Conference Call 1H2018 Financial Results

Operator: Good afternoon and welcome to Autogrill First Half 2018 Financial Results conference call. All participants will be in listen mode. To ask a question you may press star 1 on your telephone keypad. Lorenza Rivabene, Head of Group Corporate Development and Investor Relations is going to start the call. Please go ahead, madam.

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Good afternoon, and welcome to Autogrill's First Half 2018 Earnings Call. Joining me on the call are Gianmario Tondato, our Group CEO; and Alberto De Vecchi, our Group CFO.

Before we get started, we want to emphasize that some of the information discussed in this call contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those set forth in such statements. For a discussion of these risks and uncertainties, you should review the disclaimer in the earnings presentation we issued today.

Now, we are available to take your questions. Thank you.

<u>Q&A Session</u>

Operator: We will now being the question-and-answer session. To ask a question you may press * and 1. The first question is from Simon LeChipre of Raymond James, please go ahead.

Simon LeChipre, Raymond James Euro Equities: Good afternoon. I would have 3 questions, if I may.

First of all in terms of your guidance, in terms of EBITDA, a sort of midpoint, implies a very slight decline in margin we saw in H2. So could you please give us some colour on the margin performance you are expecting by region for the second half of the year?

My second question for North America, so you are suffering in the region from labour cost pressure. So how confident are you in your capacity to pass this cost increased into prices? And when do you expect to be able to do so?

And lastly, if you could please maybe remind us your acquisition policy? And make some comments on the pipeline of acquisition. Thank you.

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: So to summarize, you would like to have some colour on the margin performance, assumed in the 2018 guidance. Some information on the labour cost pressure in North America and how to face it, and what about the acquisition pipeline, is that correct?

Simon LeChipre, Raymond James Euro Equities: Yes, that's it.

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Okay, thank you.

Alberto De Vecchi, Group Chief Financial Officer: Yes. With respect to the evolution our expectations on the guidance we gave on 2018, what we expect is, we expect a partial recovery of margins with respect to what you see in the first half on North America. And that means that we expect to finish at an EBITDA margin that is probably a bit weaker than the last year in terms of margins, but we will have the benefit of the fact that we expect a good evolution in the top line, also generated by the fact that last year we had a strong first half and a weaker second half, because of also the weather conditions. So this year, we think that we can recover in the second half and also, and I write then I can give you the answer to the second question in this first. Because also, we expect to move onto prices part of the pressure that we have on the cost of labour in North America. So the two elements, good performance in sales and also driven by some pricing adjustment in the second half in North America would allow us to improve the margins. Considered also that within the result of the first half 2018, we have also more than $4 million of one-offs that in part have driven our margins down in the first half, that we did not expect to have the same impact in the second half. With respect to International, the second half of the year will see a progressive improvement of margins generated by the fact that the reduction in the first half is being driven mainly by the start-up phase of some new openings. And the more we go into the year, the better the margins should be. So basically, we don't expect, we see this year, for 2018 margins, for International, possibly also improving compared to last year. So that is an area where will see some increase in the margins in the second half. As far as Europe is concerned, we will, on the full year we will see an improvement in margins. You have already seen that in the first half of the year you have seen stable margins at the underlying level, notwithstanding certain also opening costs that we had in the airports in Europe. So we expect that if we are able to generate good summer sales, because you know that there's a lot of seasonality in our, especially in our motorway business in Europe, we are confident that we can provide also some improvement in margins also in 2018. Knowing that, obviously, the most of increasing margins would be generated in '19, also thanks to the actions that we are taking in '18. Among others, the action on the early retirement in Italy. With respect, for labour as I said, the environment, the inflation environment in the industry is there. We had an inflation in the range of 4% in the first half. We don't expect to see it disappearing in the second half, but obviously the more we go in the year, the more we can also work on both some pricing and also some mix actions in order to make our sales more profitable. On the acquisition pipeline, in fact, we don't have news on the subject, so that means that our strategy remains the same. So we are looking to opportunities. As you have seen, we have concluded an acquisition in the first half to the acquisition in Europe of Le CroBag in the German railway stations. The purpose is to look to these midsize companies that may help us in repositioning us, more and more into the channels, that we consider strategic that is primarily airports, and also, in certain geographies railway stations.

