

30 May 2000



Analyst Presentation

Logista's presentation team

	<u>Page</u>	<u>Speaker</u>
1. Introduction	2	Enrique Villalba (Director of Corporate Development, Altadis)
2. Overview of Logista	6	Juan Rizo (CEO)
3. Traditional logistic operations	22	Luis Egido (General Manager for Tobacco, Documents and Logistic Services) José María Sanjuanbenito (General Manager for Publications) Javier Solans (Commercial Manager)
4. New growth areas	53	Javier Solans (Commercial Manager) Teresa Casla (Director of Corporate Development)
5. Financial review	76	Manuel Suárez (CFO)
6. Conclusion	89	Juan Rizo (CEO)

1. Introduction

Enrique Villalba, Director of Corporate Development, Altadis

Structure of the offer

Securities offered

- Common stock of Logista
- 17,471,687 shares (with greenshoe)

Offering size (with greenshoe)

- Approximately 35.6% of Logista's outstanding shares

Selling shareholders

- Altadis (25%)
- Grupo Planeta (10%)

Purpose of offering

- Create more liquid stock through increased float and broader investor base
- Increase analyst coverage and highlight value
- Create acquisition currency

Listing

- Spanish stock exchange

Structure

- Three tranches: International Institutional, Domestic Institutional and Domestic Retail
- Greenshoe of up to 15%

Lock up

- 180 days from Altadis, Grupo Planeta and the Company

Global coordinators

- BBVA
- J.P. Morgan

Shareholder structure

Shareholder	Pre-offering	Share offering ¹	Post-offering ¹
Altadis	76%	25%	51%
Grupo Planeta	14%	10%	4%
Free float	10%	—	45%
	100%	—	100%
Total number of shares			49,097,482

¹ Assuming full exercise of the greenshoe

Summary offering timetable

Event	Date
• Presentation to analysts	30 May
• Logista AGM	5 June
• Draft research reports due	6 June
• Research published ¹	9 June
• Research black-out start	9 June

Draft research reports to be sent to:

Contact	Company	e-mail	Fax
• Teresa Casla	Logista	tcasla@logista.es	34 91 4819844
• Alberto Arroyo	BBVA	alberto.arroyo@grupobbva.com	34 91 3743160
• Guillermo Baygual	J.P. Morgan	baygual_guillermo@jpmorgan.com	44 207 3258720

¹ Refer to research guideline

2. Overview of Logista

Juan Rizo, CEO

Logista at a glance

Summary financial facts

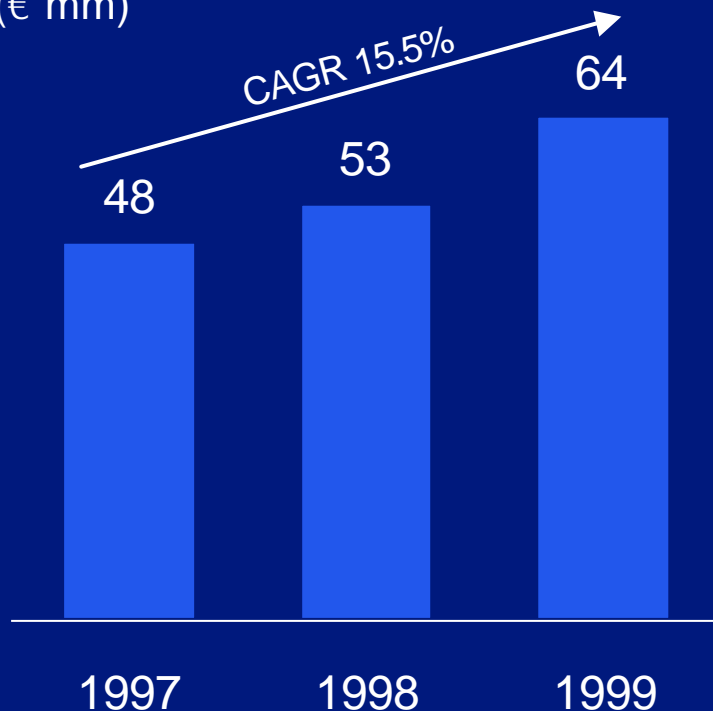
€ mm	1999
Net sales	2,774
Economic sales	247
EBITDA	76
NI	50
CF from operations	64
Shareholders' equity	273
Net cash (debt)	464
Total assets	1,451
Net working capital	(390)

Financial strength

High cash flow generation

Cash flow from operations

(€ mm)

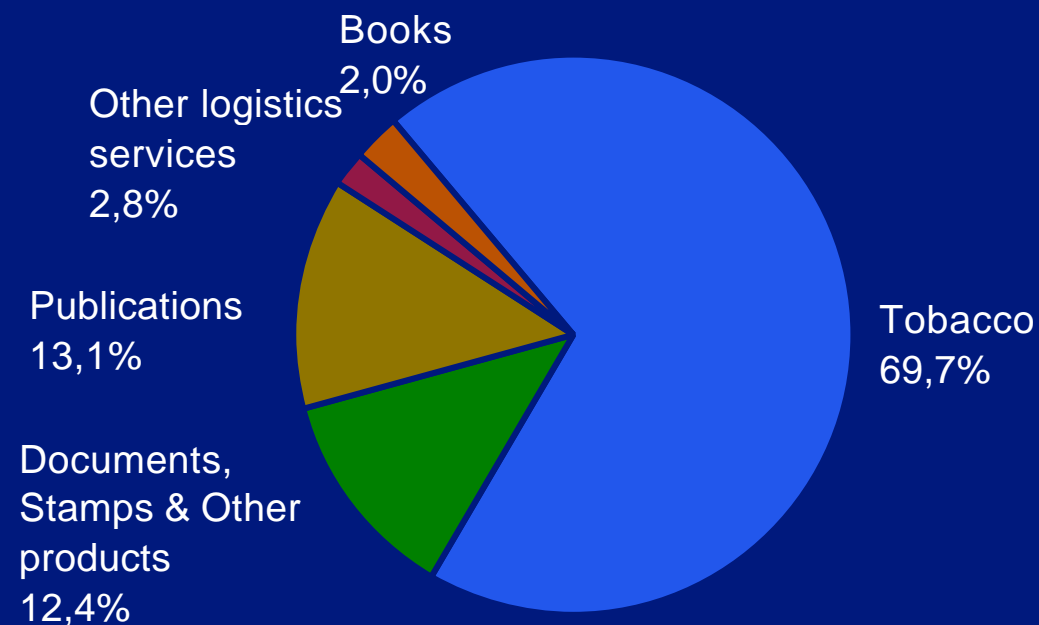


Balance sheet strength

- Self financed
- Net cash position
- Favourable working capital position
- Low capital intensity
- Large debt capacity
 - Stable low-risk cash flows
 - Critical mass

Overview of Logista's business

1999 net sales



Total = €2,774 mm

Logista: value added logistics operator

Leadership position in strong cash generating logistics businesses with high barriers to entry:

- ◆ High quality integrated logistic services
- ◆ Full coverage of Spain and Portugal: 125 warehouse facilities and access to 65,000 points of sale
- ◆ Proprietary technology through own R&D



Best positioned to become a leader in the high growth e-fulfillment business:

- ◆ Profitable margins through high value added services
- ◆ Focus on geographical expansion
- ◆ Leading edge technology through own R&D developed upon standard applications
- ◆ Proven track record in establishing alliances with market leaders

- ◆ Tobacco
- ◆ Documents
- ◆ Publishing

- ◆ B2B
- ◆ B2C

Leading logistics provider in sectors with high barriers to entry

Tobacco

- Market leader in Spain, with 95% market share
- Market leader in Portugal, with 20% market share

Documents

- Sole logistics provider for postage and fiscal stamps in Spain until May 2002
- Successful expansion into other documents (e.g. telephone cards), with over 100 new contracts in recent years

Collectibles

- Market leader in Spain with 93% market share
- Market leader in Portugal with 75% market share

Magazines

- Sole significant independent logistics provider in Spain and Portugal
- 15% market share in Spain and 12% in Portugal

Newspapers

- Dominated by local distributors and publishers
- 4% market share in Spain; expanding in Portugal

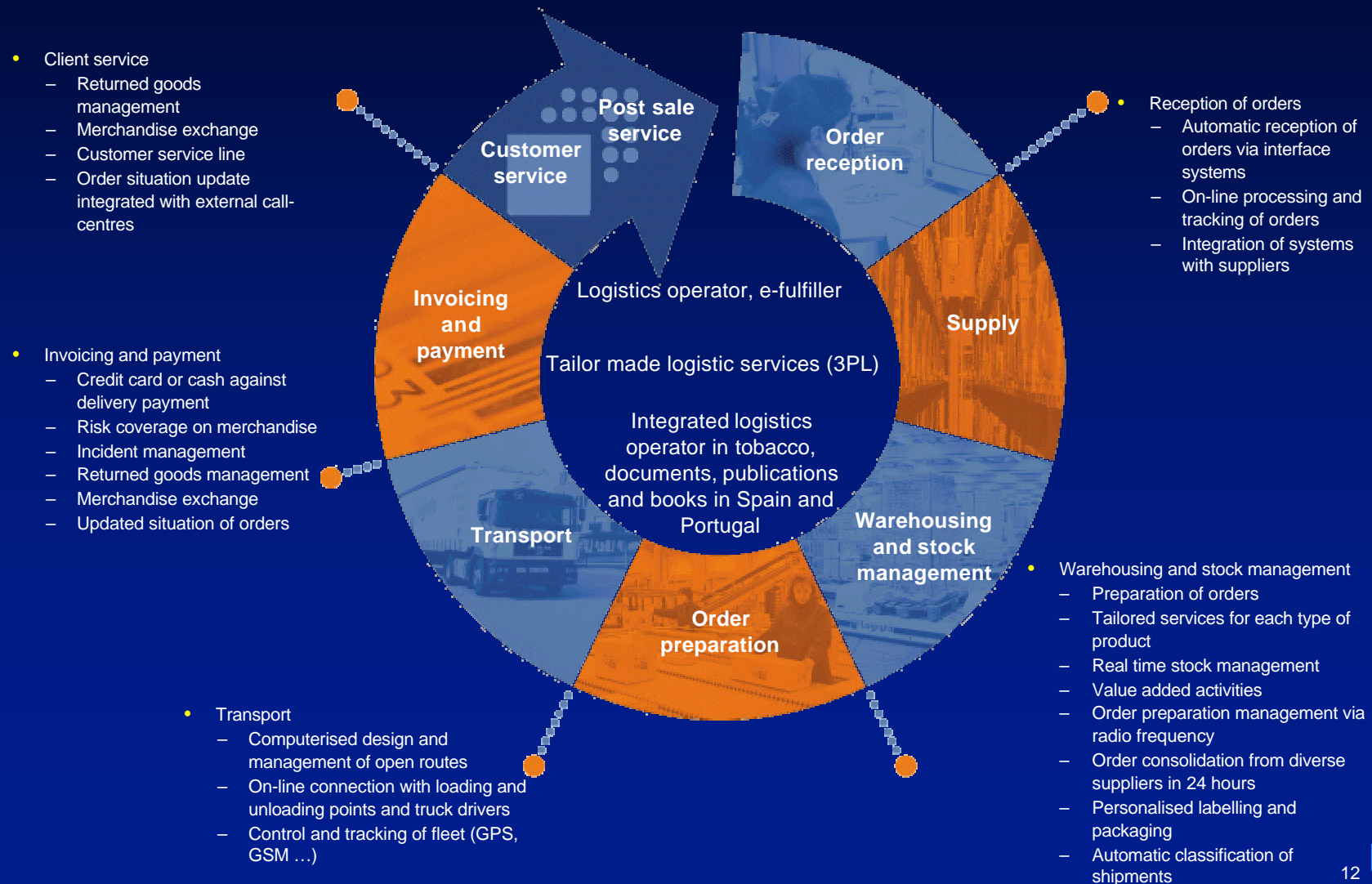
Books

- Sole independent national logistics provider
- 11% market share

Publications

Ability to offer fully integrated logistics services

Logista as a one-stop-shop in the supply chain



The widest distribution platform in Spain and Portugal



Spain

- Storage facilities of 350,000m²
 - 8 regional warehouses
 - 80 storage facilities
 - Capacity of 2.5 million m³
- Subcontracted fleet
 - 282 trucks
 - 1,000 delivery vehicles
 - Exclusive and identified

Portugal

- Storage facilities of 10,000m²
 - 4 warehouses
 - 36 storage facilities
- Subcontracted fleet
 - 170 delivery vehicles

Access to over 65,000 points of sale

	Spain	Portugal	Total
Tobacconists	15,100	—	15,100
Petrol stations	2,000	—	2,000
News stands	28,600	6,000	34,600
Book stores	4,000	—	4,000
Other	2,100	7,400	9,500
Total	51,800	13,400	65,200

- Extensive and unique distribution network
- Strong platform to develop new businesses


Source: Company
Note: rounded to the nearest hundred

Experience in managing over 70,000 product references for our clients

1999	References	Units (mm)
Tobacco	1,610	5,468
Documents	1,876	637
Publications	13,400	500
Books	10,000	12.3
Tailor made services	1,880	nm
e-commerce & loyalty programs	45,000	1.3
Total	73,766	6,619

Proprietary development of state-of-the-art technology

- Telematics
- GPS Route Control
- Automatic Warehouses
- Automatic Picking Systems
- Online connection with all links of business chain
- Bar code I.D.
- Extensive Databases
- Expert Systems (Artificial Intelligence)

- 
- €50 mm IT budget (next 3 years)
 - 40 person fully dedicated IT team

Development of IT solutions for e-commerce

Logista traditional applications

- SAP/R3
- Inventory and demand planning
- Route optimisation (GPS, artificial intelligence software)
- Other (automatic warehouses, and picking)

Logista Internet applications

- Data warehouse
- Security
- Software for integration
- Orders management

**Interface
with e-clients**

Strong business relationships with leading corporations



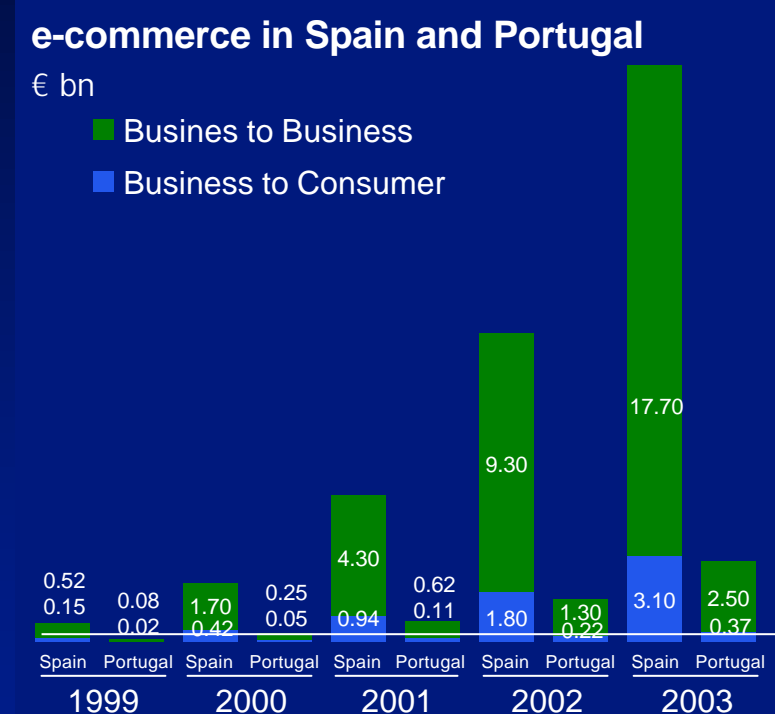
Best positioned to leverage from booming e-fulfillment market

Leveraging on its current platform and business relationships, Logista will focus on new and fast-growing opportunities fuelled by technology changes and Internet applications



