11. Amounts due to tax authorities**

Amounts due to tax authorities totalled 9,364 k€, an increase of 1,867 k€ compared with 31 December 1999 and was made up of the following items:

(k€)

	<b>31.12.2000</b>	<b>31.12.1999</b>	<b>Change</b>
Income tax on employees and free-lance workers	6.200	5.398	801
VAT	280	892	(613)
Lieu tax on capital gains	331	497	(166)
Income tax of the period	1.502	250	1.251
Local revenue offices	848	388	460
Other amounts due	204	70	133
<b>Total</b>	<b>9,364</b>	<b>7,497</b>	<b>1,867</b>

The increase compared with the previous year is due to current taxes, which in the previous year were almost entirely offset by prepaid taxes.

All amounts due to tax authorities fall due within the financial year, except for 166 k€ of lieu tax on capital gains realised in previous years.

#### **D.12. Amounts due to social security authorities**

Amounts due to social security authorities totalled 11,189 k€, an increase of 1,411 k€ compared with the previous year. The balance includes 7,457 k€ for amounts due to the INPS (Italian national insurance board), whilst nothing is owing to the INAIL (Italian insurance board for accidents at work), there being a credit balance towards this authority as of 31 December 2000 which is shown in the item C.II.5. "Other receivables".

The provisions for social security on amounts payable to employees shown at item D.13. "Other payables" totalled 3,518 k€, compared with 2,865 k€ as of 31 December 1999.

These payables are all current accounts and fall due within the financial year.

### D.13. Other payables

Other payables totalled 23,175 k€, an increase of 1,666 k€ compared with 31 December 1999. They are made up of the following items:

(k€)

	31.12.2000	31.12.1999	Change
Amounts due to employees			
outstanding salaries and wages	16.691	13.887	2.804
other	424	101	323
<b>Total</b>	<b>17.115</b>	<b>13.987</b>	<b>3.127</b>
Other amounts due:			
to customers	1.824	1.786	38
for phone cards	413	1.085	(671)
for acquisition of business activities and equity investments	-	425	(425)
to directors and auditors	388	250	138
prepayments for staff training	-	194	(194)
for security deposits to third parties	121	178	(57)
for other	3.314	3.605	(291)
<b>Total</b>	<b>6.060</b>	<b>7.521</b>	<b>(1.461)</b>
<b>Total</b>	<b>23.175</b>	<b>21.509</b>	<b>1.666</b>

The item includes 413 k€ for phone cards due beyond the next 12 months.

### E. Accrued expenses and deferred income

Accrued expenses and deferred income totalled 3,307 k€, compared with 1,810 as of 31 December 1999, and are made up of the following:

(k€)

	31.12.2000	31.12.1999	Change
Accrued expenses	1.747	5	1.741
Deferred income:			
for leasing and auxiliary expenses	1.543	1.693	(150)
Other	17	111	(94)
<b>Total</b>	<b>3.307</b>	<b>1.810</b>	<b>1.497</b>

Accrued expenses of 1,593 k€ refer to interest payable on loans and to a portion of exchange losses matured on currency risk management deals open as of 31 December 2000.

Of the accrued expenses and deferred income above, 682 k€ is due beyond the next 12 months.

### Memorandum accounts

The balance on this heading as of 31 December 2000 amounted to 1,638,782 k€, compared with 1,177,233 k€ as of 31 December 1999 and comprised:

(k€)

	31.12.2000	31.12.1999	Change
Personal securities in favour of third parties	25.738	27.173	(1.435)
Personal securities in favour of subsidiaries	832.196	909.506	(77.311)
Collateral securities to secure subsidiary commitments	-	26	(26)
Collateral securities to secure own commitments other than payables	385	449	(65)
Collateral securities to secure balance sheet payables	-	7.456	(7.456)
Purchase and sale commitments	391.667	5.940	385.727
Other commitments	388.796	226.683	162.113
<b>Total</b>	<b>1.638.782</b>	<b>1.177.233</b>	<b>461.549</b>

The securities in favour of third parties mainly represent the risks of default on bank guarantees given to commercial partners on behalf of the company, in accordance with market practice.

The securities in favour of subsidiaries have been issued to the financial institutions that have given credit facilities to newly-formed companies or recently acquired companies as well as to holders of bonds that are convertible into Autogrill S.p.A. shares, issued by Autogrill Finance S.A. during 1999.

The collateral securities given to secure balance-sheet payables have been written off since they referred to a mortgage which expired in 1999 and for which notice of cancellation was received during the year.

The item Purchase and sale commitments includes 387,897 k€ representing the notional value of contracts to hedge exchange risks on loans to subsidiaries.

The item Other commitments includes:

- 365,000 k€ representing the notional value of contracts to hedge the interest-rate risks on loans obtained from banks.
- 24,457 k€ representing the value of third-party property used by the company, in particular the assets of rented locations (20,021 k€) and motorway toll cards for sale at the company's locations (2,218 k€).

The financial policy of the Group attaches considerable importance to the management and control of financial risks, because these may significantly affect company performance. The Group has adopted a series of measures to manage risks in respect of exchange-rate and interest-rate fluctuations. Under this policy, use of derivative instruments is restricted to the risk management of currency and interest rates relating to connected to the debit/credit amounts in cash flow movements.

The instruments in question are mainly hedging contracts, interest rate swaps, forward rate agreements, rate options or any combination of these forms.

The notional value of the operations in hand as of 31 December 2000 shown above does not reflect the measure of risk exposure which is limited to the amount of interest receivable on each operation.

The company's derivative contracts have been stipulated with the more reputable financial institutions in order to minimise the risks of default on contracts.

## Statement of Income

### A. Production value

#### A.1. Sales and services revenues

Revenues by sector of activity are analysed below:

(k€)	2000	1999	Change
Catering	549.969	499.339	50.630
Sales of products to customers	183.662	174.551	9.111
Sales of monopoly goods, lottery tickets, newspapers, magazines	182.372	184.870	(2.498)
Other services to customers	997	1.371	(374)
<b>Services and sales to customers</b>	<b>916.999</b>	<b>860.131</b>	<b>56.868</b>
Sales of products to franchisees	26.756	25.106	1.650
Sales of products to subsidiaries + associated companies	750	552	198
Sales of miscellaneous products	865	918	(53)
<b>Total</b>	<b>945.369</b>	<b>886.706</b>	<b>58.663</b>

The reader is referred to the Directors' Report on Operations for comments on sales, which, excluding sales to subsidiaries, were made almost exclusively in Italy.

## A.5. Other income

Other income comprised:

(k€)

	2000	1999	Change
Contributions to operations of the year	331	14	317
Contributions from suppliers for promotions	13.957	11.471	2.486
Recovery of costs from third parties	9.667	8.521	1.146
Earnings from leases	6.907	6.650	258
Franchising fees and earnings	5.252	3.934	1.318
Earnings from sale of phone cards	2.704	2.082	622
Other income	5.838	4.570	1.268
<b>Total</b>	<b>44.657</b>	<b>37.242</b>	<b>7.415</b>

The main items included in "Other income" are cash gains of 1,638 k€ and sundry income of 2,825 k€ arising from adjustments to provisions and postings of previous years.

Of these, the main item refers to a surplus in provisions for social security payables following sector agreements which have annulled the original obligations.

## B. Costs of production

### B.6. For purchases of raw materials, auxiliaries, supplies and semi-finished goods

These totalled 454,668 k€ as follows:

(k€)

	2000	1999	Change
Products and raw materials for catering and sale	257.968	244.504	13.463
Monopoly articles, newspapers, lottery tickets	163.421	165.563	(2.142)
Other goods	12.451	11.528	923
Automated vehicles	20.828	18.029	2.799
<b>Total</b>	<b>454.668</b>	<b>439.624</b>	<b>15.043</b>

The increase of 2,799 k€ for costs of automated vehicles is due to increased energy costs (for 2,118 k€) following a considerable increase in energy prices during 2000.

