



Autogrill Group

Results to 30 September 2000

2001-2003 Business Plan - preliminary figures





Comments on third-quarter results

- Net sales up 14.1% from proforma 30 September 1999 (up 6,5% net of the exchange rate effect)
- EBITDA = 13% of net sales (12.5% at constant exchange rates at 30/9/99)
- Excellent results in North America : EBITDA = 11,8% of net sales (10,4% at 30/9/99); US airport business up 9,9% like-for-like
- Cash Flow up to 212.6 million euro (9,8% of net sales) compared with 167,7 million euro at 30/9/99 (8,8% of net sales)
- Since 30/9/99, the Group has generated a free cash flow of 64,5 million euro net of the exchange rate effect, well above original budget



3rd quarter YTD Performance

Group Financial Highlights

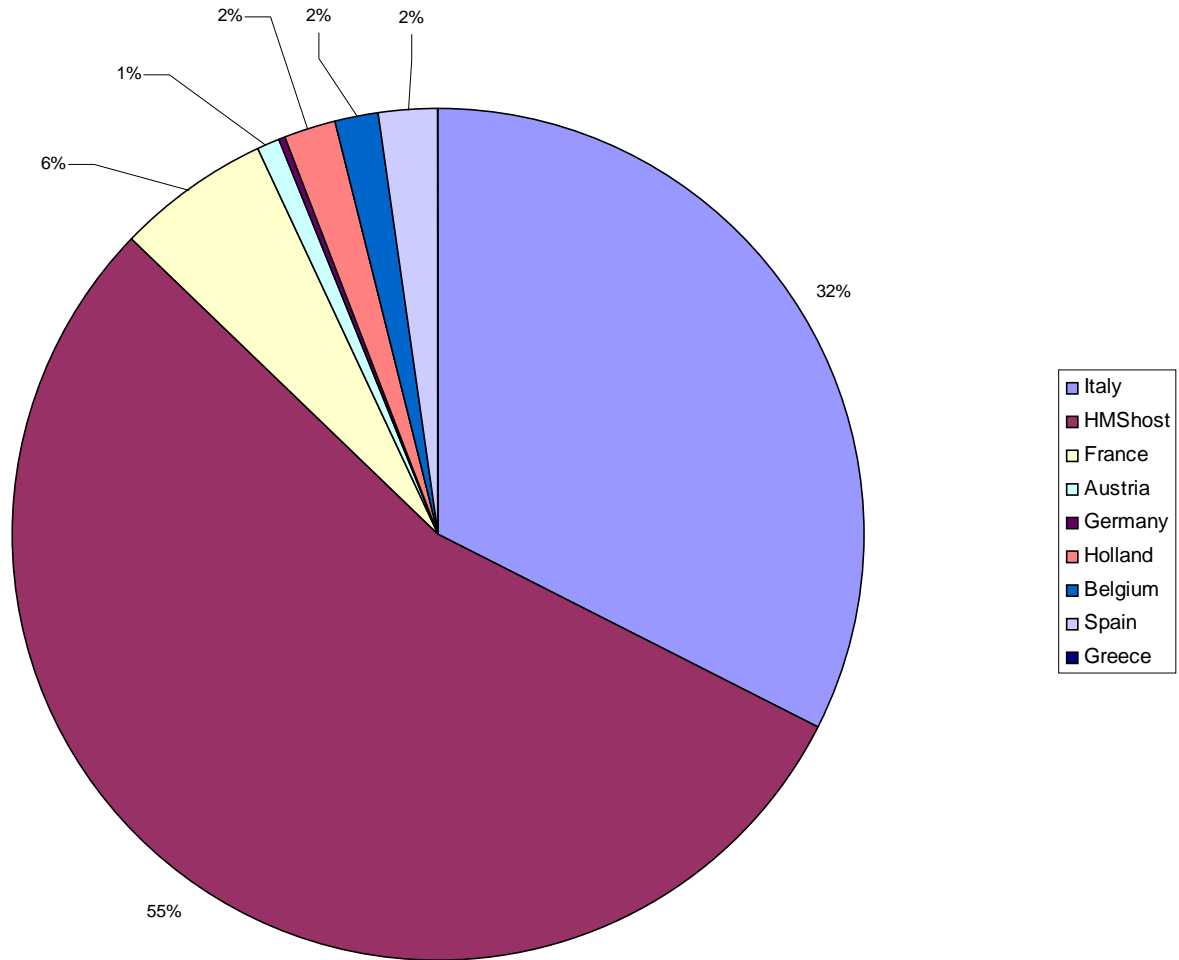
euro million	30 sep 00 YTD	30 sep 99 YTD pro forma	% vs 99 pro forma	% vs 99 net FX imp.
SWS	2242,7	1965	14,1%	6,5%
Net Sales	2180,2	1910	14,1%	6,5%
EBITDA	283,0	240,8	17,5%	11,0%
<i>% on Net Sales</i>	<i>13,0%</i>	<i>12,6%</i>		
Cash Flow	212,6	167,7		
<i>% on Net Sales</i>	<i>9,8%</i>	<i>8,8%</i>		
Net Debt	-1112,8	-953,2	16,7%	-6,8%
R.O.I. *	15,3%	12,6%		
EBITDA interest cov.	6,0	4,4		
Cash flow / Net Debt	19,1%	17,1%		
Net Debt / EBITDA	3,9	4,0		