Source: IDC; January 2000

¹ Includes Spain, Portugal, France, Italy, Germany



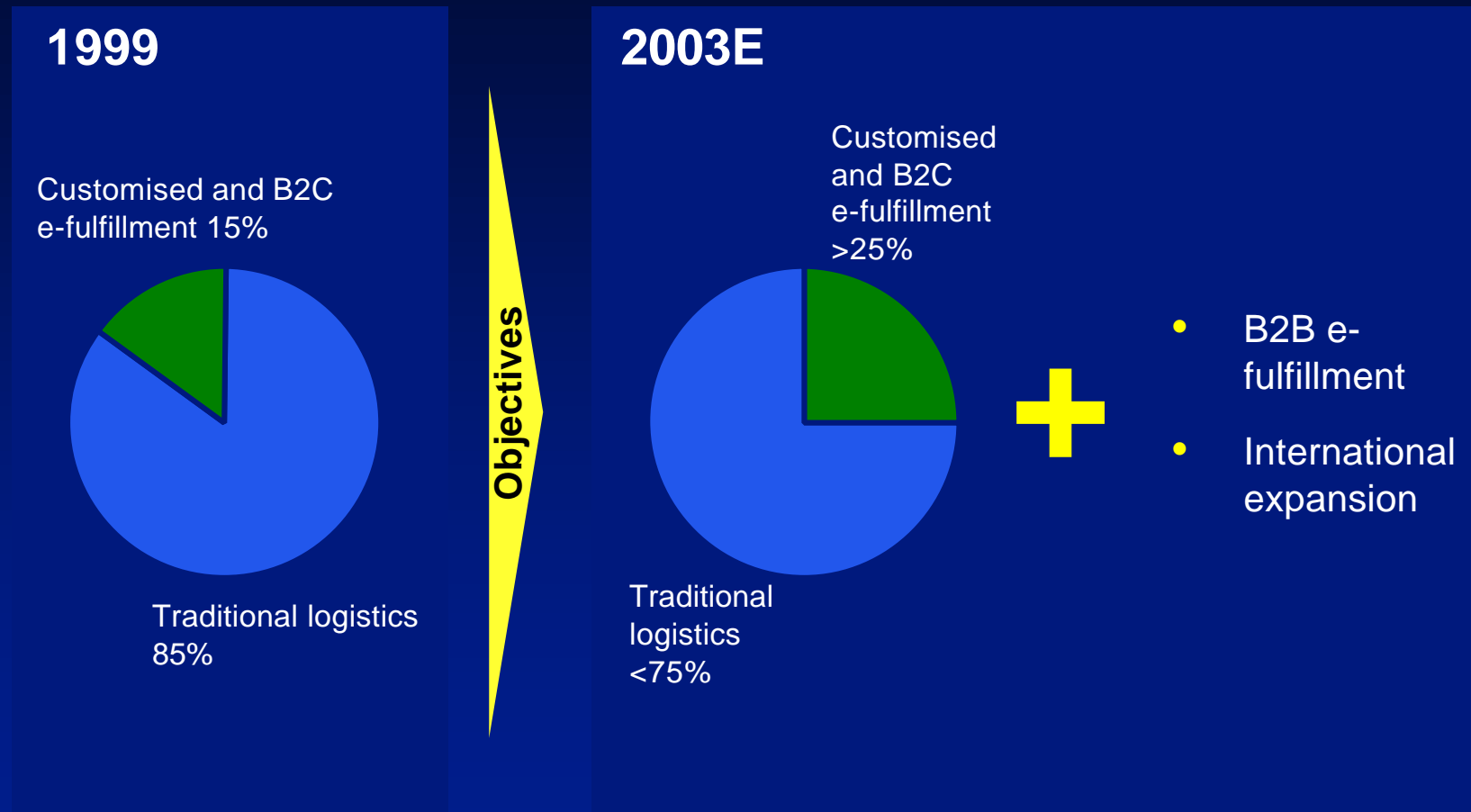
Source: IDC; January 2000

Logista's Management Team



In summary ...

Economic sales by business line



Notes: traditional logistics includes distribution of tobacco, documents, publications and books

3. Traditional logistic operations

**Luis Egido, General Manager for Tobacco,
Documents and Logistic Services**

**José María Sanjuanbenito, General Manager for
Publications**

Javier Solans, Commercial Manager

Tobacco

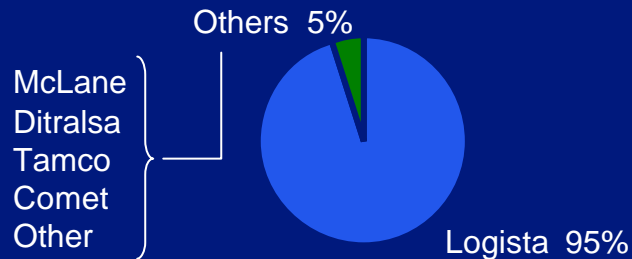
Luis Egido, General Manager for Tobacco,
Documents and Logistic Services

Leading distributor in Spain and Portugal

Barriers to entry in Spain and growth from consolidation in Portugal

Spain

Licensed wholesale distributors

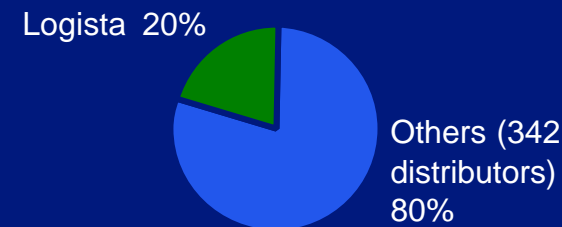


Total market ('99): €7.3 bn¹

- **Licensed retailers**
 - 15,100 existing tobacconists
 - New licences expected in 2000

Portugal

Distributors in Portugal



Total market ('99): €1.2 bn

- **Retail sales**
 - Fully liberalised
 - 3,400 retailers serviced
 - 900 vending machines

Source: Logista

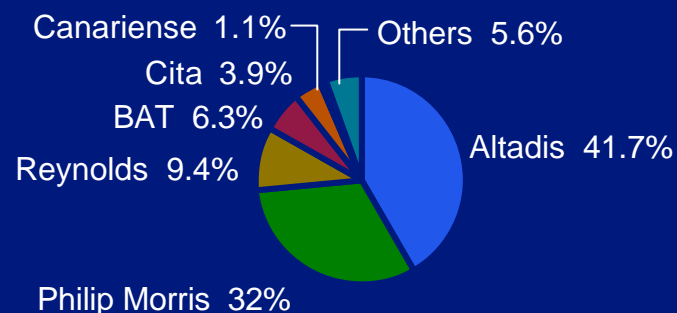
¹ Including Canary Islands at retail prices

Longstanding relationships with core clients

Breakdown of gross sales by client and product

Spain

% of tobacco sales by client

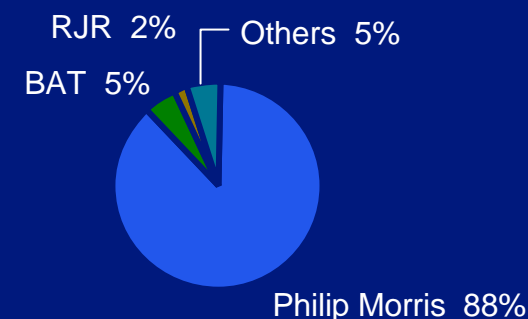


Products sold (1999)

	Packs mm	CAGR (96-99)	References
Cigarettes	4,345	6.5%	232
Cigars	960	10.6%	748
Others	21	14.9%	128

Portugal

% of tobacco sales by client



Products sold (1999)

	Packs mm	CAGR (97-99)	References
Cigarettes	141.4	8.2%	82
Cigars	NM	NM	420

Lowest tariffs in Europe

Tariffs in Spain

- Cigarettes: fixed amount per pack
- Cigars: % of retail price
- Pipe and rolled tobacco: pts/kg

Tariffs in Portugal

- 8.15% margin on Tabaqueira products
- 8.5% margin for rest of competitors products

- Spanish tariffs are around 40% lower than European comparables¹
- Convergence in retail prices could lead to a reduction in the gap

Logista receives on average a tariff of 1.5% to 2% of gross sales

¹ Differences in distribution systems among countries should be considered

Logista offers integrated logistics services in the tobacco sector

Services offered by Logista

To manufacturers

- Warehousing
- Picking, labeling and packaging
- Billing and collections
- Tax and customs warehouses
- After sale services
- Information on products
- Promotional activity



To tobaccoconists

- Information on:
 - Products
 - Prices
 - Minimum stock
 - Request calendar
- Tobacco deliveries every ten days
- Payment from retail on next delivery
- Special request service in 24 hours
- Cash and carry facilities in each province
 - 15 cash & carry and 35 shops
 - 16.4% of sales in 1999 (from 12% in 1996)
- After sale service

Building on our strengths

Competitive advantages and expected market trends

Competitive advantages

- Positioned to benefit from consolidation in Portugal
- Dominant market share in Spain
 - Leverage strong relationship with suppliers
 - Benefit from barriers of entry
 - Strengthen relationship with points of sale
- Ability to provide high-value-added services to suppliers
- Cost efficient producer

Market trends

- Stable consumption of cigarettes in Portugal and Spain
- Potential for price increases
- Potential for growth in consumption of cigars
- Likely consolidation in Portuguese distribution sector
- Increasing demand for value-added services

Objectives

- Slight improvement in economic sales in Spain from change in product mix and growth from cigars
- Moderate growth in Portugal in volume and prices
- Participation in Portuguese consolidation
- Increasing productivity through continuous investment

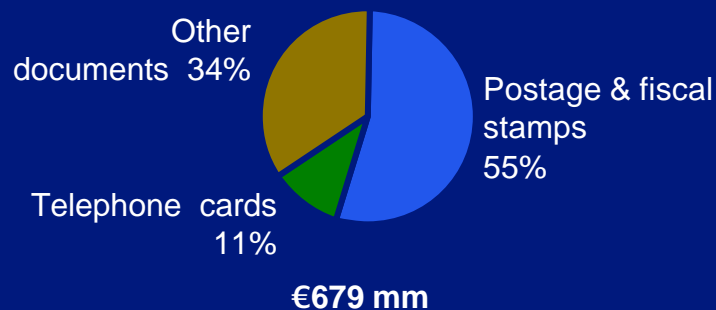
Stamps, Documents and High-Value Products

Luis Egido, General Manager for Tobacco,
Documents and Logistic Services

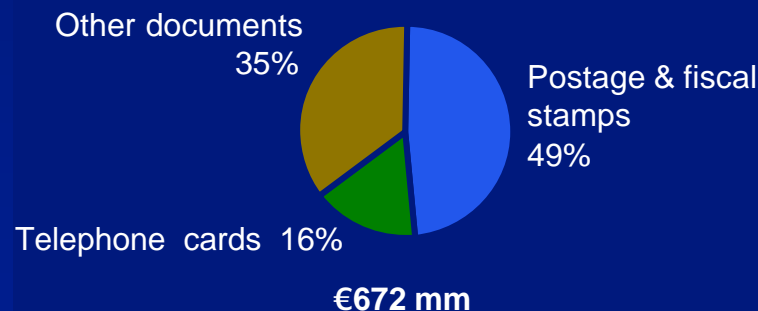
Logista is increasing its exposure to higher value products

% of company sales at retail price by product

1998 breakdown



1999 breakdown



Source: Company

Postage and fiscal stamps

- Sole concession granted to Altadis until 2002
 - License operated by Logista
 - Distribution through tobacconists
 - Fixed distribution fee of 6% of retail price
 - 1/4 of fee to Logista
- New concession to be granted in 2002
- 582 million units and 528 references sold in 1999

Documents and high value products

- Includes phone cards, parking cards, travel passes, greeting cards, income tax forms, standard contracts and other
- Distribution under private contract or public tender offers
- Over 100 contracts signed during recent years
- 55 million units and 1,348 references sold in 1999
- 8-10% distribution fee depending on products
 - On average 1/3 of fee to Logista (2/3 to Tobacconists)

Logista provides high-value services for an increasing list of clients

Clients and services

Selected clients

- Public entities
 - Ministerio de Economía
 - Post office entity
 - Regional/local governments and municipalities
 - Universities
 - Other
- Private entities
 - Telefónica
 - Airtel
 - Uni2
 - Alo
 - Transport consortium and companies
 - Unicef
 - Other

Main services

- Specific expertise in handling high value documents
 - Numbering
 - Automatic picking
 - Control of returns
 - Security in storage and distribution
- Delivery every 10 days
- Payment from retail on next delivery
- Special request service in 24 hours
- 50 owned dedicated selling facilities (15 Cash & Carry and 35 shops)
- After sale service

Leveraging our know-how and contracts to expand exposure to other documents

Competitive advantages

- Contract with concessionaire Altadis for distribution of postage and fiscal stamps until 2002
- Efficient and wide distribution network
- Highly integrated security systems
- Efficient handling of returns
- Well positioned to be granted distribution concession of postage and fiscal stamps in 2002
 - Specialised know-how
 - Critical mass
- Distribution synergies with tobacco
- No domestic competition

Objectives

- Renew contract on postage and fiscal stamps on attractive terms
- Change in mix to higher margin products
- Growth through leveraging our experience with other documents to increase clients and references

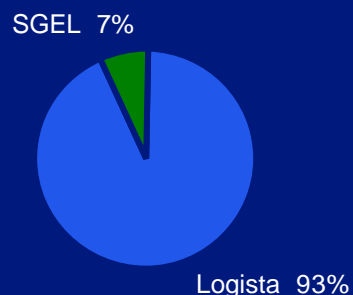
Publications

José María Sanjuanbenito, General Manager for
Publications

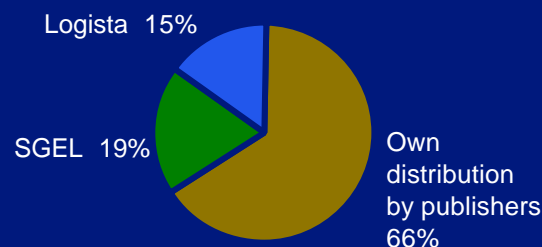
Leading independent logistics provider in publications in Spain and Portugal

Spain

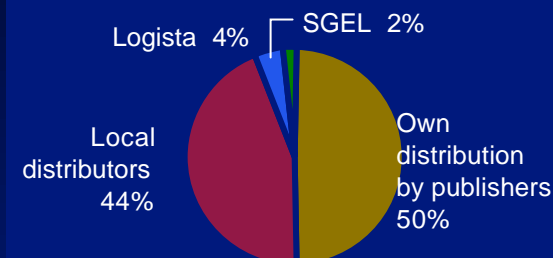
Collectibles - total market 1999
€230 mm



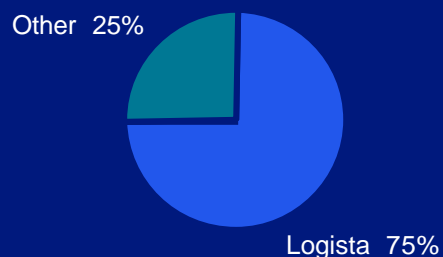
Magazines - total market 1999
€529 mm



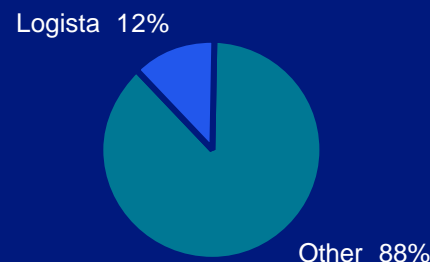
Newspapers - total market 1999
€889 mm



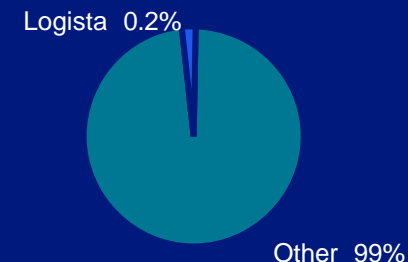
Collectibles - total market 1999
€30 mm



Magazines - total market 1999
€160 mm



Newspapers - total market 1999
€118 mm



Portugal

Source: Company
Note: SGEL is the distribution arm of Hachette

Logista provides industry specific logistic services to an increasing number of clients

Products and services

Products

	Spain and Portugal			
	1996	1997	1998	1999
Collectibles	352	338	371	364
Magazines	246	296	304	315
Newspapers	25	25	25	25
Total titles	623	659	700	704
References				13,400
Units (mm)				500
Publishers				120

Services

- National and local distribution through subsidiaries and affiliates
- Advisory on printing and distribution volume
- Final allocation of total volume to points of sale
- Ongoing sales information and market feedback
- Market survey through 1,200 “rotational” control points
- Billing and collection
- Control of returns
- Availability of reprints
- Guaranteed retrieval of past issues

Leverage strength in collectibles to increase presence in other areas

Competitive advantages

- High barriers to entry due to required scale
- Specialised know-how for handling returns and retail volume allocation
- Best provider of market information to clients:
 - Historical databases since 1964
 - On-line information on sales and market conditions
- Proximity of warehouses to points of sale
- High degree of trust built over the years
 - Over 35 years in sector
 - Over 120 long term clients