### B.7. Services received

These amounted to 67,857 k€ and included:

(k€)

	2000	1999	Change
Storage and transport	12.464	10.536	1.929
Cleaning and disinfestation	11.289	10.522	768
Maintenance	7.490	8.615	(1.124)
Consultancy and professional services	11.908	7.759	4.149
Advertising	7.594	4.329	3.264
Personnel travel expenses	4.741	4.163	578
Surveillance	2.332	2.607	(275)
Post and telephone	1.947	2.029	(82)
Insurance	700	563	137
Services of third party staff	2.725	451	2.274
Other	4.667	5.405	(738)
<b>Total services</b>	<b>67.857</b>	<b>56.978</b>	<b>10.880</b>



The increase in service costs for “Storage and transport” is a result of the increase in sales.

Maintenance costs diminished by 1,214 k€ compared with the previous year as a result of savings obtained during the year from better organisation and operational planning.

Consultancy and professional services increased by 4,149 k€ as detailed below:

(k€)	2000	1999	Change
Consultancy services for:			
Legal matters	386	878	(492)
Administration	708	373	335
Organisation	730	76	654
Sales	4.544	1.363	3.181
Market research	1.938	1.303	636
Technical	1.140	1.267	(127)
IT	1.005	961	44
Other	1.457	1.540	(82)
<b>Total consultancy services</b>	<b>11.908</b>	<b>7.759</b>	<b>4.149</b>

The cost of these services rose as a result of the increase in consultancy for new business development and for organisational matters.

The increase in advertising costs of 3,264 k€ is due to an advertising campaign on radio and television to promote the Spizzico and Burger King brands. The chain revenues of the two brands increased by 31.9% compared with the previous year.

The item “Services of third party staff” refers to the outsourcing of general services and employee payroll activities to external service providers, starting in 2000.

## B.7. Leases, concessions and rentals

Leases, concessions and rentals amounted to 90,952 k€, an increase of 8,721 k€, and was split as follows:

(k€)	2000	1999	Change
Leases on locations and businesses and auxiliary costs	45.505	41.273	4.232
Concessions	42.671	39.486	3.185
Licenses on use of brands	297	179	118
Other	2.479	1.294	1.185
<b>Total</b>	<b>90.952</b>	<b>82.231</b>	<b>8.721</b>

These costs increase in line with the growth of revenues, to which leasing and concession fees for commercial activity are linked. The effect on income also increases as a result of the growing presence of the company in other channels, which have disparate fees and investment structures.

The increase of 1,185 k€ on the item “Other” is mainly due to the increased cost of leasing cars and other vehicles, electronic equipment and temporary buildings.

## B.9. Personnel

These costs amounted to 228.311 k€, an overall increase of 7.1% compared with the previous year, reflecting the rise in the average number of employees (+ 10.9%).

(k€)			
	2000	1999	Change
Salaries and wages	162.115	149.344	12.771
Social securities	51.054	48.234	2.820
Termination indemnities	12.848	13.179	(332)
Other	2.294	2.506	(212)
<b>Total</b>	<b>228.311</b>	<b>213.264</b>	<b>15.047</b>

The “Other costs” were mainly costs for early termination resulting from the organisational restructuring of the company. The change in the average number of employees, expressed as equivalent full-time personnel and summarised in the table below, illustrates the organisational trend.

	2000	1999	Change
Managers	34	31	3
White collar	1.747	1.776	(29)
Blue collar	6.235	5.422	813
<b>Total</b>	<b>8.016</b>	<b>7.229</b>	<b>787</b>

## B.10. Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs totalled 52,548 k€, a decline of 5,418 k€ compared with the previous year. It comprised the following:

(k€)			
	2000	1999	Change
Amortisation and depreciation			
- intangible fixed assets	35.311	36.631	(1.320)
- tangible fixed assets	15.527	19.566	(4.038)
<b>Total</b>	<b>50.838</b>	<b>56.196</b>	<b>(5.358)</b>
Allowances for doubtful accounts (current assets)	1.711	1.770	(60)
<b>Total</b>	<b>52.548</b>	<b>57.967</b>	<b>(5.418)</b>

Amortisation of intangible fixed assets include 13,220 k€ for amortisation of goodwill in respect of the merger of Finanziaria Autogrill S.p.A. This amortisation, which has been determined on a life-span of 12 years, shows a decrease of 2,644 k€ compared with the previous year, when a provision of Article 2426 of the Italian Civil Code was applied, allowing amortisation to be calculated on a life-span of just 10 years.

Amortisation of goodwill paid for individual restaurants, totalling 886 k€, was calculated either on a redefined life-span of 10 years or, where lower, on the duration of the leasing contract concerned. Had a life-span of 5 years been used for the calculation, as in previous years, then amortisation would have been 8,761 k€ higher.

Amortisation of renovation costs arising in 1998 and 1999 in respect of leased property was calculated on the shorter life-span of three years provided under Art. 14 of the 1998 Budget Act. The amount calculated exclusively for fiscal purposes as provided under Art. 2426 of the Italian Civil Code totalled 5,898 k€.

Depreciation on buildings for gratuitous transfer was calculated using economic and technical rates that reflect the estimated useful life-spans of each asset, or if lower, the residual duration of the concession.

## B.12. Provisions for risks

This totalled 1,166 k€, an increase of 1,041 k€ compared with the previous year. The item includes a provision of 1,034 k€ for disputes with third parties and employees (2,207 k€ as of 31 December 1999).

### B.13. Other provisions

This item totalled 4,456 k€, an increase of 675 k€ compared with the previous year and includes a provision of 3,939 k€ to the “Reserve for renovation charges relating to buildings for gratuitous transfer” (3,237 k€ in 1999) and a provision of 517 k€ to the “Reserve for renovation of leased property” (544 k€ in 1999).

### B.14. Other operating expenses

These amounted to 9,037 k€ (6,809 k€ in 1999) and comprised the following:

(k€)

	2000	1999	Change
Current indirect and other taxes	2.478	2.180	297
Losses and sundry charges	1.446	20	1.426
Cash losses	2.605	2.509	96
Other expenses	2.507	2.099	409
<b>Total</b>	<b>9.037</b>	<b>6.809</b>	<b>2.228</b>

The increase in the item “Current indirect and other taxes” is due exclusively to the increase in the tax rates on refuse.

The item “Losses and sundry charges” increased by 1,426 k€ of which 215 k€ were losses on the disposal of assets and 302 k€ were adjustments to current tax payables for 1999.

## C. Financial income and expenses

The report has already commented on the gradual centralisation of treasury and financial risk management of the Group. This determined the greater economic impact of financial elements as described in detail below.

### C.15. Income from equity investments

This amounted to 4,644 k€ (nil in the previous year) and refers to dividends distributed by subsidiaries.

Of these, 728 k€ are for dividends of 1999, whilst 3,875 k€ represent advance payment on the dividends of Autogrill Finance S.A. for the year 2000.

The remaining figure of 41 k€ refers to dividends of 1999 distributed by Nuova Estral S.r.l.