Simon LeChipre, Raymond James Euro Equities: Ok, thank you very much.

Operator: The next question is from Jaafar Mestari of Exane BNP Paribas. Please go ahead.

Jaafar Mestari, Exane BNP Paribas: Hi, good afternoon. I have got two questions, please. Firstly, on the intergenerational pattern in Italy. My Italian is let's say non-existent. So if you could please help me confirm a couple of elements I have picked up in the Italian press. So you will accept up to 500 early retirements and then you would reach to high back 60% of that final numbers, and they can be under temporary contracts initially. But eventually, that’s going to be 90% fulltime employees. So that's the first part of my question just to understand that better.

And then second question, in North America, the new business was slightly positive in Q2. It seems that's the first time, for a while, so could you please remind us what contract awards you have that are being rolled out for the rest of the year? We've heard about a couple of recent wins in Detroit and LaGuardia, but I'm assuming that's for later. So what is happening this year in North America in new business please?

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Okay. So thank you, Jaafar. So to summarize, you would like to have more details on the cross-generational deal in Italy and as far as North America is concerned, you would like to have more details on the net positive new openings we have in our revenue bridge, is that correct?

Jaafar Mestari, Exane BNP Paribas: Yes, please.

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Okay, thank you.

Alberto De Vecchi, Group Chief Financial Officer: Okay, thank you, Jaafar. With respect to the pact among generations that we have launched in Italy, let's say that the advantage is to reduce the average age of our work population. In fact, we are not playing on the different nature of the contract because we are not expecting to, let's say, retire people fulltime employed and to start with people with a temporary contract. That is not the basic idea. The idea is, in fact, to have younger people that have for obvious reasons, our business, our work is rather physical, a higher productivity and, that because they are younger, have a lower pay and the advantage there is not determined by the fact that we are applying a different contract. With respect of, in terms of numbers, we have preferred to give an indication in terms of potential value, in terms of cost and also the benefit, because at the moment, we don't know yet how many people would be involved in this program because it is voluntary. So we have to wait until we have closed the first phase in order to receive the indication from people that want to adhere to the pact. But then, we have to wait to see if they have the criteria to be eligible for participating in the pact. And this is, we are waiting for the verification of social security first. So most likely, we will have the full picture by probably the end of October. So what we can say, we can reiterate that the overall cost, theoretical cost, if all the people that theoretically are eligible to enrol in this pact may be up to 22 million in terms of the cost in the P&L; the impact on a cash flow basis would be higher because you have also to pay the termination fund for the people. But then we expect that this cost would be recovered in less than three years. So that is, so the payback is between 7 and 8 million per year. This is the indication with respect to the generation pact. With respect to the wins, as we said when, some months ago, we expect that this year the net contribution of the openings in U.S. will be higher than the closures. As you can imagine as we are the largest operator in U.S., the vast majority of our wins are renewals. In that case, you have the openings but you also have the closures, because when you renew you close the old stores and you open new stores. And so in terms of net, we have a bunch of new contract and new point of sales to open. It is a bit difficult to predict if we will have the openings by the end of the year, because one of the most difficult thing to predict in our business, it is predicting when you open a store. So the wins is there, we are not yet sure if we will open in the second half or maybe in the first quarter of next year. So that's why it's a bit difficult to predict and to give a guidance on the openings. But there is no doubt that in between the second half of 2018 and the first half of 2019, the contribution of the openings will be positive.

Jaafar Mestari, Exane BNP Paribas: Ok, thank you very much.

Operator: The next question comes from Nicolò Pessina of Mediobanca. Please go ahead.

Nicolò Pessina, Mediobanca: Good afternoon. Just a couple of questions from my side. The first one is again on North America. I'd like to understand better why you have been impacted so much by the labour inflation. Since the labour force there is highly unionized, you should have been fairly protected from rising costs. So can you maybe give us an idea of the turnover ratio and how much it increased versus last year? And can you give us also maybe some examples of initiatives you're putting in place to offset the rising labour cost?

Second question is again on the cross-generational deal. Should we expect all cost to be accounted in 2018? Or would you expect parts of the cost to be accounted in 2019?

