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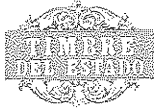

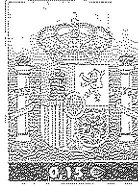

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Comisión Nacional
del Mercado de Valores
REGISTRO DE Entrada
N° 2016035170 31/03/2016 13:12

Foodco Pastries Spain, S.A.U. and its subsidiaries

(formerly called Foodco Pastries Spain, S.L.U.)

Consolidated Annual Accounts

31 December 2015

Consolidated Directors' Report

2015

(With Independent Auditors' Report Thereon)

KPMG Auditores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

To the Sole Shareholder of
Foodco Pastries Spain, S.A.U.

Report on the consolidated annual accounts

We have audited the accompanying consolidated annual accounts of Foodco Pastries Spain, S.A.U. (formerly named Foodco Pastries Spain, S.L.U.) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position at 31 December 2015 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

Directors' responsibility for the consolidated annual accounts

The Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they present fairly the consolidated equity, consolidated financial position and consolidated financial performance of Foodco Pastries Spain, S.A.U. in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other provisions of the financial reporting framework applicable to the Group in Spain and for such internal control that they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated annual accounts based on our audit. We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated annual accounts taken as a whole.

KPMG Auditores S.L., a limited liability Spanish company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated annual accounts for 2015 present fairly, in all material respects, the consolidated equity and consolidated financial position of Foodco Pastries Spain, S.A.U. and subsidiaries at 31 December 2015 and their financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and other applicable provisions of the financial reporting framework in Spain.

Report on other legal and regulatory requirements

The accompanying consolidated directors' report for 2015 contains such explanations as the Directors of Foodco Pastries Spain, S.A.U. consider relevant to the situation of the Group, its business performance and other matters, and is not an integral part of the consolidated annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the consolidated annual accounts for 2015. Our work as auditors is limited to the verification of the consolidated directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Foodco Pastries Spain, S.A.U. and subsidiaries.

KPMG Auditores, S.L.

Carlos Peregrina García

15 March 2016

FOODCO PASTRIES SPAIN, S.A.U. AND SUBSIDIARIES

Consolidated Statements of Financial Position
31 December 2015 and 2014

(Expressed in thousands of Euros)

Assets	2015	2014 (*)
Property, plant and equipment (note 8)	40,158	35,902
Goodwill (note 9)	382,694	376,239
Other intangible assets (note 9)	333,982	339,541
Deferred tax assets (note 14)	11,859	11,472
Non-current financial assets (note 10)	23,711	21,030
Total non-current assets	792,404	784,184
Inventories (note 11)	11,392	9,856
Trade and other receivables (note 12)	34,430	43,917
Other current financial assets	4,516	266
Other current assets	3,672	3,381
Cash and cash equivalents (note 13)	39,946	44,905
Subtotal current assets	93,956	102,325
Non-current assets held for sale (note 6)	130	84
Total current assets	94,086	102,409
Total assets	886,490	886,593

The accompanying notes form an integral part of the consolidated annual accounts for 2015.

(*) Restated figures

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FOODCO PASTRIES SPAIN, S.A.U. AND SUBSIDIARIES

Consolidated Statements of Financial Position
31 December 2015 and 2014

(Expressed in thousands of Euros)

Equity and Liabilities	2015	2014 (*)
Share capital (note 15)	18,000	18,000
Share premium	321,388	321,388
Accumulated gains/losses	23,054	24,951
Translation differences	(8,100)	(4,419)
Equity attributable to equity holders of the Parent and total equity (note 15)	354,342	359,920
Loans and borrowings (note 18 (a))	286,176	286,890
Financial liabilities at fair value (note 17)	215	(36)
Other financial liabilities (note 29)	96,489	84,825
Capital grants (note 21)	-	471
Deferred tax liabilities (note 14)	84,747	86,905
Provisions	87	237
Other non-current liabilities	5,274	4,929
Total non-current liabilities	472,988	464,221
Loans and borrowings (note 18 (b))	4,985	4,817
Financial liabilities at fair value (note 17)	-	2,230
Other financial liabilities (note 29)	2,182	2,460
Trade and other payables (note 22)	47,515	46,938
Current tax liabilities (note 27)	1,181	890
Provisions	83	1,456
Other current liabilities	3,129	3,578
Subtotal current liabilities	59,075	62,369
Liabilities directly associated with non-current assets held for sale (note 6)	85	83
Total current liabilities	59,160	62,452
Total equity and liabilities	886,490	886,593

The accompanying notes form an integral part of the consolidated annual accounts for 2015.

(*) Restated figures

FOODCO PASTRIES SPAIN, S.A.U. AND SUBSIDIARIES

Consolidated Income Statements
for the years ended
31 December 2015 and 2014

(Expressed in thousands of Euros)

	2015	2014 (*)
Revenues (note 23)	328,899	326,521
Merchandise and raw materials used (note 11)	(91,269)	(90,470)
Personnel expenses (note 24)	(91,085)	(98,637)
Amortisation and depreciation (notes 8 and 9)	(16,609)	(17,403)
Other expenses (note 25)	(88,817)	(98,116)
Operating profit	41,119	21,895
Finance income	1,532	4,169
Settlement of financial liabilities through the issue of equity instruments (note 15)	-	128,568
Finance costs	(36,938)	(72,520)
Other losses (note 26)	(4,035)	(8,796)
Profit before tax from continuing operations	1,678	73,316
Income tax income/(expense) (note 27)	(2,788)	17,501
Profit/(loss) for the year from continuing operations	(1,110)	90,817
Post-tax loss on discontinued operations (note 6)	(39)	(80)
Profit/(loss) for the year	(1,149)	90,737
Profit/(Loss) for the year attributable to holders of equity instruments of the Parent		
Continuing operations	(1,110)	90,817
Discontinued operations	(39)	(80)
	(1,149)	90,737
Earnings / (Loss) per share – basic and diluted (expressed in Euros)		
Profit / (Loss) from continuing operations	(3.08)	254.78
Profit / (Loss) from discontinued operations	(0.11)	(0.23)
Profit / (Loss) for the year	(3.19)	254.55

The accompanying notes form an integral part of the consolidated annual accounts for 2015.