Objectives

- Retain sector leadership in growing collectibles market (1996-1999 CAGR of 8%)
- Gains in market share in magazines and newspapers through local acquisitions / partnerships

Books

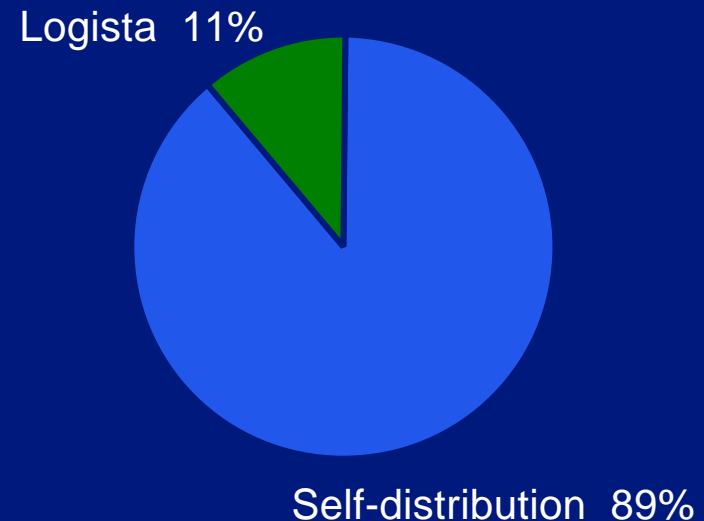
José María Sanjuanbenito, General Manager for
Publications

Logista has a leading share in national market dominated by self-distribution

Only independent Spanish national distributor

- Large publishing houses dominate the market and engage in self distribution
 - Increasing outsourcing of distribution activities
- Marketing done by publishers
- Publishers assign circulation
- Guaranteed gross margin
- New distribution channels (Internet) creating logistics opportunities for Logista

Market share in books market (1999)



Retail sales: €860 mm¹

Source: Company

¹ Excluding direct sales and text books. Total size of market including direct sales and text books: €2,361 mm

Logista can offer a full range of services to clients in the book segment

Services offered

Contract



Product: books

Seix Barral
Editorial Ariel
Ediciones Martínez
Roca
Ediciones de
Bolsillo
Ediciones Temas
de Hoy
Ediciones Destino
Espasa Calpe
Ediciones Deusto
Editorial Crítica

Logista offers the following services:

- Warehousing
- Picking
- Billing and collection
- Information on sales and margins by product and region
- Handling of returns

Logista is well placed to leverage experience and infrastructure into contracts with other publishers

Logista will seek to exploit its competitive advantages in the sector to increase market share

Competitive advantages

- Only independent distributor with nationwide platform
- Exclusive distribution rights of Grupo Planeta's publications
- Possibility to engage in new distribution contracts
- Synergies in the distribution of publications to 4,000 bookstores (50% overlap)
- Ability to offer lower cost integrated logistics to publishers through outsourcing
- Well positioned to service logistics needs for new channels (Internet)
- State-of-the-art dedicated facilities in Toledo

Objectives

- Take market share from self-distributors
- Take advantage of e-business outsourcing opportunities
- Grow volumes and margins through promotion of integrated services to potential clients
- Reach a 18-20% market share in three years

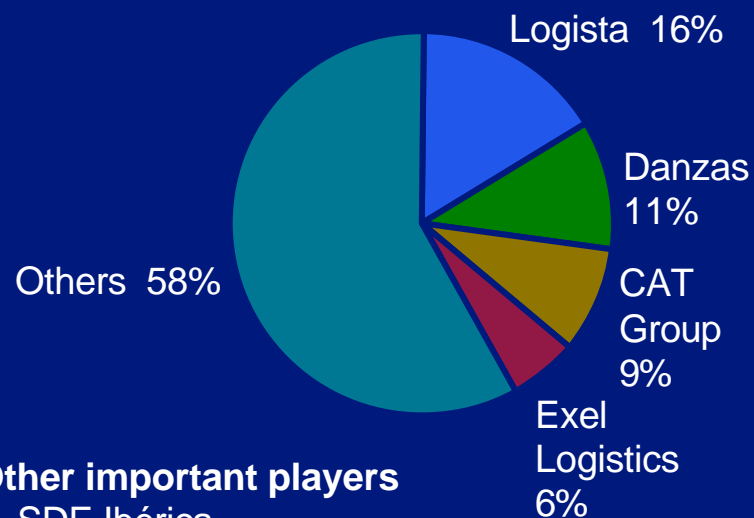
Contract Logistics

**Luis Egido, General Manager for Tobacco,
Documents and Logistic Services**

Spain offers attractive growth opportunities for logistics companies ...

Total market (1999¹): €1.7 bn – Spain

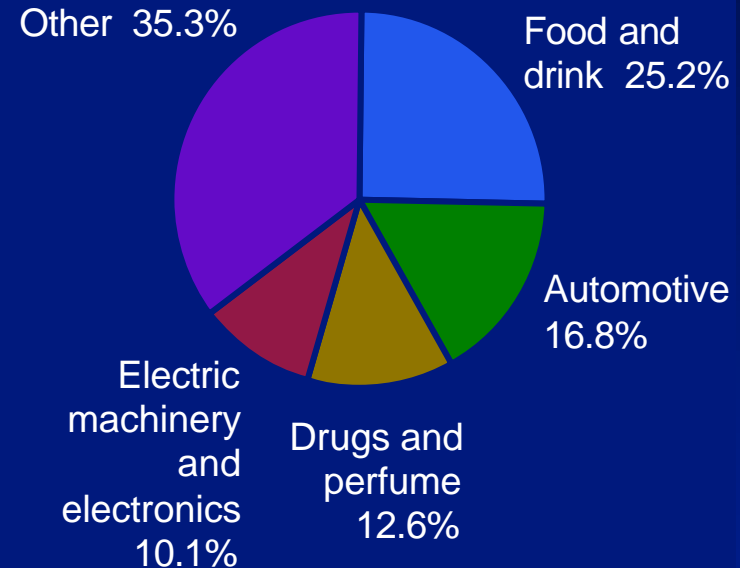
Largest companies



Other important players

- SDF Ibérica
- Tibbet&Britten
- Gefco
- TNT Logistics
- Frans Maas Spain

Segment distribution



Source: DBK; company for Logista data

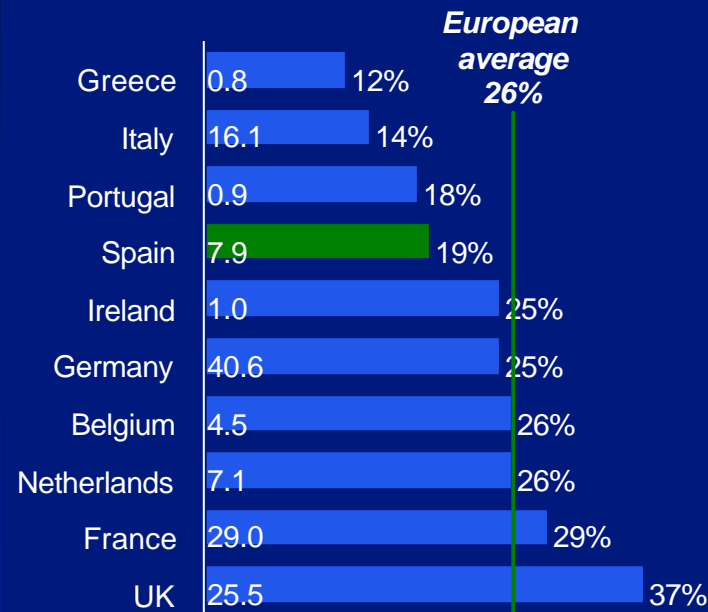
¹ Total market ex-Logista: €1,434 mm

... especially related to the outsourcing of Customised Logistic Services

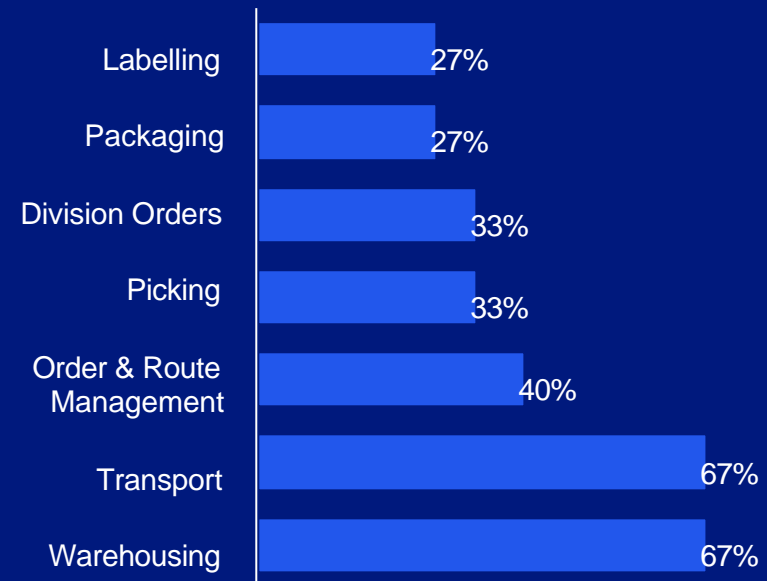
Potential for outsourcing

- 19% outsourced logistics, well below the European average in 1998
- Operations related with the supply chain management have lower outsourcing rates than transport and delivery and greater growth potential

Outsourcing levels in Europe, 1998



Outsourcing rate by service – Spain, 1998



Source: DBK

Note: Numbers within bars refer to market size in billions of dollars

Contract Logistics - Industry features

Highly Fragmented Market

- Strong market growth has attracted numerous operators
- 45% of companies in the sector have less than 50 employees¹
- Largest operators are generally subsidiaries/affiliates of multinationals
- Strong price competition, especially in warehousing and transport

Vertical Integration and Consolidation

- Trend to form strategic alliances (transportation, delivery, logistics)
- Driven by need to increase customer loyalty

Strong Growth

- Market growth of 22% in 1999, 19% in 1998 and 24% in 1997¹
- Market expected to grow at 17% to 20% in the short to medium term
- Increasing demand for high value added services

¹ Source: DBK

Logista offers an integrated array of products and services throughout the supply chain



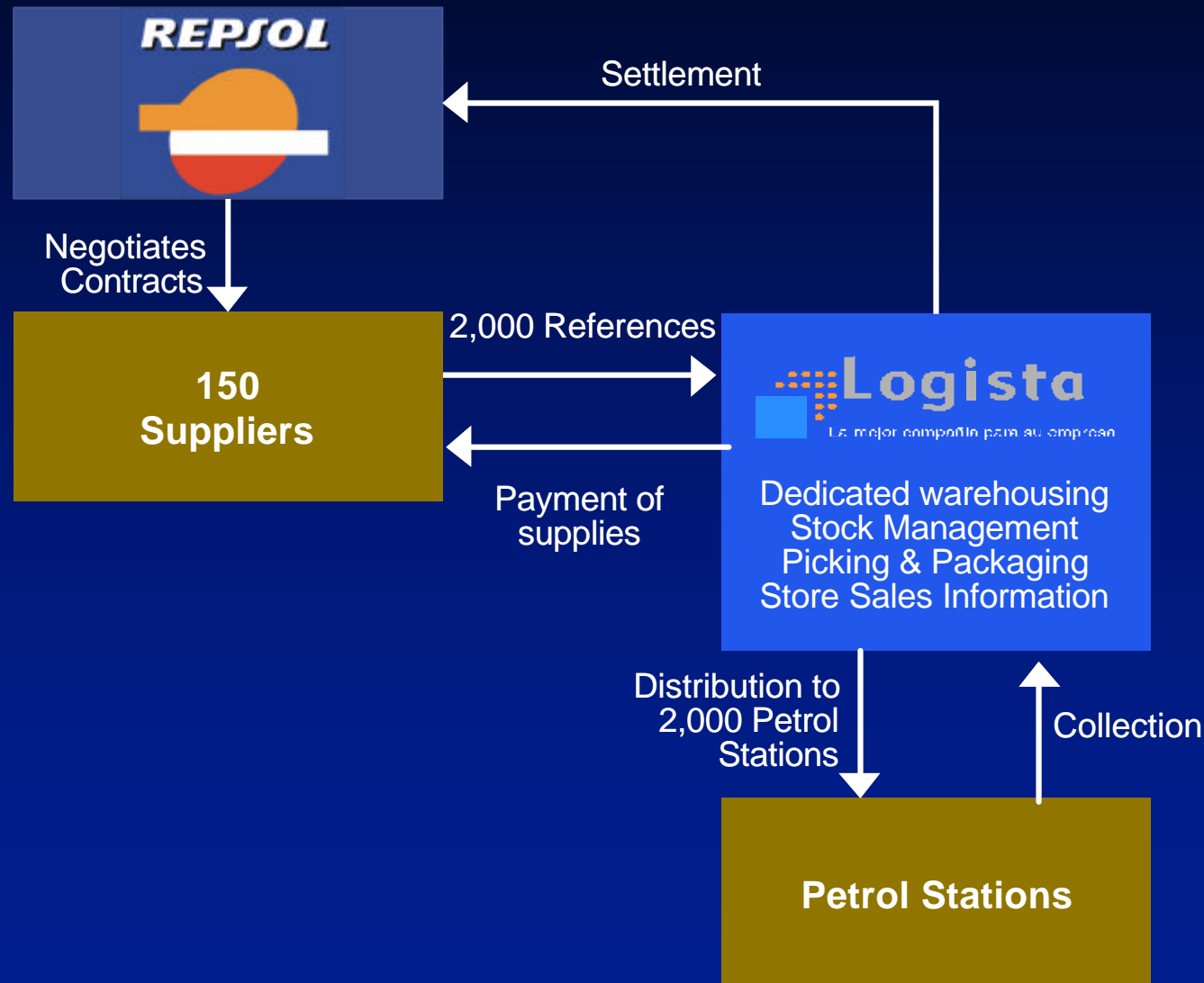
Strategy:

- Exploit niche markets
- Provide value-added integrated services
- Offer tailor-made services
- Target high unit value products and complex services
- Sign profitable long-term contracts
- Provide unbeatable value-service proposition for clients

