
TELEPIZZA®

2000 First Half Results

August, 2000

TELEPIZZA®



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Executive Summary

2000 First Half Budget / 2000 First Half Performance

| | 1 Q | 2 Q | 1 H |
|---|-------|-------|-------|
| Target Consolidated Net Profit Growth | 15.0% | 25.0% | 20.1% |
| Consolidated Net Profit Growth Achieved | 15.5% | 24.5% | 20.1% |

■ TelePizza meets its Net Profit Growth Target

■ TelePizza in Spain increases its EBIT margin:

1H 99: 15.9%

1H 00: 17.4%

Margin Increase: 9.4%

■ International: EBIT margin improvement in three countries:

Portugal 1H 99: 9.3%

1H 00: 13.3%

Margin Increase: 42.2%

Chile 1H 99: 12.4%

1H 00: 15.2%

Margin Increase: 23.0%

Poland 1H 99: -0.6%

1H 00: 3.5%

Margin Increase: 703.5%

Executive Summary

2000 First Half Budget / 2000 First Half Performance

| | 1Q | 2Q | 1H |
|---|-------|-------|-------|
| Target Consolidated Sales Growth | 27.3% | 37.0% | 32.3% |
| Consolidated Sales Growth Achieved | 23.8% | 19.3% | 21.6% |
| Target Consolidated Net Profit Growth | 15.0% | 25.0% | 20.1% |
| Consolidated Net Profit Growth Achieved | 15.5% | 24.5% | 20.1% |

Executive Summary

■ Domestic Performance

➤ Lower growth in sales than the initial target due to:

» Change in the Commercial Policy

→ 2Q 99 : Focus on **Sales Increase** through promotions and discounts

→ 2Q 00: Focus on **Margin Improvement** and recovery of service ratios

» Market Performance:

1.- Low growth in the ready to eat pizza segment and higher growth in the “Bocadillos” and “Hamburgers” mainly due to the higher growth of consumption out of home

2.- High penetration of the refrigerated pizza segment

□ **TelePizza Answer**: Strategies to be fully implemented in 2H00 / 01

1.-a **Development** of new store concept (**TelePizza Express**) at shopping malls, commercial areas, leisure centres and airports/train stations

1.-b **Diversification** through the implementation of TeleChef technology in TelePizza stores

2.- **Innovation** New Products (i.e. “TelePizza Carbonara”) **A product launch every two**

months

New Presentations of (i.e. “PizzaFina”) the products

Executive Summary

■ Domestic Performance

➤ **TelePizza Coverage** (figures for Chain Sales in '000 €)

| | <u>06/30/99</u> | <u>06/30/00</u> | % Increase |
|-------------------|------------------------|------------------------|-------------------|
| Households | 9,410,816 * | 9,530,141* | 1.27% |
| Chain Sales | 138,105 | 144,306 | 4.49% |
| Sales / Household | 14.68€ | 15.14€ | |
| | 3.18% | | |

➤ **New openings policy:** Openings in new markets under 30,000 inhabitants mainly through franchisees to be implemented

* ~~Shortly~~ include Pizza World Coverage

Executive Summary

■ Domestic Performance

- These policies have resulted in:
 - » Lower growth in sales but with an **improvement in EBIT** from 15.9% (1H99) to 17.4% (1H00) which represents an increase of 9.4%
 - » An **increase in the intangible value of the improvement in service ratios** which have resulted in more **satisfied customers** which, together with successful launches, will hopefully rebuild our future sales figures

Executive Summary

■ International Performance *

| Country | 1H 99 EBIT | | 1H 00 EBIT | | CHAIN SALES GROWTH** | VERTICAL AMS*** GROWTH** |
|----------|---------------|----------|---------------|---------|----------------------|--------------------------|
| | Million Euros | % sales | Million Euros | % sales | | |
| Portugal | 1.00 | 9.32% | 1.64 | 13.25% | 19.67% | 8.42% |
| Chile | 0.37 | 12.36% | 0.60 | 15.20% | 25.35% | 0.71% |
| Poland | -0.015 | -0.58% | 0.26 | 3.50% | 184.18% | 17.26% |
| Mexico | -0.045 | -1.00% | -0.56 | -3.79% | 174.50% | 16.13% |
| Morocco | ---- | ---- | -0.09 | -31.45% | ---- | ---- |
| U.K. | ---- | ---- | -0.56 | -54.74% | ---- | ---- |
| France | -1.48 | -136.02% | -1.92 | -62.90% | 181.96% | 78.24% |

*% of International Chain Sales over Total Chain sales has risen from **12%** (1 H99) to **22%** (1H00)

**In Local Currency

8 *** Average Monthly Sales

Executive Summary

■ International Performance

- Good performance in terms of EBIT and sales in **Portugal, Chile and Poland**
- **Mexico:** 1H 00 performance includes the adjustment of the strong growth achieved in 1999. Positive evolution anticipated for 2H 00
- **U.K. and France:** Strategy currently under review, with final decision to be taken before year end. Options include:
 - » Strategic alliances
 - » Master Franchising the operations
 - » Exit the country
- **Morocco:** Still not meaningful in terms of total company sales
- **New countries:** Strategy to be implemented after 2H-00 ➤ Entrance into emerging or developing countries, through Joint Venture or Master Franchise, such as:
 - » **Surrounding Central Europe:** Czech Republic, Hungary, Greece, Turkey
 - » **LatinAmerica:** Brazil, Peru, Venezuela, Central America
 - » **Asia:** India