(*) Restated figures

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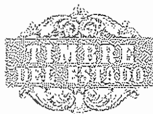

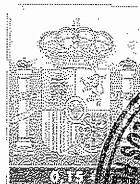

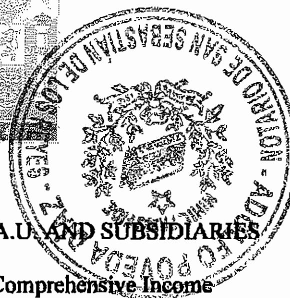

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FOODCO PASTRIES SPAIN, S.A.U. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
for the years ended
31 December 2015 and 2014

(Expressed in thousands of Euros)

	2015	2014(*)
Profit/(loss) for the year	(1,149)	90,737
Other comprehensive income:		
Items that will be reclassified to profit or loss		
Translation differences of financial statements of foreign operations	(3,681)	(624)
Total comprehensive income for the year	(4,830)	90,113
Total comprehensive income attributable to equity holders of the Parent	(4,830)	90,113

The accompanying notes form an integral part of the consolidated annual accounts for 2015.

(*) Restated figures

FOODCO PASTRIES SPAIN, S.A.U AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
for the year ended
31 December 2015 and 2014

(Expressed in thousands of Euros)

	Share capital	Share premium	Accumulated gains/losses	Translation differences	Total equity
Balances at 31.12.2013	17,779	236,796	(268,595)	(3,795)	(17,815)
Share capital increase	221	84,592	(9)	-	84,804
Shareholder contributions	-	-		-	202,767
Monetary contribution	-	-	157,532	-	157,532
Contribution through capitalisation of loans	-	-	45,235	-	45,235
Other movements	-	-	51	-	51
Total comprehensive income	-	-	90,737	(624)	90,113
Balances at 31.12.2014	18,000	321,388	24,951	(4,419)	359,920
Other movements	-	-	(748)	-	(748)
Total comprehensive income	-	-	(1,149)	(3,681)	(4,830)
Balances at 31.12.2015	18,000	321,388	23,054	(8,100)	354,342

The accompanying notes form an integral part of the consolidated annual accounts for 2015.

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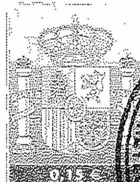

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FOODCO PASTRIES SPAIN, S.A.U. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
for the years ended
31 December 2015 and 2014

(Expressed in thousands of Euros)

	2015	2014 (*)
Cash flows from operating activities		
Profit for the year before tax	1,678	73,316
Adjustments for:		
Amortisation and depreciation (notes 8 and 9)	16,609	17,403
(Reversal of) impairment losses (notes 8 and 9)	914	(1,355)
Finance income	(1,532)	(132,737)
Finance costs	38,917	72,520
Losses on disposal of property, plant and equipment and other losses (note 26)	3,121	10,151
Deferred capital grants (note 21)	(471)	(426)
Change in fair value of financial assets	(1,979)	(149)
	57,257	38,723
Change in working capital		
(Increase)/decrease in inventories	(1,536)	3,598
(Increase)/decrease in trade and other receivables	9,487	(6,087)
(Increase)/decrease in financial assets	(4,250)	104
(Increase)/decrease in other current assets	(291)	(212)
Increase/(decrease) in trade and other payables	577	(762)
Increase/(decrease) in provisions	(1,523)	599
Increase/decrease in other non-current liabilities	345	676
Increase/(decrease) in other current liabilities	(449)	3,085
	2,360	1,001
Cash from operations		
Income tax paid	(5,042)	(3,338)
Net cash from operating activities	54,575	36,386
Cash flows from investing activities		
Increase/(decrease) in other non-current financial assets	(2,681)	2,858
Proceeds from sale of property, plant and equipment	3,527	9,460
Acquisition of property, plant and equipment (note 8)	(19,058)	(15,566)
Acquisition of intangible assets (note 9)	(2,100)	(1,801)
Acquisition of business, net of cash acquired (note 7)	(9,734)	(9,407)
Net cash used in investing activities	(30,046)	(14,456)
Cash flows from financing activities		
Increase/decrease in financial debt	-	(166,084)
Interest received	1,532	4,169
Interest paid	(28,077)	(28,382)
Shareholder contributions	-	202,767
Net cash from (used in) financing activities	(26,545)	12,470
Net cash from (used in) discontinued operations	(85)	1,789
Increase (decrease) in cash and cash equivalents	(2,101)	36,189
Cash and cash equivalents	42,804	44,987
Foreign exchange gains/losses on cash and cash equivalents	(2,858)	(82)
Cash and cash equivalents at 31 December	39,946	44,905

The accompanying notes form an integral part of the consolidated annual accounts for 2015.

(*) Restated figures

(1) Nature, Activities and Composition of the Group

Foodco Pastries Spain, S.A.U. (the Company or the Parent) was incorporated with limited liability under Spanish law on 11 May 2005 under the name of Bahíaflora Inversiones, S.L. On 30 June 2005 the Parent changed its name to the current one. The Company's registered office is located at Calle Isla Graciosa, 7, San Sebastián de los Reyes, Madrid.

In accordance with the minutes of the decisions taken by the Sole Shareholder on 22 January 2016 set forth in a public deed executed on 5 February 2016, approval was given to transform the Company into a limited liability company and to issue new articles of association to reflect the new corporate structure.

The statutory activity of the Company consists of carrying out economic studies, promoting sales of all types of products on behalf of the Company or third parties, including door-to-door advertising, import and export of all types of products and raw materials, manufacturing, distributing and commercialising products for human consumption and leasing machinery and equipment. The aforementioned statutory activities can be entirely or partially carried out, directly or indirectly, through the holding of shares or interests in companies that perform these activities either in Spain or abroad. The Company shall not carry out any activities that are subject to specific legal conditions or requirements without complying in full therewith.

