

Economic Sales grew by 4.1% to €261.5m

**LOGISTA RAISED ITS NET PROFIT BY 86.1% TO €46.1m
DURING THE FIRST QUARTER**

- ◆ **Sales and margins keep improving**
- ◆ **Positive behaviour in Iberia and Italy**

Logista raised its Net Profit by 86.1% to €46.1m during the first quarter of its fiscal year, between October and December of 2016.

Revenues declined by 3.5% to €2,283m despite cigarettes distributed fell by 6.2%, with lower volumes in France and Italy and stability in Spain. Prices rose in Spain, were stable in France and a few brands lowered its prices in Italy.

Economic Sales, result of subtracting products' value from revenues, rose in almost every Group activity, with particular growths in Iberia in both Tobacco and Related Products as well as in Transport.

Accordingly, Economic Sales grew by 4.1% when comparing with the first quarter of the previous fiscal year to €261.5m, improving by 8.7% in Iberia and by 2.5% in Italy, while those in France barely declined by 0.7%.

The activity kept growing and improved its margins. The Adjusted Operating Profit (Adjusted EBIT) grew by 6.2% to €52.7m, the Operating Profit (EBIT) rose by 1.5% to €35.8m and the margin on Economic Sales rose to 20.2% when compared with the 19.8% of the previous fiscal year.

Logista significantly raised its financial income with the sale of a subsidiary in Italy, since 2008 providing transactional services to tobacconists 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 tobacconists, through its network of Point of Sale Terminals.

	Iberia	France	Italy	Corp. And Others	TOTAL	Δ17/16
Revenues	653.8	1,012.4	624.7	-7.9	2,283.0	-3.5%
Economic Sales	133.8	70.5	56.9	0.3	261.5	+4.1%
(% of total)	51.2%	27.0%	21.7%	0.1%		
Adjusted EBIT	23.4	16.0	16.6	-3.3	52.7	+6.2%

Figures rounded to millions of Euros, except percentages



Iberia (Spain and Portugal)

Economic Sales in Iberia rose by 8.7% during the first quarter of the fiscal year, with growth in all three of its business activities.

Economic Sales of Tobacco and Related Products significantly grew, with stability in the tobacco distributed, higher margins in Portugal, an increase in added value and transport services and higher sales in other products and added value services.

The volume of cigarettes distributed in both countries grew by 0.3% and that of RYO declined by 2.9% during the first quarter of the fiscal year, when there was a rise in special taxes in Spain and a general increase in prices.

The Transport area, consisting of the parcel and express courier Nacex network, Integra2 in controlled temperature capillary transport and Logesta, the subsidiary for long distance and full load transport management, raised its Economic Sales by 3.1% due to its quality positioning aimed at industries with higher demand for added value services, like controlled temperature or sensitivity to delivery timing.

Activities by Nacex and Integra2 kept improving, with a near double-digit growth in courier dispatches and good performance during the Christmas campaign. The full load activity kept stable despite lower tobacco volumes in France and Italy.

Economic Sales of Other Businesses grew by 3.5%, with a new increase in Logista Pharma services to laboratories and pharmacies.

	Tobacco and Related Products	Transport	Other Businesses	Intra-segments sales	TOTAL	Δ17/16
Revenues	561.2	85.2	29.7	-22.3	653.8	+1.0%
Economic Sales	66.3	59.7	18.0	-10.2	133.8	+8.7%
(% of total in Iberia)	49.6%	44.6%	13.4%	-7.6%		

Figures rounded to millions of Euros, except percentages

France

Economic Sales declined by 0.7% to €70.5m, despite the 7.1% and 6.2% drop in cigarettes and RYO tobacco distributed volumes, respectively, influenced by an unfavorable comparison with the first quarter 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.



Economic Sales of Tobacco and Related Products grew by 0.5%, 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 and providing stability to this business.

Revenues from sales of convenience products to other points of sale, such as petrol stations, stores and vending machines' operators, fell by 5.5% 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	968.6	45.3	-1.5	1,012.4	-7.5%
Economic Sales	59.7	12.1	-1.3	70.5	-0.7%
(% of total in France)	84.7%	17.1%	-1.8%		

Figures rounded to millions of Euros, except percentages

Italy

Cigarettes distributed declined by 9.7% while the volume of RYO tobacco distributed grew by 8%, with overall stability in prices and a small number of brands lowering their prices.

Economic Sales rose by 2.5% to €56.9m, 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.

The company kept on optimizing its network, improving operations at central warehouses and increasing the operating efficiency in Italy. According to this, operating costs were cut by 2.6%, significantly 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.

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