Alberto De Vecchi, Group Chief Financial Officer: Ok, as far as, I'll answer to the second first. The cost will be taken in 2018. So we expect to have all the cost included in '18 and most of the benefit in 2019, because in '18, as we will finish probably by October and November, there will not be a lot of savings. So the cost in '18 and the benefit in '19. With respect to the turnover ratio in our business, in general, in our business, our turnover is much lower in the concession business than in the normal turnover in the restaurant industry. That, for instance in North America the turnover in the restaurant industry is higher than 100%. In our industry, historically, it has been more in the area of 50% to 60%. There is a turnover obviously, but it is more limited than what you have in the restaurants. More recently, I think that it is an evolution of the last 2 years probably, we have seen an increase in the turnover, also in the concession industry. And now instead of being in between 50% and 60%, we are in North America in the area of 80%. So it is still better than in the restaurant industry downtown, but it is much higher than what we were used to see several years ago.

Nicolò Pessina, Mediobanca: Ok, many thanks.

Alberto De Vecchi, Group Chief Financial Officer: Welcome***.***

Operator: The next question is from Alessandro Cecchini of Equita. Please go ahead.

Alessandro Cecchini, Equita SIM S.p.A: Hello everybody. I have some questions. The first one is about net openings for the group. At the beginning of the year, you stated about, roughly speaking, 100 million of additional sales coming from net openings for 2018. Do you confirm this target? And if would like to add some color on other geographies, in particular in Europe and in International?

My second question is about your, I mean, extraordinary cost that you add in North America, roughly speaking 4 million, I would like to better understand what are these costs and what kind of benefits you expect to repay in the second half?

And finally, my last question is about your 2019 guidance that seems quite positive considered the current first semester this year. I would like to better understand how much of the jump between 2018 to 2019 is expected to come from cost cutting initiatives? You said about 7-8 million from Italy, but I would like to maybe better understand your initiatives in term of cost. Than you.

Alberto De Vecchi, Group Chief Financial Officer: Thank you. So let's start with the net openings. Yes, in principle it is still a reasonable assumption to have a positive contribution of that size. As I answered to the previous question, let's say, guessing about the timing of the openings is also difficult. Sometimes it is difficult to guess about the timing of the closures, because it's not so obvious to understand when you have to leave a store or you have to close a store. But I think that it is reasonable that considering what we have to open in North America, and the openings that we are doing in International and in certain European countries it is not likely that we can finish in this area. With respect to the one-off cost, the 4 million Euros, equivalent, so it is 4 million USD cost in North America, they are related basically to two areas. 2 million are related to actions on the network, that means that is for the people in the stores, while 2 million are costs, severance costs related to redundancy in headquarters. So what we expect is that we can have back, let's say, certainly, the cost related to the headquarter will be probably recovered in the next 12 months, that is in the second half of 2018, and 1H of 2019. So in principle, we expect that the benefit of this 4 million Euros, equivalent cost, will be recovered almost soon, probably not 100% in the second half 2018, but definitely in between the second half 2018 and the opening of '19. As far as the guidance is concerned, obviously, as we try to explain, to some extent, part of the lower results that you see in the first half 2018 are generated by actions that will deliver value in '19. Also in the second half of '18, but most of them in '19. So part of the jump is related to the fact that we anticipate the cost this year in order to have the benefit next year. And you have already seen our expectation on the "patto generazionale"(Cross-generational deal), because we can expect that we can deliver out of the pact in next year, counting around 7 to 8 million lower cost of labour. But the efficiency, especially on labour, will not be limited to this 7 to 8 million, because we have several other actions in order to use for instance technology more extensively in the back office in order to save hours, basically. In this case, it's not a reduction in terms of heads, probably in terms of the overall labour. Because we can use the people better. And so definitely we have the target for, an internal target for our efficiency that is significantly higher than what we can recover from the pact. This is valid not only for Italy where, only in Italy, we had the "patto intergenerazionale" (Cross-generational deal), but we are working also in other countries in order to have benefits. Both in other European countries as well as in part in North America, in U.S.. Probably, the only area where we at the moment, we are not considering efficiency programs is International because the goal of International is to generate expansion in growth, more than to reduce costs. While in the other geographies that are already developed, we really want to improve the efficiency.