Executive Summary

2000 First Half Results

| | 1H99 | | 1H00 | | Δ % |
|--|--------|---------|---------|---------|---------|
| Turnover | 134.99 | 100.00% | 164.12 | 100.00% | 21.58% |
| Other operating income | 7.80 | 5.78% | 9.52 | 5.80% | 22.03% |
| TOTAL INCOME | 142.80 | 105.78% | 173.64 | 105.80% | 21.60% |
| GROSS MARGIN | 104.39 | 77.33% | 126.97 | 77.36% | 21.63% |
| TOTAL EXPENSES | -85.80 | -63.56% | -105.87 | -64.51% | 23.39% |
| OPERATING PROFIT | 18.59 | 13.77% | 21.09 | 12.85% | 13.48% |
| NET FINANCIAL EXPENSES | -0.27 | -0.20% | -1.98 | -1.21% | 638.36% |
| Share in profits from companies consolidated under equity method | 0.07 | 0.05% | 0.05 | 0.03% | -26.00% |
| Amortization of consolidated goodwill | -1.13 | -0.84% | -0.71 | -0.43% | -37.38% |
| EXTRAORDINARY RESULT | 0.37 | 0.27% | 1.48 | 0.90% | 305.99% |
| CONSOLIDATED PROFIT BEFORE TAXES | 17.62 | 13.05% | 19.94 | 12.15% | 13.16% |
| Corporation tax | -5.06 | -3.75% | -4.77 | -2.91% | -5.71% |
| CONSOLIDATED PROFIT AFTER TAXES | 12.56 | 9.31% | 15.17 | 9.24% | 20.75% |
| Profit allocated to minority interests | -0.34 | -0.25% | -0.49 | -0.30% | 43.32% |
| PROFIT ALLOCATED TO THE PARENT COMPANY | 12.22 | 9.05% | 14.68 | 8.94% | 20.12% |

Figures in Euro Million

Executive Summary

| Breakdown | EBIT (in euro million) | EBIT (% over Consolidated sales) | EBIT (% increase over EBIT 1H 99) |
|----------------------------|---------------------------|--|---|
| Spain | 21.73 | 17.4% | 15.84% |
| Portugal 63.94% | 1.64 | 13.25% | |
| Chile | 0.60 | 15.20% | 62.58% |
| Poland | 0.26 | 3.50% | 1,855.46% |
| Mexico | -0.56 | -3.79% | -1,144.75% |
| Morocco | -0.09 | -31.45% | ----- |
| U.K. | -0.56 | -54.74% | ----- |
| France | -1.92 | -62.90% | -30.43% |
| International | <u>-0.63</u> | <u>-1.48%</u> | <u>-278.00%</u> |
| ¹¹ TOTAL | 21.09 | 12.85% | 13.48% |

Executive Summary

2000 First Half Results

2Q 00 Net profit increase in line with our expectations: 24.5%; which continues with the positive growth trend started in 1Q00

- Increase in **Turnover** (21.6%) as a result of:
 - 1999 acquired businesses :
 - » 16 franchised stores (mainly during 4th Quarter)
 - 1999 businesses sold:
 - » 7 owned stores
 - 1999 New companies:
 - » TelePizza France (Feb)
 - » TelePizza U.K (Aug.)
 - » TelePizza Maroc (Dec)
 - Important expansion plan in Mexico and Poland

- **Gross Margin:** The improvement achieved last year, thanks to the positive effect of vertical integration (franchisees and mozzarella supplier) is maintained with additional reduction of cost of goods sold at store level.

Executive Summary

2000 First Half Results

- **Operating Profit:** Reduction from 13.7% (1H 99) to 12.9% (1H 00) due to:
 - Higher importance of the developing international activity (% of international consolidated sales over total sales has risen from 16% (1H 99) to 26% (1H 00))
- **Net Financial expenses** increase from -0.2% (H1 99) to -1.2% (H1 00) due to higher investments and interest rate increase. (26% of the financial expenses are due to the financing of treasury stock for stock option plans)

Executive Summary

2000 First Half Results

■ **Extraordinary results**

- Mainly due to sale of treasury stock not assigned for stock option plan

■ **Profitability:**

- Spain: Strong profitability (1H 99 EBIT 15.9% v.s. 1H 00 EBIT 17.4%)
- International:
 - » Portugal, Poland and Chile above expectations
 - » Mexico needs to consolidate last year and 1H00 openings
 - » Losses incurred in certain new countries → strategic decision to be taken before year end

Executive Summary

| | 1H 00 Openings | 2H 00 (E) Openings |
|----------------------------------|-------------------|-----------------------|
| SPAIN | 22 | 35 |
| TelePizza | 22 | 35 |
| Pizza World | 0 | 0 |
| INTERNATIONAL | 37 | 52 |
| Portugal | 1 | 10 |
| Mexico | 24 | 18 |
| Chile | 2 | 3 |
| Poland | 7 | 17 |
| France | 2 | 0 |
| U.K. | 0 | 0 |
| Morocco | 1 | 4 |
| TOTAL OPENINGS | 59 | 87 |
| Work Stations Installed in Spain | 319 | 61 |

Appendix I

TELEPIZZA®



Fast Food Market Spain

Market Trends

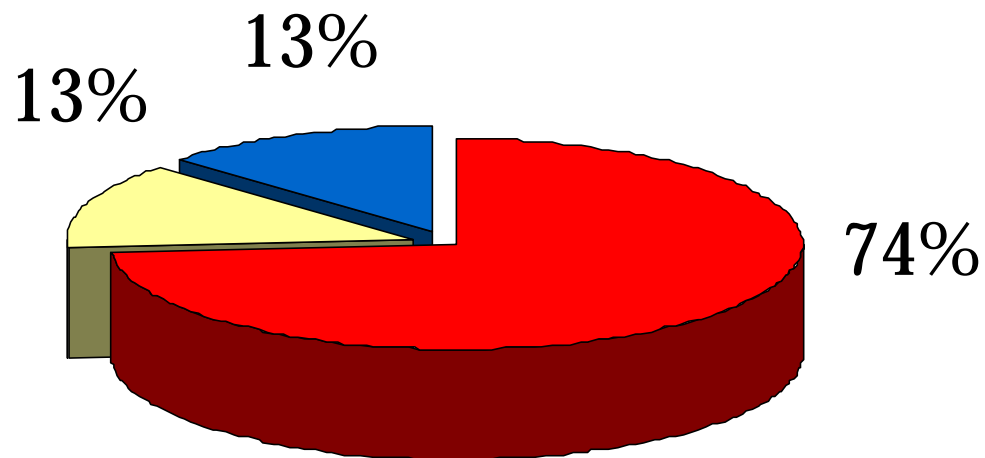
- *Out of home consumption continues growing over consumption at home, reflecting good economic environment*
- *“Bocadillos” and Hamburgers are the best performing segments given their availability in out of home consumption stores*
- *Lower growth in the ready to eat Pizza segment due to the growth of the refrigerated pizza*