### C.16. Other financial income

This totalled 136,187 k€, showing an increase of 128,067 k€ compared with the previous year, and comprised the following:

(k€)

	2000	1999	Change
Interest and other income from securities:			
- interest and other income on securities held as financial fixed assets	362	475	(113)
- interest and other income on securities held as current assets	2.625	6.643	(4.018)
Exchange differences on hedging operations	101.133	1	101.131
Gains from hedges operations	9.692	27	9.665
Interest income on loans to subsidiaries	21.342	-	21.342
Interest and commissions from others and other income	1.033	973	59
<b>Total</b>	<b>136.187</b>	<b>8.120</b>	<b>128.067</b>

As can be seen in the table above, the increase of this item compared with the previous year is due to gains on exchange rate differences in respect of hedging operations to cover receivables and payables denomi-

nated in foreign currencies, which is compensated with the posting to C.17 Interest and other financial charges.

A further increase relates to interest income on loans to subsidiaries as previously illustrated.

### **C.17. Interest and other financial charges**

These totalled 124,610 k€, showing an increase of 122,982 k€ compared with 1999. The details of this item are as follows:

(k€)

	<b>2000</b>	<b>1999</b>	<b>Change</b>
Interest expenses on financing	16.106	11	16.095
Financing costs on hedging operations	6.341	5	6.336
Exchange differences on hedging operations	101.393	1.301	100.091
Interest and commissions payable to others and other expenses	771	311	460
<b>Total</b>	<b>124.610</b>	<b>1.628</b>	<b>122.982</b>

### **D. Adjustments to financial assets**

The main component, which refers to the effects of valuation of equity investments using the equity method, has been described in the comments on assets.

### **E. Non recurring income and charges**

Non-recurring income totalling 1,722 k€ arose from the application of a different inventory valuation method as described in the note to C.I. "Inventories".

Non-recurring charges totalled 193 k€ and refer to a precautionary charge made in anticipation of the possible reversal of a benefit posted the previous year pursuant to the "Visco" Law, following the introduction of measures to curb tax evasion in the fiscal amendment to the 2000 Budget Act. If the new rule is given retroactive effect (in conflict with the established rights of tax-payers), the amount in question will be paid with the taxes for 2000.

## 22. Income taxes

Income taxes for the period, calculated on estimated taxable income, total 16,184 k€, of which 15,051 k€ are for current taxes and 1,133 k€ are for deferred taxes posted to the year on the basis of accounting rule no. 25.

The IRAP tax, which is calculated on a different basis, accounts for 12,312 k€.

The effect of the variation in the ordinary rate of the IRPEG tax effective from financial 2001 onwards, introduced by the 2000 Budget Act, has resulted in a reduction of 241 k€ in the credit for deferred taxes.

A reconciliation between IRPEG taxes in the balance sheet and the notional IRPEG tax burden is set out below.

(k€)

			<b>IRPEG</b>
Results before taxes and theoretical income tax	37%	20.177	7.465
<b>Timing differences arising during the year</b>			
Promotional expenses, gifts		41	
Differences in equity investments valued with the equity method		58	
Provisions for risks on litigation		1.033	
Provisions for losses on doubtful accounts		1.492	
Amortisation and depreciation		(5.505)	
Other		605	(2.276)
<b>Transfer of timing differences in previous years</b>			
Gains		315	
Gifts and promotional expenses		(71)	
Use of reserves for risks and charges		(1.327)	
Amortisation and depreciation		(646)	
Other		(156)	(1.885)
<b>Differences that will not be carried forward to future accounting periods</b>			
Promotional expenses, gifts, donations, subscriptions, mobile phone costs; company cars		389	
Local property tax		671	
Unclassified and other non-deductible charges		1.251	
Dividends from subsidiaries		(4.644)	
Exempt portion of increased valuation of equity investments with equity method		(3.158)	
Other exempt income		(28)	(5.519)
<b>Taxable income prior to DIT benefit</b>	<b>37%</b>	<b>10.496</b>	<b>3.884</b>
<b>Effect of DIT tax benefit</b>			<b>(1.049)</b>
<b>Taxable income and taxes for the year</b>	<b>27%</b>		<b>2.835</b>
Deferred taxes arising in the year			908
Transfer of deferred taxes arising in previous years			707
Effect of tax rate changes and changes in estimates			(577)
<b>Income tax (IRPEG) in the balance sheet</b>			<b>3.872</b>

## Remuneration of Directors, Statutory Auditors, and General Managers

The following information is provided pursuant to Article 78 of CONSOB resolution no. 11971/1999:

- The title of General Manager is given to division heads. Therefore, the Group does not believe that they are covered by the aforesaid rule.
- The Group does not dispose of an executive committee.
- Dr. Paolo Prota Giurleo, Chief Executive Officer until August 2000, was an executive at Edizione Holding S.p.A., the Parent Company. Autogrill S.p.A. reimbursed Edizione Holding S.p.A. for the costs that the latter incurred under its employment relationship with Dr. Giurleo. In fiscal 2000 these costs totalled 600.6 k€, inclusive of his gross remuneration and social security contributions.
- Directors do not receive stock options. Members of the Board of Directors and the Chief Executive Officer are paid a variable annual amount tied to the achievement of previously defined targets and appreciation in the value of the company. The variable amount may also accrue on a three-year basis according to achievement of long-term goals.
- No non-monetary benefits were granted.

The remuneration paid in fiscal 2000 is summarized below:

Recipient (surname and name)	Position	Term	Remuneration (in €)
Benetton Gilberto	Chairman of the Board of Directors	01.01/31.12.00	34.603
Buttignol Livio	Chief Executive Officer	28.08/31.12.00	183.772
Buttignol Livio	Director	28.04/28.08.00	10.329
Prota Giurleo Paolo	Chief Executive Officer	01.01/28.08.00	23.499
Benetton Alessandro	Director	01.01/31.12.00	33.570
Brunetti Giorgio	Director	01.01/31.12.00	34.086
Bulgheroni Antonio	Director	01.01/31.12.00	34.603
Desiderato Marco	Director	01.01/31.12.00	35.119
Erede Sergio	Director	01.01/31.12.00	34.603
Gamberale Vito Antonio	Director	01.01/15.03.00	7.385
Mion Gianni	Director	01.01/31.12.00	34.603
<b>Total directors</b>			<b>466.171</b>
Ponzellini Gianluca	Chairman, Board of Statutory Auditors	01.01/31.12.00	29.749
Tosi Ettore Maria	Statutory Auditor	01.01/31.12.00	25.722
Reboa Marco	Statutory Auditor	01.01/31.12.00	22.336
<b>Total statutory auditors</b>			<b>77.807</b>
<b>Total</b>			<b>543.978</b>

## **Attachments**

**Financial Statements  
as of 31 December 2000 in lire**

**List of the companies  
included in the consolidation**

**Summary of key information  
of associated companies**

## Balance Sheet

(lire)