Alessandro Cecchini, Equita SIM S.p.A.: Okay, and just a follow-up on this point. So probably, if I understand well you didn't have in your previous guidance these savings in Italy. Is it correct this point? Because actually from your previous, I mean, guidance, the labor cost in the U.S. seems higher than it was in the past. So basically what is the balance? Ok, thank you.

Alberto De Vecchi, Group Chief Financial Officer: I'm not completely sure to have understood the question, because if it was a question. If you are speaking about the "patto intergenerazionale" (Cross-generational deal) we had the benefit of the "patto intergenerazionale" (Cross-generational deal) in the guidance. So that is not a change. What, and as well as many of the actions that we are delivering, we are doing in 2018, were already planned in '17 and we are simply delivering out of these programs. So the vast majority, obviously, with the time, we define our actions a bit better. So one year ago, let's say, we had broad titles and now we have an action plan. But the target was already set at the time of the guidance and we are delivering on this plan.

Alessandro Cecchini, Equita SIM S.p.A.: Ok, ok it's clear, thank you.

Operator: The next question is from Luca Bacoccoli of Banca IMI. Please go ahead, sir.

Luca Bacoccoli, Banca IMI: Yes, good afternoon. My first question is on the U.S. margin. So basically, just 1/3 of the drop in profitability in this area is driven by the one-offs, while the other portion is given to the wage inflation and probably in the COGS increase. So I was wondering if you have already started in picking up price action as a way to offset wage inflation?

And my second question is on the Italian motorway channel. It seems that with a 1.5%, like-for-like this channel eventually stop underperforming traffic. I was wondering if this is a correct, let's say, assumption. And my last question is a more general one, which is related again to the U.S., where the economy is of course healthy and this probably explains the wage inflation. I was wondering if you also are feeling the positive effect of this condition in the sense of, in terms of a larger number of transactions for a better average ticket price? Thank you.

Alberto De Vecchi, Group Chief Financial Officer: Okay. So let's start from your first question. Well, in terms of the composition of the evolution of the margin in North America, pressure on labor cost is the main driver that generated the margin dilution in the first half. And considered that, in terms of unit labor cost, we have seen an increase of around 4% year-on-year. And this is mainly due to the full employment environment we are living in North America. So when we had to give you an indication, which are the main drivers of the reduction margin, let's say, the probably one half of the reduction is driven by labor. And then only a minor part is driven by the increasing cost of goods sold because as a matter of fact, we've not seen an increase in the cost of goods sold in general. We have seen an increase only in a category that is the purchase price of the product of the food of Starbucks. This is the only area where we have seen some increase in the cost. Obviously, as it is an important portion of our sales. This has driven some dilution in margins but probably it is responsible for no more than 10 basis point in the first half of the reduction. So, and the rest is the one-off that you mentioned. So I think that speaking about the composition, one half is labor, another 40% is driven by the one-off, and 10% is driven by the cost of goods sold. In terms of evolution of the performance in the Italian motorways, I think that 1.5% like-for-like, probably, is not so fantastic when we compare it with the like-for-like you can have in an airport channel, but it is a fairly good performance because unfortunately I'm not so convinced that we are underperforming traffic in Italy, if we do a 1.5% like-for-like. Because there are not so many information on the traffic in Italian motorways but as far as we can see, if we look at the light traffic that is the traffic that is important for us, we have, the information we have, that are partial, because there are not official statistics, is that it is only slightly positive, probably less than 0.5%, probably something in between 0.3% - 0.4%. So making a 1.5% like-for-like is not underperforming traffic. And the third one is when we speak about what we expect and what we perceive in terms of evolution in North America on our way to improve the profitability, to capture more business, etc. I think that for the time being, what we see, as mainly the area for improving the average ticket more than the number of transactions.

Luca Bacoccoli, Banca IMI: Ok, thank you.

Alberto De Vecchi, Group Chief Financial Officer: Welcome**.**

Operator: The next question is from Tim Ramskill of Crédit Suisse. Please go ahead, sir.

