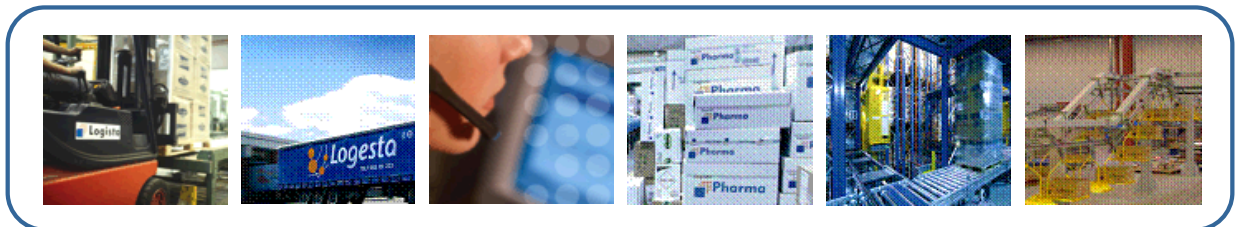


Logista Q1 2016 Results

February 9, 2016



Logista reports Q1 2016 Results

Logista announces today its First Quarter Results for 2016. Main highlights:

- Revenues growing by 2.3%
- Good performance of Economic Sales¹ up by 1.7%
- Adjusted Operating Profit increasing by 9.9% and Profit from Operations growing 19.8%
- Important growth of Net Income, up by 22.8%

Key Metrics Summary

<i>Data in million euros</i>	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014	% Change
Revenues	2,366.2	2,313.1	2.3%
Economic Sales	251.1	246.9	1.7%
Adjusted Operating Profit	49.6	45.2	9.9%
Margin over Economic Sales	19.8%	18.3%	+150 b.p.
Profit from Operations	35.3	29.4	19.8%
Net Income	24.8	20.2	22.8%

The macroeconomic environment in the main countries in which the Group operates did not experienced significant variations during the quarter and continues showing positive indicators in general but to a different extent depending on the countries. Nevertheless, it is worth to mention that in November the activity in France was affected by the terrorist attacks suffered in Paris and this fact translated into a reduction of consumption during the days following the attacks.

During this quarter the three geographical segments registered a positive performance compared to the same period last year in Revenues, Economic Sales and Adjusted EBIT, being particularly significant the recovery experienced by the France segment.

The growth in Revenues in Tobacco and related in all geographies and in the Pharma business in Iberia more than offset the slight drop in Revenues from Transport (due to the change in perimeter in the third quarter of 2015) and Other business in France.

The performance of tobacco volumes distributed by the Group (cigarettes and RYO) during the period was positive for the first time in the last few years, +0.9% above the volumes distributed in the first quarter of fiscal year 2015 (in that period, the year-on-year drop was 0.9%).

One of the factors that probably contributed to the growth in volumes was the lack of tobacco products' retail selling price increases in all geographies (that did not experienced increases during the first quarter of last year either) as well as a certain macroeconomic recovery.

Economic Sales grew in the three segments in most of the activities, particularly in Pharma and Transport, offsetting the slight drop of Other business in France and Publications in Iberia.

As a consequence of the different reorganisation measures and efficiency improvement plans that the Group constantly runs the Adjusted EBIT increased by 9.9% and the Adjusted EBIT margin over Economic Sales reached 19.8%, growing by 150 b.p. compared to the 18.3% obtained in the first quarter of fiscal year 2015.

¹ Economic Sales: This term equals Gross Profit and is used without distinction by the Management to refer to the figure resulting of subtracting Procurements to the Revenue figure.

During the quarter in both fiscal years, no result from impairment was recorded, the impact of restructuring was lower than the recorded figure in the same period last year (€2.0 million vs. €3.1 million) and there was an €0.7 million capital gain from the sale of a building, translating in an improvement of 19.8% in the Profit from operations.

Net Income increased by 22.8%, due to the good performance of Financial Results that grew 21.8% and the reduction of the corporate tax rate for the Group derived from the lower applicable tax rate in Spain.