ASSETS	31.12.2000	31.12.1999	Change
<b>A) Amounts due from shareholders</b>			
<b>B) Fixed assets</b>			
<b>I) Intangible fixed assets</b>			
1 Start up and expansion costs		62.182.200	635.372.139 (573.189.939)
4 Concessions licences, trademarks and similar rights		5.805.471.861	6.774.919.604 (969.447.743)
5 Goodwill		165.749.575.805	189.579.377.771 (23.829.801.966)
6 Assets in process of formation and advance payments		8.791.844.573	6.872.222.970 1.919.621.603
7 Other assets		62.069.701.555	66.557.399.691 (4.487.698.136)
<b>Total</b>		<b>242.478.775.994</b>	<b>270.419.292.175 (27.940.516.181)</b>
<b>II) Tangible fixed assets</b>			
1 Land and buidings		31.663.046.217	31.635.688.255 27.357.962
2 Plant and machinery		9.726.720.015	8.227.166.881 1.499.553.134
3 Industrial and commercial equipment		50.307.024.730	41.749.506.526 8.557.518.204
3 bis Buildings for gratuitous transfer		46.285.133.099	36.574.802.049 9.710.331.050
4 Other assets		7.593.408.566	5.623.674.939 1.969.733.627
5 Assets under construction and advance payments		14.393.033.003	12.003.078.563 2.389.954.440
<b>Total</b>		<b>159.968.365.630</b>	<b>135.813.917.213 24.154.448.417</b>
<b>III) Financial fixed assets</b>			
1 Equity investments in:			
a) subsidiaries		76.660.810.431	40.159.209.495 36.501.600.936
b) other companies		41.037.500	37.000.001 4.037.499
2 Receivables:			0
* collectible within next financial year		3.955.319	12.008.559 (8.053.240)
* collectible beyond next financial year		24.340.598.758	25.130.144.417 (789.545.659)
3 Other securities		3.813.341.314	6.410.325.188 (2.596.983.874)
<b>Total</b>		<b>104.859.743.322</b>	<b>71.748.687.660 33.111.055.662</b>
<b>Total fixed assets</b>	<b>507.306.884.946</b>	<b>477.981.897.048</b>	<b>29.324.987.898</b>
<b>C) Current assets</b>			
<b>I - Inventories</b>			
1 Raw, ancillary and consumable materials		64.195.638.106	71.445.944.706 (7.250.306.600)
<b>Total</b>		<b>64.195.638.106</b>	<b>71.445.944.706 (7.250.306.600)</b>
<b>II - Receivables</b>			
1 Trade receivables		70.296.201.634	62.712.931.127 7.583.270.507
2 Subsidiaries		867.839.177.535	535.024.396 867.304.153.139
5 Other receivables			
* collectible within next financial year		24.881.692.455	36.118.950.724 (11.237.258.269)
* collectible beyond next financial year		8.051.835.208	10.245.472.112 (2.193.636.904)
<b>Total</b>		<b>971.068.906.832</b>	<b>109.612.378.359 861.456.528.473</b>
<b>III. Financial assets not held as fixed assets</b>			
6 Other securities		23.667.428.370	54.919.314.267 (31.251.885.897)
7 Financial receivables		0	199.037.702.099 (199.037.702.099)
<b>Total</b>		<b>23.667.428.370</b>	<b>253.957.016.366 (230.289.587.996)</b>
<b>IV - Liquid funds</b>			
1 Bank and Post Office deposits		2.836.355.360	4.587.298.783 (1.750.943.423)
3 Cash and cash equivalents		59.301.602.508	46.911.318.575 12.390.283.933
<b>Total</b>		<b>62.137.957.868</b>	<b>51.498.617.358 10.639.340.510</b>
<b>Total current assets</b>	<b>1.121.069.931.176</b>	<b>486.513.956.789</b>	<b>634.555.974.387</b>
<b>D) Accrued income and prepaid expenses</b>		<b>88.517.210.155</b>	<b>18.824.915.221 69.692.294.934</b>



LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.2000	31.12.1999	Change
<b>A) Shareholders' equity</b>			
I - Share capital	254.400.000.000	254.400.000.000	-
II - Additional paid-in capital	-	-	-
III - Revaluation reserve	28.112.591.874	28.112.591.874	-
IV - Legal reserve	2.927.856.010	2.770.979.780	156.876.230
V - Reserve for treasury stock -	-	-	-
VI - Statutory reserve	-	-	-
VII - Other reserves	61.198.343.743	77.172.238.183	- 15.973.894.440
VIII - Retained earnings	-	-	-
IX - Net income for the year	7.731.180.252	3.137.524.663	4.593.655.589
<b>Total shareholders' equity</b>	<b>354.369.971.879</b>	<b>365.593.334.500</b>	<b>- 11.223.362.621</b>
<b>B) Reserves for risks and charges</b>			
2 Taxation	1.800.000.000	1.800.000.000	-
3 Other	42.756.361.179	41.387.937.150	1.368.424.029
<b>Total reserves for risks and charges</b>	<b>44.556.361.179</b>	<b>43.187.937.150</b>	<b>1.368.424.029</b>
<b>C) Reserves for employee termination indemnities</b>	<b>144.149.499.640</b>	<b>143.143.379.757</b>	<b>1.006.119.883</b>
<b>D) Payables</b>			
3 Due to banks			
* due within next financial year	23.343.480.401	8.010.263.441	15.333.216.960
* due beyond next financial year	506.801.899.387	-	506.801.899.387
4 Due to other providers of finance			
* due within next financial year	155.020.379.274	6.658.195.747	148.362.183.527
* due beyond next financial year	5.677.928.720	7.110.430.900	- 1.432.502.180
6 Due to suppliers	391.497.126.276	324.339.596.692	67.157.529.584
8 Due to subsidiaries	405.941.061	408.264.864	- 2.323.803
9 Due to associated companies	-	31.750.000	- 31.750.000
10 Due to parent companies	-	774.660.000	- 774.660.000
11 Due tax authorities			
* due within next financial year	17.810.145.810	13.874.708.247	3.935.437.563
* due beyond next financial year	320.580.000	641.160.000	- 320.580.000
12 Due to social security authorities	21.664.806.713	24.396.434.897	- 2.731.628.184
13 Other payables:			
* due within next financial year	44.072.963.906	39.546.320.695	4.526.643.211
* due beyond next financial year 800.000.000	2.100.000.000	- 1.300.000.000	-
<b>Total payables</b>	<b>1.167.415.251.548</b>	<b>427.891.785.483</b>	<b>739.523.466.065</b>
<b>E) Accrued expenses and deferred income</b>	<b>6.402.942.031</b>	<b>3.504.332.168</b>	<b>2.898.609.863</b>
<b>TOTAL LIABILITIES</b>	<b>1.716.894.026.277</b>	<b>983.320.769.058</b>	<b>733.573.257.219</b>

#### MEMORANDUM ACCOUNTS

<b>Personal securities</b>	<b>1.661.191.057.383</b>	<b>1.813.663.896.513</b>	<b>- 152.472.839.130</b>
<b>Collateral securities</b>			
* to secure subsidiary commitments	-	50.000.000	- 50.000.000
* to secure commitments other than payables	745.000.000	870.000.000	- 125.000.000
* to secure balance sheet payables	-	14.436.000.000	- 14.436.000.000
<b>Purchase and sale commitments</b>	<b>758.374.067.231,00</b>	<b>11.501.536.624,00</b>	<b>746.872.530.607,00</b>
<b>Other commitments</b>	<b>752.814.319.321,00</b>	<b>438.919.269.321,00</b>	<b>313.895.050.000,00</b>
<b>Total memorandum accounts</b>	<b>3.173.124.443.935</b>	<b>2.279.440.702.458</b>	<b>893.683.741.477</b>

## Statement of Income

(lire)