Tim Ramskill, Crédit Suisse AG: Thank you. I have two questions please. The first is just a return to the profitability outlook in Europe helped by the cost actions in Italy. So the 7 or 8 million Euros in annual benefit, you have talked about, I think this is probably worth around about 40 basis points to margins. You alluded to the fact on this call but there are probably some other efficiency opportunities in Europe. I just wondered if there are already being enacted, because obviously, you've talked about and we can see the one-off costs in North America, we can see there is one-off costs in Italy. But are you already starting to take those actions elsewhere in Europe? And maybe, if you can help us understand the possible size and impact of those on margins for 2019 and beyond?

And then my second question, which slightly follows on from the previous person is around trends in North America. Let me, it's probably fair to say that in both the airport channel and on the motorways, the growth trend so far this year perhaps have been a bit lower than we've enjoyed over the last few years. So I just wonder what your thoughts were on that? It seems like a slightly more subdued topline environment. Do you think that can be accelerated or what are your expectations of the medium term? May be you can spend a moment talking about both airports, and then separately about the motorways? Thank you.

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Thank you, Tim. Sorry, just to check if we understood well. You would like to have some colour on the profitability outlook in Europe after the actions we are putting in place in Italy. And if there is a possibility to have some other actions in addition to the cross-generational deal. And as far as North America is concerned, you would like to have a better understanding of the trends on motorways and at airports, is that correct?

Tim Ramskill, Crédit Suisse AG: Yes, maybe just to put on the second part of the question maybe, to put the hint to some sort of historic context that maybe you potentially see going forward as well.

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Ok, thank you.

Alberto De Vecchi, Group Chief Financial Officer: In terms of Europe, first of all, let's say that our team in Europe is doing a lot. Let's say, sometime we tend to be focused only on efficiency measures. The bulk of the actions is based on efficiency, also because, we know that as we are in Europe, predominant at the moment in motorways, the increasing capacity of this channel to grow is limited. And so if you have a rather stable reference and you have to work on all the other aspects and being more efficient to have better margins. But it's also fair to say that, for instance, just in this first part of the year, a lot of work has been done in Italy to improve also the offer. And so we're not only working on the cost size, we're also working on the offering in order ultimately to improve the top line. Having said that, yes, you're right that our ambition in terms of improvement of our business model is larger than the "patto intergenerazionale" (Cross-generational deal), because obviously this is the single more evident action because it will impact, will have an effect on a higher number of people. But what we are working is to engineering part of the business in order to be more lean and, at the end, to be more efficient and more rapid to react. And in fact, this is consistent with our ambition that we communicate to have a high single-digit margin for Europe by the end of these actions that will happen. The vast majority in '19, probably, with some value to to achieve also in 2020. And so in order to get there, we are not limited to 8 million. Under this aspect, I think that the probably the best moment when to elaborate on that is once we conclude the intergenerational pact, because at that point we have a base on which we can elaborate on the overall target. But definitely, the intergenerational pact is only a part of the improvement of the margins that we expect in Europe. As far as North America is concerned, I think that the picture of the first half is being a traffic that is performing reasonably well in airport. Because at the end, we have seen a growth in the range of 3%, and we are overperforming that traffic. But to say that for a mature market, like U.S. the 3% is, a reasonable growth is something between 3% and 4%. So we don't see major changes there. What has been rather disappointing, it has been the traffic in the motorways and also our performance in the motorways in the first half, because in fact, we have seen our sales declining, and traffic that was flat in the first half of the year. Even though, we don't have yet statistics for the full semester. We have the first portion of the semester as an indication of the traffic. But in general, it is true that the traffic has been sluggish on the motorways and difficult to capture. So that has been the difference compared to previous year, we didn't have the impression that there was a major change in the environment in airport. The good side for us is that, let's say, still more than 80% of our sales is generated in airport in U.S. So the bulk of the business is solid and I think that we can deliver good results. But it is true that the motorways are less exciting in North America as they have been in the last years in Europe.

Tim Ramskill, Crédit Suisse AG: Okay, and then maybe I can just add one quick follow-up on the growth outlook in North America. Given your comments earlier about the likelihood that pricing will obviously increase, as you take those actions, do you think that in itself is going to lead to an improvement in the like-for-like growth in the second half as you've got more price as a driver of growth?