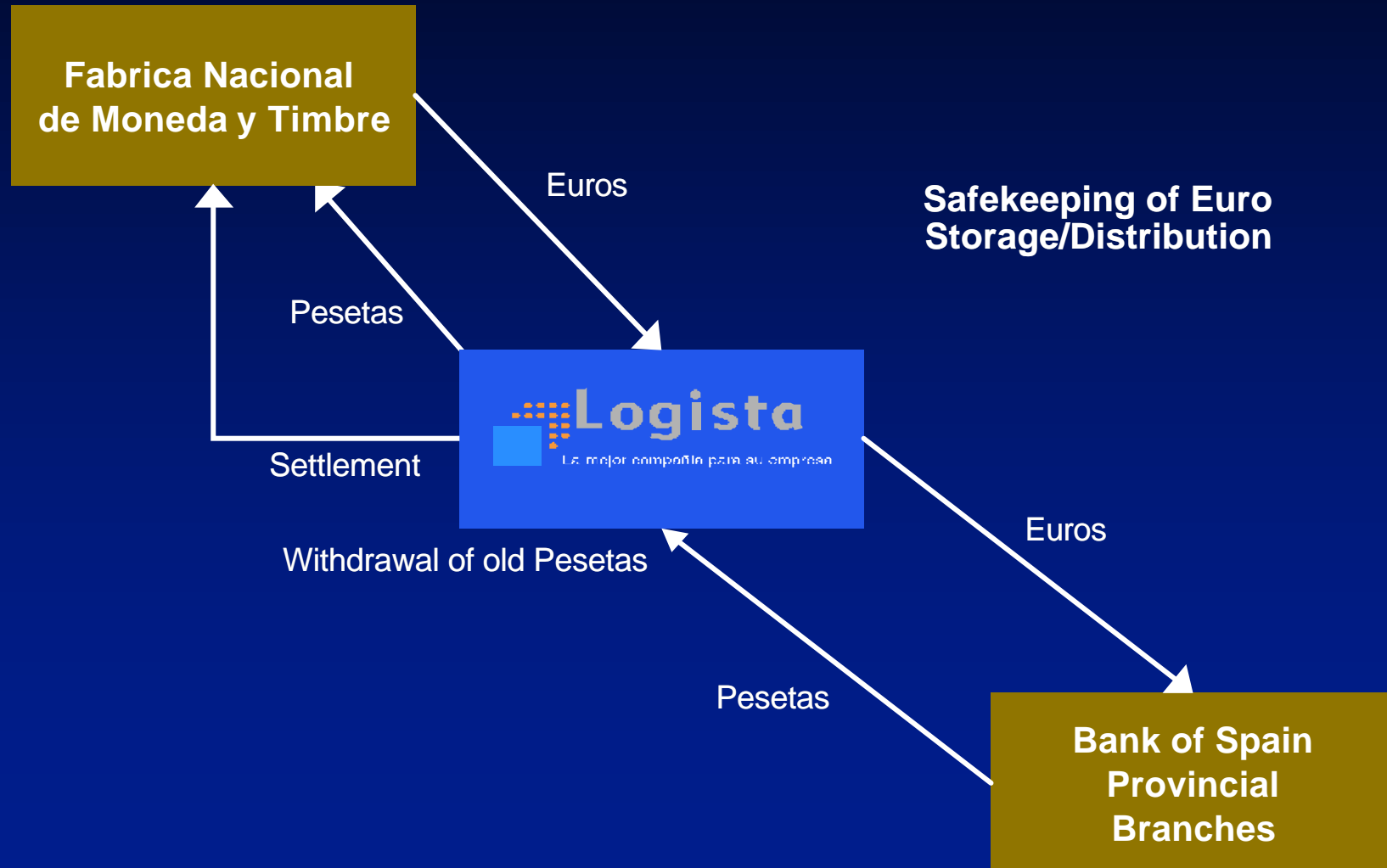
Objectives

Well positioned to capture new high margin logistics contracts

Case study: Repsol Petrol Stations Logistics Services



Case study: € Contract



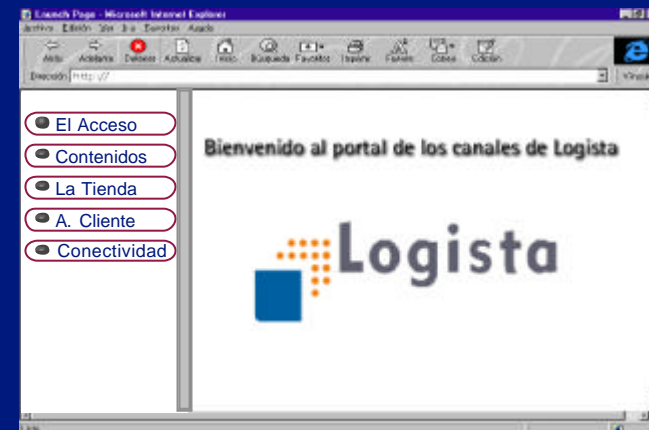
Developing Marketplace in current points of sale

Javier Solans, Commercial Manager

Logista is developing a Marketplace to leverage • opportunities from existing points of sale

- The Marketplace will target over 45,000 points of sale
- The objectives are to:
 - Exploit cross-selling opportunities
 - Provide points of sale with new products
 - Reduce transaction costs
 - Increase loyalty
 - Improve communication
- The Marketplace will provide current distribution channels with access to a broad catalogue of services and products
- Additional initiatives
 - Assistance with merchandising and marketing
 - Use of points of sale as pick-up points

The Portal

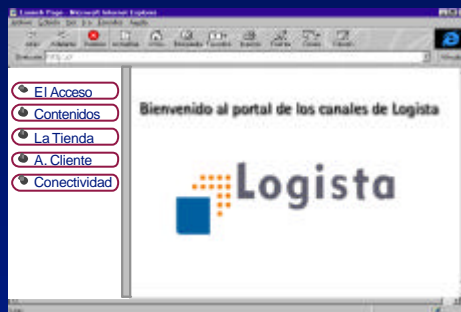


Marketplace to be functional by end of summer

Products available will include products and services for professional and private use



Functional structure and customised output



Access

- Controlled access, identifying visitors individually

Contents

- Content management: classification, search, etc
- Content including advertising, industry information, etc
- Personalisation of content

Shop

- Customised product catalogue
- Order management

Client management

- Customer service
- Updated information on client and orders

Connectivity

- Free e-mail address
- Public communication channels

Logista will leverage its existing points of sale to create a new Marketplace for small businesses

Competitive strengths

- Marketplace for over 45,000 captive small businesses
- Improved negotiation capacity for points of sale
- Deep knowledge of the profile of its clients to offer the most convenient products and services
- Strong trust through existing relationships

Objectives

- Increase revenue
- Increase loyalty and barriers of exit of points of sale

4. New growth areas

Javier Solans, Commercial Manager

Teresa Casla, Director of Corporate Development

e-fulfillment

Javier Solans, Commercial Manager

Logista is in the pole position to benefit from the growth in e-fulfillment

Logista's formula for success in e-commerce

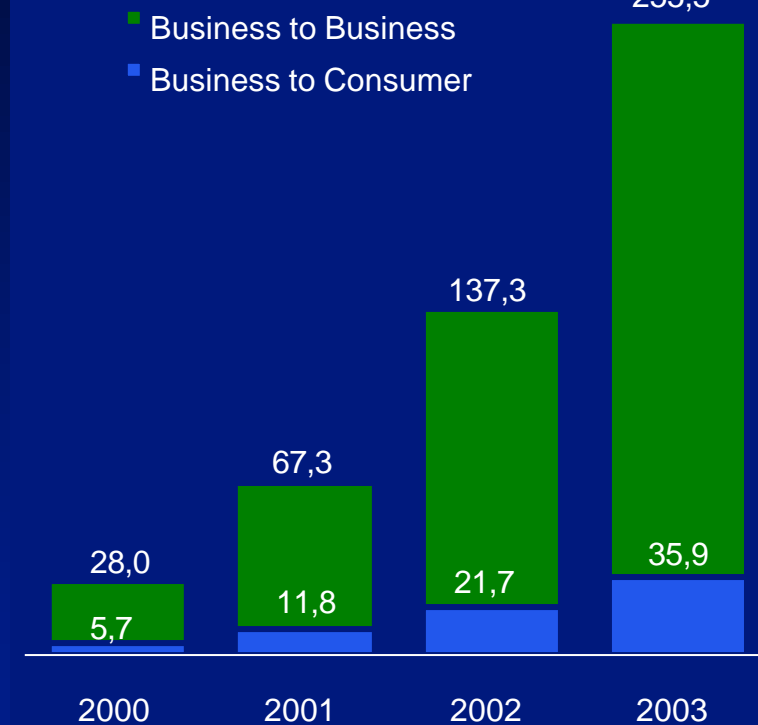
	Spain and Portugal	Europe	Latin America
B2B	Leverage already established asset base and know-how		
B2C	Grow from current leading position		

Priorities for development

Significant growth in e-commerce in Europe

e-commerce in continental Europe¹

€ bn

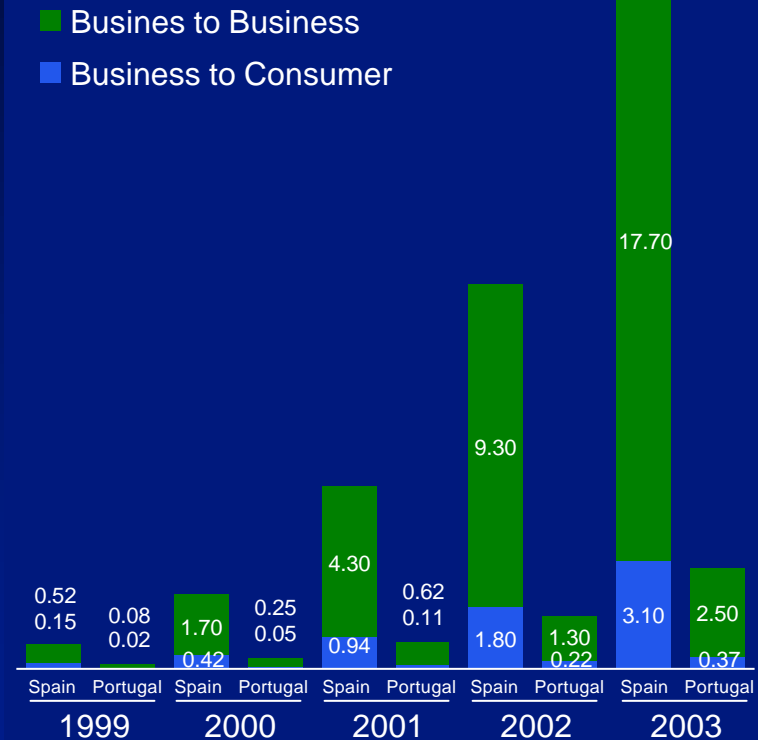


Source: IDC; January 2000

¹ Includes Spain, Portugal, France, Italy, Germany

e-commerce in Spain and Portugal

€ bn



Source: IDC; January 2000

Logista is well positioned to lead the e-fulfillment market

Current e-fulfillment market in Europe

	Spain & Portugal	Europe
B2B	No significant players at present	Limited logistics operators focusing on certain categories and completing geographical coverage
B2C	Logista is the first mover Only alternative through parcel delivery Competitors have scalability constraints	Parcel delivery companies investing in technology
No players providing integrated e-fulfillment solutions		Leading players just starting to position themselves as European e-fulfillers

B2C opportunities

Javier Solans, Commercial Manager

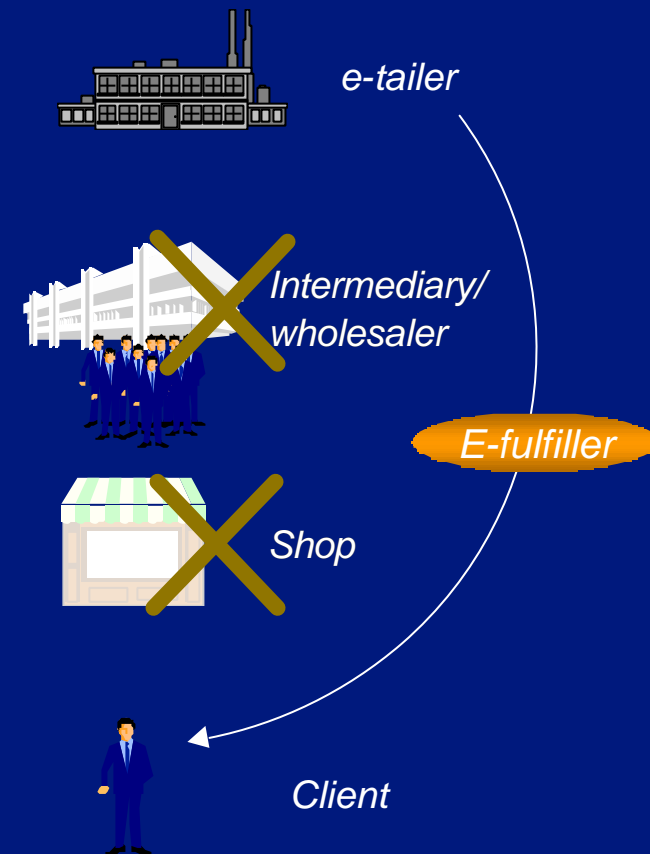
Internet changes the way companies operate in B2C commerce

B2C supply chain

Traditional retailing



e-tailing



Logista has unparalleled experience in home delivery to develop a leading position in B2C

Logista's experience in B2C



Proven track record in developing relationships with B2C leaders

ViaPlus as a client

- Leading Spanish B2C company, offering more than 45,000 references from 200 suppliers
- Logista provides e-fulfillment services including virtual stock management, picking/packing, delivery and returns management
- Logista has developed ad-hoc IT interfaces to link suppliers, Vía Plus, and call centers

Partnership with Terra

- Initial agreement to provide logistics services to B2C companies in Europe and Latin America
- Other participants in the agreement are:
 - BBVA
 - Bertelsmann
- Agreed time frame to develop a business plan
- Terra is the leading portal in Spain, Brazil and Mexico and has an established presence throughout Latin America

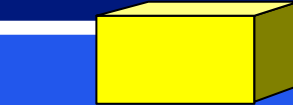
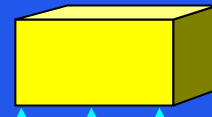
State-of-the-art operations able to handle high B2C volumes

- Customer



- Logista's operations

- ④ Assembling/packing



- ① Order



- ② Reception of requested products

- e-tailer



- Real time orders

- Via Plus up to 45,000 references from 200 suppliers
- Other clients under negotiation

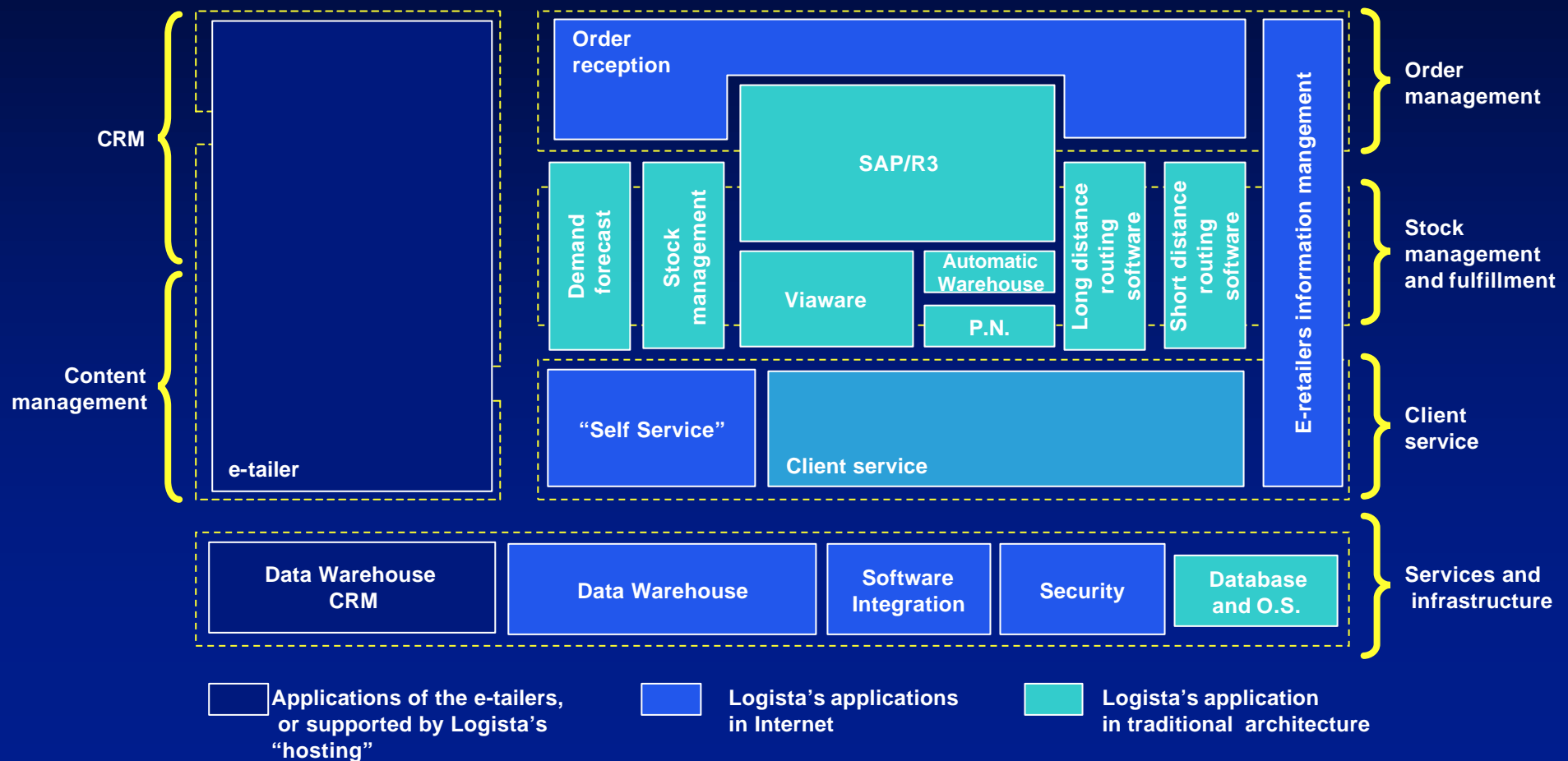
- ⑤ Home delivery

- Customer

- 3-5 days delivery
- 20,000 parcels/ day capacity
- Express service
- Efficient in serving the last mile