	31.12.2000	31.12.1999	Change
<b>A) Value of production</b>			
1 Revenues from sales and services	1.830.490.550.760	1.716.902.747.441	113.587.803.319
3 Changes in contract work in progress	-	(2.322.990.945)	2.322.990.945
5 Other income			
* grants	641.073.788	26.666.545	614.407.243
* other	85.825.983.680	72.083.173.993	13.742.809.687
<b>Total</b>	<b>1.916.957.608.228</b>	<b>1.786.689.597.034</b>	<b>130.268.011.194</b>
<b>B) Cost of production</b>			
6 Raw, ancillary and consumables materials and goods for resale	880.359.287.107	851.231.675.161	29.127.611.946
7 Services received	131.390.298.977	110.324.003.763	21.066.295.214
8 Leases, concessions and rentals	176.108.490.005	159.222.353.610	16.886.136.395
9 Personnel:			
a) salaries and wages	313.899.192.617	289.170.991.942	24.728.200.675
b) social security charges	98.853.715.803	93.394.154.385	5.459.561.418
c) termination indemnities	24.876.402.911	25.519.025.139	(642.622.228)
e) other costs	4.442.208.244	4.851.727.203	(409.518.959)
10 Depreciation, amortisation and write-downs:			
a) amortisation of intangible fixed assets	68.371.096.877	70.927.083.380	(2.555.986.503)
b) depreciation of tangible fixed assets	30.064.877.204	37.884.284.256	(7.819.407.052)
d) allowances for doubtful accounts	3.311.999.902	3.427.485.452	(115.485.550)
11 Changes in inventories of raw, ancillary and consumable materials, and goods for resale	10.585.044.600	(6.402.987.839)	16.988.032.439
12 Provisions for risks	2.256.970.679	4.273.462.639	(2.016.491.960)
13 Other provisions	8.628.533.300	7.320.768.912	1.307.764.388
14 Other operating expenses	17.497.336.082	13.183.966.048	4.313.370.034
<b>Total</b>	<b>1.770.645.454.308</b>	<b>1.664.327.994.051</b>	<b>106.317.460.257</b>
<b>Difference between value and costs of production (A-B)</b>	<b>146.312.153.920</b>	<b>122.361.602.983</b>	<b>23.950.550.937</b>
<b>C) Financial income and expenses</b>			
15 Income from equity investments:			
* in subsidiaries	8.992.427.886		8.992.427.886
16 Other financial income:			
b) from fixed asset securities other than equity investments	701.058.081	918.977.569	(217.919.488)
c) from current asset securities other than equity investments	5.082.473.739	12.862.836.205	(7.780.362.466)
d) Income other than above:			
* from subsidiaries	41.324.581.901	11.509	41.324.570.392
* from others	216.586.479.698	1.939.867.238	214.646.612.460
17 Interest and other financial charges:			
* due to subsidiaries	(12.853.681)	(6.490.711)	(6.362.970)
* other	(241.266.418.251)	(3.146.378.857)	(238.120.039.394)
<b>Total</b>	<b>31.407.749.373</b>	<b>12.568.822.953</b>	<b>18.838.926.420</b>
<b>D) Adjustments to financial assets</b>			
18 Revaluations in equity investments	7.704.660.360	1.569.315.647	6.135.344.713
19 Write-downs in:			
a) equity investments	(148.744.553.800)	(121.234.115.329)	(27.510.438.471)
b) Financial fixed assets other than equity investments	(573.201.784)	(864.088.588)	290.886.804
<b>Total</b>	<b>(141.613.095.224)</b>	<b>(120.528.888.270)</b>	<b>(21.084.206.954)</b>
<b>E) Non-recurring income and charges</b>			
20 Income			
* deriving from changes in accounting principles on income tax	0	8.412.000.000	(8.412.000.000)
* other non-recurring income	3.334.738.000	2.156.409.211	1.178.328.789
21 Charges	(373.969.000)	(1.571.375.482)	1.197.406.482
<b>Total</b>	<b>2.960.769.000</b>	<b>8.997.033.729</b>	<b>(6.036.264.729)</b>
<b>Results before taxation</b>	<b>39.067.577.069</b>	<b>23.398.571.395</b>	<b>15.669.005.674</b>
22 Income taxes	(31.336.396.817)	(20.261.046.732)	(11.075.350.085)
<b>NET INCOME FOR THE YEAR</b>	<b>7.731.180.252</b>	<b>3.137.524.663</b>	<b>4.593.655.589</b>



## Summary of key facts concerning companies included in the consolidation (\*)

Company name	Head Office	Country	Currency	Share Capital
<b>Subsidiaries</b>				
Aviogrill S.r.l.	Bologna	Italia	Euro	10.000
ISIC SpA	Novara	Italia	Lit.	400.000.000
Autogrill Overseas S.A.	Luxembourg	Lussemburgo	Euro	60.650.000
Autogrill Finance S.A.	Luxembourg	Lussemburgo	Euro	250.000
Nuova Estral Srl	Novara	Italia	Lit.	20.000.000
Nuova Sidap Srl	Novara	Italia	Lit.	20.000.000
Autogrill International SA	Lussemburgo	Lussemburgo	Euro	42.300.000
La Manza S.r.l.	Roma	Italia	Lit.	50.000.000
Autogrill Austria AG	Linz	Austria	Ats	100.000.000
Autorest Hungaria Kft	Budapest	Ungheria	Huf.	1.000.000
Autogrill Belgie N.V.	Herentals	Belgio	Bef	230.000.000
Ac Restaurants & Hotels Beheer S.A.	Herentals	Belgio	Luf.	16.819.814
Ac Arlux .S.A.	Arlon	Belgio	Luf.	50.757.000
Ac Restaurants & Hotels S.A.	Luxembourg	Lussemburgo	Luf.	5.000.000
Passaggio Holding AG (1)	Olten	Svizzera	CHF	10.000.000
Ac Restaurant & Hotels Beteiligungs GmbH	Niederzissen	Germania	DM	150.000
Ac Restaurant & Hotels Betriebs GmbH	Niederzissen	Germania	DM	50.000
Autogrill Deutschland GmbH	Monaco	Germania	DM	400.000
Autogrill Espana SA	Madrid	Spagna	Ptas	300.000.000
Autogrill Hellas EpE	Avlona Attikis	Grecia	GRD	408.530.000
Autogrill Nederland bv	Breukelen	Paesi Bassi	NLG	14.040.000
Ac Ledeboer B.V.	Zaandam	Paesi Bassi	NLG	154.000
AC Holding N.V.	Breukelen	Paesi Bassi	NLG	300.000
The American Lunchroom Co. B.V.	Breukelen	Paesi Bassi	NLG	40.000
Ac Apeldoorn B.V.	Apeldoorn	Paesi Bassi	NLG	100.000
Ac Bodegraven B.V.	Bodegraven	Paesi Bassi	NLG	40.000
Ac Heerlen B.V.	Heerlen	Paesi Bassi	NLG	51.000
Ac Hendrik Ido Ambacht B.V.	Hendrik Ido Ambacht	Paesi Bassi	NLG	35.000
Ac Holten B.V.	Holten	Paesi Bassi	NLG	75.000
Ac Leiderdorp B.V.	Leiderdorp	Paesi Bassi	NLG	40.000
Ac Meerkerk B.V.	Meerkerk	Paesi Bassi	NLG	40.000
Ac Nederweert B.V.	Nederweert	Paesi Bassi	NLG	75.000
Ac Nieuwegein B.V.	Nieuwegein	Paesi Bassi	NLG	40.000
Ac Oosterhout B.V.	Oosterhout	Paesi Bassi	NLG	40.000
Ac Restaurants & Hotels B.V.	Breukelen	Paesi Bassi	NLG	200.000
Ac Sevenum B.V.	Sevenum	Paesi Bassi	NLG	40.000
Ac Vastgoed B.V.	Breukelen	Paesi Bassi	NLG	40.000
Ac Vastgoed I B.V.	Breukelen	Paesi Bassi	NLG	40.000
Ac Veenendaal B.V.	Veenendaal	Paesi Bassi	NLG	40.000
Ac Zevenaar B.V.	Zevenaar	Paesi Bassi	NLG	125.000
Holding de Participation Autogrill Sas	Marseille	Francia	FF	122.778.000
Autogrill Coté France S.A.	Marseille	Francia	FF	203.738.880
Hotelimar S.A.	Marseille	Francia	FF	7.500.000
Soberest S.A.	Marseille	Francia	FF	1.800.000
SO.BO.REST S.A.	St. Savin	Francia	FF	3.500.000
Socopal S.A.	Marseille	Francia	FF	1.350.000