Alberto De Vecchi, Chief Financial Officer: Well definitely, if you have an underlying traffic, obviously, if you look at the second half, then I mentioned one of the answer I gave before, the crucial question mark is which is the performance of the traffic in the second half of 2018 compared to the '17, considering that the '17 was affected by the bad weather. So that is a portion that we don't know. We can expect that we will have a better traffic than last year. But on top of that, obviously, we also expect some increase in the average ticket driven by, let's say, moving onto prices in the inflation of labor. So it is true that we expect some twice effects. First is the traffic and the second is the increase in the average ticket.

Tim Ramskill, Crédit Suisse AG: Okay, it was great, thank you very much.

Operator: The next question is Ali Naqvi of HSBC. Please go ahead.

Ali Naqvi, HSBC: Hi, just a couple of questions from me. Once you've made all the changes in North America and Europe, I'm just thinking more on the medium term, what the operational leverage is going to look like in this business. So could you talk about maybe what the like-for-like property will look like in those two markets, once you made all these changes in the medium term?

Also on the price changes you're looking to make in North America, how far are you and the discussions with airports in terms of putting price rises into the airport concession?

And finally, just on the cross-generational pact in Italy. Is this program only being rolled out for this year or is it a potential to roll this out throughout for next year as another quarter starts to become eligible for it?

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Thank you, Ali. So to summarize as far as North America and Europe are concerned, you would like to know if in the medium term, what would be the like-for-like for these two regions. As far as North America alone is concerned, you would like to know how far we are in raising the prices at airports. And on the cross-generational deal in Italy, if we have costs also for the next year. Is that correct?

Ali Naqvi, HSBC: Just whether you will be able to deal with another set of staff who become eligible for it. So I understand you're only able to offer the deal to a set number of staff this year, who are eligible. But would you be able to do this for future years as well?

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Ok, thank you.

Alberto De Vecchi, Group Chief Financial Officer: Yes. Well, operational leverage is important in our industry. So let's say that we consider, in general, that if you see a like-for-like in normal condition around 3%, you should be able to keep your margins and possibly with the action in the price even improving the margins. Obviously, in a normal situation. In a situation in which there is as it is today in U.S., there is a strong increase in the single most important cost element in our P&L, which is labour, the 3% might result not being sufficient as this has been the case in the first half. So in principle, in a situation, where you have your cost structure rather under control or in a normal situation without major inflation processes, you should be able to extract value and operational leverage with the growth, of your organic growth of your top line around 3%. This in general, rather through everywhere. In fact, when you look at Europe, we have been able in the past to limit the deterioration in the margins in a situation in which we had even a reduction in sales that is not an increase of 3%, but a reduction. It has been because we have really done a lot of work to try to remain, to reduce the perimeter in order to keep the locations and the contracts that are more profitable. Because otherwise, that is fine but obviously it cannot be a measure that you can take forever. Because definitely, there is a value in increasing your top line. And once you have, let's say, cleaned your business, at that point you have to start growing again. So the 3%, as a general rule of the template, might be valid for the industry, I believe. in terms of, you ask how far we are in discussion with airports in order to increase prices? In fact, it is not a negotiation with the airport. The contracts are based on, the contracts already provide for the criteria, based on which, we can increase prices. Keep in mind that 80% of our sales in North America are branded, and that means that we are more in good company with all the brands that are also experiencing inflation in their labour cost, in their labour structure. So as soon as they increase prices, we have a title in order to increase the prices in our stores. And in general we have indication from some main brands that they are increasing the prices. So at the end, we expect that it is something that is quite natural and, although, it would take some time, because obviously you always are recovering your profitability once you see it deteriorated because of the increase in the cost of labour and you're running after them on the escalator to some extent, for a certain period of time at least. But there is not a negotiation. It is something that is based on the contract. With respect to the "patto intergenerazionale" (Cross-generational deal), I think that this is a one-off. So we will do this year, we don't expect to repeat in the next future. Although we have a lot of other actions in place in order to improve profitability and to be more efficient.

Ali Naqvi, HSBC: Great, thank you.

Operator: As a reminder, if you have a question please press *1. No question is booked at the moment. This concludes our Question & Answer Session.

Lorenza Rivabene, Head of Group Corporate Development and Investor Relations: Ok, thank you very much for your attention and have a good weekend, bye.