- Suppliers

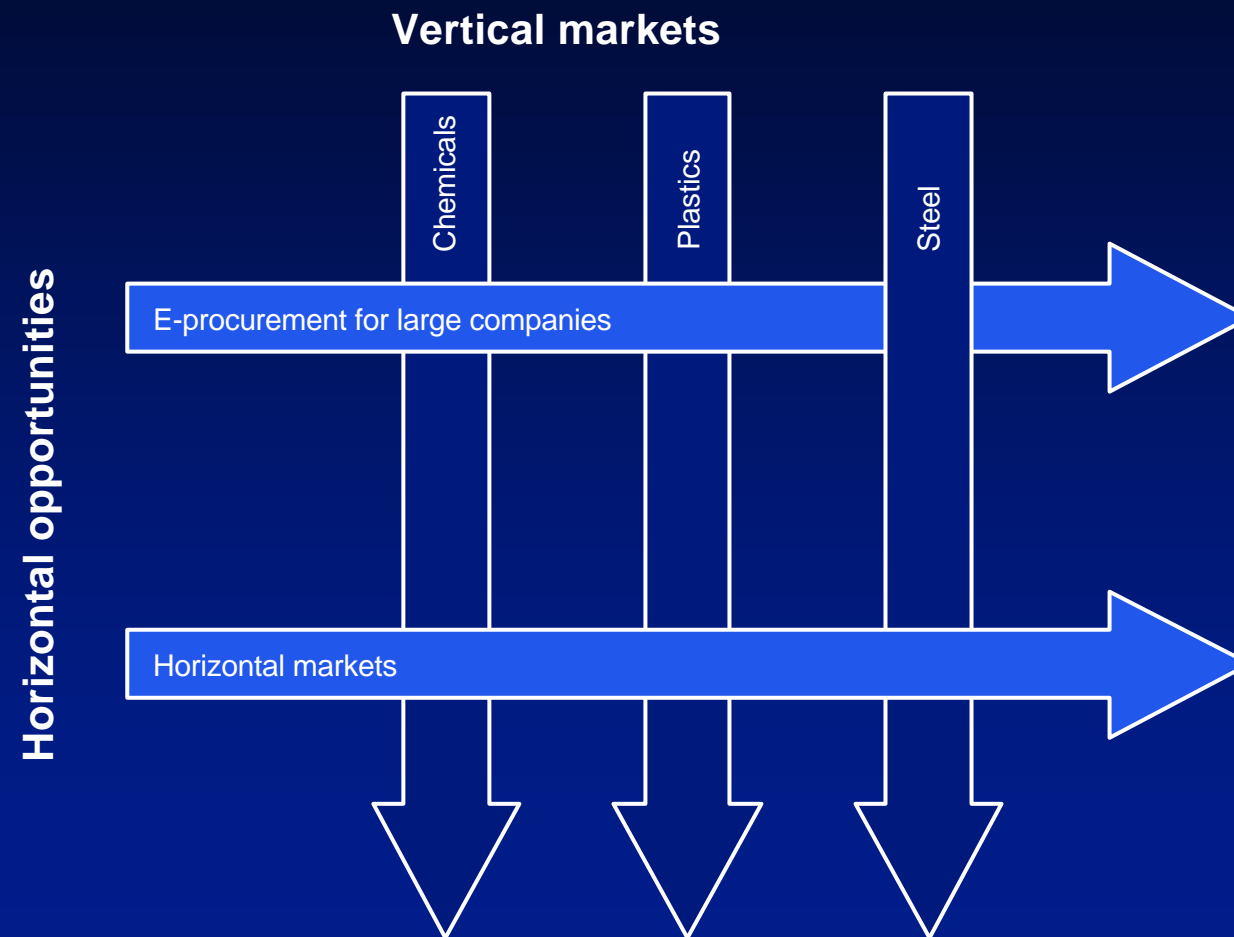
Development of IT solutions for e-commerce



B2B opportunities

Teresa Casla, Director of Corporate Development

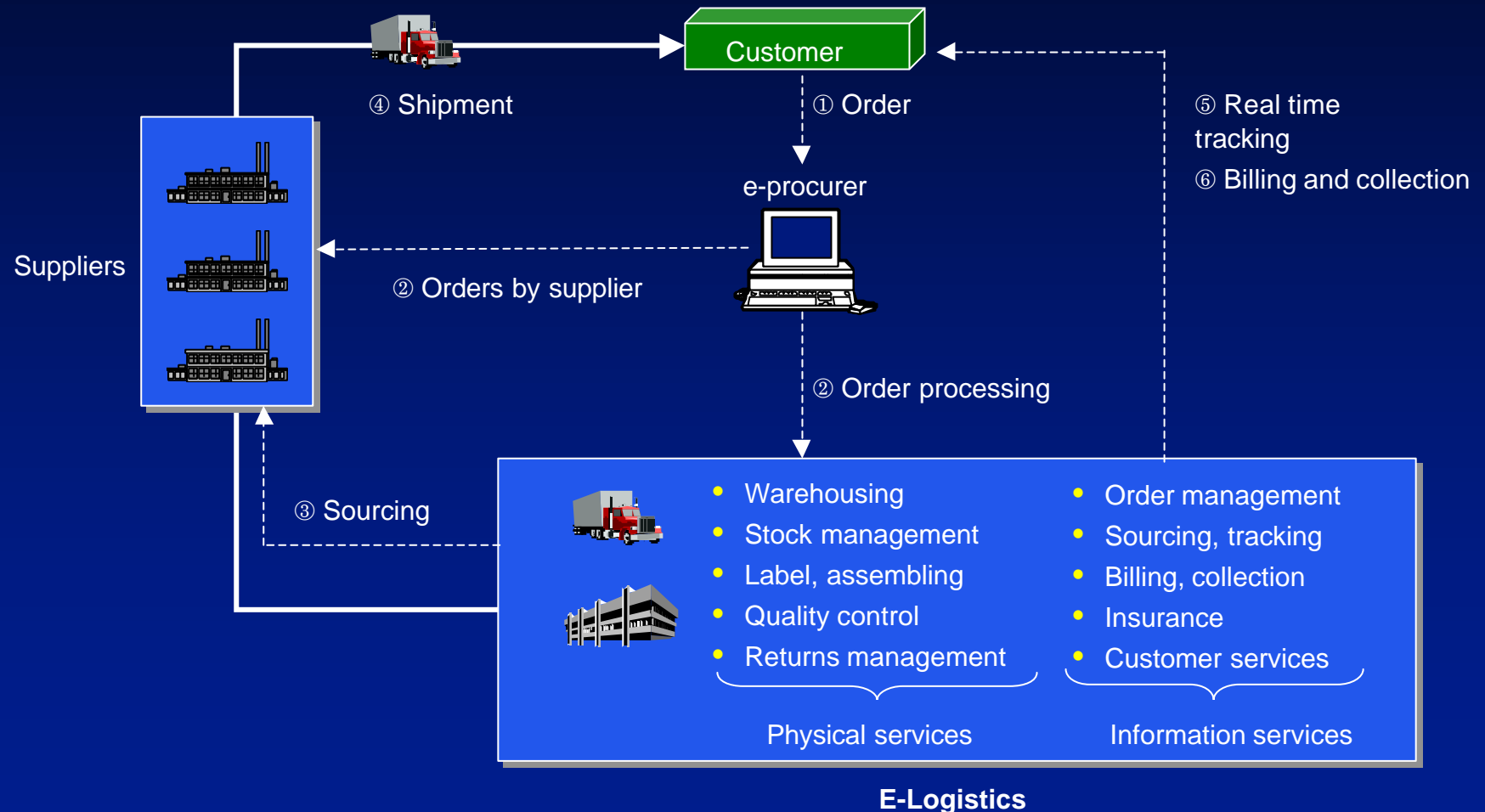
Opportunities arise for vertical and horizontal intermediaries



Examples: Chemdex.com PlasticsNet.com eSteel.com

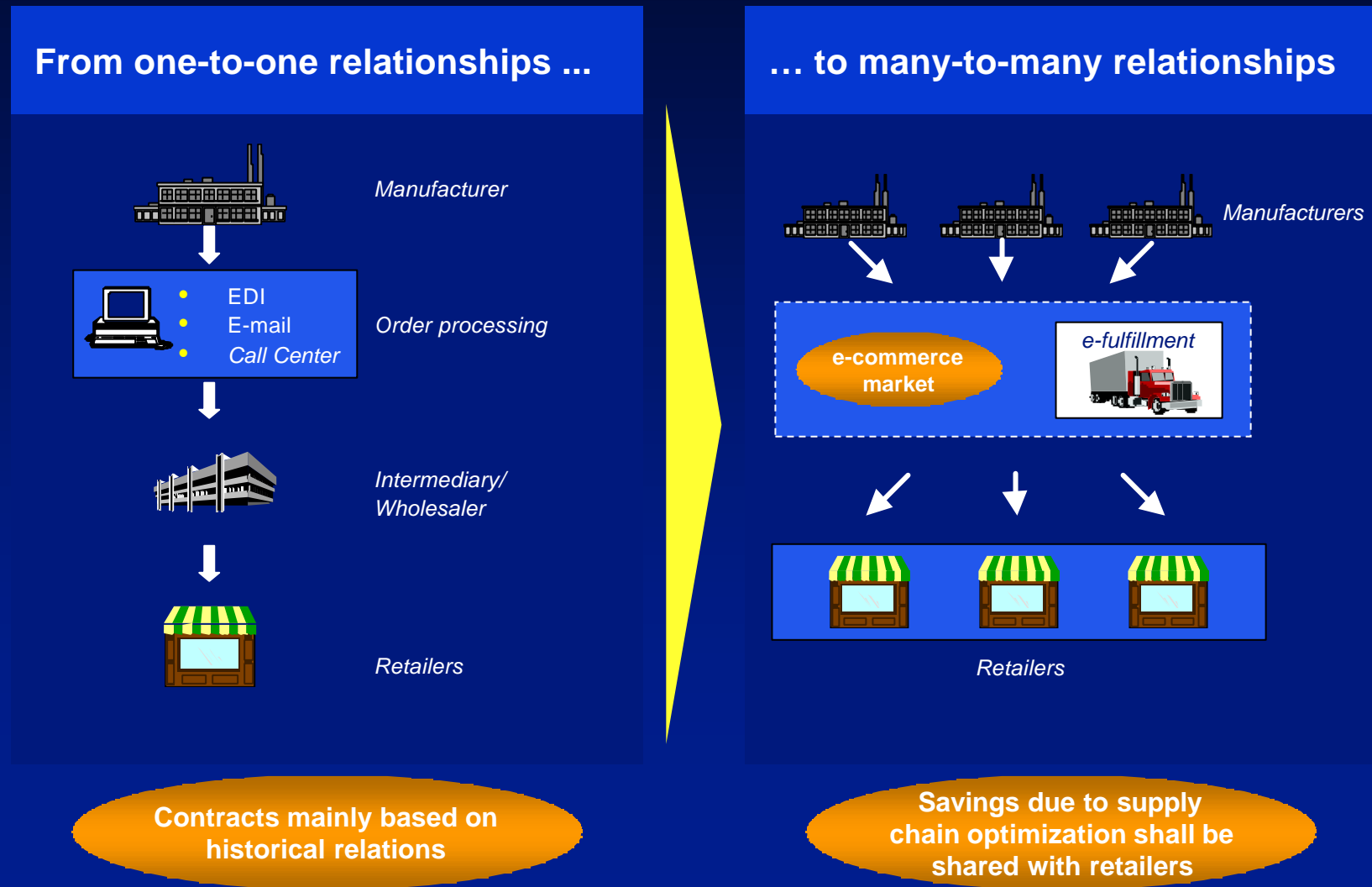
E-commerce creates horizontal opportunities for the logistics industry ...

Case study: e-procurement for large companies



... and is changing the supply chain between businesses

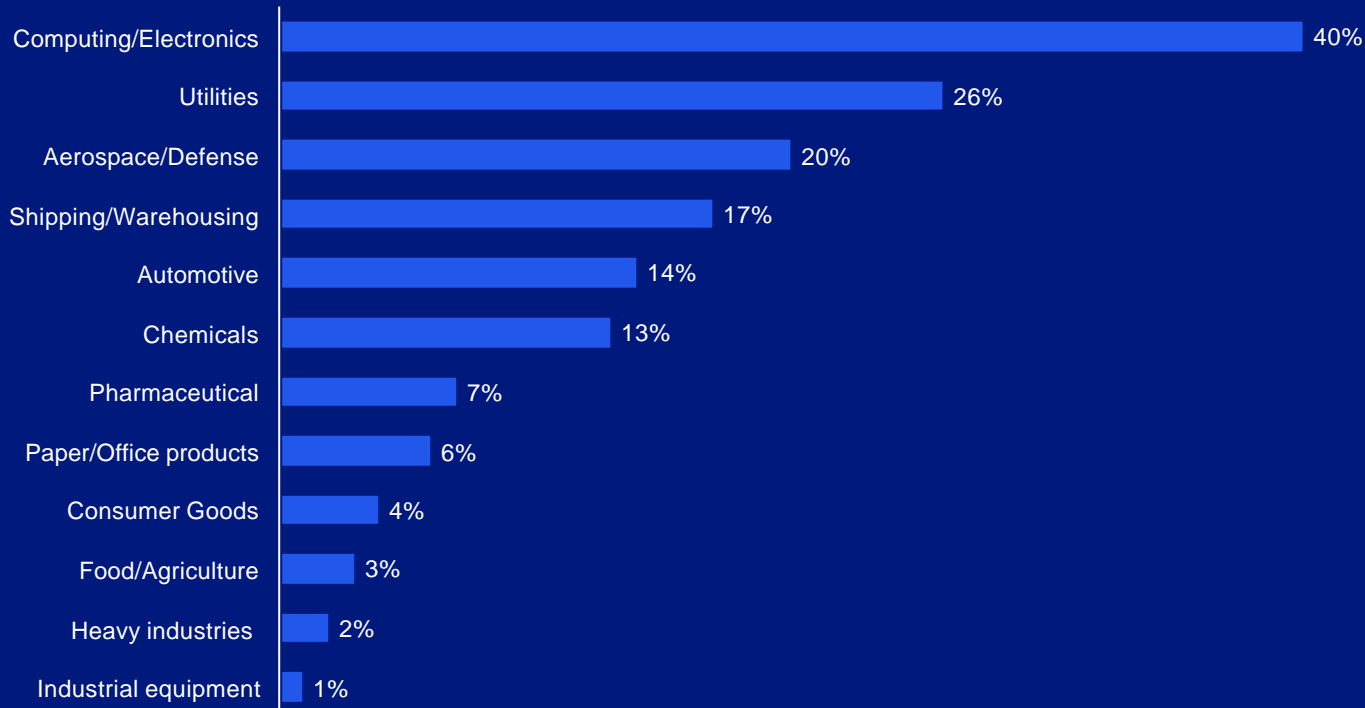
Example: vertical markets



B2B will offer attractive opportunities to Logista across sectors

B2B e-commerce by industry in the US offers a reference for European potential

Online penetration in the US by 2003



Opportunities will be screened based on size, potential profitability and capabilities of Logista

Logista's value proposition for e-fulfillment of B2B e-commerce

- Vertical marketplaces
- e-procurement
- Horizontal marketplaces

- State-of the-art technology to provide a wide range of services associated to B2B e-commerce
- Expanding asset base that includes:
 - High automated warehousing facilities
 - Infrastructure to serve over 65,000 points of sale
- Experience, capacity and flexibility to deliver tailor-made solutions to e-businesses

Logista will offer tailor-made value added services (similar to current tobacco or publishing business) to e-commerce markets/ companies

Logista is in conversations with a number of corporates for B2B e-fulfillment contracts