TelePizza Strategies

- *Development of new concept to capture higher eat-in sales (TelePizza Express)*
- *Improve TelePizza interior restaurant ambience with limited investment*
- *Diversification: 350 stores are already offering 94% of the fast food products*
- *Focus on innovation and quality*
- *Horizontal Openings in small towns*

Pizza Segment Spain

Share by Category



1999 Growth by Category

| | |
|---------------------|-------------|
| <i>Ready to eat</i> | <i>9%</i> |
| <i>Refrigerated</i> | <i>78%*</i> |
| <i>Frozen</i> | <i>-1%</i> |

■ Ready to eat ■ Refrigerated ■

* Refrigerated Pizza segment amounted to 82 euro millions in the period May 99-April 00 reporting a growth of **188%** v.s. the period May 98-April 99

Pizza Segment Spain

TelePizza Strategies

Action

Effect

Innovation → Products
→ Promotions

→ To capture the attention of the consumer

Quality → Product
→ Service

→ To differentiate from other types of pizza

Horizontal openings

→ Increase coverage reaching new customers

Loyalty Plans

→ Increase frequency and strengthen brand lo

Customer Base Segmentation

→ Targeted Products

Appendix II

TELEPIZZA®



Total Chain Sales Performance

SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|---------------|---------------|----------------|--------------|---------------|---------------|
| Owned Stores | 60.835 | 9.509 | 70.344 | 6.86% | 16.70% | 23.57% |
| Franchised Stores | 30.275 | 1.227 | 31.503 | -4.43% | 3.87% | -0.56% |
| Total Group | 91.110 | 10.737 | 101.847 | 2.82% | 12.12% | 14.94% |

First Quarter 2000

STORE OPERATING MONTHS

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|--------------|------------|--------------|--------------|---------------|---------------|
| Owned Stores | 1,173 | 432 | 1,605 | 4.55% | 38.50% | 43.05% |
| Franchised Stores | 574 | 45 | 619 | -1.71% | 7.71% | 5.99% |
| Total Group | 1,747 | 477 | 2,224 | 2.40% | 27.96% | 30.36% |

*Figures in Euro
million*

*(except AMS in
Euro Thousand)*

AVERAGE MONTHLY SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|---------------|---------------|---------------|--------------|----------------|----------------|
| Owned Stores | 51.863 | 22.012 | 43.828 | 2.22% | -15.84% | -13.62% |
| Franchised Stores | 52.744 | 27.276 | 50.893 | -2.77% | -3.41% | -6.18% |
| Total Group | 52.152 | 22.509 | 45.794 | 0.41% | -12.24% | -11.83% |

Total Chain Sales Performance

SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|---------------|--------------|----------------|--------------|---------------|---------------|
| Owned Stores | 61.367 | 8.433 | 69.800 | 4.59% | 14.28% | 18.87% |
| Franchised Stores | 29.662 | 1.328 | 30.990 | -5.41% | 4.23% | -1.18% |
| Total Group | 91.029 | 9.761 | 100.790 | 1.11% | 10.78% | 11.89% |

Second Quarter 2000

STORE OPERATING MONTHS

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|--------------|------------|--------------|--------------|---------------|---------------|
| Owned Stores | 1,293 | 402 | 1,695 | 3.19% | 31.98% | 35.17% |
| Franchised Stores | 584 | 50 | 634 | -1.18% | 8.64% | 7.46% |
| Total Group | 1,877 | 452 | 2,329 | 1.84% | 24.46% | 26.30% |

*Figures in Euro
million*

AVERAGE MONTHLY SALES

*(except AMS in
Euro Thousand)*

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Owned Stores | 47.461 | 20.978 | 41.180 | 1.36% | -13.41% | -12.06% |
| Franchised Stores | 50.791 | 26.558 | 48.880 | -4.44% | -3.60% | -8.04% |
| Total Group | 48.497 | 21.595 | 43.276 | -0.72% | -10.69% | -11.41% |

Total Chain Sales Performance

SALES

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | Δ Vertical | Δ Horizontal | Δ Total |
|-------------------|-----------------|-------------------|--------------|-------------------|---------------------|----------------|
| Owned Stores | 122.202 | 17.942 | 140.144 | 5.67% | 15.51% | 21.18% |
| Franchised Stores | 59.937 | 2.555 | 62.492 | -4.92% | 4.05% | -0.87% |
| Total Group | 182.139 | 20.497 | 202.637 | 1.93% | 11.47% | 13.40% |

Year-to-date June 2000

STORE OPERATING MONTHS

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | Δ Vertical | Δ Horizontal | Δ Total |
|-------------------|-----------------|-------------------|--------------|-------------------|---------------------|----------------|
| Owned Stores | 2,466 | 834 | 3,300 | 3.27% | 34.92% | 38.19% |
| Franchised Stores | 1,158 | 95 | 1,253 | -1.28% | 8.10% | 6.82% |
| Total Group | 3,624 | 929 | 4,553 | 1.77% | 26.09% | 27.86% |

*Figures in Euro
million*

AVERAGE MONTHLY SALES

*(except AMS in
Euro Thousand)*

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | Δ Vertical | Δ Horizontal | Δ Total |
|-------------------|-----------------|-------------------|--------------|-------------------|---------------------|----------------|
| Owned Stores | 49.555 | 21.513 | 42.468 | 2.33% | -14.63% | -12.31% |
| Franchised Stores | 51.759 | 26.898 | 49.874 | -3.69% | -3.51% | -7.20% |
| Total Group | 50.259 | 22.064 | 44.506 | 0.16% | -11.47% | -11.30% |

TelePizza Sales Performance

SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|---------------|---------------|---------------|--------------|---------------|---------------|
| Owned Stores | 47.937 | 1.017 | 48.954 | 6.63% | 2.26% | 8.89% |
| Franchised Stores | 23.805 | 0.392 | 24.197 | -3.45% | 1.59% | -1.86% |
| Spain | 71.742 | 1.409 | 73.151 | 3.06% | 2.02% | 5.08% |
| International | 12.644 | 9.248 | 21.892 | 27.32% | 93.12% | 120.45% |
| Total Chain | 84.386 | 10.657 | 95.043 | 6.09% | 13.40% | 19.49% |