Shareholders' equity	Profit/(loss) of financial year	Shareholding at 31.12.2000		Book value (€)
		direct	indirect	
9.941,3	(58,75)	51,00%		778.810,00
331.698.626	(19.128.174)	100,00%		171.308,04
5.352.659,66	(55.313.050)	99,99%		5.352.659,66
4.986.344	8.582.244	99,99%		4.986.344,00
34.854.965	6.854.965	100,00%		540.988,60
58.189.340	9.634.811	100,00%		598.340,99
27.208.966	(23.856.871)	99,99%		26.945.133,86
52.163.558	(97.086.850)		100,00%	218.376,80
67.013.807	(20.175.992)	100,00%		7.390.384,00
(10.184.000)	(2.652.000)	100,00%		33,22
259.718.674	(33.589.589)	0,01%	99,99%	(3.169.146,00)
(64.773.258)	(75.047.646)		100,00%	2.479.583,00
39.850.021	7.868.640		100,00%	656.918,00
3.319.470	(12.455.023)		100,00%	123.928,00
39.185.000	354.000	100,00%		133.607.772,00
294.052	66.921		100,00%	72.590,00
(72.934)	(134.869)		100,00%	25.565,00
(1.600.444)	(1.460.912)	100,00%		(817.827,00)
2.942.253.000	292.102.000		100,00%	18.990.830,00
113.175.466	(46.831.324)		100,00%	343.092,00
7.426.503	(3.530.343)		100,00%	(12.401.203,00)
35.900.639	(1.705.672)		100,00%	16.291.000,00
56.163.753	(815.373)		100,00%	25.486.000,00
29.975.196	(11.019)		100,00%	13.602.000,00
868.262	52.889		100,00%	394.000,00
40.000	-		100,00%	18.000,00
2.529.859	(357.001)		100,00%	1.148.000,00
1.939.265	17.630		100,00%	880.000,00
2.595.970	372.427		100,00%	1.178.000,00
40.000	-		100,00%	18.000,00
40.000	-		100,00%	18.000,00
1.075.410	1.000.484		100,00%	488.000,00
(277.668)	44.074		100,00%	(126.000,00)
40.000	-		100,00%	18.000,00
6.683.853	4.682.884		100,00%	3.033.000,00
40.000	-		100,00%	18.000,00
434.130	(11.019)		100,00%	197.000,00
(1.758.561)	(24.241)		100,00%	(798.000,00)
(427.520)	193.926		100,00%	(194.000,00)
5.703.201	(2.204)		100,00%	2.588.000,00
52.534.627	(42.846.831)	0,01%	99,99%	(34.763.335,00)
278.002.234	21.638.638	100,00%		114.752.743,90
5.525.104	443.887		80,00%	914.344,51
9.799.700	1.568.434		49,99%	518.384,15
7.200.145	648.968		50,00%	266.768,29
1.594.422	219.061		65,70%	141.080,64

Company name	Head Office	Country	Currency	Share Capital
Sorebo S.A.	Marseille	Francia	FF	900.000
S.P.C. S.A.	Perrogney les Fontaines	Francia	FF	800.000
S.R.A.D. S.A.	Marseille	Francia	FF	7.100.000
S.R.T.C. S.A.	Marseille	Francia	FF	9.000.000
Autogrill Restauration Services S.A.	Marseille	Francia	FF	200.276.400
Autogrill Gare Chateauroux S.a.r.l.	Marseille	Francia	FF	50.000
Autogrill Gare Lyon Part Dieu S.a.r.l.	Marseille	Francia	FF	200.000
Autogrill Gare Lyon Perrache S.a.r.l.	Marseille	Francia	FF	2.314.000
Autogrill Gare Toulon S.a.r.l.	Marseille	Francia	FF	50.000
Autogrill Gare Des Alpes S.a.r.l.	Marseille	Francia	FF	50.000
Autogrill Gare du Paris Nord S.a.r.l.	Marseille	Francia	FF	200.000
Autogrill Gare Paris Saint Lazare S.a.r.l.	Marseille	Francia	FF	8.265.200
Autogrill Gare Paris Est S.a.r.l.	Marseille	Francia	FF	100.000
Autogrill Gare Nevers S.n.c.	Marseille	Francia	FF	10.000
Autogrill Gares Ile de France S.n.c.	Marseille	Francia	FF	10.000
Autogrill Gare Lille S.n.c.	Marseille	Francia	FF	250.000
Autogrill Gare de Tours S.A.	Marseille	Francia	FF	250.000
HMS Host Corp.	Bethesda	USA	USD	175.000.000
HMSHost Tollroads, Inc.	Bethesda	USA	USD	125.000.000
Host International Inc.	Bethesda	USA	USD	125.000.000
Sunshine Parkway Restaurants Inc.	Bethesda	USA	USD	125.000.000
Cincinnati Terminal Services Inc.	Bethesda	USA	USD	125.000.000
Cleveland Airport Services Inc.	Bethesda	USA	USD	125.000.000
HMS-Airport Terminal Services Inc.	Bethesda	USA	USD	125.000.000
HMS B&L Inc.	Bethesda	USA	USD	125.000.000
HMS Holdings Inc.	Bethesda	USA	USD	125.000.000
HMS Host Family Restaurants Inc.	Bethesda	USA	USD	125.000.000
Gladieux Corporation	Bethesda	USA	USD	125.000.000
Host (Malaysia) Sdn Bhd	Kuala Lumpur	Malesia	MYR	100.000
Host Gifts Inc.	Bethesda	USA	USD	125.000.000
Host International of Canada Ltd	Vancouver	Canada	CAD	4.600.000
Host International of Kansas Inc.	Bethesda	USA	USD	125.000.000
Host International of Maryland Inc	Bethesda	USA	USD	125.000.000
HMS Host USA Inc.	Bethesda	USA	USD	125.000.000
Host International (Poland) Sp zo o	Warsaw	Polonia	PLN	6.557.600
Host of Holland B.V.	Haarlemmermeer	Paesi Bassi	NLG	200.000
Horeca Exploitatie Maatschappij Schiphol B.V.	Schiphol	Paesi Bassi	NLG	100.000
Host Services (France) S.a.s.	Paris	Francia	FRF	250.000
Host Services Inc.	Bethesda	USA	USD	125.000.000
Host Services of New York Inc.	Bethesda	USA	USD	125.000.000
Host Services Pty Ltd	North Cairns	Australia	AUD	12
Las Vegas Terminal Restaurants Inc.	Bethesda	USA	USD	125.000.000
Marriott Airport Concessions Pty Ltd	Tullamarine	Australia	AUD	999.998
Michigan Host Inc.	Bethesda	USA	USD	125.000.000
Shenzen Host Catering Company Ltd	Shenzen	CHINA	CNY	2.500.000
The Gift Collection Inc.	Bethesda	USA	USD	125.000.000
Turnpike Restaurants Inc.	Bethesda	USA	USD	125.000.000