International expansion

Teresa Casla, Director of Corporate Development

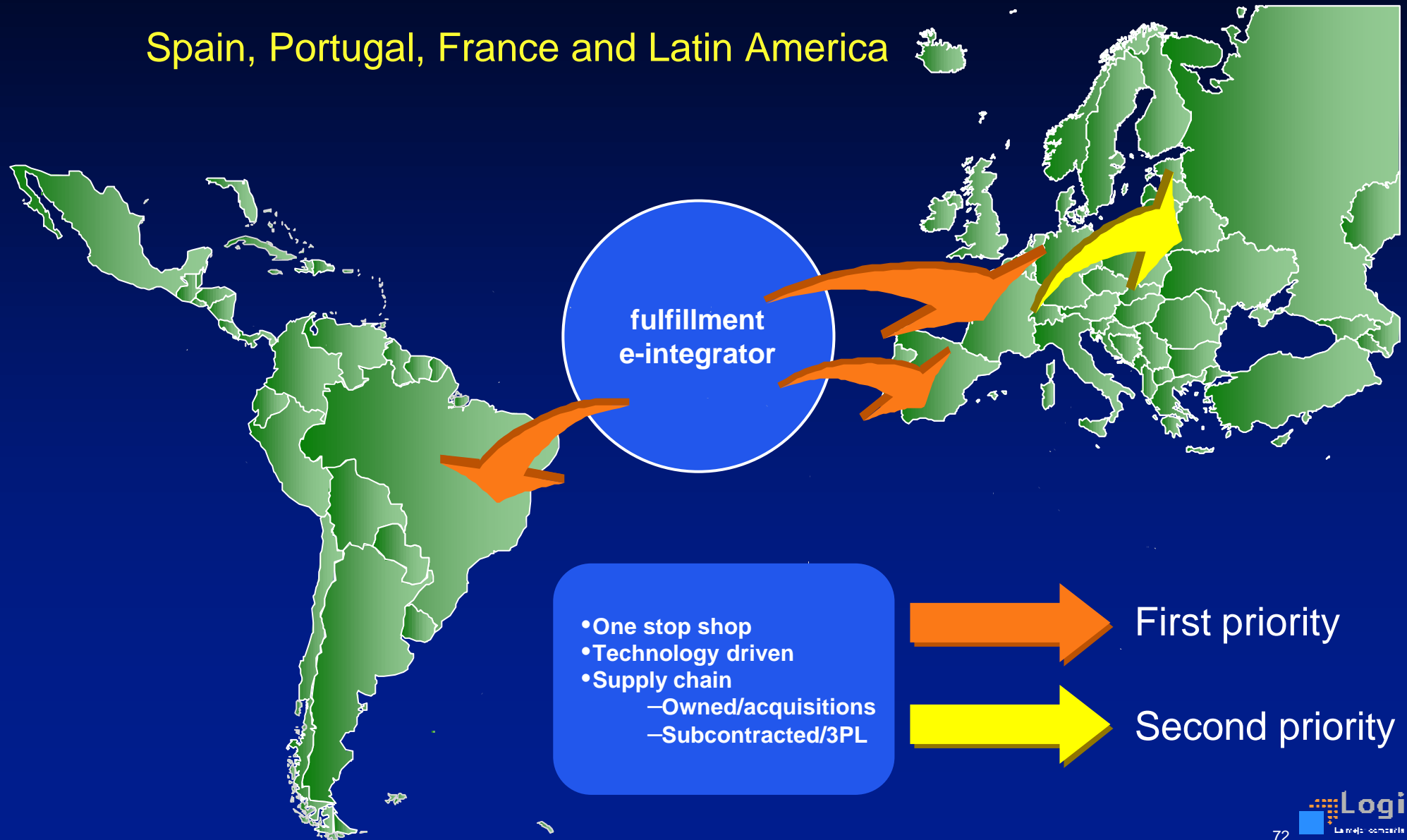
Logista's vision for internationalisation

“ We intend to engage in joint ventures and / or acquisitions which either provide us with competencies which we currently do not have or extend the geographical reach of our existing businesses”



Logista has established priorities for its international strategy

Spain, Portugal, France and Latin America



Spain, Portugal and France

Seita Distribution offers a stable partnership in France and a platform for growth in Europe

Spain, Portugal and France



Logista-Seita Distribution partnership

- Offer one-stop-shop for French and Spanish clients
- Joint e-fulfillment strategy
- Sharing know-how and technology

Seita Distribution-infrastructure assets

- Storage facilities of 185,000 m²
 - 18 regional warehouses
 - 31 storage facilities
- Coverage of 73,800 points of sale (34,100 tobacconists)

Latin America

Strategy

- The objective is to be a leading e-fulfiller in the region
- This objective will be targeted through profitable growth developments:
 - Acquisitions/partnerships with ongoing contract logistics businesses in Latin America
 - Expansion with clients (e.g. Terra)
- Capitalise on current partnership with Iberia

Partnership with Iberia

Highlights

- In 1999 Iberia transported 220,000 Tm through its Cargo division, generating revenues of around Pts 39,000 mm
- In Spain - Latin America freight traffic Iberia is the market leader with 55% market share
- Iberia, through its subsidiary CACESA, has two main activities
 - Freight forwarding
 - Express worldwide, through IBEXPRESS
- Ibexpress is one of the leading same-day express services in Spain, with 235,000 deliveries in 1999
- Ibexpress expansion into LATAM through local delivery companies already in place in Argentina, Dominican Republic, Puerto Rico, Mexico and Chile, with the objective of covering all the countries in the region in the medium term
- Logista - Iberia partnership
 - Offer one-stop-shop for full supply chain service
 - Contract logistics (Logista)
 - Freight forwarding (Iberia - Cacesa)
 - FTL - transport (Logista/3PL)
 - Last Mile (Iberia - Ibexpress)
 - Integrated information systems
 - Agreement currently under study

5. Financial review

Manuel Suárez, CFO

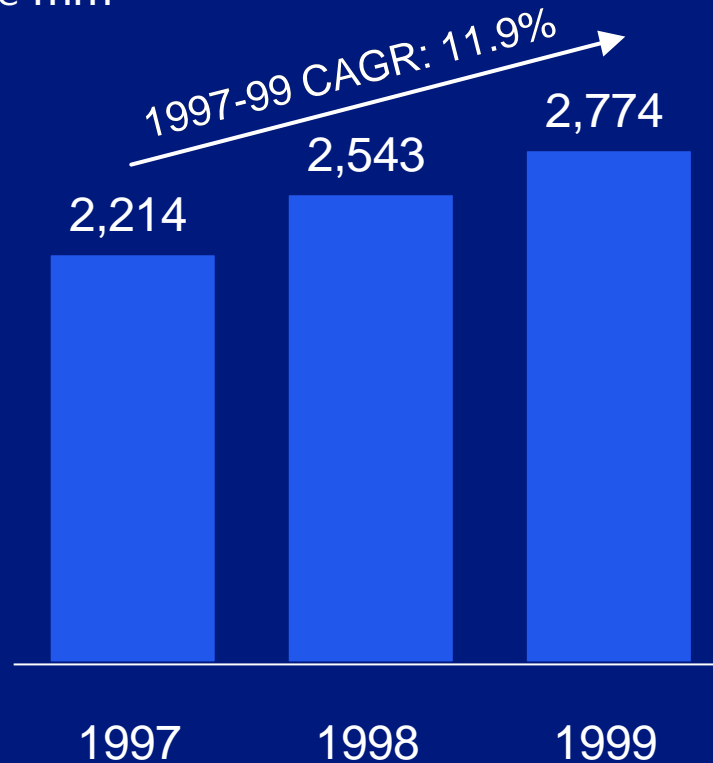
Strong financial track record

- Strong revenue and earnings growth (1997-1999 CAGR)
 - Net sales 11.9%
 - Economic revenues 7.9%
 - EBITDA 18.6%
 - Net income 16.4%
- Strong cash flow from operations: €64 mm (1999)
- Strong balance sheet to support strategy
 - Strong equity base: €273 mm
 - Net cash: €464.2
 - Negative working capital: €(390.1) mm
- Above market profitability
 - ROE: 19.5%
 - ROCE: 36.2%
- Dividend pay-out
 - Currently at 40%
 - Future policy dependent on investment opportunities

Logista has generated strong revenue growth ...

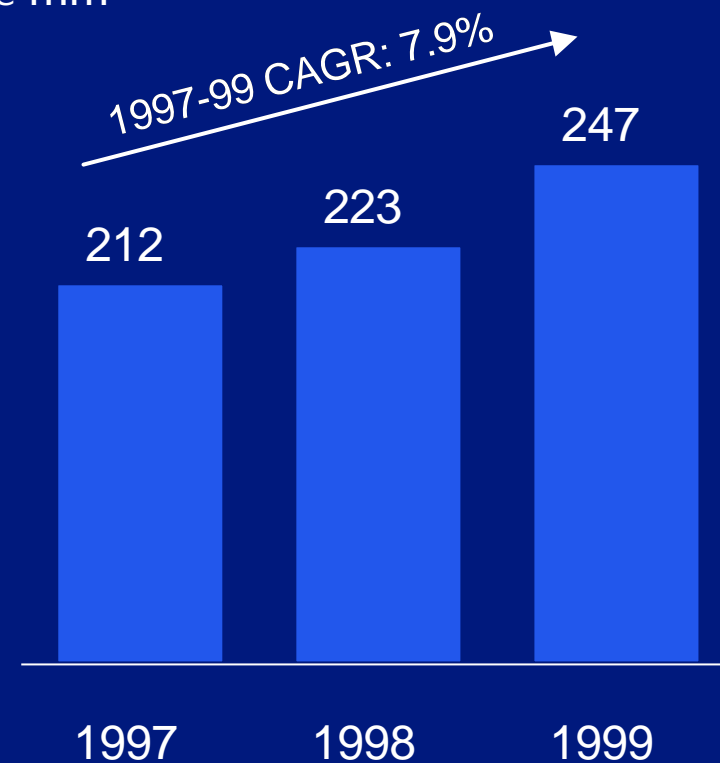
Net sales

€ mm



Economic sales

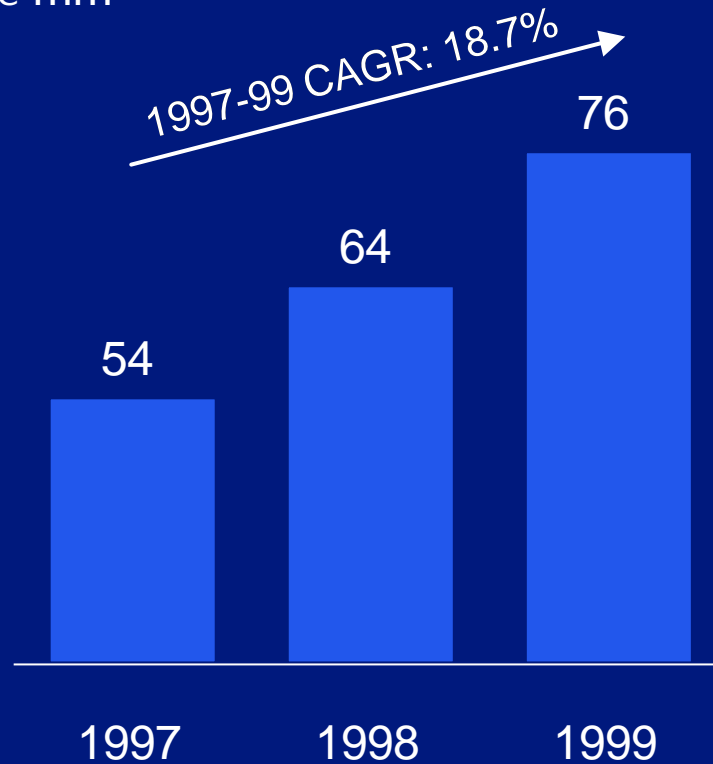
€ mm



... and bottom line results

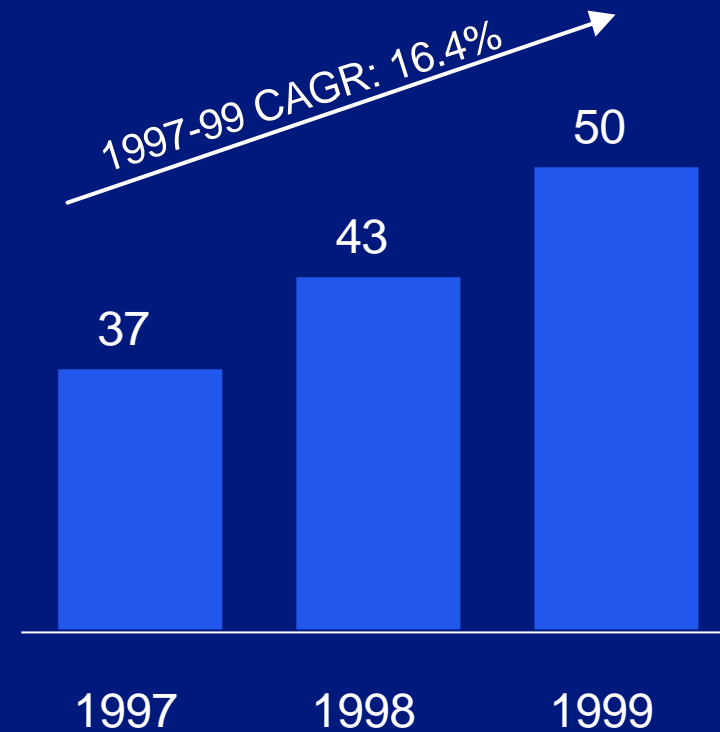
EBITDA

€ mm



Net income

€ mm



Revenue analysis

€ mm	Gross sales	Net sales	Economic sales	
Tobacco	6,861.9	1,929.7	135.6	55.0%
Stamps + Documents	370.9	344.9	13.6	5.5%
Publishing + Books	567.3	420.8	60.3	24.5%
Other	81.3	78.3	37.1	15.0%
Total	7,881.4	2,773.7	246.6	100%

Cost breakdown

€ mm	Pro forma					
	Full year ended Dec 31					
	1997	% total	1998	% total	1999	% total
Cost of sales	2,001	92.7%	2,320	93.6%	2,527	93.7%
Transportation	37.5	1.7%	41.5	1.7%	50.9	1.9%
Personnel costs	44.8	2.1%	47.6	1.9%	51.6	1.9%
Other operating costs	63.4	2.9%	56.8	2.3%	57.7	2.1%
Tabacalera outsourcing contract	12.4	0.6%	13.7	0.5%	10.5	0.4%
Total costs	2,160	100.0%	2,480	100.0%	2,698	100.0%

Source: audited accounts

Logista is gradually replacing outsourcing contracts with Altadis with in-house capability

- All management responsibilities assumed by Logista
- Altadis provides supporting services on:
 - Human resources
 - Accounting
 - Legal and tax
 - IT maintenance
 - Internal audit
 - Treasury functions
 - Other

Objective

Steady decrease to minimum levels over next 3 years as Logista scales in-house capability

Balance sheet strength

€ mm	Pro forma			
	Full year ended Dec 31			CAGR 97-99
	1997	1998	1999	
Cash & equivalents ^{1,2}	470.5	573.2	472.0	0.2%
Accounts receivables	260.3	301.3	545.9	44.8%
Inventories	88.2	121.0	113.6	13.5%
Other current assets	5.8	6.0	0.0	-
Fixed assets (incl. goodwill)	143.1	139.2	319.9	49.5%
Total assets	967.9	1,140.7	1,451.4	22.5%
Current liabilities	697.8	866.8	1,150.0	28.4%
Long-term liabilities	26.0	26.3	23.8	-4.3%
Other liabilities and minority interests	7.2	6.9	4.5	-20.9%
Shareholders' equity	236.9	240.7	273.1	7.4%
Total liabilities and equity	967.9	1,140.7	1,451.4	22.5%

Source: audited accounts

¹ Average treasury position for 1999 is €493 mm

² Includes cash held by Altadis from Treasury Management Contract (classified as accounts receivable in annual report)

Favourable working capital position

€ mm	Pro forma		
	Full year ended Dec 31		
	1997	1998	1999
Current assets			
Accounts receivables ¹	260.3	301.3	545.9
Inventories	88.2	121.0	113.6
Other current assets	5.8	6.0	0.0
Current liabilities			
Accounts payable	208.0	231.1	326.8
Public entities	444.9	582.6	714.0
Other current liabilities	11.3	11.7	8.8
Net working capital	(309.9)	(397.1)	(390.1)

Source: audited accounts

¹ Excludes account with Altadis, reclassified as cash

Cash flow from operations

€ mm	Pro forma	
	Full year ended Dec 31	
	1998	1999
Net Income	43.2	50.1
Operating Cash Flow	52.7	63.6
Working Capital Change	87.2	(7.0)
Investments	(19.7)	(8.6)
	120.2	48.0

Logista's investment plan

€ mm	1998	1999	2000E	2001E	2002E	Total
Maintenance	5.9	2.4	7.2	7.6	7.9	31.0
Warehouses	-	-	20.1	25.6		45.7
New investments	8.4	3.5	4.8	5.3	5.6	27.6
IT	5.4	2.7	3.9	4.1	4.3	20.4
Spanish e-commerce	-	-	10.2	16.3	7.7	34.2
Total	19.7	8.6	46.2	58.9	25.5	158.9

- No further investment expected for B2B expansion
- Projections do not include investments in international expansion