The principal activity of Foodco Pastries Spain, S.A.U. is the holding of the interest in Tele Pizza, S.A. and the rendering of corporate and strategic management-related services on behalf of Tele Pizza, S.A.

The principal activity of its subsidiaries consists of the management and operation of fast-food sales stores and restaurants stores names "telepizza", "Pizza World" and "Jeno's pizza", which sell food for consumption at home and on the premises. At 31 December 2015, this activity is carried out through 461 owned premises and 850 franchises located mainly in Spain, Portugal, Poland, Chile, Guatemala, Colombia, Peru and Ecuador. The Group also carries out its activity through master franchises located in Guatemala, El Salvador, Russia, Angola, Bolivia, Panama and Abu Dhabi.

The Group purchases cheese in Spain through a supplier with whom it has signed a long-term exclusivity agreement and agreed a minimum annual volume. This agreement offers flexibility and enables optimum inventory management. Through its factory and logistics centre in Daganzo (Madrid), Tele Pizza, S.A. supplies all the outlets in Spain and Portugal that are directly operated by the Group or through its franchises. In addition, the Group owns another six factories in other countries in which it carries out its activity and which also serve as logistics centres. The high volume of purchases gives rise to economies of scale and facilitates the uniformity of the products purchased.

(Continúa)

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The franchise activity consists mainly of advising on the management of stores owned by third parties that operate under the "telepizza" and "Pizza World" brand names. The Telepizza Group receives a percentage of its franchisees' sales (royalties) for these services. The Group centralises the promotional and advertising activities for all the outlets operating under the aforementioned brand names in Spain and receives a percentage of its franchisees' sales as advertising revenues. In addition, the Group subleases some of the premises in which its franchisees carry out their activity and provides personnel management services, such as preparing the payroll for some its franchisees.

The master franchise activity includes the operations carried out in those countries in which the Group does not operate directly because it has signed a contract licensing the brand to a local operator. Master franchise contracts entitle the master franchisee to operate the Telepizza brand in a specific market, enabling them to open their own stores or to establish stores under franchise agreements.

The subsidiaries and sub-groups comprising the Foodco Group (the Group), and the percentage ownership and details of the respective shareholders' equities at 31 December 2015, are included in Appendix I attached hereto, which forms an integral part of this note. At 31 December 2015 and 2014 none of the Group companies are listed on a stock exchange. The Group does not hold interests in other entities or in jointly controlled entities, assets or operations.

The Company is a wholly-owned subsidiary of Foodco Finance, S.à r.l (see note 15). Consequently, the Company is a wholly-owned company, as defined by relevant legislation, and has been filed as such at the Mercantile Registry. Contracts entered into by the Company and its Sole Shareholder relate to a subordinated loan (see note 29).

(2) Basis of Presentation

The accompanying consolidated annual accounts have been prepared on the basis of the accounting records of Foodco Pastries Spain, S.A.U. and of the consolidated companies. The consolidated annual accounts for 2015 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other applicable provisions in the financial reporting framework, to present fairly the consolidated equity and consolidated financial position of Foodco Pastries Spain, S.A.U. and subsidiaries at 31 December 2015 and consolidated results of operations and changes in consolidated equity and cash flows of the Group for the year then ended.

The Group adopted IFRS-EU on 1 January 2004 and applied IFRS 1, "First-time adoption of International Financial Reporting Standards".

The directors of the Parent consider that the consolidated annual accounts for 2015, authorised for issue on 10 March 2016, will be approved with no changes by the Sole Shareholder.

(Continúa)

(a) Basis of preparation of the annual accounts

These consolidated annual accounts have been prepared on a historical cost basis, except for the following:

- Derivative financial instruments, which are recognised at fair value.
- Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(b) Relevant accounting estimates, assumptions and judgements used when applying accounting principles

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Group's accounting principles to prepare the consolidated annual accounts in conformity with IFRS-EU.

A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the annual accounts, are as follows:

- The Group determines the useful life of certain intangible assets acquired in a business combination based on assumptions relating to brand positioning, estimated future market share, investments in the brand and the projected cash flows to be generated by these assets. Some of these assumptions changed at the start of 2009 and the Group has therefore re-estimated the useful lives of certain intangible assets, with the aid of a report drawn up by independent experts (see note 4 (e)).
- The Group tests goodwill and the brand "telepizza" for impairment on an annual basis. Calculation of the recoverable amount requires the use of estimates by management. The recoverable amount is the higher of fair value less costs to sell and value in use. The Group generally uses cash flow discounting methods to calculate these values. Discounted cash flow calculations are based on five-year projections in the budgets approved by management. The cash flows take into consideration past experience and represent management's best estimate of future market performance. From the fifth year cash flows are extrapolated using individual growth rates. The key assumptions employed when determining fair value less costs to sell and value in use include growth rates, the weighted average cost of capital, and tax rates. The estimates, including the methodology employed, could have a significant impact on the values and the impairment loss (see note 9).

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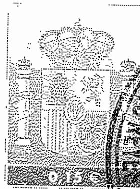

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- Valuation allowances for bad debts require a high degree of judgement by management and a review of individual balances based on clients' credit ratings, current market trends and the historical analysis of bad debts at an aggregated level. Any decrease in the volume of outstanding balances entails a reduction in impairment resulting from an aggregate analysis of historical bad debts, and vice versa (see note 12).

- The Group capitalises tax credits when they are likely to be offset in the foreseeable future based on the business plans for each tax jurisdiction in which it operates (see note 27).

- The Group has made a number of judgements and estimates relating to the valuation of the capital increases entailing debt-to-equity swaps carried out in 2014 (see notes 15 and 29). These judgements primarily consisted of determining the fair values of the equity instruments issued and the financial liabilities cancelled while taking into account that the Group was engaged in a capital and debt restructuring process.