* Cash flow on net invested capital



3rd quarter YTD Performance

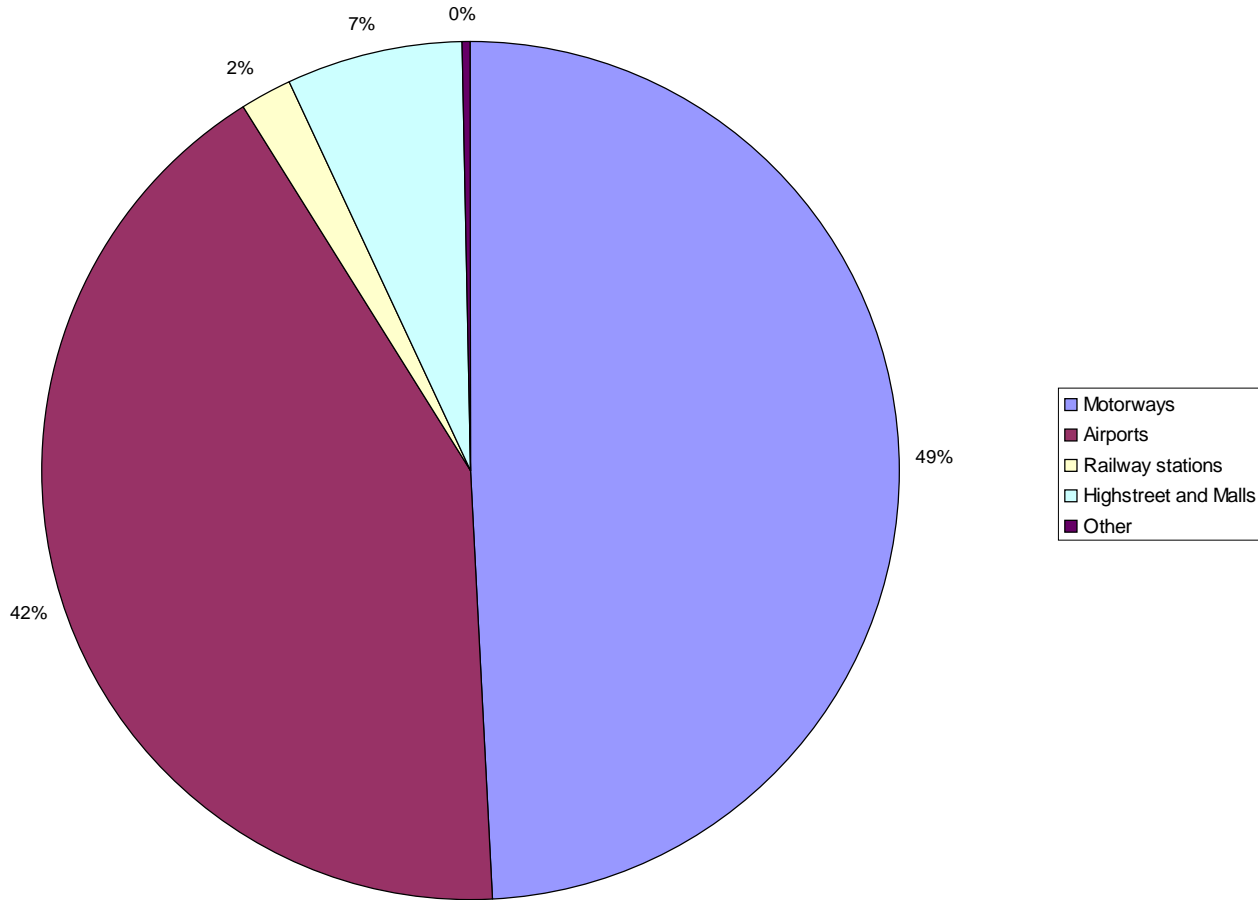
Sales Breakdown by country





3rd quarter YTD Performance

Sales Breakdown by channel





Group Sales by Product

