



Press release

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Autogrill and Host Marriott Services: a combined free cash flow of over 130 million euros per year after 2001

Milan, 28th July 1999 - If Autogrill succeeds in its takeover bid of Host Marriott Services, the combined free cash flow of the two companies will exceed 130 million Euros (250 billion Italian Lire) per year, after 2001.

The figure - that Autogrill's top management will comment upon during a meeting with analysts that will take place today in Milan at 4 p.m. - takes into account profits + amortisation - investments, as well as fluctuations in working capital.

Projections indicate that the positive impact of the synergy on the gross operating margin developed between the two companies by the end of 2001, will amount to a figure between 30 and 55 million Euros per year (between 58 and 106 billion Italian Lire). Operational costs, productivity, the procurement of goods and raw materials and the projected speeding up of development in international airports are just some of the possible areas of intervention.

The new Group's sales are expected to grow at a mean weighted annual rate of between 6% and 7% until 2003.

In the first two quarters of 1999, sales of the two companies increased by about 9% when compared to the same period in 1998.