Although estimates are calculated by the Company's directors based on the best information available at 31 December 2015, future events may require changes to these estimates in subsequent years. Any effect on the consolidated annual accounts of adjustments to be made in subsequent years would be recognised prospectively.

(c) Consolidated group

All of the shares in the company Burmasa Delivery, S.L. were acquired in 2015, and the company Pizzas del Centro S.A. de C.V. was sold in 2014 (see note 7).

(d) Standards and interpretations issued but not applied

Standards and interpretations effective since 2015

The Group's accounting policies have not been modified as a result of any amendments to standards and interpretations or new standards introduced since 1 January 2015 as these changes deal with types of transaction not carried out by the Group.

Standards and interpretations issued but not applied

At the date of authorisation for issue of these consolidated annual accounts, the following IFRS have come into force and been adopted by the EU, and will therefore be applied to the consolidated annual accounts for 2016 and subsequent years (depending on the effective date of each standard):

- Defined benefit plans: Employee contributions. Effective for annual periods beginning on or after 1 February 2015.

- Improvements Cycle 2010-2012

  - IFRS 2 Definition of vesting, service and market conditions

(Continúa)

- IFRS 3 Subsequent measurement of contingent consideration

- IFRS 8 Disclosure of judgements by management for the aggregation of operating segments, identification of aggregated segments and reconciliation of assets from the operating segments to total assets if reporting to the chief operating decision maker.

- IFRS 13 Measurement of current receivables and payables

- IAS 16 and 13 Methods for the recognition of the revalued amount

- IAS 24 Disclosures on outsourcing of senior management functions to another company

Effective for annual periods beginning on or after 1 February 2015.

- Clarification of acceptable methods of depreciation and amortisation. Effective prospectively from 1 January 2016.

- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (prospectively, for transactions occurring in periods beginning on or after 1 January 2016).

- Improvements Cycle 2012-2014

  - IFRS 5 Measurement and classification of non-current assets reclassified from held for sale to held for distribution

  - IFRS 7 Disclosures on continuing involvement

  - IAS 19 On the discount rate and currency to be used in the absence of high quality corporate bonds

  - IAS 34 On the use of cross-references to the directors' report in the interim report.

  Effective for annual periods beginning on or after 1 January 2016.

- Disclosure initiatives: Amendments to IAS 1. Effective for annual periods beginning on or after 1 January 2016.

The Group has not early adopted any of these standards and is currently analysing the impact of applying these standards, rectifications and interpretations. Based on its analyses to date, the Group estimates that first-time application will not have a significant impact on the consolidated annual accounts.

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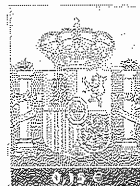

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The following are the standards or interpretations not yet adopted by the European Union that which may become compulsory in the next few years and will have the greatest impact on the Group:

- IFRS 9 Financial Instruments. Effective for annual periods beginning on or after 1 January 2018.
- IFRS 15 Revenue from Contracts with Customers. Effective for annual periods beginning on or after 1 January 2018.
- IFRS 16 Leases. Effective for annual periods beginning on or after 1 January 2019.

IFRS 16 will probably have the most significant impact. The Group is currently analysing the potential impact of the first-time application of this standard on the consolidated annual accounts. It has not yet completed the process, given the recent publication of this standard and the various transition options established by this standard for first-time application Given that to carry out its activity the Group leases a large number of stores and, to a lesser extent, offices and factories or warehouses, for a period of time longer than a year, the application of IFRS 16 in 2019 is expected to have a significant impact on the Group's accounts.

(e) Comparative information

The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the notes for 2015 include comparative figures for 2014, which differ from those reflected in the annual accounts approved by the Sole Shareholder on 25 June 2015 for the reasons outlined in the following paragraph.

The balances in the consolidated statement of financial position, consolidated income statement and consolidated statement of cash flows for 2014 have been restated in order to make them comparable with the figures for 2015, mainly due to the fact that Group classified certain assets and liabilities of its subsidiary in Colombia as held for sale and the operations thereof as discontinued operations in the consolidated income statement for 2014, as described in note 6. The aforementioned restatement does not affect the figures presented in the 2013 consolidated annual accounts and, therefore, a third, comparative, balance sheet is not presented.

(Continúa)

Details of assets and liabilities restated and classified as held-for-sale in the previous year are as follows

	Thousands of Euros
Property, plant and equipment	5,887
Goodwill	8,144
Other intangible assets	90
Other non-current assets	1,959
Inventories	561
Other current assets	2,642
Cash and cash equivalents	356
Total assets	19,639
Loans and borrowings	2,557
Other non-current liabilities	756
Trade and other payables	3,698
Other current liabilities	26
Total liabilities	7,037

Details of income and expenses restated and classified as discontinued operations in the previous year are as follows:

	Thousands of Euros
Revenues	20,983
Expenses	(26,710)
Income tax expenses	(2,232)

In accordance with the Spanish Accounting and Auditing Institute's ruling dated 29 January 2016 on required disclosures in the notes to the annual accounts on the average payment period for suppliers, note 22 does not include comparative information for 2014.

(f) Functional and presentation currency

The figures disclosed in the consolidated annual accounts are expressed in thousands of Euros, the Parent's functional and presentation currency, rounded off to the nearest thousand.

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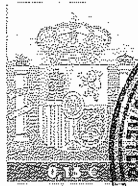

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(3) Application of the Result of the Parent's losses

The board of directors of the Parent has proposed that Foodco Pastries Spain, S.A.U. 's losses for the year ended 31 December 2015 amounting to Euros 12,046,749 be carried forward in their entirety as prior years' losses. This proposal is pending approval by the Sole Shareholder.

