



Economic Sales grew by 2.7% to €511.9m

**LOGISTA RAISED ITS NET PROFIT BY 49.7% TO €76.6m
DURING THE FIRST HALF**

Logista raised its Net Profit by 49.7% to €76.6m during the first half of its fiscal year, between October of 2016 and March of 2017.

Revenues declined by 1% when compared to the first half of the previous fiscal year to €4,527m, with an increase of sales in other products different to tobacco that helped to offset the fall of 4.8% in cigarettes distributed. Prices grew in Spain and France, while a few brands lowered their prices in Italy.

Economic Sales, result of subtracting products' value from revenues, rose by 2.7% when compared to the first half of the previous fiscal year to €511.9m, with growth in every activity carried out in Spain and Italy.

Accordingly, the company improved Economic Sales in Tobacco and Related Products distribution to tobaccoists in Spain and Italy, in its Transport area and in Logista Pharma.

The Adjusted Operating Profit (Adjusted EBIT) grew by 1% to €100m and the Operating Profit (EBIT) rose by 1.2% to €69.5m.

Earnings before Taxes grew by 26.6% after the sale of a subsidiary in Italy, since 2008 providing transactional services to tobaccoists to improve and modernize the management of the point of sale, an activity the Group keeps promoting by providing a wide range of products and services to tobaccoists, through its network of Point of Sale Terminals.

The reduced rate at which this sale is taxed and the lower theoretical tax rates in all countries where the Group operates reduced the consolidated effective tax rate, contributing to the 49.7% increase in the Net Profit.

	Iberia	France	Italy	Corp. And Others	TOTAL	Δ17/16
Revenues	1,264.4	2,039.4	1,238.0	-14.8	4,527.0	-1.0%
Economic Sales	261.8	135.9	112.5	1.7	511.9	+2.7%
(% of total)	51.1%	26.6%	22.0%	0.3%		
Adjusted EBIT	46.8	30.8	28.5	-6.0	100.0	+1.0%

Figures rounded to millions of Euros, except percentages

Iberia (Spain and Portugal)

Economic Sales in Iberia rose by 5.9% during the first half of the fiscal year, with growth in all three of its business activities.

Economic Sales of Tobacco and Related Products grew significantly, despite the 1.9% decrease in the volume of cigarettes distributed in both countries and the 2.8% decrease in RYO in Spain after the increase in prices.

To the positive evolution of Economic Sales also contributed the increase in added value and transport services, as well as the significant growth in the sale of convenience products.

The Transport area, consisting of the parcel and express courier Nacex network, the Integra2 network in controlled temperature capillary transport and Logesta, the subsidiary for long distance and full load transport management, accelerated its growth and raised its Economic Sales by 4.4%.

Activities by Nacex and Integra2 kept improving, with a double-digit growth in courier dispatches. The full load activity kept stable despite lower tobacco volumes transported.

Economic Sales of Other Businesses grew by 5.3%. Logista Pharma kept expanding its services to laboratories and pharmacies and added new clients to its activity.

	Tobacco and Related Products	Transport	Other Businesses	Intra-segments sales	TOTAL	Δ17/16
Revenues	1,077.4	170.9	61.6	-45.5	1,264.4	+1.1%
Economic Sales	125.7	119.5	37.4	-20.8	261.8	+5.9%
(% of total in Iberia)	48.0%	45.6%	14.3%	-7.9%		

Figures rounded to millions of Euros, except percentages

France

Economic Sales declined by 2.1% to €135.9m, despite the 3% drop in cigarettes distributed volume, influenced by an unfavorable comparison with the first half of last fiscal year, when there was a drastic increase in volumes, as well as the likely impact over tobacconists' stocks management ahead of changes in packaging.

The evolution in the volumes distributed was positive in the second quarter despite changes in packaging and the price increases by manufacturers.



Economic Sales of Tobacco and Related Products declined by 1.5%, a lower rate than the decline in distributed volumes, with higher margins in electronic transactional products and an increase in added value services.

Logista France renewed for 4 years its distribution contracts with British American Tobacco and Japan Tobacco International, proving the manufacturers' confidence in the efficiency of the Group's cutting-edge services.

Economic Sales from distributing convenience products to other points of sale, such as petrol stations, stores and vending machines' operators, fell by 4.3% within a context of consumption weakness in the country's convenience channel, leading the company to review these operations aiming at boosting its profitability.

	Tobacco and Related Products	Other Businesses	Intra-segment Sales	TOTAL	Δ17/16
Revenues	1,950.2	92.3	-3.1	2,039.4	-4.0%
Economic Sales	114.5	24.0	-2.6	135.9	-2.1%
(% of total in France)	84.2%	17.7%	-1.9%		

Figures rounded to millions of Euros, except percentages

Italy

Cigarettes distributed declined by 7.8% while the volume of RYO tobacco distributed grew by 10.9%, with overall price stability except certain price decreases in a small number of brands.

Economic Sales rose by 2.9% to €112.5m, with double-digit growth in the distribution of convenience products to tobacconists, as well as with the provision of other added value services, ratifying the commercial strategy in line with the Group's business model.

Operating costs grew by 2.7%, a lower rate than that of the growth in Economic Sales, improving the company's profitability in Italy.

About Logista

Logista, the leading distributor of products and services to proximity retailers in Southern Europe, serves some 300,000 points of sale in Spain, France, Italy and Portugal, and facilitates the best and fastest market access to tobacco and convenience products, electronic top-ups, pharmaceuticals, books, publications and lotteries, among others.

Madrid, 3 May 2017