Revenues Evolution (By Segment and Activity)

<i>Data in million euros</i>	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014	% Change
Iberia	647.1	626.2	3.3%
Tobacco & Related	554.0	532.2	4.1%
Transport Services	83.2	84.5	(1.5)%
Other Businesses	33.3	31.2	6.6%
Adjustments	(23.4)	(21.7)	(8.0)%
France	1,093.9	1,080.2	1.3%
Tobacco & Related	1,044.6	1,026.6	1.7%
Other Businesses	50.8	55.4	(8.2)%
Adjustments	(1.5)	(1.8)	22.6%
Italy	632.1	614.0	3.0%
Tobacco & Related	632.1	614.0	3.0%
Corporate & Others	(6.9)	(7.3)	5.3%
Total Revenues	2,366.2	2,313.1	2.3%

Economic Sales Evolution (By Segment and Activity)

<i>Data in million euros</i>	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014	% Change
Iberia	123.1	121.4	1.4%
Tobacco & Related	58.5	58.4	0.2%
Transport Services	57.9	57.1	1.5%
Other Businesses	17.4	16.2	7.6%
Adjustments	(10.7)	(10.3)	(4.5)%
France	71.0	69.5	2.1%
Tobacco & Related	59.5	58.3	2.0%
Other Businesses	12.8	13.1	(2.4)%
Adjustments	(1.3)	(1.9)	33.0%
Italy	55.5	54.3	2.1%
Tobacco & Related	55.5	54.3	2.1%
Corporate & Others	1.5	1.7	(9.3)%
Total Economic Sales	251.1	246.9	1.7%

Adjusted EBIT Evolution (By Segment)

<i>Data in million euros</i>	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014	% Change
Iberia	19.9	19.3	3.1%
France	18.8	15.7	19.4%
Italy	14.1	13.1	7.8%
Corporate & Others	(3.2)	(2.9)	(7.4)%
Total Adjusted EBIT	49.6	45.2	9.9%

Adjusted Operating Profit (or indistinctly Adjusted EBIT) is the principal indicator used by Management to assess the recurring results of operations of the business. This indicator is basically calculated by deducting from the Profit from Operations all those expenses that are not directly linked to the Revenue obtained by the Group during each period, which facilitates the analysis of the evolution of operating expenses and typical margins of the Group. In the following table reconciliation between Profit from Operations and Adjusted Operating Profit for the first quarter of fiscal year 2016 and 2015 is shown:

<i>Data in million euros</i>	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014
Profit from Operations	35.3	29.4
Restructuring Costs	2.0	3.1
Amortization of Assets Logista France	13.1	13.1
Net Loss of Disposal and Impairment of Non-Current Assets	(0.7)	0.1
Share of Results of Companies and Others	(0.1)	(0.5)
Adjusted Operating Profit	49.6	45.2

I. Business Review

A. Iberia: Spain and Portugal

Revenues in Iberia reached €647.1 million compared to €626.2 million in first quarter 2015, recording a 3.3% growth. The Economic Sales of the segment were €123.1 million a 1.4% above €121.million recorded in the same period last fiscal year.

Revenues in **Tobacco and related products** increased by 4.1% as a consequence of the increase of tobacco distributed volumes (in Spain and Portugal) that allowed offsetting the slight reduction experienced by the revenues from other products. Neither during the first quarter of this fiscal year nor during the first quarter of the previous year there was retail selling price increases of these products.

The cigarette volumes distributed in Spain grew by 1.0% with respect to those distributed in the same period the previous year, improving the trend already registered in that period compared to Q1 of fiscal year 2014 (+0.7%).

However, RYO distributed volumes continued declining (-1.6% vs. -1.0%) and cigar volumes softened their drop that was 0.2% compared to 2.2% in fiscal year 2015.

During the period, the tobacco distribution contract in Spain with British American Tobacco España was renewed for 5 years.

The positive performance of volumes in Spain and Portugal and the increase of transport services invoiced to manufacturers allowed offsetting the weak performance in the period of other services to manufacturers and of sales from other products and resulted in an increased of 0.2% in Economic Sales.