The distribution of the Parent's profit for 2014 which totalled Euros 108,319,464, approved by the Sole Shareholder on 25 June 2015, is as follows:

	Euros
Basis of allocation	
Profit for the year	108,319,464
Distribution	
Legal reserve	10,831,946
Prior years' losses	97,487,518
	108,319,464

(4) Significant Accounting Principles

(a) Subsidiaries

Subsidiaries are entities over which the Parent exercises control, either directly or indirectly, through subsidiaries. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company has power over a subsidiary when it has existing substantive rights that give it the ability to direct the relevant activities. The Company is exposed, or has rights, to variable returns from its involvement with the subsidiary when its returns from its involvement have the potential to vary as a result of the subsidiary's performance.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from their acquisition date, which is the date on which Group control commences. Subsidiaries are excluded from the consolidated Group from the date on which this control is lost.

Transactions and balances with Group companies and significant unrealised gains or losses have been eliminated on consolidation. Nevertheless, unrealised losses have been considered as an indicator of impairment of the assets transferred.

The subsidiaries' accounting policies have been adapted to Group accounting policies for like transactions and other events in similar circumstances.

(Continúa)

The annual accounts or financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent.

Information on the subsidiaries included in the consolidated Group is presented in Appendix I to note 1.

(b) Business combinations

As permitted by IFRS 1: First-time Adoption of International Financial Reporting Standards, the Group has recognised only business combinations that occurred on or after 1 January 2004, the date of transition to IFRS-EU, using the acquisition method. Entities acquired prior to that date were recognised in accordance with accounting principles prevailing at that time, taking into account the necessary corrections and adjustments at the transition date.

The Group has applied IFRS 3 Business Combinations, revised in 2008, to transactions carried out on or after 1 January 2010.

The Group applies the acquisition method for business combinations.

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The consideration transferred excludes any payment that does not form part of the exchange for the acquired business. Acquisition costs are recognised as an expense when incurred.

With the exception of lease and insurance contracts, the assets acquired and liabilities assumed are classified and designated for subsequent measurement based on contractual agreements, economic terms, accounting and operating policies and any other conditions existing at the acquisition date.

The excess between the consideration given, plus the value assigned to any non-controlling interests, and the value of net assets acquired and liabilities assumed, is recognised as goodwill. Any shortfall, after evaluating the consideration given, the value assigned to non-controlling interests and the identification and measurement of net assets acquired, is recognised in profit or loss.

The initial measurement is only adjusted when correcting errors.

The potential benefit of the acquiree's income tax loss carryforwards and other deferred tax assets, which are not recognised as they did not qualify for recognition at the acquisition date, is accounted for as tax income provided that it does not arise from an adjustment of the measurement period.

(Continúa)

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(c) Foreign currency transactions and balances

(i) Foreign currency transactions, balances and cash flows

Transactions in foreign currency are translated at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies have been translated into Euros at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date. Non-monetary assets measured at fair value have been translated into Euros at the exchange rate at the date that the fair value was recognised.

In the consolidated statement of cash flows, cash flows from foreign currency transactions have been translated into Euros at the exchange rates prevailing at the dates the cash flows occur. The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the statement of cash flows as effect of exchange rate fluctuations on cash and cash equivalents held.

Exchange gains and losses arising on the settlement of foreign currency transactions and the translation into Euros of monetary assets and liabilities denominated in foreign currencies are recognised under finance income or cost in the consolidated income statement. However, exchange gains or losses arising on monetary items forming part of the net investment in foreign operations are recognised as translation differences in other comprehensive income.

Monetary financial assets denominated in foreign currencies classified as available for sale are measured at amortised cost in the foreign currency. Consequently, the exchange differences associated with changes in amortised cost are recognised in profit or loss.

Unrealised foreign exchange gains or losses relating to non-monetary assets and liabilities are recognised in conjunction with the change in fair value. Nevertheless, the currency risk component of non-monetary financial assets denominated in foreign currencies, classified as available-for-sale and as hedged items in fair value hedges of the component, are recognised in profit or loss.

(ii) Translation of foreign operations

Foreign operations whose functional currency is not the currency of a hyperinflationary economy have been translated into Euros as follows:

- Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, including comparative amounts, are translated at the closing rate at the reporting date.

(Continúa)

- Income and expenses, including comparative amounts, are translated at the exchange rates that approximate those prevailing at each transaction date.

- All resulting exchange differences are recognised as translation differences in other comprehensive income.

For presentation of the consolidated statement of cash flows, cash flows of the subsidiaries and foreign joint ventures, including comparative balances, are translated into Euros applying exchange rates that approximate those prevailing at the transaction date.

Translation differences recognised in other comprehensive income are accounted for in profit or loss as an adjustment to the gain or loss on the sale using the same criteria as for subsidiaries.

(d) Property, plant and equipment

Property, plant and equipment are recognised at cost, less accumulated depreciation and any accumulated impairment losses.

Non-current investments in properties contracted from third parties under operating leases are measured based on the same criteria used for property, plant and equipment. Assets are depreciated over the shorter of the lease term and their useful life. The term of the lease contract is determined consistently with the classification thereof.

Property, plant and equipment are depreciated by allocating the depreciable amount of the asset on a systematic basis over its useful life.

Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	33
Technical installations and machinery	3 - 15
Other installations, equipment and furniture	10
Information technology equipment	4
Other	4 - 6

The depreciable amount is the cost of an asset.

The Group reviews residual values, useful lives and depreciation methods at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates, where applicable.

The Group determines the depreciation charge separately for each item, with a cost that is significant in relation to the total cost of the asset and with a useful life that differs from the remainder of the asset.

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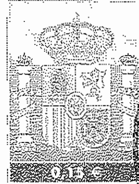

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Subsequent to initial recognition of the asset, only those costs incurred which will generate probable future profits and for which the amount may reliably be measured are capitalised. Costs of day-to-day servicing are recognised in profit or loss as incurred.

The Group measures and determines impairment to be recognised or reversed based on the criteria in section (g) of this note.