Catering and Retail

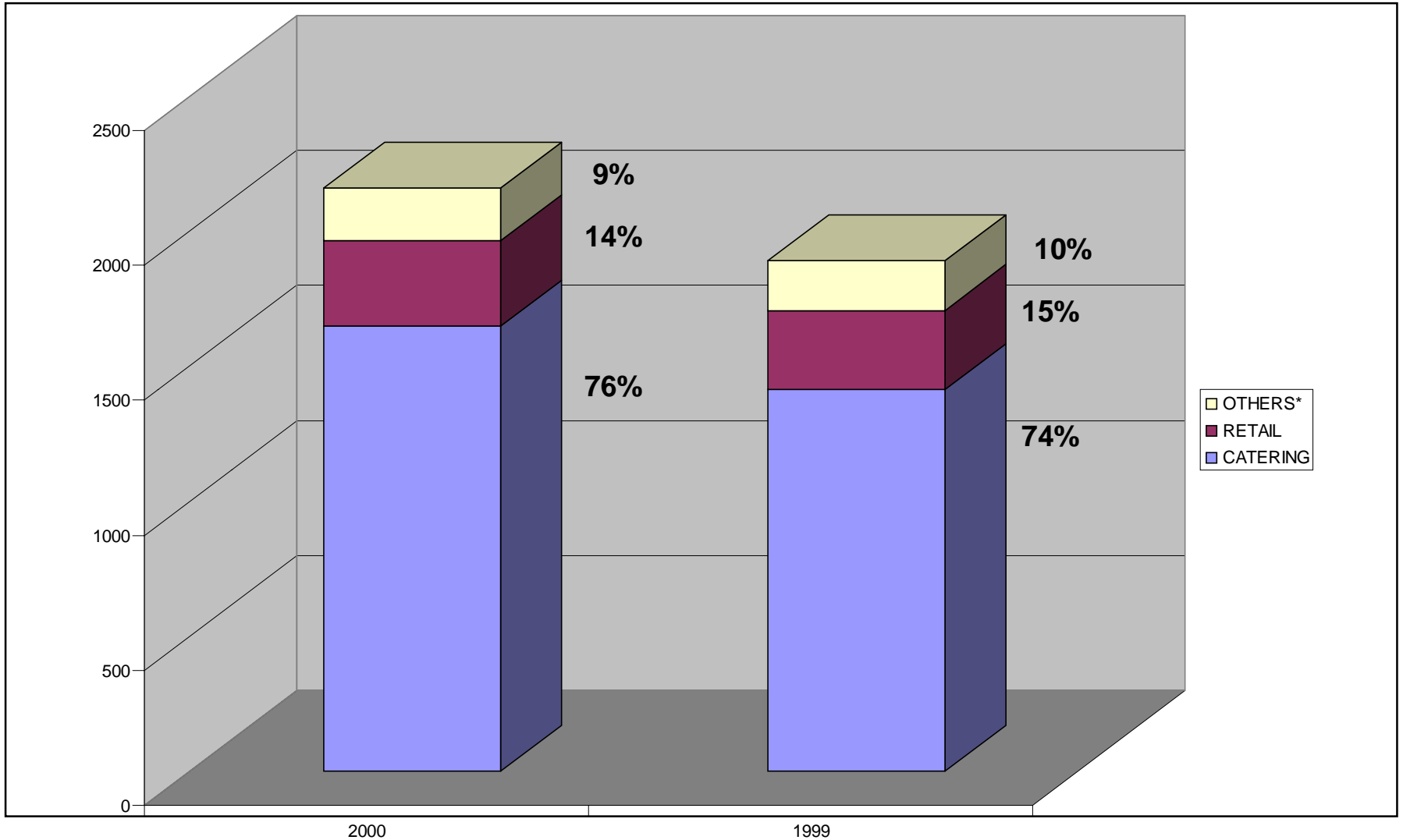
	2000	1999	00-99%	Net of Forex impact
CATERING	1647,8	1412,9	16,6%	7,9%
RETAIL	315,4	292,9	7,7%	1,8%
OTHERS*	195,1	184,4	5,8%	2,1%
TOTAL GROUP	2180,2	1910	14,1%	6,5%