**First
Quarter
2000**

STORE OPERATING MONTHS

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|--------------|------------|--------------|--------------|---------------|---------------|
| Owned Stores | 833 | 27 | 860 | 15.69% | 3.75% | 19.44% |
| Franchised Stores | 398 | 11 | 409 | 6.13% | 2.93% | 9.07% |
| Spain | 1,231 | 38 | 1,269 | 12.42% | 3.47% | 15.89% |
| International | 320 | 436 | 756 | -1.23% | 134.57% | 133.33% |
| Total Chain | 1,551 | 474 | 2,025 | 9.30% | 33.40% | 42.71% |

AVERAGE MONTHLY SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Owned Stores | 57.547 | 37.665 | 56.923 | -7.84% | -1.00% | -8.84% |
| Franchised Stores | 59.812 | 35.631 | 59.162 | -9.02% | -0.99% | -10.01% |
| Spain | 58.280 | 37.076 | 57.645 | -8.33% | -1.00% | -9.32% |
| International | 39.513 | 21.210 | 28.957 | 28.92% | -34.44% | -5.52% |
| Total Chain | 54.408 | 22.482 | 46.935 | -2.94% | -13.33% | -16.27% |

*Figures in Euro
million*

*(except AMS in
Euro Thousand)*

TelePizza Sales Performance

Second Quarter 2000

Figures in Euro
million

(except AMS in
Euro Thousand)

SALES

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|---------------|-------------------|---------------------|----------------|
| Owned Stores | 46.224 | 1.199 | 47.423 | 4.59% | 2.60% | 7.19% |
| Franchised Stores | 23.183 | 0.550 | 23.733 | -4.43% | 2.27% | -2.16% |
| Spain | 69.407 | 1.749 | 71.156 | 1.39% | 2.48% | 3.88% |
| International | 14.886 | 8.012 | 22.898 | 20.35% | 64.78% | 85.13% |
| Total Chain | 84.292 | 9.761 | 94.054 | 4.29% | 12.01% | 16.30% |

STORE OPERATING MONTHS

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|--------------|-------------------|---------------------|----------------|
| Owned Stores | 828 | 37 | 865 | 10.09% | 4.78% | 14.87% |
| Franchised Stores | 406 | 17 | 423 | 5.45% | 4.42% | 9.87% |
| Spain | 1,234 | 54 | 1,288 | 8.52% | 4.66% | 13.18% |
| International | 449 | 398 | 847 | 5.65% | 93.65% | 99.29% |
| Total Chain | 1,683 | 452 | 2,135 | 7.74% | 28.85% | 36.60% |

AVERAGE MONTHLY SALES

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|---------------|-------------------|---------------------|----------------|
| Owned Stores | 55.826 | 32.405 | 54.824 | -5.00% | -1.69% | -6.69% |
| Franchised Stores | 57.100 | 32.366 | 56.106 | -9.38% | -1.58% | -10.95% |
| Spain | 56.245 | 32.393 | 55.245 | -6.57% | -1.65% | -8.22% |
| International | 33.153 | 20.130 | 27.034 | 13.92% | -21.03% | -7.11% |
| Total Chain | 50.085 | 21.595 | 44.053 | -3.20% | -11.65% | -14.86% |

TelePizza Sales Performance

SALES

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|----------------|-------------------|---------------------|----------------|
| Owned Stores | 94.161 | 2.216 | 96.376 | 5.56% | 2.48% | 8.05% |
| Franchised Stores | 46.988 | 0.942 | 47.930 | -3.93% | 1.93% | -2.01% |
| Spain | 141.149 | 3.158 | 144.306 | 2.20% | 2.29% | 4.49% |
| International | 27.530 | 17.260 | 44.789 | 23.46% | 77.40% | 100.86% |
| Total Chain | 168.678 | 20.417 | 189.095 | 5.15% | 12.73% | 17.88% |

Year-to-date June 2000

STORE OPERATING MONTHS

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|--------------|-------------------|---------------------|----------------|
| Owned Stores | 1,661 | 64 | 1,725 | 12.76% | 4.34% | 17.11% |
| Franchised Stores | 804 | 28 | 832 | 5.79% | 3.68% | 9.47% |
| Spain | 2,465 | 92 | 2,557 | 10.39% | 4.12% | 14.51% |
| International | 769 | 834 | 1,603 | 2.67% | 111.35% | 114.02% |
| Total Chain | 3,234 | 926 | 4,160 | 8.45% | 31.05% | 39.50% |

Figures in Euro
million

(except AMS in
Euro Thousand)

AVERAGE MONTHLY SALES

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|---------------|-------------------|---------------------|----------------|
| Owned Stores | 56.689 | 34.617 | 55.870 | -6.39% | -1.35% | -7.74% |
| Franchised Stores | 58.443 | 33.643 | 57.608 | -9.19% | -1.30% | -10.49% |
| Spain | 57.261 | 34.321 | 56.436 | -7.42% | -1.33% | -8.75% |
| International | 35.799 | 20.695 | 27.941 | 20.25% | -26.40% | -6.15% |
| Total Chain | 52.158 | 22.049 | 45.456 | -3.04% | -12.46% | -15.50% |

Sales Performance

SPAIN: TelePizza

➤ Lower growth in sales than the initial target due to:

» Change in the Commercial Policy

→ 2Q 99 : Focus on **Sales Increase** through promotions and discounts

→ 2Q 00: Focus on **Margin Improvement** and recovery of service ratios

» Market Performance:

1.- Low growth in the ready to eat pizza segment and higher growth in the “Bocadillos” and “Hamburgers” mainly due to the higher growth of consumption out of home

2.- High penetration of the refrigerated pizza segment

❑ TelePizza Answer: Strategies to be fully implemented in 2H00 / 01

1.-a **Development** of new store concept (**TelePizza Express**) at shopping malls, commercial areas, leisure centres and airports/train stations

1.-b **Diversification** through the implementation of TeleChef technology in TelePizza stores