(e) Intangible assets

(i) Goodwill

Goodwill on business combinations reflects the excess of the cost of the business combination (see note 4 (b)) over the acquisition-date fair value of the assets acquired, liabilities and contingent liabilities assumed from the acquired business. Gains and losses on the sale of an entity include the carrying amount of goodwill from the sold entity.

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that an asset may be impaired. Goodwill on business combinations is allocated to the cash-generating units (CGUs) or groups of CGUs which are expected to benefit from the synergies of the business combination. The Telepizza Group has defined each of the stores in which it operates and the factories owned by the Group as the main CGUs. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Internally generated goodwill is not recognised as an asset.

(ii) Intangible assets acquired in business combinations

The cost of identifiable intangible assets acquired in business combinations is their acquisition-date fair value, provided that this can be measured reliably. Subsequent costs relating to research and development projects are recognised in accordance with the criteria for internally generated intangible assets.

(iii) Other intangible assets

Other intangible assets acquired by the Group are carried at cost, less any accumulated amortisation and impairment losses.

- *Concessions, patents and licences*

Concessions, patents and licences are measured at their cost of acquisition.

(Continúa)

- *Computer software*

  Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software to use.

  Computer software maintenance costs are expensed as incurred.

(iv) Useful life and amortisation rates

The Group assesses whether the useful life of each intangible asset acquired is finite or indefinite. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset will generate net cash inflows.

Due to its market leadership and potential as an umbrella brand for new sales concepts through the extension of its range of products, the "telepizza" brand has an indefinite useful life, which is in line with sector practice for brands with similar characteristics.

Intangible assets with indefinite useful lives are not amortised, but are instead tested for impairment on an annual basis or whenever there is an indication that the intangible asset may be impaired.

Intangible assets with finite useful lives are amortised by allocating the depreciable amount of an asset on a straight-line basis over the following useful lives:

Patents and licences	4
Contractual rights	30
Computer software	4
Other intangible assets	4-10
Administrative concessions	Operating term

The depreciable amount of intangible assets is measured as the cost of the asset.

Contractual rights arising from the franchise agreements and the remaining intangible assets are amortised over the period in which they are expected to contribute to generating revenues.

The Group measures and determines impairment to be recognised or reversed based on the criteria in section (g) of this note.

The Group reviews the residual value, useful life and amortisation method for intangible assets at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

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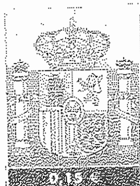

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(f) Non-current assets held for sale and discontinued operations

(i) *Non-current assets held for sale*

Non-current assets or disposal groups are classified as non-current assets held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. Non-current assets or disposal groups are classified as held for sale, provided that they are available for sale in their present condition subject to terms that are usual and customary for sales of such assets and that the transaction is highly probable.

Non-current assets or disposal groups classified as held for sale are measured at the lower of the carrying amount and fair value less the costs of disposal and are not depreciated.

The Group classifies subsidiaries that comply with the above conditions and over which the Group will lose control, irrespective of whether it continues to exercise significant influence or joint control, as a disposal group held for sale or distribution, or as a discontinued operation.

Impairment losses on initial classification and subsequent remeasurement of assets classified as held-for-sale are recognised under profit or loss from continuing operations in the consolidated income statement (consolidated statement of comprehensive income), unless it is a discontinued operation. Impairment losses on a cash generating unit (CGU) are allocated first to reduce the carrying amount of goodwill and then to reduce pro rata the carrying amounts of other assets in the unit.

A gain on increases in the fair value less costs of disposal (either due to remeasurement of fair value less costs of disposal or to impairment losses that occurred before classification of the asset as held-for-sale) is recognised in the income statement to the extent that it reverses any impairment of the asset.

A non-current asset or disposal group, including subsidiaries and all or part of investments in associates and joint ventures acquired exclusively for resale or swap, is classified at the date of acquisition as held-for-sale if the transaction is expected to be realised within twelve months after the reporting date and the sale is considered highly probable within a short period subsequent to acquisition. On initial classification as held-for-sale, non-current assets are recognised at the lower of the carrying amount of the asset had it not been classified as held-for-sale and fair value less costs of disposal.

(Continúa)

The Group measures a non-current asset that ceases to be classified as held-for-sale or to form part of a disposal group at the lower of the carrying amount before the asset was classified as held-for-sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held-for-sale, and its recoverable amount at the date of reclassification. Any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held-for-sale is included in profit or loss from continuing operations or other comprehensive income.

The consolidated annual accounts for periods prior to the classification of a subsidiary, associate or joint venture as a disposal group or non-current asset held for sale are restated as if they had never been classified as such. As a result, the assets and liabilities of subsidiaries are presented according to their nature, and any amortisation, depreciation or revaluations that would have been recognised had they not been classified as disposal groups held for sale are recognised.

(ii) *Discontinued operations*

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held-for-sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

A component of the Group comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group.

The Group discloses the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement at fair value less disposal or distribution costs or on the disposal of the assets or disposal groups constituting the discontinued operation on the face of the consolidated income statement. The consolidated income statement for the prior year has been restated to facilitate comparison with the accompanying consolidated annual accounts (see note 6).

If the Group ceases to classify a component as a discontinued operation, the results previously disclosed as discontinued operations are reclassified to continuing operations for all years presented.

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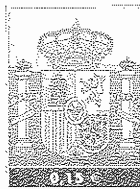

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The consolidated annual accounts for periods prior to the classification of a subsidiary, associate or joint venture as a discontinued operation are restated as if they had never been classified as such. As a result, the assets and liabilities of subsidiaries are presented according to their nature, and any amortisation, depreciation or revaluations that would have been recognised had they not been classified as disposal groups held for sale is recognised.

(g) Impairment of non-financial assets subject to amortisation or depreciation

The Group evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount.

The Group tests goodwill and the brand, which have indefinite useful lives, for impairment at least annually, irrespective of whether there is any indication that the assets may be impaired.