*Lotteries, other ancillary and hotels



Group Sales by Product

Growth Rate





HMS Host





HMS Host

3rd quarter YTD performance - highlights

- Net sales: up 6,7% (net of forex impact)
 - airports up 9,9% like-for-like
 - motorways up 1,6%



- EBITDA : 133 million dollars or 11,8% of sales, up 21% from 1999 (10,4% of sales)
- Capex decreased 4,8% vs. previous year. Of the total, about 76% was in development and restructuring projects, 7% for maintenance, 17% for special corporate projects (mainly ICT)



HMS Host

3rd quarter YTD 2000 Financials

USD million	sep-2000 YTD	SEP 1999 YTD	Diff. %
Net sales	1124,5	1055	6,6%
EBITDA	132,91	109,8	21,0%
<i>% on net sales</i>	11,8%	10,4%	
EBITA	81,4	64,2	26,8%
<i>% on net sales</i>	7,2%	6,1%	
Capex	71	74	-4,8%
<i>% on net sales</i>	6,3%	7,0%	



TRADING PROFIT BY CHANNEL

(Mo.Euro - Constant Exch.rate)	1999			2000			
	Sales	Trad. Profit	%	Sales	Δ % vs 99	Trad. Profit	%
Airports	793,0	95,0	12,0%	841,0	6,1%	117,4	14,0%
Toll Motorways	243,1	24,7	10,2%	247,0	1,6%	27,3	11,1%
Shopping Mall	18,8	(1,4)	-7,4%	36,5	94,1%	(5,1)	-14,0%
TOTAL COMPANY	1055	118,3	11,2%	1.124,5	6,6%	139,6	12,4%



 Italy





Italy

3rd quarter YTD performance - highlights

- Net sales increased 7,1% from 3Q 1999:
 - Italy division up 6,7%
 - QSR division up 70,6% (System Wide Sales up 37,2%)
- Italy Division EBITDA = 111,6 million euro (15,9% of net sales), QSR Division EBITDA = 9,9% due to high investments in marketing, structure and organization.
- Initial tests of two new brands in coffee bar business (“A-cafe”) and sandwiches business (“PanEsprit”)
- Start up of the “Grandi aree “ Project with the opening in May of the first new - generation motorway area



Italy

Operating results by Division

		1999 pro-f.	2000	vs. 1999
Italy Division	System wide Sales	697,1	738,7	6,0%
	Net Sales	657,6	701,3	6,7%
	Total Revenues	667,7	713,1	6,8%
	EBITDA	104,2	111,6	7,2%
	% on Net Sales	15,8%	15,9%	
QSR Division	System wide Sales	53,8	73,8	37,2%
	Net Sales	4,3	7,3	70,6%
	Total Revenues	9,0	15,3	71,2%
	EBITDA	1,4	1,5	6,1%
	% on Total Revenues	16,0%	9,9%	
Total	System wide Sales	750,9	812,5	8,2%
	Net Sales	661,8	708,6	7,1%
	Total Revenues	676,7	728,4	7,6%
	EBITDA	105,6	113,1	7,1%
	% on Total Revenues	16,0%	16,0%	