2.- **Innovation**  New Products (i.e. “TelePizza Carbonara”) **A product launch every two**

months

New Presentations of (i.e. “PizzaFina”)
the products

Sales Performance

SPAIN: TelePizza

➤ **TelePizza Coverage** (figures for Chain Sales in '000 €)

| | <u>06/30/99</u> | <u>06/30/00</u> | % Increase |
|-------------------|------------------------|------------------------|-------------------|
| Households | 9,410,816* | 9,530,141* | 1.27% |
| Chain Sales | 138,105 | 144,306 | 4.49% |
| Sales / Household | 14.68€ | 15.14€ | 3.18% |

➤ **New openings policy:** Openings in new markets under 30,000 inhabitants mainly through franchisees

*Do not include Pizza World Coverage

Sales Performance

SPAIN: TelePizza

- These policies have resulted in:
 - » Lower growth in sales but with an **improvement in EBIT** from 15.9% (1H99) to 17.4% (1H00) which represents an increase of 9.4%
 - » An **increase in the intangible value of the improvement in service ratios** which have resulted in more **satisfied customers** which, together with successful launches, will hopefully rebuild our future sales figures

Pizza World Sales Performance

SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|--------------|--------------|--------------|----------------|--------------|----------------|
| Owned Stores | 2.519 | 0.080 | 2.599 | -39.20% | 1.93% | -37.27% |
| Franchised Stores | 4.205 | 0.000 | 4.205 | -14.57% | 0.00% | -14.57% |
| Total Chain | 6.724 | 0.080 | 6.804 | -25.83% | 0.88% | -24.94% |

**First
Quarter
2000**

STORE OPERATING MONTHS

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|------------|------------|------------|----------------|--------------|----------------|
| Owned Stores | 72 | 3 | 75 | -46.67% | 2.22% | -44.44% |
| Franchised Stores | 124 | 0 | 124 | -18.42% | 0.00% | -18.42% |
| Total Chain | 196 | 3 | 199 | -31.71% | 1.05% | -30.66% |

AVERAGE MONTHLY SALES

*Figures in Euro
million*

*(except AMS in
Euro Thousand)*

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|---------------|---------------|---------------|--------------|---------------|--------------|
| Owned Stores | 34.980 | 26.684 | 34.649 | 14.00% | -1.08% | 12.92% |
| Franchised Stores | 33.914 | 0.000 | 33.914 | 4.72% | 0.00% | 4.72% |
| Total Chain | 34.306 | 26.684 | 34.191 | 8.61% | -0.36% | 8.25% |

Pizza World Sales Performance

**Second
Quarter
2000**

SALES

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|-----------------|-------------------|--------------|-------------------|---------------------|----------------|
| Owned Stores | 2.522 | 0.000 | 2.522 | -41.78% | 0.00% | -41.78% |
| Franchised Stores | 4.215 | 0.000 | 4.215 | -14.82% | 0.00% | -14.82% |
| Total Chain | 6.737 | 0.000 | 6.737 | -27.41% | 0.00% | -27.41% |

STORE OPERATING MONTHS

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|-----------------|-------------------|--------------|-------------------|---------------------|----------------|
| Owned Stores | 69 | 0 | 69 | -48.51% | 0.00% | -48.51% |
| Franchised Stores | 125 | 0 | 125 | -17.76% | 0.00% | -17.76% |
| Total Chain | 194 | 0 | 194 | -32.17% | 0.00% | -32.17% |

AVERAGE MONTHLY SALES

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | Δ Vertical | Δ Horizontal | Δ Total |
|--------------------|-----------------|-------------------|---------------|-------------------|---------------------|----------------|
| Owned Stores | 36.556 | 0.000 | 36.556 | 13.06% | 0.00% | 13.06% |
| Franchised Stores | 33.716 | 0.000 | 33.716 | 3.58% | 0.00% | 3.58% |
| Total Chain | 34.726 | 0.000 | 34.726 | 7.02% | 0.00% | 7.02% |

*Figures in Euro
million*

*(except AMS in
Euro Thousand)*

Pizza World Sales Performance

SALES

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|---------------|-------------------|---------------------|----------------|
| Owned Stores | 5.041 | 0.080 | 5.121 | -40.03% | 0.95% | -39.08% |
| Franchised Stores | 8.420 | 0.000 | 8.420 | -14.70% | 0.00% | -14.70% |
| Total Chain | 13.461 | 0.080 | 13.541 | -26.35% | 0.44% | -25.91% |

Year-to-date
June
2000

STORE OPERATING MONTHS

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|--------------|-------------------|---------------------|----------------|
| Owned Stores | 141 | 3 | 144 | -49.46% | 1.08% | -48.39% |
| Franchised Stores | 249 | 0 | 249 | -17.00% | 0.00% | -17.00% |
| Total Chain | 390 | 3 | 393 | -32.64% | 0.52% | -32.12% |

AVERAGE MONTHLY SALES

*Figures in Euro
million*

*(except AMS in
Euro Thousand)*

| | <u>Vertical</u> | <u>Horizontal</u> | <u>Total</u> | <u>Δ Vertical</u> | <u>Δ Horizontal</u> | <u>Δ Total</u> |
|--------------------|-----------------|-------------------|---------------|-------------------|---------------------|----------------|
| Owned Stores | 35.752 | 26.685 | 35.563 | 18.67% | -0.63% | 18.04% |
| Franchised Stores | 33.815 | 0.000 | 33.815 | 2.78% | 0.00% | 2.78% |
| Total Chain | 34.515 | 26.685 | 34.455 | 9.35% | -0.19% | 9.16% |

Sales Performance

PIZZA WORLD

- Stores concentrated on Catalonia with a positive average monthly sales evolution (9.16% increase over 1H 99)

Q4 99

Q1 00

Q2 00

31.95

34.19

34.46

- Strong increase at Ebit level (76%), and important improvement of Ebit margin :

1H 99

1H 00

Margin

Increase

International Sales Performance

SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|----------|----------|------------|-------|------------|--------------|----------|
| Portugal | 1,181 | 89 | 1,270 | 11.96% | 8.39% | 20.35% |
| Mexico | 25.7 | 41.4 | 67.1 | 18.91% | 191.29% | 210.20% |
| Poland | 7.5 | 7.0 | 14.5 | 63.07% | 152.84% | 215.91% |
| Chile | 902 | 101 | 1,003 | 9.30% | 12.26% | 21.56% |
| France | 1.8 | 8.3 | 10.1 | 128.88% | 1087.09% | 1215.97% |
| U.K. | 0.0 | 0.6 | 0.6 | 0.00% | 0.00% | 0.00% |
| Morocco | 0.0 | 1.2 | 1.2 | 0.00% | 0.00% | 0.00% |