The recoverable amount of the assets is the higher of their fair value less costs to sell and their value in use. An asset's value in use is measured based on the future cash flows the Group expects to derive from use of the asset, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would reflect in pricing the future cash flows expects to derive from the asset.

Negative differences resulting from comparison of the carrying amounts of the assets with their recoverable amount are recognised in profit and loss.

Recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

If there is an indication of impairment of a CGU to which goodwill has been unable to be allocated, the Group tests the CGU for impairment first, excluding any goodwill, and recognises, where applicable, any impairment loss at CGU level. The Group then tests the group of CGUs to which goodwill has been allocated for impairment and recognises, where applicable, any impairment loss at CGU group level.

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In testing a CGU for impairment, the Group identifies all the corporate assets that relate to the CGU. If a portion of the corporate assets can be allocated on a reasonable and consistent basis to the CGU, the Group compares the carrying amount of the CGU, including the corporate asset, with its recoverable amount and, where applicable, recognises any impairment loss at CGU level. If the Group cannot allocate a portion of the corporate assets on a reasonable and consistent basis to the CGU, it compares the carrying amount of the unit, excluding the corporate asset, with its recoverable amount and recognises, where applicable, any impairment loss at CGU level. The Group identifies the smallest group of CGUs to which the carrying amount of the corporate asset can be allocated on a reasonable and consistent basis and compares the carrying amount of the group of CGUs, including the corporate assets, with the recoverable amount and recognises, where applicable, the impairment loss at CGU group level.

For the purpose of verifying the impairment of intangible assets with indefinite useful lives, primarily comprising the "telepizza" brand, this is considered a global asset and the impairment analysis is therefore carried out by comparing the carrying amount of all the Group's assets with their recoverable amount.

Impairment losses for CGUs are allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other non-current assets of the unit pro rata with their carrying amounts. The carrying amount of each asset may not be reduced below the highest of its fair value less costs to sell, its value in use and zero.

At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses on goodwill are not reversible. Impairment losses on other assets are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset.

A reversal of an impairment loss is recognised in the consolidated income statement. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

A reversal of an impairment loss for a CGU is allocated to the assets of each unit, except goodwill, pro rata with the carrying amounts of those assets. The carrying amount of an asset may not be increased above the lower of its recoverable amount and the carrying amount that would have been disclosed, net of amortisation or depreciation, had no impairment loss been recognised.

However, if the specific circumstances of the assets indicate an irreversible loss, this is recognised directly in losses on the disposal of fixed assets in the consolidated income statement.

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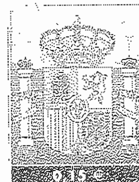

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(h) Leases

(i) Classification of leases

The Group classifies leases as finance leases when substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee under the terms and conditions of the lease, otherwise they are classified as operating leases.

(ii) Lessor accounting

The Group, as lessor, subleases the right to use certain storage facilities and commercial premises to third parties through operating leases.

Assets leased to third parties under operating lease contracts are classified according to their nature, applying the accounting policies set out in note 4 (d).

Operating lease income, net of incentives granted, is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits deriving from the leased asset are diminished.

Initial direct costs are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Contingent rents are recognised as income when it is probable that they will be obtained.

(iii) Lessee accounting

The Group, as lessee, holds the rights to use certain assets under lease contracts.

- *Finance leases*

  At the commencement of the lease term, the Group recognises finance leases as assets and liabilities at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Initial direct costs are added to the asset's carrying amount. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Interest is expensed using the effective interest method. Contingent rents are recognised as an expense when it is probable that they will be incurred.

(Continúa)

The accounting policies applied to the assets used by the Group by virtue of finance lease contracts are the same as those set out in note 4 (d). However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the assets are fully depreciated over the shorter of the lease term and their useful lives.

- *Operating leases*

Lease payments under an operating lease, net of incentives received, are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the lease's benefit.

The Group recognises initial direct costs incurred on operating leases as an expense when incurred.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

(i) Financial instruments

(i) Classification of financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument in IAS 32 "Financial Instruments: Presentation".

Financial instruments are classified into the following categories: financial assets and financial liabilities at fair value through profit or loss, separating those initially designated from those held for trading, loans and receivables and financial liabilities at amortised cost. Financial instruments are classified into different categories based on the nature of the instruments and the Group's intentions on initial recognition.

(ii) Offsetting principles

A financial asset and a financial liability are offset only when the Group currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are those classified as held for trading or which have been designated on initial recognition.

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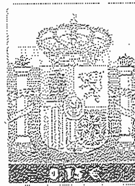

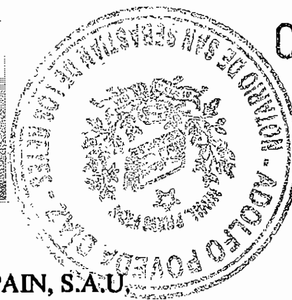

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A financial asset or financial liability is classified as held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

After initial recognition, they are recognised at fair value through profit or loss. Fair value is not reduced by transaction costs incurred on sale or disposal.

The Group does not reclassify any financial asset or financial liability into or out of this category while it is recognised in the consolidated statement of financial position, except when there is a change in the classification of hedging financial instruments.

(iv) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified in other financial asset categories. These assets are initially recognised at fair value, including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

(v) *Impairment*

In the case of assets carried at amortised cost, the amount of the impairment loss of financial assets carried at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate. For variable income financial assets, the effective interest rate corresponding to the measurement date under the contractual conditions is used.

If the financial asset is secured by collateral, impairment is determined based on the present value of the cash flows that could be generated from the foreclosure of the asset, less costs of foreclosing and sale, discounted at the original effective interest rate. If the financial asset is not secured by collateral, the Group applies the same criteria when the foreclosure is considered probable.

(Continúa)

The Group recognises the impairment loss and uncollectibility of loans and receivables and debt instruments by recognising an allowance account for financial assets. When impairment and uncollectibility are considered irreversible, their carrying amount is eliminated against the allowance account.