Group organization

Appointment of a new CEO in September, Mr. Livio Buttignol
The new CEO has drawn up an action plan on two parallel fronts:

- start-up of a series of strategic and quality projects to:
 - improve strategy
 - strengthen the Autogrill product portfolio
 - restructure the Group organization
 - identify savings on key elements in the cost structure, e.g. procurements and productivity
 - boost cash flow
- the 2001-2003 Business Plan

BUSINESS PLAN 2001-03

PRELIMINARY FIGURES



THREE-YEAR BUSINESS PLAN

The main drivers of the Autogrill strategic plan are:

- Growth

- Volume growth like-for-like (average check, introduction of brands, assortment/services mix)
- Expansion in new airport and railway stations
- Enlargement of motorway areas
- Acquisitions

- Margins / profitability

- Reduction of impact of fixed costs
- Procurement savings
- Higher productivity

- Free cash flow

- Capex control
- Working capital - rotation total assets



THREE-YEAR BUSINESS PLAN

Market development

- AIRPORTS :The outlook for airport forecast is favourable. The International Agencies forecast 5% long-term average annual passenger enplanement growth for worldwide carriers through 2010 (3,8% in U.S).
- MOTORWAYS: Estimated traffic growth between 2,5% - 3,5% in Europe, 2,5% annual traffic growth in the USA
- OTHER VENUES :Official figures are not available, but people are eating out more, especially in Europe. This will generate a strong rise in traffic in high streets, malls and in modern railway stations offering commercial services



Strategic growth objectives

AIRPORTS - US

- we see strong opportunities to grow base business revenues increasing capture, reconcepting and gaining new real estate in existing accounts
- we are aggressively seeking to reposition our retail expertise (concept design, product quality) and build relationships to win upcoming RFP's
- we are fully confident of maintaining a contract retention rate of close to 85% (one of the highest in our industry), while striving to achieve the highest levels of product quality and customer satisfaction



Strategic growth objectives

AIRPORTS - EUROPE

- we are developing strategy, sizing the market and building an organization to grow our European airport business
- In the next 3 years, several contracts will come up for renewal in Europe . We expect to substantially increase our present market share with innovative business plans leveraging HMSHost know how and technology
- we are also exploring alliances and cooperative agreements to extend Group products and services for airport travelers and landlords



Strategic growth objectives

MOTORWAYS - EUROPE

- Product assortment will be enhanced and retail areas enlarged in order to boost sales per square meter
- We shall adapt the product mix and move toward branded concepts to meet new customer preferences
- The size and number of motorway services will be increased
- Delivery Autogrill brand and integrated network



Strategic growth objectives

MOTORWAYS - US

- Revenue growth will be primarily through increased capture, new service offerings and enhanced merchandising and concepts, with particular focus on retail offer
- New products and categories will be more aggressively tested and rolled out to increase sales and capture



Strategic growth objectives

OTHER VENUES

- RAILWAY STATIONS:

- we aim to boost market share in Italy and France by presenting landlords with innovative offers that leverage HMSHost technology and knowhow
- we shall be monitoring the situation in other european countries to assess new opportunities

- SHOPPING MALLS

- existing sites : Several projects are still building to market share potential. We are assessing the potential of each existing site with a view to redefining strategy and action plan
- development: we are looking at shopping malls development opportunities, especially in Europe where customers are quicky moving towards eating out preferences



Strategic growth objectives

QSR - HIGHSTREET

- SPIZZICO :
 - we shall continue to strengthen our leadership position in Italy with an aggressive program of new opening
 - in 2001 we shall open two flagship outlets in Paris and Barcelona to assess opportunities for Spizzico on the French and Spanish markets
- BK : Over the next three years we shall proceed with the opening program in Italy agreed with the brand owner. Results to date (especially on dual branding with Spizzico) are even better than expected
- CIAO: we are analyzing the brand's high-street competitiveness. If results are positive, we shall consider brand expansion through the high-street channel.