First Quarter 2000

STORE OPERATING MONTHS

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|----------|----------|------------|-------|------------|--------------|---------|
| Portugal | 115 | 12 | 127 | 1.77% | 10.62% | 12.39% |
| Mexico | 94 | 234 | 328 | -16.81% | 207.08% | 190.27% |
| Poland | 51 | 73 | 124 | 34.21% | 192.11% | 226.32% |
| Chile | 47 | 7 | 54 | 6.82% | 15.91% | 22.73% |
| France | 13 | 64 | 77 | -18.75% | 400.00% | 381.25% |
| U.K. | 0 | 40 | 40 | 0.00% | 0.00% | 0.00% |
| Morocco | 0 | 6 | 6 | 0.00% | 0.00% | 0.00% |

Sales in local currency

AVERAGE MONTHLY SALES

million and thousand

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|---------------------|----------|------------|----------|------------|--------------|---------|
| Portugal (thousand) | 10,272.0 | 7,379.7 | 9,998.7 | 10.01% | -2.93% | 7.08% |
| Mexico (thousand) | 273.8 | 176.9 | 204.7 | 42.95% | -36.08% | 6.87% |
| Poland (thousand) | 147.0 | 96.3 | 117.1 | 21.50% | -24.69% | -3.19% |
| Chile (thousand) | 19,186.0 | 14,448.6 | 18,571.9 | 2.32% | -3.28% | -0.96% |
| France (thousand) | 134.8 | 130.0 | 130.8 | 181.70% | -8.25% | 173.45% |
| U.K. (thousand) | 0.0 | 16.1 | 16.1 | 0.00% | 0.00% | 0.00% |
| Morocco (thousand) | 0.0 | 197.3 | 197.3 | 0.00% | 0.00% | 0.00% |

International Sales Performance

SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|----------|----------|------------|--------|------------|--------------|---------|
| Portugal | 1219.0 | 81.0 | 1300.0 | 11.61% | 7.42% | 19.03% |
| Mexico | 31.3 | 38.6 | 69.9 | 11.16% | 137.09% | 148.24% |
| Poland | 8.5 | 8.0 | 16.5 | 38.88% | 130.71% | 169.60% |
| Chile | 1007.0 | 100.0 | 1107.0 | 17.37% | 11.65% | 29.02% |
| France | 9.2 | 1.7 | 10.9 | 43.67% | 26.55% | 70.22% |
| U.K. | 0.0 | 0.4 | 0.4 | 0.00% | 0.00% | 0.00% |
| Morocco | 0.0 | 0.8 | 0.8 | 0.00% | 0.00% | 0.00% |

Second Quarter 2000

STORE OPERATING MONTHS

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|----------|----------|------------|-------|------------|--------------|---------|
| Portugal | 119 | 12 | 131 | 4.39% | 10.53% | 14.91% |
| Mexico | 154 | 248 | 402 | 9.22% | 175.89% | 185.11% |
| Poland | 61 | 77 | 138 | 19.61% | 150.98% | 170.59% |
| Chile | 51 | 7 | 58 | 18.60% | 16.28% | 34.88% |
| France | 64 | 10 | 74 | -15.79% | 13.16% | -2.63% |
| U.K. | 0 | 38 | 38 | 0.00% | 0.00% | 0.00% |
| Morocco | 0 | 6 | 6 | 0.00% | 0.00% | 0.00% |

Sales in local currency

AVERAGE MONTHLY SALES

(In Ptas. Thousands)

million and thousand

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|---------------------|----------|------------|----------|------------|--------------|---------|
| Portugal (thousand) | 10,243.7 | 6,750.0 | 9,923.7 | 6.92% | -3.34% | 3.58% |
| Mexico (thousand) | 203.2 | 155.6 | 173.9 | 1.78% | -14.71% | -12.93% |
| Poland (thousand) | 139.3 | 103.9 | 119.6 | 16.12% | -16.48% | -0.37% |
| Chile (thousand) | 19,745.1 | 14,285.7 | 19,086.2 | -1.04% | -3.30% | -4.35% |
| France (thousand) | 143.8 | 170.0 | 147.3 | 70.61% | 4.21% | 74.82% |
| U.K. (thousand) | 0.0 | 10.5 | 10.5 | 0.00% | 0.00% | 0.00% |
| Morocco (thousand) | 0.0 | 133.3 | 133.3 | 0.00% | 0.00% | 0.00% |

International Sales Performance

SALES

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|----------|----------|------------|---------|------------|--------------|---------|
| Portugal | 2,400.0 | 169.7 | 2,569.7 | 11.77% | 7.90% | 19.67% |
| Mexico | 56.5 | 80.2 | 136.7 | 13.39% | 161.11% | 174.50% |
| Poland | 15.8 | 14.6 | 30.5 | 47.57% | 136.61% | 184.18% |
| Chile | 1,909.4 | 200.2 | 2,109.6 | 13.45% | 11.90% | 25.35% |
| France | 10.7 | 9.5 | 20.2 | 49.18% | 132.78% | 181.96% |
| U.K. | 0.0 | 1.2 | 1.2 | 0.00% | 0.00% | 0.00% |
| Morocco | 0.0 | 2.4 | 2.4 | 0.00% | 0.00% | 0.00% |

Year-to-date June 2000

STORE OPERATING MONTHS

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|----------|----------|------------|-------|------------|--------------|---------|
| Portugal | 234 | 24 | 258 | 3.08% | 10.57% | 13.65% |
| Mexico | 248 | 482 | 730 | -2.36% | 189.76% | 187.40% |
| Poland | 112 | 150 | 262 | 25.84% | 168.54% | 194.38% |
| Chile | 98 | 14 | 112 | 12.64% | 16.09% | 28.73% |
| France | 77 | 74 | 151 | -16.30% | 80.43% | 64.13% |
| U.K. | 0 | 78 | 78 | 0.00% | 0.00% | 0.00% |
| Morocco | 0 | 12 | 12 | 0.00% | 0.00% | 0.00% |