(\*) (\*) Art. 2429, par 4, Italian Civil Cod

(1) provisional figures

Shareholders' equity	Profit/(loss) of financial year	Shareholding at 31.12.2000		Book value (€)
		direct	indirect	
3.519.750	1.248.219		50,00%	68.597,56
11.728.483	1.634.862		50,25%	127.027,74
13.765.130	966.750		70,37%	3.375.000,00
12.487.065	1.770.047		70,00%	960.365,85
189.636.410	(1.223.165)	100,00%		39.850.914,63
(1.147.115)	(278.842)		100,00%	7.621,95
990.878	(163.426)		100,00%	5.792.682,93
1.238.950	163.155		100,00%	180.547,71
(840.781)	(268.132)		100,00%	457.317,07
2.041.170	583.864		100,00%	2.134.146,34
2.585.105	(240.217)		100,00%	7.774.390,24
(1.774.616)	(3.054.368)		100,00%	0,15
1.206.644	(366.021)		100,00%	6.859.756,10
(424.598)	(434.598)		100,00%	914.649,39
1.161.238	1.151.238		100,00%	2.591.478,66
847.492	561.007		100,00%	762.195,12
1.242.344	61.410		100,00%	1.089.447,41
114.722.377	(33.755.666)	100,00%		123.291.109,08
30.834.548	(8.797.476)	100,00%		33.137.612,51
(248.718.418)	(62.289.045)	100,00%		(267.295.452,40)
(294.757)	-	100,00%		(316.772,39)
35.304	7.463	100,00%		37.941,45
(312)	-	100,00%		(335,30)
(134.408)	(76.007)	100,00%		(144.447,09)
(1.734.538)	(444.307)	100,00%		(1.864.092,96)
336.931.555	-	100,00%		362.097.318,65
52.195.968	20.552.655	100,00%		56.094.537,76
(36.215.975)	609.024	100,00%		(38.920.981,99)
(938.486)	(405.044)	100,00%		(265.453,82)
(821.970)	-	100,00%		(883.364,14)
(1.646.916)	667.935	100,00%		(1.179.316,86)
(1.912)	-	100,00%		(2.055,02)
(1.832)	-	100,00%		(1.968,83)
(44.099.732)	(29.751.642)	100,00%		(47.393.586,05)
(4.251.001)	(7.733.147)	100,00%		(1.104.213,56)
7.362.147	(875.309)	100,00%		3.340.796,39
13.012.143	775.253	100,00%		5.904.653,34
682.860	106.562	100,00%		104.094,56
(1.202.293)	(271.269)	100,00%		(1.292.093,65)
5.385.984	4.032.688	100,00%		5.788.269,03
(2.539.554)	(595.126)	100,00%		(1.514.343,75)
(1.240.026)	51.676	100,00%		(1.332.644,84)
1.497.770	32.082	100,00%		893.124,65
382.102.626	60.354.849	100,00%		410.642.263,76
-	(7.334.492)	90,00%		-
1.104.190	338.419	100,00%		1.186.663,71
214.740	-	100,00%		230.778,73

## Summary of key facts concerning associated companies (\*)

Company name	Head Office	Country	Currency	Share Capital
Union Services S.a.r.l.(1)	Luxembourg	Lusemburgo	Lit	98.749.770
S.R.S.R.A. S.A.	Saint Rambert d'Albon	Francia	FRF	3.200.000
Isardrome S.A.	Saint Rambert d'Albon	Francia	FRF	200.000
Volcares S.A.	Chatelguyon	Francia	FRF	1.800.000
Dewina Host Sdn Bhd	Kuala Lumpur	Malesia	MYR	250.000
HMSC-AIAL Ltd	Auckland	Nuova Zelanda	NZD	111900

(1) provisional figures

(\*) Art. 2429, par 3, Italian Civil Code



Shareholders' equity	Profit/(loss) of financial year	Shareholding at 31.12.2000		Book value (€)
		diretta	indiretta	
52.363.653	(29.652.852)		50,00%	27.043,00
27.334.747	2.200.000		40,73%	3.039.634,15
5.310.758	270.000		37,49%	192.682,93
18.285.413	3.141.248		39,98%	109.756,10
(3.014.893)	(1.102.327)		49,00%	(852.772,18)
2.231.273	399.832		50,00%	1.056.474,48



**Report of the Independent Auditors**

**Report of the Board of Statutory Auditors**



**Relazione della società di revisione sul  
bilancio consolidato ai sensi dell'articolo  
156 del D. Lgs. 24 febbraio 1998, n. 58**

Arthur Andersen SpA

Via della Moscova 3  
20121 Milano

Agli Azionisti  
della Autogrill S.p.A.:

Abbiamo svolto la revisione contabile del bilancio consolidato della Autogrill S.p.A. e sue controllate chiuso al 31 dicembre 2000. La responsabilità della redazione del bilancio consolidato compete agli Amministratori della Autogrill S.p.A. E' nostra la responsabilità del giudizio professionale espresso sul bilancio consolidato e basato sulla revisione contabile.

Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio consolidato sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli Amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.


Per il giudizio relativo al bilancio consolidato dell'esercizio precedente, i cui dati sono presentati ai fini comparativi secondo quanto richiesto dalla legge, si fa riferimento alla relazione da noi emessa in data 28 marzo 2000.

A nostro giudizio, il bilancio consolidato della Autogrill S.p.A. e sue controllate al 31 dicembre 2000 è conforme alle norme che ne disciplinano i criteri di redazione; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria consolidata e il risultato economico consolidato della Società e delle sue controllate.

Per una migliore comprensione del bilancio consolidato, si richiama l'attenzione su quanto descritto nella nota integrativa circa il cambiamento dei criteri di stima per il calcolo degli ammortamenti degli avviamenti corrisposti per l'acquisto di singoli ristoranti e di talune categorie di immobilizzazioni materiali. L'adozione dei nuovi criteri ha comportato l'iscrizione di minori ammortamenti delle immobilizzazioni immateriali e materiali rispettivamente per Euro 0,9 milioni ed Euro 6,9 milioni rispetto ai criteri precedentemente adottati, con conseguente incremento di complessivi Euro 4,6 milioni dell'utile dell'esercizio chiuso al 31 dicembre 2000.

Milano, 29 marzo 2001

Arthur Andersen SpA



Eugenio Colucci – Socio

**Relazione della società di revisione sul  
bilancio d'esercizio ai sensi dell'articolo  
156 del D.Lgs. 24 febbraio 1998, n. 58**

**Arthur Andersen SpA**

Via della Moscova 3  
20121 Milano

Agli Azionisti della  
Autogrill S.p.A.:

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Autogrill S.p.A. chiuso al 31 dicembre 2000. La responsabilità della redazione del bilancio d'esercizio compete agli Amministratori della Autogrill S.p.A. E' nostra la responsabilità del giudizio professionale espresso sul bilancio d'esercizio e basato sulla revisione contabile.

Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio sia viziato da errori significativi e se i risultati, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenute nel bilancio d'esercizio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli Amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

Per il giudizio relativo al bilancio dell'esercizio precedente, i cui dati sono presentati ai fini comparativi secondo quanto richiesto dalla legge, si fa riferimento alla relazione da noi emessa in data 28 marzo 2000.

A nostro giudizio, il bilancio d'esercizio della Autogrill S.p.A. al 31 dicembre 2000 è conforme alle norme che ne disciplinano i criteri di redazione; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria e il risultato economico della Società.

Per una migliore comprensione del bilancio d'esercizio, si richiama l'attenzione sulle seguenti informazioni più ampiamente descritte in nota integrativa:

- a) Nell'esercizio in esame, la Società ha modificato il criterio di valutazione delle rimanenze di magazzino, passando dalla configurazione di costo LIFO, adottata in precedenza, a quella FIFO (primo entrato - primo uscito). Per effetto di tale modifica, l'utile dell'esercizio chiuso al 31 dicembre 2000 è stato, prima dell'effetto fiscale e dell'effetto cumulativo pregresso, di circa Euro 0,1 milioni inferiore a quello che sarebbe risultato continuando a seguire il criterio precedente; l'effetto cumulativo pregresso del cambiamento, calcolato sulle rimanenze di magazzino al 31 dicembre 1999, pari ad Euro 1,8 milioni, è stato accreditato al conto economico alla voce "Proventi straordinari". Conseguentemente l'effetto positivo complessivo sul risultato dell'esercizio chiuso al 31 dicembre 2000 e sul patrimonio netto alla stessa data è stato di Euro 1,7 milioni (Euro 1,0 milioni al netto del relativo effetto fiscale).