The investment in Iberia

Purchase of a 6.7% participation in Iberia

Accounting treatment

- Until 1Q 2000:
 - Financial investment of Pts 29,582 mm (€ 178 mm)
- From 2Q 2000:
 - Equity method for Pts 11,306 mm (€ 67.95 mm)
 - Goodwill of Pts 18,276 mm (€ 109.84 mm)
 - Goodwill depreciated over 20 years
 - More than offset by expected profits from equity participation
- Cash payment:
 - 50% in December 1999
 - 50% in March 2000

Market data on Iberia

- Iberia's IPO expected by year-end-2000

Pta bn	1998	1999
Revenue	632	646
NI	53	25.5
Net debt	4.5	74.9
Shareholders funds		169

Source: Iberia

- Current market value of Amadeus of Pts 975 Bn (€ 5,860.6 mm)
 - Iberia's initial investment in Amadeus (25%) valued at Pta 106,000 mm (€ 637 mm) at time of acquisition
 - Iberia's current participation in Amadeus of 19.33% (after sale of 5.67% on May 24th, 2000)

Summary overview of 1Q 2000 results

€ mm	1Q 1999 ¹	1Q 2000	% growth
Net sales	607.8	685.3	12.8%
Economic sales	52.7	61.6	16.9%
EBITDA	15.7	18.6	18.5%
EBIT	12.9	15.1	17.1%
Net income	10.9	11.8	8.3%
Operating cash flow	18.8	21.8	16.0%
Total assets	1,014	1,149	13.3%
Shareholders' funds	249.9	284.9	14.0%
Net cash	394.6	314.9	-20.2%
Net working capital	(256.5)	(334.8)	-30.5%

Source: Company and auditors' limited review of 1Q 2000 accounts

¹ 1Q 99 pro-forma

6. Conclusion

Juan Rizo, CEO

Logista has developed a strategy for growth from its current business strengths

Growth areas



Objectives

2003E economic sales breakdown



Appendices

A. corporate background

Management team

Profiles

Cesar Alierta, Chairman

Lawyer, MBA. 30 years experience in management positions

Juan Rizo, Chief Executive Officer

Engineer, MBA. 25 years of experience in management positions

Luis Egido, General Manager

Industrial Engineer, PADE. 25 years of experience in the logistics sector

José María Sanjuanbenito, General Manager

Lawyer, Master in Human Resources. 19 years of experience in the publications sector

Javier Solans, Commercial Manager

Industrial Engineer, MBA. 19 years of experience in the sale of mass consumption products

Manuel Suárez, Chief Financial Officer

Economist. 18 years of experience in financial management position

Teresa Casla, Director of Corporate Development

Economist. 10 years of experience in the financial markets

Rafael de Juan, Secretary of the Board of Directors and Legal Advisor

State Attorney. 15 years of experience in the public sector and 15 years in the private sector

Recent corporate developments

Logista spin-off

September 2, 1998:

Founded Logista with capital of 500,000 pesetas

January 25, 1999:

Tobacco Marketing Commission granted license for importing and wholesale distribution

January 30, 1999:

Began operations following the transfer of assets and liabilities from Altadis to Logista

Midesa/Contydis merger

June 9, 1999:

Midesa issued 3,742,542 new shares amounting to 374,254,200 pesetas to purchase all of the net assets of Contydis

June 18, 1999:

Merger was recorded with the Mercantile Registry Office and became effective

- Espasa Calpe S.A. received 3,742,442 shares plus 745,780 pesetas; Planeta Corporation S.R.L received 100 shares plus 20 pesetas

Midesa/Logista merger

March 11, 1999:

The Boards of Midesa / Contydis and Logista decided to merge

June 15, 1999:

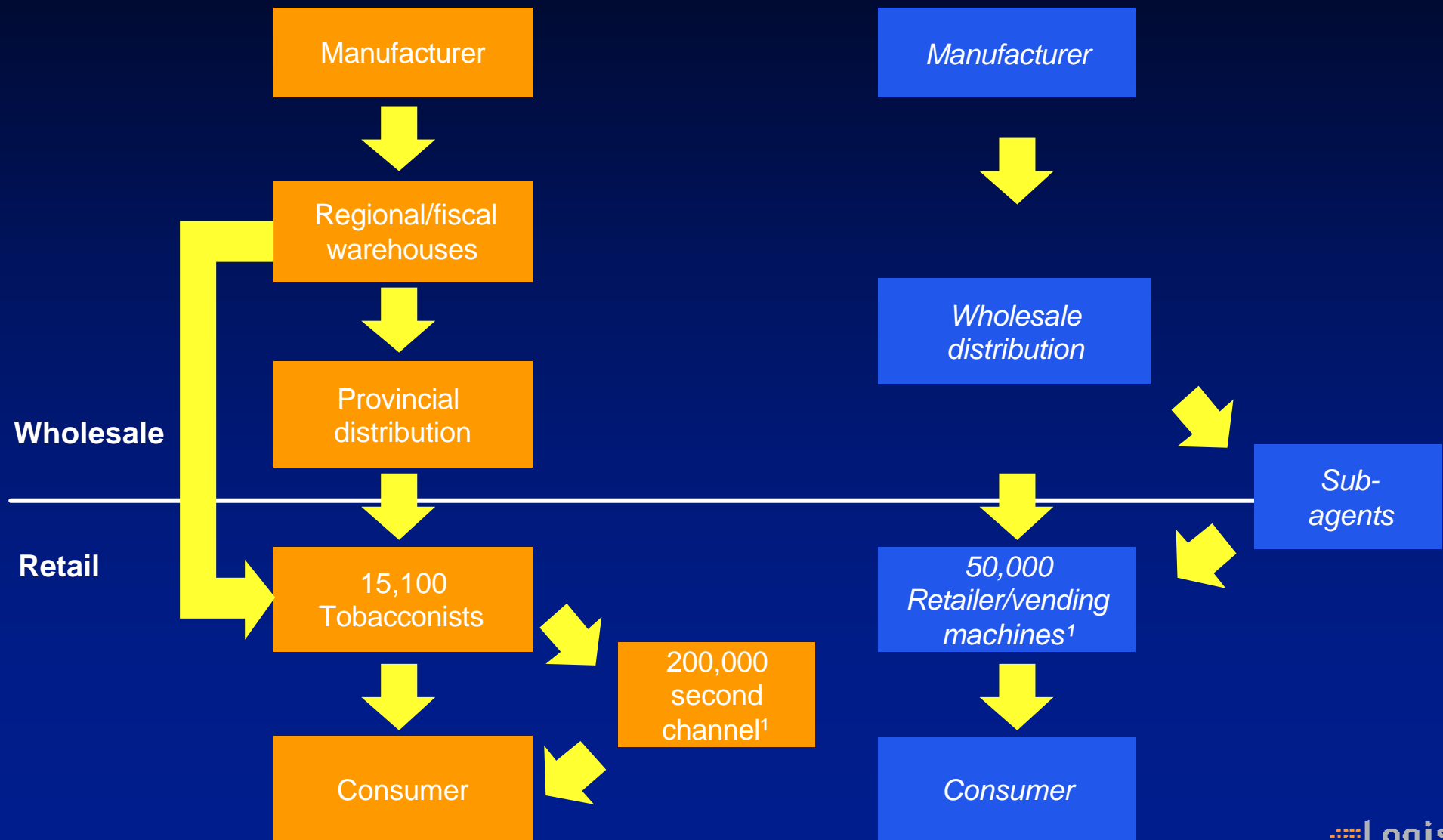
Merger was approved by shareholders subject to the Midesa / Contydis merger being registered with the Mercantile Registry Office

January 21, 2000:

Spanish Government approved the merger, setting some restrictions which mainly affected the local distribution to tobacconists

Tobacco

Tobacco cycle

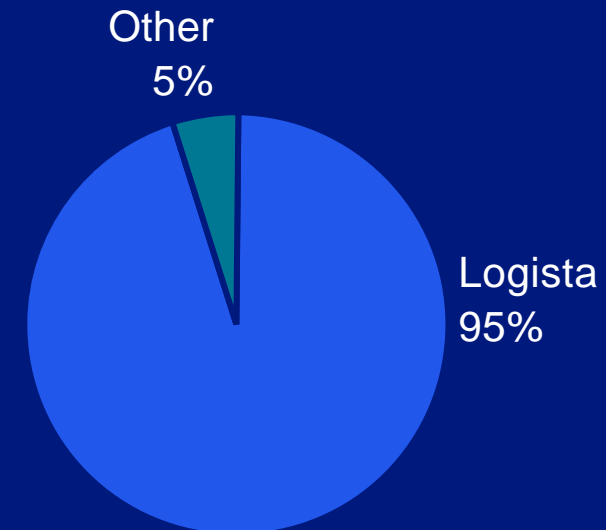


¹ Vending machines, bars, restaurants

Wholesale – Spain

- Fully liberalised since 1986
- Administrative license granted by the *Comisionado para el Mercado de Tabacos* (Tobacco Market Commission)
 - Logista, McLane España, Ditralsa, Tamco, Comet
 - Obligation to distribute to all the tobacconists on equal terms: delivery time, service and financing (payment / replacement period)

Market sales 1999



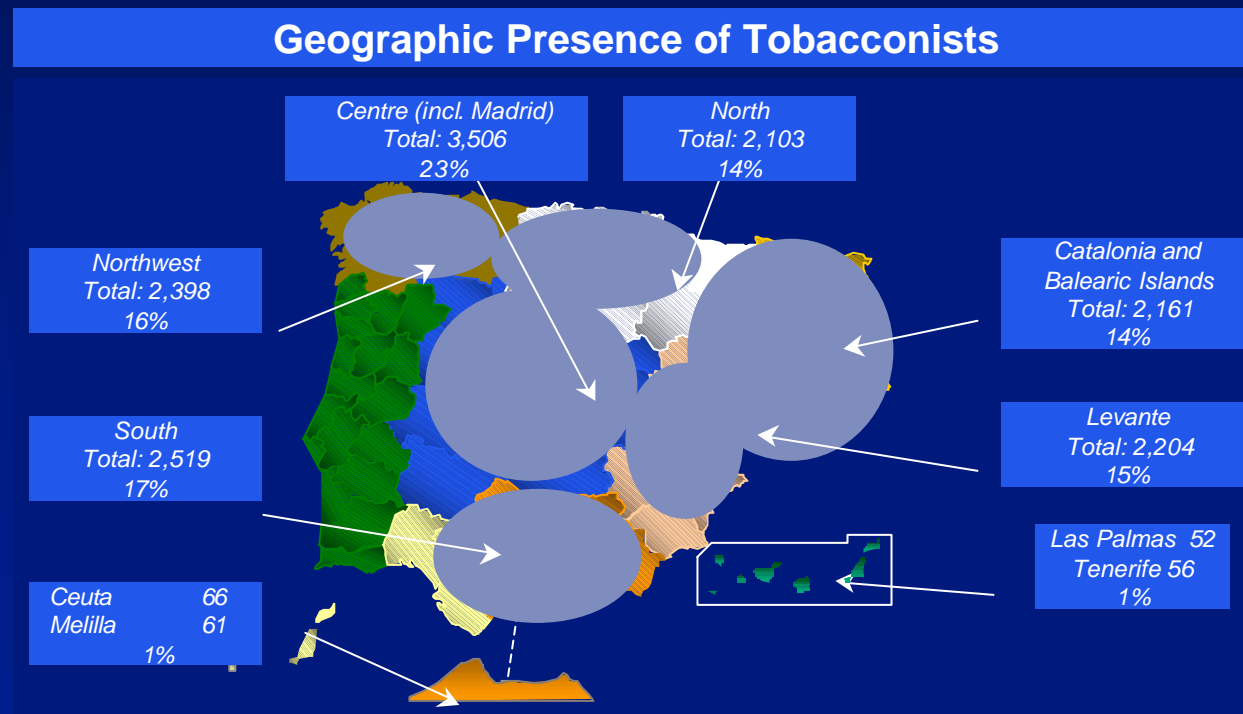
Total: €7.3 bn¹

Source: Company

¹ Including Canary Islands, at retail price

Retail – Spain

- Tobacconist licenses granted by Ministerio de Economía y Hacienda (Ministry of Finance)
 - 15,100 tobacconists
 - Retail price set by manufacturer
 - Fixed retail fees: 8.5% on cigarettes and 9.0% on cigars
- Expected new tobacconists licenses in 2000
 - Criteria for granting of license:
 - Individuals
 - Available premises
 - Clean financial track record
 - Geographical restrictions



Source: Ministerio de Economía

Trends – Spain

Cigarettes

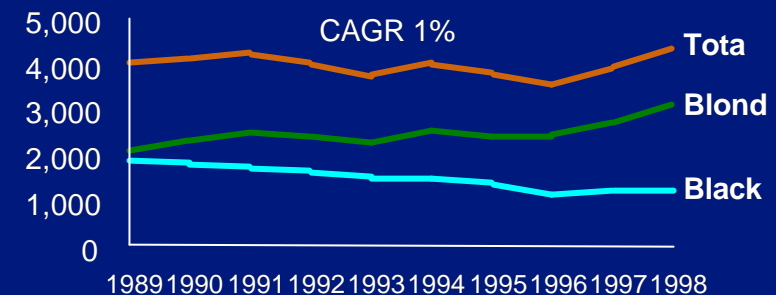
- Stable consumption
 - Health awareness
 - Legal restrictions on advertising
- Increasing number of references
- Smuggling reduced to European standards
- Potential for increasing distribution fees
 - Higher manufacturers' prices
 - Additional services
- Retail prices lower than Europe

Cigars

- Recent significant increase in consumption
- Strong consumption of small cigars
 - Substitution
 - Fashion
 - Natural product

Cigarette consumption

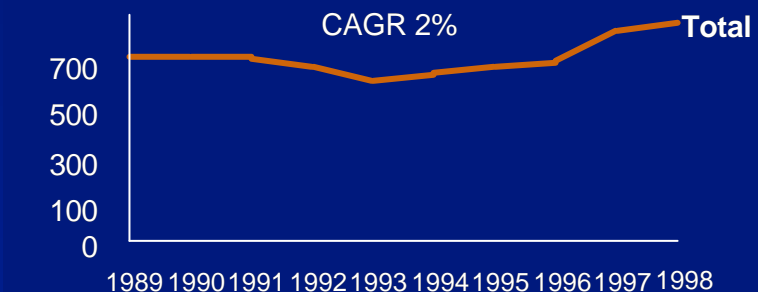
Packs (mm)



Source: Altadis 1998 Annual Report

Cigar consumption

Units (mm)

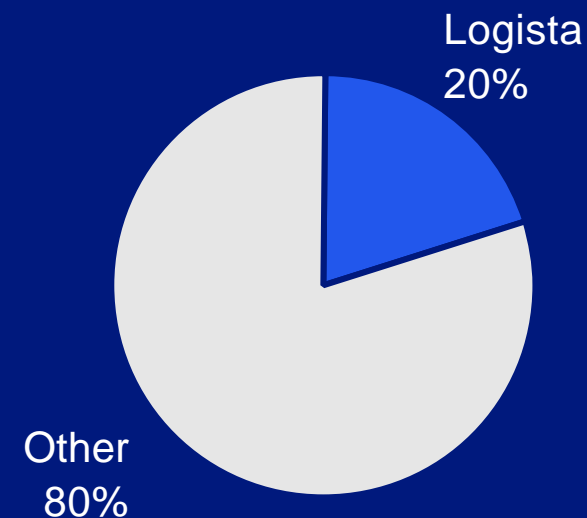


Source: Altadis 1998 Annual Report

Tobacco Portugal

- Fully liberalised market
- Wholesale distribution highly fragmented:
 - 343 wholesale distributors
 - No other distributors with a significant market share
 - Slow consolidation process
 - Manufacturers favour professional wholesalers
- Single retail channel with 50,000 points of sale
 - News-stands, restaurants, coffee shops, grocery shops, etc.

