

XPO Logistics Europe announces 2016 annual results ***Strong growth in Supply Chain propelled by e-commerce***

Lyon (France), 22 February 2017 – XPO Logistics Europe reported consolidated full year revenue for 2016 of €5,425 million, a 0,2% increase compared with 2015 (3.8% at constant exchange rates⁽¹⁾).

Earnings before interest and taxes (EBIT) was €204,9 million for 2016, compared with €103,3 million in 2015, a 98% increase. This evolution resulted from the combination of the activities of the Transport Solutions, Supply Chain Europe, Supply Chain US and Global Forwarding business units, and variations in non-recurring items in 2016 relative to 2015, as disclosed in footnote 2 below.

As a result of a net financial expense of € -67,1 million in 2016 (against € -58,6 million in 2015, a €8,5 million increase, driven primarily by foreign exchange gains and losses), an income tax expense of € -49,2 million in 2016 (against € -26,5 million in 2015), and after having taken into account non-controlling interests and the results of companies reported under the equity method at € -3,2 million in 2016 (against € -1,6 million in 2015), the group share of net income, at €85,5 million, increased more than five-fold compared with 2015.

Group net debt at 31 December 2016 totaled €989 million ⁽³⁾, down €109 million from 31 December 2015.

Troy Cooper, chief executive officer of XPO Logistics Europe, commented: *“Our performance in 2016 was driven by our successful integration with the global XPO Logistics network, and the strong collaboration that ensued. We have an efficient infrastructure in place, new technology tools, and more recently, a new service for customers with the launch of last mile logistics in the UK, Ireland and the Netherlands.*

Our Supply Chain Europe unit delivered revenue growth of 7.7% at a constant exchange rate, year-over-year. Supply Chain benefited from accelerating growth across diverse sectors and types of customers, with the

greatest demand coming from e-commerce and cold chain distribution. In our Supply Chain US unit, higher revenue generated from contract logistics services offset a decrease in transportation-related volumes.

Our Transport Solutions unit generated positive revenue growth of 1.8% at a constant exchange rate, despite the decline in oil prices. Improved volumes contributed to a positive year-over-year performance, most notably in our KeyPL (4PL) operations, which delivered twice the revenue compared with 2015.”

Consolidated key data for FY 2016:

(€m)	2016	2015	Change 2016 v 2015
Revenue	5 425	5 415	+0,2%
EBIT	204,9	103,3	+98,3%
Net income Group share	85,5	16,7	+411,9%

Revenue by business unit:

(€m)	2016	2015	Change 2016 v 2015	Change at constant exchange rate
Transport Solutions	2,175	2,200	(1.1)%	+1.8%
Supply Chain Europe	2,482	2,432	+2.1%	+7.7%
Supply Chain US	701	682	+2.7%	+2,5%
Global Forwarding	164	202	(18.8)%	(17.2)%
Inter division	(97)	(101)	(4.3)%	(21.0)%
Consolidated total	5,425	5,415	+0.2%	+3.8%

Revenue by country:

(€m)	2016	2015	Change 2016 v 2015	Change at constant exchange rate
France	1,717	1,720	(0.2)%	(0.2)%
United Kingdom	1,530	1,556	(1.7)%	+11%
United States	720	708	+1.7%	+1.4%
Spain	586	580	+1.1%	+1.1%
Others	873	851	+2.6%	+4.0%
Consolidated total	5,425	5,415	+0.2%	+3.8%

EBIT contribution by business unit:

(€m)	2016	2015	Change 2016 v 2015
Transport Solutions	42 713	27 661	+54.4%
Supply Chain Europe	117 886	67 065	+75.8%
Supply Chain US	46 995	24 566	+91.3%
Global Forwarding	(2 662)	(15 948)	(83.3)%
Total	204 931	103 344	+98.3%

Following the AMF guidelines issued in July 2016, the Company has reviewed the Alternative Performance Measures (APM) which it has used in past years (EBITA, EBITDA, EBIT, Adjusted EBITA and Adjusted EBITDA). To simplify its communication, the Company has chosen to communicate on EBIT which is directly presented on the face of its income statement and in the sector information of the financial statements.

The financial statements for the year ended 31 December 2016 were submitted by the Management Board on 13 February 2017 and reviewed by the Supervisory Board on 21 February 2017. Audits of the statutory and consolidated financial statements have been performed and the audit reports concerning their certification will be issued shortly.

⁽¹⁾ Variations at constant exchange rates are computed by applying the 2016 foreign exchange rates to the 2015 numbers expressed in local currencies.

⁽²⁾ The 2016 income statement includes € 40,1 million of gains on assets disposals and pension funds restructuring (against €3,6 million in 2015) and €24,2 million of earn-out liabilities positive adjustments (€6,3 million in 2015). 2015 EBIT was impacted by goodwill impairments for €14,0 million (none in 2016). Finally, other non-recurring items, such as rebranding costs or acquisition fees decreased by €38.0 million in 2016.

⁽³⁾ Net debt is composed of financial debts and bank overdrafts, minus cash and cash equivalents.

► About XPO Logistics, Inc. and XPO Logistics Europe SA

XPO Logistics, Inc. (NYSE: XPO) is a top ten global logistics provider of cutting-edge supply chain solutions to the most successful companies in the world. The company operates as a highly integrated network of people, technology and physical assets in 34 countries, with over 87,000 employees and 1,425 locations. XPO uses its network to help more than 50,000 customers manage their goods more efficiently throughout their supply chains. The company has two reporting segments: transportation and logistics, and within these segments, its business is well diversified by geographies, verticals and types of service.

XPO's corporate headquarters is in Greenwich, Conn., USA, and its European headquarters is in Lyon, France. The company conducts the majority of its European operations through its subsidiary, XPO Logistics Europe SA, in which it holds an 86.25% controlling interest. The remaining stock is traded as XPO on Euronext Paris - Isin FR0000052870. www.xpo.com

Forward-looking Statements

This press release includes forward-looking statements within the meaning of United States federal securities laws. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. All forward-looking statements set forth in this press release are qualified by factors that might cause or contribute to a material difference in actual results, as discussed in XPO's filings with the U.S. Securities and Exchange Commission, including: economic conditions generally; competition; XPO's ability to attract and retain key employees; the ability to develop and implement a suitable information technology system; and the ability to maintain positive relationships with third-party providers. Forward-looking statements set forth in this press release speak only as of the date hereof, and XPO undertakes no obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events except to the extent required by law.

Contact:

XPO Logistics
Anne Lafourcade
Corporate Communication Manager Europe
anne.lafourcade@xpo.com
06.75.22.52.90

APCO Worldwide
Nanaïssa Diakite
XPOFrance@apcoworldwide.com
01.80.18.19.11