- b) Nell'esercizio in esame sono stati cambiati i criteri di stima per il calcolo degli ammortamenti degli avviamenti corrisposti per l'acquisto di singoli ristoranti e di talune categorie di immobilizzazioni materiali. L'adozione dei nuovi criteri ha comportato l'iscrizione di minori ammortamenti delle immobilizzazioni immateriali e materiali rispettivamente per Euro 0,9 milioni ed Euro 6,9 milioni rispetto ai criteri precedentemente adottati, con un incremento complessivo dell'utile dell'esercizio chiuso al 31 dicembre 2000 di Euro 4,6 milioni al netto del relativo effetto fiscale.
- c) Nell'esercizio in esame e in esercizi precedenti, la Società ha iscritto in bilancio rettifiche di valore esclusivamente in applicazione di norme tributarie. Tali impostazioni contabili, consentite dalla normativa in materia di bilancio, hanno prodotto complessivamente un incremento degli ammortamenti dell'esercizio ed una riduzione del valore delle immobilizzazioni immateriali rispettivamente di Euro 5,9 milioni e di Euro 38,3 milioni ed una conseguente diminuzione del risultato dell'esercizio chiuso al 31 dicembre 2000 e del patrimonio netto alla stessa data rispettivamente di Euro 3,5 milioni ed Euro 23,3 milioni, al netto dell'effetto fiscale calcolato tenendo conto delle modifiche dell'aliquota IRPEG introdotte dalla Legge n. 388/2000.

Milano, 29 marzo 2001

**Arthur Andersen SpA**



Eugenio Colucci – Socio

## **Relazione del Collegio Sindacale All'assemblea degli Azionisti**

Signori Azionisti,

nel corso dell'esercizio concluso il 31/12/2000 abbiamo svolto la nostra attività nel rispetto delle previsioni contenute nel decreto legislativo 24 febbraio 1998 n. 58 rivolto alle società con azioni quotate nei mercati regolamentati. Abbiamo, pertanto, vigilato sull'osservanza della legge e dell'atto costitutivo, sul rispetto dei principi di corretta amministrazione, sull'adeguatezza della struttura organizzativa, del sistema di controllo interno, nonché sull'adeguatezza delle comunicazioni rese dalla società e dalle sue controllate al pubblico.

Secondo tali finalità diamo, anzitutto, conto di aver partecipato alle otto riunioni del Consiglio di Amministrazione, durante le quali abbiamo ottenuto dagli Amministratori le informazioni sull'attività da Loro svolta e sulle operazioni di maggiore rilievo economico, finanziario e patrimoniale effettuate da Autogrill S.p.A. e dalle principali società controllate, anche ai sensi e per gli effetti di cui all'art. 150, 1° comma del richiamato decreto legislativo.

Inoltre, nel corso delle riunioni collegiali tenute durante il 2000, per un totale di 5, abbiamo:

- acquisito conoscenza e vigilato, per quanto di nostra competenza, sull'evoluzione del processo organizzativo del Gruppo che, come descritto nella relazione sulla gestione a corredo del bilancio 2000, ha perseguito lo sviluppo delle proprie attività rafforzando il presidio presso il gruppo HMSHost Corp, acquistata nel settembre 1999, sia in termini di azione direzionale sia in termini di instaurazione di procedure di governo e controllo;
- attivato incontri con i principali esponenti delle varie funzioni aziendali per assicurarci che le iniziative in corso fossero intese, oltre che al perseguimento dei prioritari obiettivi di natura aziendale, anche al rafforzamento del sistema di controllo interno;
- vigilato sull'adeguatezza del sistema amministrativo - contabile, nonché sulla sua affidabilità a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni e l'analisi dei risultati del lavoro svolto dai Revisori della Arthur Andersen S.p.A., che ci hanno comunicato nel corso dell'esercizio, senza evidenziare alcun fatto censurabile, l'esito dei controlli trimestrali sulla regolare tenuta della contabilità sociale.

Nel corso dell'attività di vigilanza, come sopra descritta, non sono emersi fatti significativi meritevoli di segnalazione alla Consob o menzione a questa Assemblea.

Abbiamo, inoltre, verificato l'osservanza delle norme di legge inerenti la formazione del bilancio d'impresa e del bilancio consolidato di gruppo al 31 dicembre 2000, nonché delle relazioni sulla gestione che li accompagnano, tramite verifiche dirette e informazioni assunte dalla Società di revisione. In particolare, abbiamo constatato che nei bilanci è stata fornita adeguata informativa, circa:

- il cambiamento di criterio di valutazione delle rimanenze di magazzino, valutate con il metodo Fifo anziché con il metodo Lifo, che ha comportato un positivo effetto sul risultato dell'esercizio di Euro 1,7 milioni prima delle imposte;
- la modifica delle stime finalizzate al calcolo dell'ammortamento di alcuni "avviamenti" corrisposti e di talune categorie di immobilizzazioni materiali, che ha comportato un complessivo beneficio al risultato di periodo di Euro 7,8 milioni prima delle imposte;
- l'impostazione contabile, adottata nel bilancio della capogruppo, intesa ad iscrivere maggiori ammortamenti delle immobilizzazioni immateriali esclusivamente in applicazione di norme tributarie. Tale impostazione contabile ha procurato un effetto sul risultato d'esercizio al 31.12.2000 in diminuzione di Euro 5,9 milioni prima del calcolo delle competenti imposte differite.



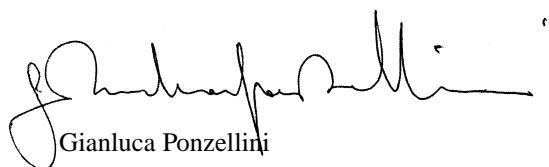
Abbiamo inoltre rilevato che gli Amministratori nella relazione sulla gestione hanno adeguatamente riferito circa le operazioni infragruppo e con altri parti correlate. Siamo, infine, stati informati dai Revisori di Arthur Andersen S.p.A. che il lavoro di revisione da Loro svolto sul bilancio d'esercizio e sul bilancio consolidato di Autogrill S.p.A. al 31.12.2000 ha consentito l'espressione di un giudizio positivo su entrambi i documenti.

Per quanto precede, il Collegio Sindacale esprime parere favorevole all'approvazione del bilancio al 31/12/2000 sottopostoVi dal Consiglio di Amministrazione accompagnato dalla relativa Relazione sulla Gestione ed alla proposta di distribuzione del dividendo formulata dal Consiglio medesimo.

Ai sensi della comunicazione Consob n. 97001574 del 1997 diamo atto, inoltre, che nel corso dell'esercizio chiuso al 31 dicembre 1999 i Revisori della Arthur Andersen S.p.A. hanno effettuato, oltre le attività di revisione contabile Loro affidate dall'assemblea dei soci, un lavoro di analisi sul sistema di controllo interno ricavandone un compenso di Lire 42 milioni.

Milano, 9 aprile 2001

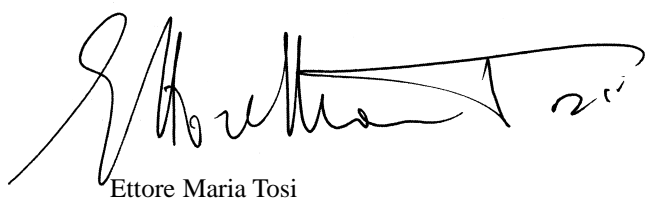
Il Collegio Sindacale



Gianluca Ponzellini



Marco Reboa



Ettore Maria Tosi





**Autogrill S.p.A.**

Registered office: via L. Giuliotti 9, 28100 Novara - Italy

Head office: Centro Direzionale Milanofiori  
Palazzo Z, Strada 5, 20089 Rozzano (MI) - Italy

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