*Sales in local currency
million and thousand*

AVERAGE MONTHLY SALES (AMS)

| | Vertical | Horizontal | Total | Δ Vertical | Δ Horizontal | Δ Total |
|---------------------|----------|------------|----------|------------|--------------|---------|
| Portugal (thousand) | 10,256.3 | 7,072.0 | 9,960.1 | 8.42% | -3.13% | 5.29% |
| Mexico (thousand) | 227.7 | 166.5 | 187.3 | 16.13% | -20.62% | -4.49% |
| Poland (thousand) | 141.2 | 97.6 | 116.2 | 17.26% | -20.73% | -3.47% |
| Chile (thousand) | 19,483.3 | 14,301.4 | 18,835.5 | 0.71% | -3.35% | -2.64% |
| France (thousand) | 138.9 | 128.6 | 133.9 | 78.24% | -6.45% | 71.79% |
| U.K. (thousand) | 0.0 | 15.2 | 15.2 | 0.00% | 0.00% | 0.00% |
| Morocco (thousand) | 0.0 | 199.3 | 199.3 | 0.00% | 0.00% | 0.00% |

Sales Performance

INTERNATIONAL

■ **Performance in Euros:**

➤ Growth in total sales:

» Important growth achieved (100.86% increase over 1H99)

➤ Average monthly sales performance (-6.15% decrease over 1H00) explained by:

» Important growth in operating months (114.02%)

» Most openings take place in new areas (horizontal growth 111.35%)

» Country mix: Most openings take place in Mexico, Poland, France and U.K., countries with lower AMS

Sales Performance

INTERNATIONAL

■ **Performance by Country:**

- Performance above expectations in Portugal, Chile and Poland
- Mexico: 1H 00 performance includes the adjustment of the strong growth achieved in 1999. Positive evolution anticipated for 2H 00
- U.K. and France: Strategy currently under review, with final decision to be taken before year end. Options include:
 - » Strategic alliances
 - » Master Franchising the operations
 - » Exit the country
- Morocco: Still not meaningful in terms of total company sales

Sales Performance

INTERNATIONAL

■ **New countries:**

- Strategy to be implemented in 2H 00 → Entrance into emerging or developing countries, through Joint Venture or Master Franchise, such as:
 - Surrounding Central Europe: Czech Republic, Hungary, Greece, Turkey
 - Latin America: Brazil, Peru, Venezuela, Central America
 - Asia: India

2000 First Half Results

| | 1H99 | | 1H00 | | D % |
|--|--------|---------|---------|---------|---------|
| Turnover | 134.99 | 100.00% | 164.12 | 100.00% | 21.58% |
| Other operating income | 7.80 | 5.78% | 9.52 | 5.80% | 22.03% |
| TOTAL INCOME | 142.80 | 105.78% | 173.64 | 105.80% | 21.60% |
| Cost of good sold | -38.41 | -28.45% | -46.68 | -28.44% | 21.53% |
| GROSS MARGIN | 104.39 | 77.33% | 126.97 | 77.36% | 21.63% |
| Personnel cost | -47.05 | -34.85% | -57.38 | -34.96% | 21.96% |
| Depreciation and amortization | -8.35 | -6.18% | -9.63 | -5.86% | 15.30% |
| Other operating expenses | -30.41 | -22.52% | -38.87 | -23.68% | 27.83% |
| TOTAL EXPENSES | -85.80 | -63.56% | -105.87 | -64.51% | 23.39% |
| OPERATING PROFIT | 18.59 | 13.77% | 21.09 | 12.85% | 13.48% |
| NET FINANCIAL EXPENSES | -0.27 | -0.20% | -1.98 | -1.21% | 638.36% |
| Share in profits from companies consolidated under equity method | 0.07 | 0.05% | 0.05 | 0.03% | -26.00% |
| Amortization of consolidated goodwill | -1.13 | -0.84% | -0.71 | -0.43% | -37.38% |
| EXTRAORDINARY RESULT | 0.37 | 0.27% | 1.48 | 0.90% | 305.99% |
| CONSOLIDATED PROFIT BEFORE TAXES | 17.62 | 13.05% | 19.94 | 12.15% | 13.16% |
| Corporation tax | -5.06 | -3.75% | -4.77 | -2.91% | -5.71% |
| CONSOLIDATED PROFIT AFTER TAXES | 12.56 | 9.31% | 15.17 | 9.24% | 20.75% |
| Profit allocated to minority interests | -0.34 | -0.25% | -0.49 | -0.30% | 43.32% |
| PROFIT ALLOCATED TO THE PARENT COMPANY | 12.22 | 9.05% | 14.68 | 8.94% | 20.12% |

Figures in Euro Million

2000 First Half Results

| Breakdown | EBIT (in euro million) | EBIT (% over Consolidated sales) | EBIT (% increase over EBIT 1H 99) |
|----------------------------|---------------------------|--|---|
| Spain | 21.73 | 17.4% | 15.84% |
| Portugal 63.94% | 1.64 | 13.25% | |
| Chile | 0.60 | 15.20% | 62.58% |
| Poland | 0.26 | 3.50% | 1,855.46% |
| Mexico | -0.56 | -3.79% | -1,144.75% |
| Morocco | -0.09 | -31.45% | ----- |
| U.K. | -0.56 | -54.74% | ----- |
| France | -1.92 | -62.90% | -30.43% |
| International | -0.63 | -1.48% | -278.00% |
| ⁴¹ TOTAL | 21.09 | 12.85% | 13.48% |

First Half Results

2Q 00 Net profit increase in line with our expectations: 24.5%; which continues with the positive growth trend started in 1Q00

- Increase in **turnover** (21.6%) as a result of:
 - 1999 acquired businesses :
 - » 16 franchised stores (mainly during 4th Quarter)
 - 1999 businesses sold:
 - » 7 owned stores
 - 1999 New companies:
 - » TelePizza France (Feb)
 - » TelePizza U.K (Aug.)
 - » TelePizza Maroc (Dec)
 - Important expansion plan in Mexico and Poland

- **Gross Margin:** The improvement achieved last year, thanks to the positive effect of vertical integration (franchisees and mozzarella supplier) is maintained with additional reduction of cost of goods sold at store level.

