1Q 2016 RESULTS ANNOUNCEMENT

May 12, 2016

- **Telepizza increases its chain sales by 5.2% and its EBITDA by 15.8%**

- **Sustained growth of chain sales in Spain (+6.4%) and internationally (+9.7% in constant currency) over 5% LfL (*)**

- **Home delivery sales posted double-digit growth (+10%), boosted by digital channels (+23%), which now account for a third of delivery sales**

- **Telepizza continues its expansion with franchises increasing their weight, accounting for 66% of the store network in 1Q 2016 (vs 63% in 1Q 2015)**

- **The company has improved its capital structure and significantly reduced its financial costs I Net financial debt is now €155m, with a debt-to-EBITDA ratio of 2.6x**

Telepizza, the leading home-delivery pizza company in Spain, recorded significant growth in its key figures in the first quarter of 2016. The Company increased its EBITDA by 15.8% in the period to reach €18.9m, driven by the growth of its chain sales (+5.2%), an improvement of its gross margins and economies of scale in its main markets. Telepizza posted an EBITDA margin of 18.4% in the 12 months to March 2016, which represents an improvement of 80 basis points on FY 2015.

Group's chain sales (own stores, franchises and master franchises) amounted to €128 million, an increase of 5.2% in the first quarter, compared with the same period last year. Total growth, excluding foreign-currency impact, was 7.5%, and 5.3% LfL.

Spain has posted 8 consecutive quarters of growth, while the International business has grown at double-digit rates in constant currency terms over the same period. In the first quarter of 2016, sales in Spain grew by 6.4% (5.2% LfL), while International sales did so at nearly double-digit rates in constant currency terms (+9.7%; 2.9% including the impact of exchange rate; and 5.3% LfL). Home delivery sales also performed well in the period, with growth of 10% vs 1Q2015.

"We have continued to grow solidly and profitably in the first quarter, supported by our strategic vectors that aim to strengthen our existing business and project our brand in international markets. Our improved capital structure will allow us to continue focusing on our expansion", explains Pablo Juantegui, Executive Chairman of Telepizza.

Digitalisation and innovation, pillars for continued growth

During the period, Telepizza's growth has been supported by a series of factors:

- Digital penetration: sales through digital channels grew by 23% and now account for a third of home delivery sales (33%, compared with 30% in the first quarter of 2015). Orders via the app increased by 45% in the same period.

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- Product innovation: for example, the launch in the first quarter of Telepizza Burger in Spain, which accounted for 8% of chain sales in the region during the period, with an increase in the average ticket for orders that included it of 11%.

- Store refurbishment plan: stores where the programme has been implemented increased sales by over 2% LfL. In the first quarter, Telepizza refurbished 10 more owned and 6 more franchised stores.

- Active management of the network, with an increase in the weight of franchises, which already account for 66% of total stores and 61% of chain sales in 1Q2016. In the quarter, Telepizza closed 13 stores which operated below the Company's profitability targets; and opened 15: 6 in Spain (mainly mini-stores and shopping centres, through franchises) and 9 in international markets.

- Expansion to new markets through master franchises: Telepizza has recently reached an agreement with the Al Bayan Holding Group investors to open a significant number of stores in Saudi Arabia. The first four are expected to open between May and June 2016.

Significant reduction of debt and financial costs

As a result of its public offering, and in particular, the partial use of primary proceeds raised, Telepizza has strengthened its capital structure, as well as significantly reducing its financial costs. Net financial debt (NFD) amounted to €155m post IPO (compared with €251m as of December 2015), with a net debt-to-EBITDA ratio of 2.6x in March 2016 (compared with 4.4x as of December 2015).

Telepizza's new financing structure includes a syndicated loan of €200 million and a revolving credit facility of €15 million. Interest expenses have fallen significantly and will be around €8 million annually (post IPO) compared with €35 million (FY 2015).

Medium-term goal: profitable growth

In the medium term, Telepizza expects to maintain growth in chain sales, based on Lfl growth and unit expansion, increasing the weight of franchises. Supported by economies of scale, EBITDA is expected to grow faster than chain sales. In addition, the Company will selectively explore opportunities for consolidation in the market.

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About Telepizza

Telepizza is the largest non-U.S.-based pizza delivery company in the world by number of stores. Headquartered in Madrid, the Company offers a variety of pizza and complementary products that combine consistent flavours across countries with a focus on local adaptation and innovation in the markets where it operates.

Telepizza operates in 15 countries with its own brand throughout Europe (Spain, Portugal and Poland), Latin America (Chile, Colombia, Peru and Ecuador) and other geographies mostly through master franchise agreements. As of March 2015, the company has a network of 1,313 stores (461 own stores and 862 franchised and master franchised stores) and employs a vertically-integrated business model throughout seven dough production facilities.

In 2015, the Group recorded €491.8 million in chain sales and €57.7 million in EBITDA.

Telepizza (TPZ is listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges. The total number of shares is 100.7 million.

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MAIN FINANCIAL FIGURES

€m	Q1 2016	Q1 2015	% change	FY2015	FY2014	% change	LTM Q1 2016
Total chain sales	**128.0**	**121.7**	**5.2%**	**491.8**	**451.0**	**9.1%**	**498.2**
Constant currency sales growth (%)			*7.5%*			*8.1%*	
LfL sales growth (%)			*5.3%*			*5.5%*	
LfL sales growth excluding Master Franchise (%)			***5.6%***			***5.3%***	
Spain chain sales	**85.8**	**80.7**	**6.4%**	**318.5**	**300.9**	**5.8%**	**323.7**
LfL sales growth (%)			***5.2%***			***4.6%***	
International chain sales	**42.2**	**41.0**	**2.9%**	**173.3**	**150.1**	**15.5%**	**174.5**
Constant currency sales growth (%)			*9.7%*			*12.8%*	
LfL sales growth (%)			*5.3%*			*7.2%*	
LfL sales growth excluding Master Franchise (%)			***6.7%***			***7.0%***	
Total revenues	**82.7**	**83.3**	**(0.7%)**	**328.9**	**326.5**	**0.7%**	**328.3**
Constant currency revenue growth (%)			*1.8%*			*0.7%*	
Underlying EBITDA	**18.9**	**16.3**	**15.8%**	**57.7**	**53.4**	**8.1%**	**60.3**
Underlying EBITDA margin (%)	***22.8%***	***19.6%***	***16.6%***	***17.6%***	***16.4%***	***7.3%***	***18.4%***
Depreciation and amortisation (excl. PPA)	(3.3)	(2.5)	31.9%	(10.8)	(11.5)	(5.9%)	(11.6)
Underlying EBIT	**15.6**	**13.8**	**13.0%**	**46.9**	**41.9**	**11.9%**	**48.7**
PPA amortisation	(1.5)	(1.5)	-	(5.8)	(5.9)	(2.0%)	(5.8)
Net financial income / (expense)	(9.4)	(10.3)	(8.9%)	(35.4)	(68.4)	(48.2%)	(34.5)
Other[1]	(0.1)	(0.0)	n.m.	(4.0)	105.7	(103.8%)	(4.1)
Profit before tax on continued operations	**4.7**	**2.1**	**128.8%**	**1.7**	**73.3**	**(97.7%)**	**4.3**

1. Includes impairment losses, losses on sale of PP&E, and extraordinary refinancing costs in 2014

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