In November 2015 an agreement was reached with the multinational Procter & Gamble under which the Group's subsidiary for convenience distribution in Spain is managing from January 2016 the distribution of its products to the main wholesalers in the national territory. This agreement follows the one signed at the end of the previous fiscal year with the same manufacturer for the distribution of healthcare products to the pharmacy channel.

Revenues in **Transport** went down by 1.5% compared to previous year reaching €83.2 due to the decline in the full truck load activity after the divestment of one of its subsidiaries last year. However, Economic Sales went up by 1.5% to €57.9 million. The parcel and courier activities recorded increases in Revenues and Economic Sales.

It is to be noted that courier shipments continue increasing at a rate close to double digit.

Revenues in **Other Businesses** (which includes Pharma, lottery and publications distribution activities) grew by 6.6% reaching €33.3 million while Economic Sales went up by 7.6% to €17.4 million mainly due to the fact that Pharma continued its growth trend. The reduction recorded by the Publications activity contrasted with the increase in Revenues and Economic Sales of the lottery distribution.

The total Operating expenses of the segment increased to a lesser extent than the activity growth, as a result of the constant efficiency improvement policy of the Group. During the period several cost lines reduced, being the reductions recorded both in central warehouses' personnel costs and provincial delegations costs the most relevant.

Adjusted Operating Profit reached €19.9 million growing a 3.1% vs. the same period last year thanks to the good general performance recorded by the businesses and the cost contention.

Profit from Operations reached €17.9 million versus €16.4 million recorded in the previous year, up by 9.0%. This increase was caused by the lower restructuring costs than in the same period last year (€1.9 million compared to €2.9 million).

B. France

Revenues from the France segment increase 1.3% to €1,093.9 million while Economic Sales reached €71.0 million recording a 2.1% growth.

Revenues from Tobacco and related products grew well above the reduction experienced by Other businesses Revenues that continue reflecting the impact of the progressive rationalisation in the portfolio of clients and, to some extent, of the consumption weakness.

Tobacco and related products Revenues increased by 1.7% to €1,044.6 million thanks to the growth experienced by distributed tobacco volumes that offset the lower revenues from electronic transactions.

During the first quarter of the fiscal year there were not retail selling price increases of tobacco products as there were not during the same period in the precedent year either. The tobacco distributed volumes grew compared to first quarter of 2015 both in the cigarette category (+2.1% versus -3.8%) and in the RYO category that increased by 4.1% while during the same period last year it declined by 0.5%.

In spite of the fact that the Sales of electronic transactions declined during the period, this decline was well below the decline suffered by telephony top-ups sector thanks to the diversification of products.

Sales from tobacco related and convenience products were stable in an environment where the convenience channel is not still showing clear signs of recovery, translating into a slight decrease of sales in small stores' channel during the quarter (source: Banque de France)

Economic Sales increased by 2.0% to €59.5 million, growing in all categories, as a consequence of the positive performance of tobacco distributed volumes and the improvement recorded by the margins over revenues in the distribution of convenience products and electronic transactions.

Revenues in **Other Businesses** (wholesale distribution of convenience products in non-tobacconist channels) declined by 8.2% to €50.8 million. However, the progressive rationalisation of the portfolio of clients that is being executed translated into a lower drop in Economic Sales that reduced 2.4% to €12.8 million.

The activity growth in the segment was accompanied by a significant reduction of operating costs thanks to the reorganisation measures previously carried out which boosted an improvement of 19.4% in **Adjusted Operating profit** to €18.8 million (versus €15.7 million in the same period last year).

Profit from Operations reached €5.8 million more than double than during the first quarter of 2015, not having recorded restructuring costs in any of the mentioned periods. The main adjustment in the segment is the Amortization of Assets generated from the acquisition of Logista France that was €13.1 million in both years.

C. Italy

Revenues in the Italy segment increased 3.0% and reached €632.1 million (€614.0 million in the first quarter last year) thanks to the practically stable tobacco distributed volumes, the retail selling price increase of these products in January 2015 and the growth recorded by the sales of other products during the period.