First Half Results



- **Operating Profit:** Reduction from 13.7% (H1 99) to 12.9% (H1 00) due to
 - Higher importance of the developing international activity (% of international consolidated sales over total sales has risen from 16% (1H 99) to 26% (1H 00))
- **Net Financial expenses** increase from -0.2% (H1 99) to -1.2% (H1 00) due to higher investments and interest rate increase. (26% of the financial expenses are due to the financing of treasury stock for stock option plans)

First Half Results

■ **Extraordinary results**

- Mainly due to sale of treasury stock not assigned for stock options plans

■ **Profitability:**

- Spain: Strong profitability (1H99 Ebit 15.9% v.s. 1H00 17.4%)
- International:
 - » Portugal, Poland and Chile above expectations
 - » Mexico needs to consolidate last year and 1H00 openings
 - » Losses incurred in certain new countries → strategic decision to be taken before year end

First Half Balance Sheet

| <u>ASSETS</u> | <u>1H 1999</u> | <u>1H 2000</u> | <u>LIABILITIES</u> | <u>1H 1999</u> | <u>1H 2000</u> |
|--------------------------|----------------|----------------|--|----------------|----------------|
| Fixed assets | 119.48 | 211.86 | Capital and Reserves | 68.80 | 112.15 |
| Start - up expenses | 2.58 | 6.20 | Subscribed capital | 6.45 | 6.71 |
| Intangible assets | 17.58 | 34.42 | Reserves | 50.13 | 90.77 |
| Tangible assets | 85.31 | 126.73 | Profit allocated to the parent company | 12.22 | 14.68 |
| Financial assets | 6.10 | 15.46 | Minority Interest | 3.12 | 2.97 |
| Parent company shares | 7.90 | 29.05 | Negative Consolidation Difference | 1.43 | 1.40 |
| Consolidated goodwill | 19.54 | 26.33 | Deferred income | 1.59 | 1.38 |
| Deferred expenses | 0.61 | 0.38 | Provisions for risks and liabilities | 0.48 | 1.53 |
| Current Assets | 34.65 | 59.47 | Long-term liabilities | 42.87 | 78.95 |
| Stock | 10.58 | 14.41 | Amounts owed to credit institutions | 41.15 | 76.72 |
| Debtors | 17.59 | 29.14 | Others | 1.72 | 2.24 |
| Short-term investments | 2.52 | 6.47 | Current Liabilities | 55.98 | 99.65 |
| Cash and Banks | 1.57 | 6.76 | Amounts owed to credit institutions | 17.98 | 51.15 |
| Prepayments and accruals | 2.40 | 2.68 | Others | 38.01 | 48.51 |
| TOTAL ASSETS | 174.28 | 298.04 | TOTAL LIABILITIES | 174.28 | 298.04 |

First Half Investments and Financing Statement

Uses of Funds

| | |
|---------------------------------------|--------------|
| Start up expenses | 3.35 |
| Intangible assets | 10.89 |
| Fixed assets | 35.41 |
| Financial assets | 11.35 |
| Consolidated Goodwill | -0.31 |
| Treasury Stock (stock options plans) | 15.90 |
| Increase in operating working capital | 11.22 |
| Total | 87.81 |

Sources of Funds

| | |
|-------------------------------|--------------|
| Net consolidated income | 14.68 |
| Depreciation and amortization | 10.34 |
| Capital Increase | 11.64 |
| Increased net indebtedness | 48.40 |
| Disposals of assets and other | 2.76 |
| Total | 87.81 |

Figures in euro million

First Half Investments and Financing Statement

■ **Major Uses of Funds:**

- TeleChef Acquisition
- Treasury Stock for stock options plans
- Land for new headquarters building
- Mexico Openings

2000 First Half Store Situation

| | ACTUAL | | | | ESTIMATED | | |
|---|--------------------------|-------------------------|----------------------------|--------------------------|-------------------|----------------------------|--------------------------|
| | SITUATION AT 12/31/99 | OPENINGS AT 06/30/00 | ADJUSTMENTS AND CHANGES | SITUATION AT 06/30/00 | 2H 00 OPENINGS | ADJUSTMENTS AND CHANGES | SITUATION AT 12/31/00 |
| SPAIN | | | | | | | |
| TelePizza | 413 | 22 | 1 | 436 | 35 | 0 | 471 |
| Pizza World | 79 | 0 | -11 | 68 | 0 | 0 | 68 |
| Stores to be used under other business lines | 0 | 0 | 35 | 35 | 0 | 0 | 35 |
| Total | 492 | 22 | 25 | 539 | 35 | 0 | 574 |
| INTERNATIONAL | | | | | | | |
| TelePizza | 240 | 37 | 6 | 283 | 52 | 0 | 335 |
| TeleGrill | 3 | 0 | -3 | 0 | 0 | 0 | 0 |
| Hippo Pizza | 12 | 0 | -5 | 7 | 0 | 0 | 7 |
| Total | 255 | 37 | -2 | 290 | 52 | 0 | 342 |
| TOTAL GROUP | 747 | 59 | 23 | 829 | 87 | 0 | 916 |

Store Openings Situation at June, 30 2000

| | <u>Openings</u> | <u>Under Construction</u> | <u>Signed</u> | <u>Under Negotiation</u> |
|----------------------------|-----------------|---------------------------|---------------|--------------------------|
| SPAIN | | | | |
| TelePizza | 22 | 25 | 6 | 2 |
| Pizza World | 0 | 0 | 0 | 0 |
| TOTAL SPAIN | 22 | 25 | 6 | 2 |
| INTERNATIONAL | | | | |
| Portugal | 1 | 2 | 1 | 4 |
| Mexico | 24 | 7 | 0 | 0 |
| Chile | 2 | 2 | 0 | 1 |
| Poland | 7 | 6 | 2 | 4 |
| France | 2 | 0 | 0 | 0 |
| U.K. | 0 | 0 | 0 | 0 |
| Morocco | 1 | 1 | 0 | 2 |
| TOTAL INTERNATIONAL | 37 | 18 | 3 | 11 |
| TOTAL GROUP | 59 | 43 | 9 | 13 |