Strategic growth objectives

NEW BRANDS

In July we opened three test locations for two new brands: A-Cafè and Pan Esprit

- A-Cafè (temporary name) is the new Autogrill coffee bar, selling high-quality coffee, snacks and take-away products in a modern setting featuring innovative colour schemes and concepts. If tests are successful, the new brand will be introduced in the Autogrill network to enhance capture, margins and brand image.
- Pan Esprit is a sandwich brand that aims to replicate Spizzico's success with pizza: to offer a wide variety of freshly prepared sandwiches, which can be consumed with other products on various menus



Strategic growth objectives

Acquisitions and new business

- we are convinced of the importance of growing market share in key countries (chiefly continental Europe and the USA) and/or to diversifying into new areas or into fields that complement our existing
- the opportunities now being assessed offer significant synergies with existing businesses and could help us gain know-how in highly complementary areas
- mainly in the USA, we are also looking at the possibility of diversifying into areas where HMSHost was previously unable to operate for reasons of non-competition agreements.



Strategic objectives

Margins and profitability

- Profitability will be improved through an increase in the average check, introducing more profitable category mix, buying leverage/vendor management, increased promotional monies from vendors and other central buying initiatives
- We also defined several initiatives that will strongly improve productivity and sales per man hour (see next slide)



Strategic objectives - Margins And Profitability

Special cost-reduction projects

We have identified cumulative (2001-03) savings of 105 and 120 million euro in net operating costs

PROJECTS

EXPECTED CUMULATIVE SAVINGS

- | | |
|--|--|
| <ul style="list-style-type: none">• Productivity (OSCAR project, shared services, branch back office, etc) | <ul style="list-style-type: none">• 55 - 60 euro million |
| <ul style="list-style-type: none">• Procurement / Distribution | <ul style="list-style-type: none">• 45 - 50 euro million |
| <ul style="list-style-type: none">• Other (Loss Prevention, inventory differences, etc) | <ul style="list-style-type: none">• 5 - 10 euro million |



Business Plan 2001-03

Financials

	<i>Diff. Vs 99</i>			
	2000	%	2003 PLAN	
Net Sales	2980	12,4%		3570
EBITDA	367	17,5%		500
<i>% on net sales</i>	<i>12,30%</i>			<i>14%</i>
CASH FLOW	238,4	13,7%		339
<i>% on net sales</i>	<i>8%</i>			<i>10%</i>
CAPEX	200	-5,7%	AVG YEAR	180
<i>% on net sales</i>	<i>6,7%</i>			<i>5%</i>
Free cash flow (cumulative 2001-03)				450
Net financial position	1070	1,9%		620
EBITDA interest coverage	5,3			11,1
Cash flow / Net Debt	22%			54,7%
Net Debt / EBITDA	2,9			1,2

Amounts in euro million

Exchange rate euro/Usd 0,95:1



New deals 1st half 2000

New deals - Airports

August 4, 2000: Bologna Airport

- Autogrill creates a joint venture with “Aeroporto di Bologna” to manage catering operations in a 2000 square feet space. Total investment is 2 million euro, expected revenues are 8,5 million euro per year

August 9, 2000: Atlanta International Airport

- Renewal of the catering (till 2011) and retail services (till 2007) concessions in one of the biggest world’s airports with more than 80 million passengers per year. The generated revenues for the additional concession period (5 years) will be over 250 million USD.

August 24, 2000: Los Angeles International Airport

- 6 year contract to develop and manage 4 new restaurants at L. A. Int. Airp., one of the world’s 3 largest hubs. The 4 concessions will generate revenues of 27 m. USD .

Other deals

- **September 2000: Dayton International Airport**_Contract extension till 2010
- **August 2000: Santa Ana Airport, California**, extension till 2002 of the existing contract
- **August 2000: Valley Int. Aitport, Harlington, Texas**, extension till 2005 of the existing contract
- **August 2000: Dallas Forth Worth Airport**, new 5 years contract to develop the new Terminal 1E catering services

Appendix A

The Group Today

Appendix B

Brands and concepts

Appendix C

2000 New deals