Cigarette distributed volumes declined by 0.4% compared to the slight increase of 0.2% recorded last year. The RYO category grew by 4.1% vs. an increase of 1.0% in the precedent year.

The market share of low price cigarette brands continued being high and, although during the first quarter of this fiscal year there were not retail selling price increases (there were not either in the same period last year), there were some downwards repositioning of certain brands which market share is not very significant.

The strongest commercial power boosted through the strategy that the Group is developing, contributed to the growth in revenues from tobacco related and convenience products what together with the invoicing of other services to manufacturers allowed offsetting the negative impact of the decline of tobacco distributed volumes in Economic Sales. Thus, the Economic Sales of the Italy segment reached €55.5 million vs. €54.3 million in fiscal year 2015, what represents a growth of 2.1%.

The operating costs remained practically stable with respect to past year despite the activity growth thanks to the efficiency improvement and the business model of the Group.

Adjusted Operating Profit reached €14.1 million during 2014, what represents a 7.8% increase over the same period of fiscal year 2015. During the first quarter of this and previous fiscal years there were not significant adjustments to Profit from operations.

D. Corporate and Others

Adjusted Operating Profit in this segment, that includes corporate expenses and the Polish operations, reached -€3.2 million recording a drop of 7.4% vs. the obtained -€2.9 million in the previous year.

II. Financial Overview

A. Financial Result Evolution

Financial results increased from €1.9 million to €2.2 million.

The evolution of the interest rate used as a reference in the treasury agreement with our majority shareholder (European Central Bank base rate), over which a 75 b.p. spread is obtained under that agreement, remained stable at 0.05%, the same level than during the first quarter of fiscal year 2015.

The average cash position during the fiscal year was €1,458 million compared to €1,280 million in the previous fiscal year.

B. Net Income Evolution

Earnings before Taxes increased by 19.9% to €37.4 million, while Net Income increased by 22.8%. The effective consolidated tax rate of the period was 33.5% vs. close to 35.0% in precedent year mainly due to the reduction of the corporate tax rate in Spain approved by the Government in 2014. The delay in the application of the new rate till fiscal year 2016 is due to the fact that this was applicable in the fiscal years beginning from January 2015.

Earnings per Share were €0.19 vs. €0.15 in the first quarter of 2015, with no variations in the number of shares.

C. Cash Flow

The seasonality of the Group's business results in a negative cash flow during the first and second quarters of the fiscal year that is recovered during the second half, usually reaching its peak around year end.

The negative Cash Generation was significantly lower than in the first quarter of 2015 thanks to the better results, the lower investment in working capital as a consequence of the positive evolution in tobacco distributed volumes and the lower net investments in the period.

During the first quarter of both fiscal years there were not dividend payments.

D. Dividend Policy

The Board of Directors of Logista intends to propose to the General Shareholders Meeting that will be held on 16th March 2016 the distribution of a final dividend of €66 million for fiscal year 2015 (€0.50 per share) that will be paid on 23rd March 2016.

With this payment the total dividend for fiscal 2015 will reach €98.2 million euros (0.74 euros per share), representing 90% of Net profit of that year.

E. Outlook

The results obtained during the first quarter of the fiscal year confirm the growth expectations for Adjusted EBIT (in the range of 4 – 5%) and Net Profit (close to double digit) at this fiscal year closing.

For more information:

investor.relations@grupologista.com

+34 91 481 98 26

Appendix

P&L

<i>Data in million euros</i>	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014	% Change
Revenues	2,366.2	2,313.1	2.3%
Eco. Sales	251.1	246.9	1.7%
(-) Distribution Costs	(165.3)	(165.0)	(0.1)%
(-) Sales and Marketing Expenses	(16.4)	(16.9)	2.9%
(-) Research Expenses and G&A Expenses	(19.8)	(19.8)	0.1%
Total Costs	(201.5)	(201.7)	0.1%
Adjusted EBIT	49.6	45.2	9.9%
<i>Margin %</i>	<i>19.8%</i>	<i>18.3%</i>	<i>+150 b.p.</i>
(-) Restructuring Cost	(1.9)	(3.1)	34.9%
(-) Amort. of Intangibles Logista France	(13.1)	(13.1)	0.0%
(-) Net Loss on Disposal and Impairments	0.7	(0.1)	n.r.
(-) Share of Results of Companies and Others	(0.0)	0.5	n.r.
Profit from Operations	35.3	29.5	19.8%
(+) Financial Income	3.1	2.9	9.6%
(-) Financial Expenses	(1.0)	(1.0)	11.6%
Profit before taxes	37.4	31.3	19.9%
(-) Corporate Income Tax	(12.5)	(10.9)	(14.8)%
<i>Effective Income Tax Rate</i>	<i>33.5%</i>	<i>34.8%</i>	<i>-150 b.p.</i>
(+/-) Other Income / (Expenses)	(0.0)	(0.1)	0.0%
(-) Minority Interest	(0.1)	(0.1)	(10.8)%
Net Income	24.8	20.2	22.8%

Cash Flow Statement

<i>Data in million euros</i>	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014	Change
EBITDA	58.9	54.5	4.4
Movements in Prov. and Other Fixed Liabilities	(5.0)	(1.5)	(3.5)
Working Capital Variations and Others	(341.6)	(539.3)	197.7
Corporate Income Tax Paid	(0.9)	(0.8)	(0.1)
Other Income and Expenses	(2.0)	(3.1)	1.1
Cash Flow From Operating Activities	(290.6)	(490.2)	199.6
Net Investments	(3.3)	(6.5)	3.1
Economic Free Cash Flow	(293.9)	(496.7)	202.8
% over EBITDA	(498.9)%	(911.4)%	

Balance Sheet

<i>Data in million euros</i>	31 December 2015	30 September 2015
PP&E and other Fixed Assets	216.7	216.0
Net Long Term Financial Assets	9.5	9.5
Net Goodwill	919.1	919.1
Other Intangible Assets	642.8	660.7
Deferred Tax Assets	33.4	40.9
Net Inventory	1,040.2	1,060.5
Net Receivables	1,758.3	1,773.0
Cash & Cash Equivalents	1,455.0	1,798.3
Total Assets	6,075.0	6,478.0
Group Equity	466.1	442.6
Minority interests	1.9	1.8
Non Current Liabilities	43.2	48.2
Deferred Tax Liabilities	324.0	328.1
Short Term Financial Debt	33.0	31.7
Short Term Provisions	17.9	16.8
Trade and Other Payables	5,188.9	5,608.8
Total Liabilities	6,075.0	6,478.0

Tobacco Volumes Evolution

	Million units			% Y-o-Y Change	
	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014	1 Oct. 2013 – 31 Dec. 2013	1 Oct. 2015 – 31 Dec. 2015	1 Oct. 2014 – 31 Dec. 2014
TOTAL					
Cigarettes	41,377	41,066	41,435	0.8%	(0.9)%
RYO/MYO	5,135	5,027	5,054	2.2%	(0.5)%
Cigars	990	1,004	1,037	(1.3)%	(3.2)%
SPAIN					
Cigarettes	11,207	11,096	11,016	1.0%	0.7%
RYO/MYO	1,592	1,617	1,633	(1.6)%	(1.0)%
Cigars	528	529	541	(0.2)%	(2.2)%
PORTUGAL					
Cigarettes	432	398	431	8.4%	(7.7)%
RYO/MYO	36	41	50	(11.1)%	(18.0)%
Cigars					
FRANCE					
Cigarettes	11,436	11,198	11,644	2.1%	(3.8)%
RYO/MYO	2,398	2,033	2,315	4.1%	(0.5)%
Cigars	343	353	373	(2.9)%	(5.4)%
ITALY					
Cigarettes	18,302	18,373	18,345	(0.4)%	0.2%
RYO/MYO	1,109	1,066	1,055	4.1%	1.0%
Cigars	120	122	124	(1.8)%	(1.5)%

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