Market sales 1999



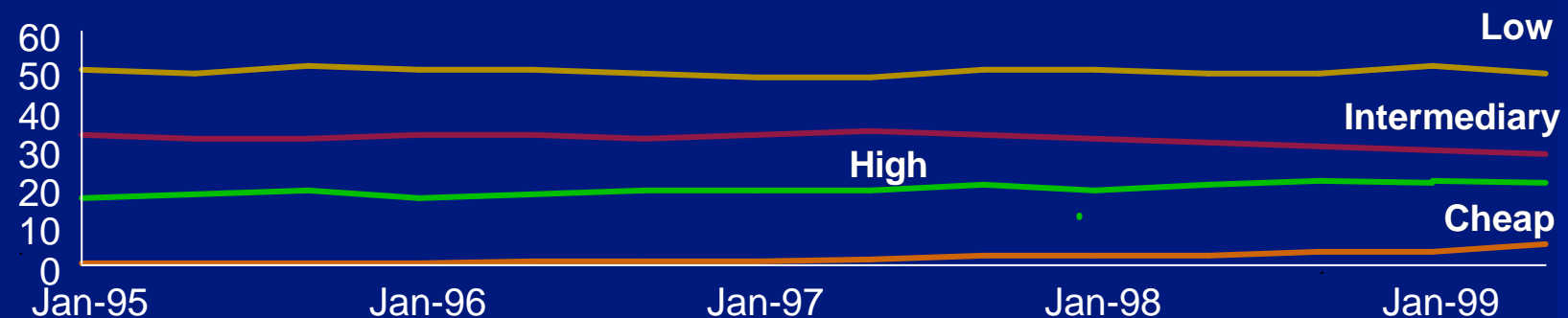
Total: €1,145 mm

Trends – Portugal

- Stable market
- Increasing preference for “light” cigarettes
- Potential for further consolidation of wholesale distribution
- Potential retail price increases by manufacturers as lowest price in Europe after Spain

Cigarette market trends

% market breakdown (3 mm)



Logista – clients

	Contracts	% of tobacco sales PVP	Length	Fees	
Spain		<u>1999</u>	Three-year initial contract <ul style="list-style-type: none">Renewable	Cigarettes <ul style="list-style-type: none">Ptas/pack Cigars: <ul style="list-style-type: none">% of retail pricing Pipe & rolling tobacco <ul style="list-style-type: none">Ptas/kg	
	Tabacalera	41.7			
	Philip Morris	32			
	Reynolds	9.4			
	BAT	6.3			
	Cita	3.9			
	Canariense	1.1			
	Other	5.6			
Portugal	Tabaqueira	}	<ul style="list-style-type: none">Open to any wholesaler with a minimum level of purchases	<ul style="list-style-type: none">8.15% margin for Tabaqueira's products8.50% margin for rest of competitors products	
	Philip Morris				90
	RJR				1.7
	BAT				5
	Other	5			

Source: Company

Logista – products & services

Products

Number of references	Spain				Portugal		
	1996	1997	1998	1999	1997	1998	1999
Blond	128	153	168	184	78	79	80
Black	39	41	43	48	6	5	2
Cigars	552	605	694	748	—	—	420
Pipe tobacco	85	84	92	95	—	—	—
Rolling tobacco	23	25	29	29	—	—	—
Others	3	4	4	4	—	—	—
Volume of sales							
Cigarettes (mm packs)	3,605	3,908	4,344	4,345	120.6	121.3	141.4
Cigars (mm units)	709.3	832	855	960	—	—	—
Pipe & rolling tobacco (mm packs)	14.1	16.6	18	21.4	—	—	—

Services

- Warehousing and stock management
- Picking, labelling and packaging
- Billing and collections
- Tax and customs warehouse
- Aftersales service

Source: Company

Logista – points of sale

- Delivery to 15,100 tobacconists in Spain and 13,400 retail outlets and 900 vending machines in Portugal
- On line connection with more than 7,000 tobacconists in Spain (80% of the sales)
- High level of service provision to tobacconists:
 - Information on products, prices, minimum stock, request calendar
 - Tobacco deliveries every 10 days
 - Payment from retail due on next delivery
 - Special requests attended in 24 hours
- Increasing importance of Cash & Carry facilities
 - Dedicated facilities in all 50 provinces (15 Cash & Carry and 35 Tobacco Shops)
 - 16.4% of sales in 1999, (15% in 1998 and 12% in 1996)
 - Cash payment
 - No distribution costs

Stamps, documents and high-value products

Stamps, documents and high-value products

Postage and fiscal stamps

- Sole concession granted to Altadis until 2002
 - License operated by Logista
 - Distribution through tobacconists
 - Fixed distribution fee of 6% of retail price
- New concession to be granted in 2002

Documents and high value products

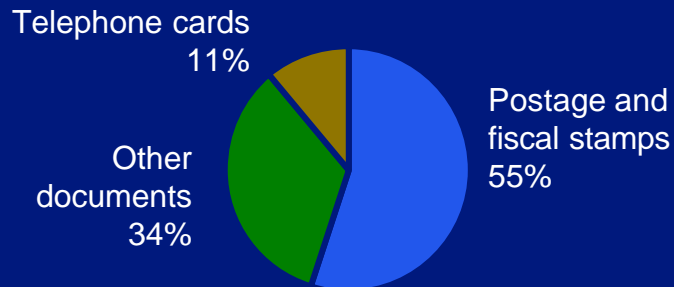
- Includes phone cards, parking cards, travel passes, greeting cards, income tax forms, standard contracts and others
- Distribution under private contract or public tender offers. Awarded with 100 contracts during last years

Logista – clients

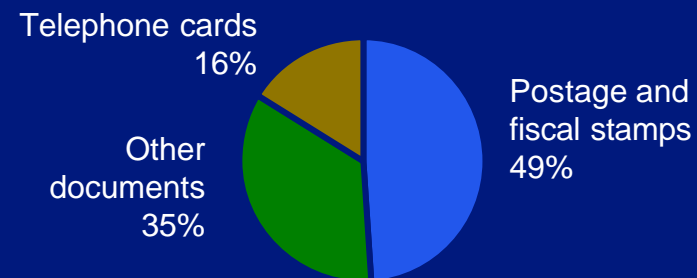
Main Contracts	Product	Length	Terms
Altadis 2 Ministerio de Economía y Hacienda Post Office Entity	Fiscal Stamps Postage Stamps	Until 2002	Exclusive distribution rights granted by Ministry of Finance Breakdown of fees: 4% of retail price to tobacconist 2% to Altadis of which 1.5% is paid to Logista
Public entities Diputaciones Forales – Alava – Guipuzcoa – Navarra – Vizcaya Canary Government Madrid Municipality 5 Universities Ministerio de Justicia	Income tax forms Fisc. Stamps & Income tax forms Fisc. Stamps & Income tax forms Fisc. Stamps & Income tax forms Income tax forms Parking cards Applications forms	Depends on contract	Different distribution rates depending on contract and product
Private Entities – Telefónica – Airtel – Uni2 – Alo – Transport consortium Madrid Valencia – Public Transport Companies – 38 Companies, (15Provinces) – Unicef – Other	Phone cards&Telephones Phone cards&Telephones Travel passes Travel passes Travel passes Greeting cards Various products	Depends on contract	Different distribution rates depending on contract and product

Logista – products

1998 market breakdown at PVP €679 mm



1999 market breakdown at PVP €672 mm



	1996	1997	1998	1999
Number of references				
Postage and fiscal stamps	555	545	624	528
Documents	645	640	1,276	1,348
Sales volume (mm units)				
Postage and fiscal stamps	911	887	737	582
Documents	60	62	61	55

Source: Company

Logista – services

- Specific expertise in handling high value documents
 - Numbering
 - Automatic picking
 - Control of returns
 - Security in storage and distribution
 - Delivery every 10 days
 - 50 owned dedicated selling facilities (15 Cash & Carry and 35 shops)
 - Payment from retail due on next delivery
 - Special requests attended in 24 hours
- Creating loyalty of points of sales by providing additional high margin products

B. Legislation in Tobacco and Stamps

Legislation

Distribution of Tobacco

- Regulated market “Law 13/1998 (May 4) and Decree 1119/1999 (July 9)”
- Import and Wholesale Distribution Licenses
 - Logista has licenses PA 990053 and PB 990084, respectively, granted by the “Comisionado para el Mercado de Tabacos”

Distribution of Stamps

- “Law 13/1998 (May 4) and Decree 1119/1999 (July 9)” grants Altadis the concession to operate the wholesale distribution until 2002

Tobacco tax rates

	1996	1997	1998	1999
Special tax				
Ad valorem (% of retail price)				
Blond cigarettes	54	54	54	54
Dark cigarettes	54	54	54	54
Cigars	12.5	12.5	12.5	12.5
Rolling tobacco	37.5	37.5	37.5	37.5
Pipe tobacco	22.5	22.5	22.5	22.5
Specific (cigarettes)				
(Ptas/20 units pack)	10	10	10	10
VAT (% of retail price)				
Cigarettes and leaf tobacco	15.25	13.79	13.79	13.79
Cigars	15.17	13.72	13.72	13.72

Source: Company

¹ Since 31/07/96

² Since 01/01/97 VAT has been reduced because of the decrease on equivalent tax to 1.75%

Effects of taxation

- The effect of taxation on packs of light and dark cigarettes and a box of 20 cigars is shown below

	Light Fortuna		Dark Ducados		Cigars Farias Club	
Recommended Retail Price	100.00%	275.00	100.00%	200.00	100.00%	500.00
VAT	13.79%	37.92	13.79%	27.58	13.72%	68.60
Total sales Logista	86.21%	237.08	86.21%	172.42	86.28%	431.40
Ad Valorem Tax	54.00%	148.50	54.00%	108.00	12.50%	62.50
Specific tax	3.64%	10.00	5.00%	10.00	0.00%	—
Retail premiums	8.50%	23.38	8.50%	17.00	9.00%	45.00
Net sales Logista	20.00%	55.20	18.71%	37.42	64.78%	323.90

Source: company

- Retail Premiums represent commissions determined by law and received by tobacconists
- This commission is 8.5% for cigarettes, 9% for cigars and 4% on the retail price of tax stamps and postage

Publications

Publications



- Increasing number of references
- Daily delivery
- Exclusive distribution
- Firm purchase with an option to return
- Retail price set by publisher
- Distribution fee, as a percentage of the retail price defined

Publications – Spain & Portugal

Collectibles

- Periodical publication which builds up to form book
- High unit value
- Highest margin of all publications
- Long tradition in Spain and growing in Portugal
- More complicated physical distribution
- Information permits planning of printing and distribution
- Sales strongly depend on publishers' new issues

Magazines

- Medium unit value
- Titles per inhabitant lower than European average
- Increasing number of specialised magazines
- Portugal: Drop in sales of weeklies
- Portugal: Stable sales of monthlies with increasing number of titles

Newspapers

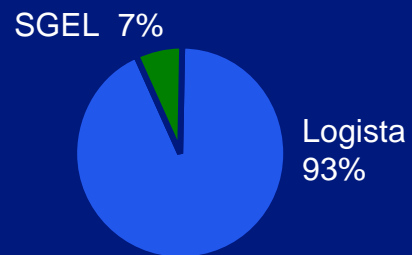
- Low unit value
- Publishers only outsource local distribution
- Complexity of delivery schedule

Portugal

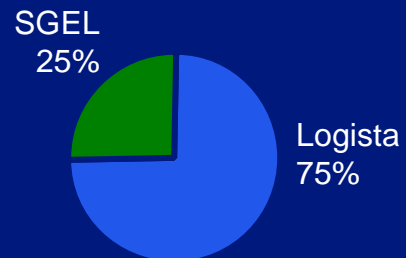
- Decrease in cover price from 140 to 100 escudos
- Proportional increase in circulation

Publications – Spain & Portugal

Collectibles

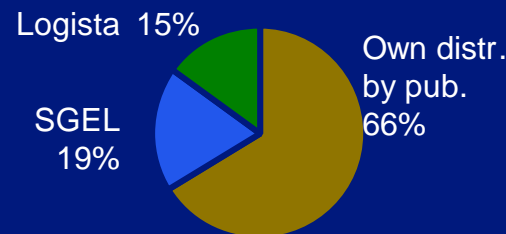


Total market 1999:
€230 mm

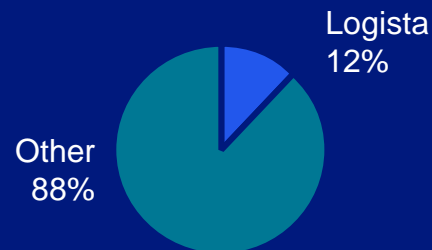


Total market 1998:
€30 mm

Magazines

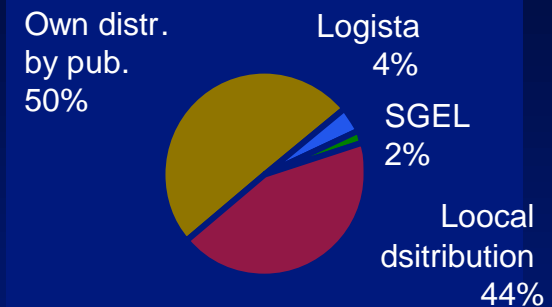


Total market 1999:
€529 mm

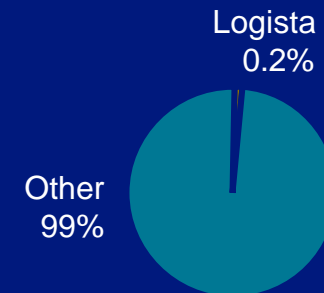


Total market 1998:
€160 mm

Newspapers



Total market 1999:
€889 mm



Total market 1998:
€118 mm

Source: Company

Logista – clients

Clients

Main Contracts	Product	Length ¹	Terms
Editorial Planeta De Agostini, S.A.	Collectibles and Comics	7 years renewable Warning: 6 months Date of Contract: 01/05/99	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
Grupo RBA Editores S.A.	Collectibles Magazines and other publications	1 year renewable Warning: 3 months Date of Contract: 01/06/99	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
Ediciones Orbis S.A.	Collectibles	3 years, renewable annually Warning: 3 months Date of Contract: 01/09/92	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
Edition Altaya S.A.	Collectibles	1 year renewable Warning: 3 months Date of Contract: 02/05/94	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
International Book Club ("Club Internacional del libro, División Coleccionables, s.l.")	Collectibles	Indefinite Warning: 3 months Date of Contract: 18/09/97	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.

¹ Average length of relationships over 15 years

Logista – clients

Main Contracts	Product	Length	Terms
Globus Comunicación, S.A.	Collectibles	1 year renewable Warning: 6 months Date of Contract: 15/05/93	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
	Magazines	4 years renewable Warning: 6 months Date of Contract: 01/03/92	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
Multimedia Ediciones S.A.	Collectibles	3 years renewable Warning: 3 months Date of Contract: 10/01/93	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
Ediciones Pleyades S.A.	Leisure publications	Indefinite Warning: 3 months Date of Contract: 30/06/78	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
Ediciones Del Prado	Collectibles	Indefinite	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.
Warner Home Video España S.A.	Collectibles	Indefinite	Exclusive, under commission, margin over sales, 2 advanced payments and 90 days payment.

Logista – products and services

	Number of titles Spain and Portugal			
	1996	1997	1998	1999
Collectibles	352	338	371	364
Magazines	246	296	304	315
Newspapers	25	25	25	25

- In 1999 distribution of 13.400 references and 500 million units from 120 publishers

Services

- National and local distribution through subsidiaries and affiliates
- Advisory on printing and distribution volume
- Final allocation of total volume to points of sale
- Ongoing sales information and market feedback
- Market survey through 1,200 “rotational” control points
- Billing and collection
- Control of returns
- Availability of past issues

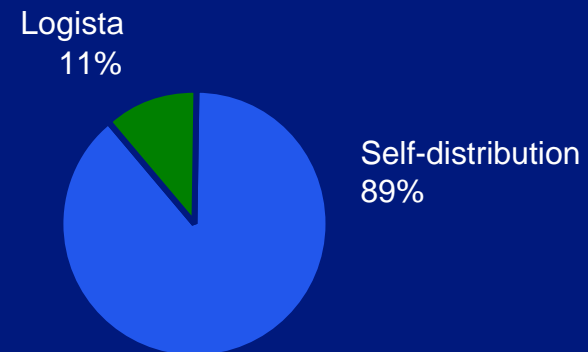
Books

Books



- Large publishing houses dominate the market and engage in self distribution
 - Increasing outsourcing
- Marketing done by publishers
- Publishers assign circulation
- Guaranteed gross margin
- New distribution channels (Internet)

Total market 1999 €860 mm¹




Source: Company

¹ Excluding direct sales and text books. Total size of market €2,361 million

Logista – Clients, products and services

Clients and products

Main Contract	Product: Books	Length	Terms
	Seix Barral Editorial Ariel Ediciones Martínez Roca Ediciones de Bolsillo Ediciones Temas de Hoy Ediciones Destino Espasa Calpe Ediciones Deusto Editorial Crítica	10 years, renewable for periods of 3 years Warning: 12 months Date of Contract: October 1998, except Editorial Crítica (June 1999)	Exclusive, under commission, margin over sales

Services

- Warehousing
- Picking
- Billing and collection
- Information on sales and margins by product and region
- Handling of returns



La mejor compañía para su empresa