The impairment loss is recognised in profit and loss and may be reversed in subsequent periods if the decrease can be objectively related to an event occurring after the impairment has been recognised. The loss can only be reversed up to the amortised cost the assets would have had if the impairment loss had not been recognised. The impairment loss is reversed against the allowance account.

(vi) Financial liabilities

Financial liabilities, including trade and other payables, which are not classified at fair value through profit or loss, are initially recognised at fair value less any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method.

(vii) Derecognition of financial assets

The Group applies the criteria for derecognition of financial assets to part of a financial asset or part of a group of similar financial assets or to a financial asset or group of similar financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new asset obtained less any new liability assumed and any cumulative gain or loss deferred in other comprehensive income, is recognised in profit or loss.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the consideration received is recognised as a liability. Transaction costs are recognised in profit or loss using the effective interest method.

(viii) Derecognition and modifications of financial liabilities

The Group derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

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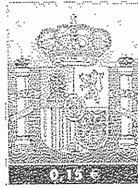

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The exchange of debt instruments between the Group and the counterparty or substantial modifications of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, providing the instruments have substantially different terms.

The Group considers the terms to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is accounted for as an extinguishment of the financial liability, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The difference between the carrying amount of a financial liability, or part of a financial liability, extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised by the Group in profit or loss.

The Group has contracted reverse factoring facilities with various financial institutions to manage payments to suppliers. The Group applies the above criteria to determine whether it should derecognise the original trade payable and recognise a new liability with the financial institutions. Trade payables settled under the management of financial institutions are recognised under trade and other payables only if the Group has transferred management of the payment to the financial institutions but retains primary responsibility for settling the debt with the trade creditors.

Payables to financial institutions as a result of the sale of trade liabilities are recognised as trade payables advanced by banks under trade and other payables in the consolidated statement of financial position.

Nonetheless, when a creditor assumes primary responsibility towards the financial institutions, these debts are reclassified to financial liabilities in the consolidated statement of financial position.

The consideration given by the financial institutions in exchange for the right to finance the customers of the Group is recorded in other income in the consolidated income statement (consolidated statement of comprehensive income) when accrued.

(Continúa)

The issue of equity instruments by the Group to settle a financial liability is part of the consideration paid to settle the financial liability. Consequently, the equity instruments issued to fully or partially settle a financial liability are measured at fair value, unless the fair value of the settled liability can be measured more reliably. If the Group settles only a part of the financial liability, a portion of the fair value of the equity instruments issued is allocated to determine whether the remaining part of the financial liability has changed. The difference between the fair value of the equity instruments issued to settle the financial liability or, where appropriate, the fair value of the liability and the carrying amount is recognised in gains/losses on settlement of financial liabilities through the issue of equity instruments in the consolidated income statement (note 15).

(j) Inventories

Inventories mainly comprise food products, packaging, promotional material and smaller quantities of other materials, and are recognised at the lower of acquisition or production cost and net realisable value.

The purchase price comprises the amount invoiced by the seller, after deduction of any discounts, rebates or other similar items, plus any additional costs incurred to bring the goods to a saleable condition and other costs directly attributable to the acquisition.

Trade discounts are recognised as a reduction in cost of inventories when it is probable that the conditions for discounts to be received will be met. Unallocated discounts are recognised in the consolidated income statement as a decrease in the purchase.

Purchase returns are recognised as a reduction in the carrying amount of inventories returned.

The production cost of inventories comprises the purchase price of raw materials and consumables, costs directly related to the units of production and systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed indirect overheads is based on the higher of normal production capacity or actual production.

The methods applied by the Group to determine inventory costs are as follows:

- Raw materials and other supplies: weighted average cost.
- Finished goods and work in progress: the weighted average cost of raw materials and other supplies, including the costs directly related to the units of production and systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed indirect overheads is based on the higher of normal production capacity or actual production.
- Goods for resale: weighted average acquisition cost.

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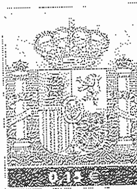

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The cost of inventories is written down against profit and loss when it exceeds net realisable value. Net realisable value is considered as the following:

- Raw materials and other supplies: replacement cost. Nevertheless, raw materials and other supplies are not written down below cost if the finished goods into which they will be incorporated are expected to be sold at or above cost of production.

- Merchandise and finished products: estimated selling price less costs to sell.

- Work in progress: the estimated selling price of related finished goods, less the estimated costs of completion and the estimated costs necessary to make the sale.

The previously recognised write-down is reversed against profit and loss when the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances. The reversal of the write-down is limited to the lower of the cost and the revised net realisable value of the inventories.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

The Group classifies cash flows from interest received and paid as financing activities.

(l) Hedge accounting

Derivative financial instruments are initially recognised using the same criteria as those described for financial assets and financial liabilities. Derivative financial instruments that do not meet hedge accounting requirements are classified and measured as financial assets and financial liabilities at fair value through profit or loss. Derivative financial instruments which qualify for hedge accounting are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition, or less any transaction costs directly attributable to the issue of the financial instruments. Nonetheless, transaction costs are subsequently recognised in profit and loss providing they do not change the effectiveness of the hedge.

(Continúa)

(m) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached. Government grants may comprise the following:

- Capital grants: Capital grants awarded as monetary assets are recognised under government grants in the consolidated statement of financial position and allocated to other income in line with the amortisation or depreciation of the assets for which the grants have been received. Government grants in the form of transfers of a non-monetary asset are recognised at fair value under government grants in the consolidated statement of financial position and are allocated to other income in line with the amortisation or depreciation of the assets for which the grants have been received.

- Operating grants: are recognised as a reduction in the expenses that they are used to finance.

(n) Employee benefits

(i) Termination benefits

Termination benefits are recognised at the earlier of the date when the Group may no longer withdraw the offer of those benefits or the date when the costs of a restructuring entailing the payment of termination benefits are recognised.

For termination benefits payable as a result of an employee's decision to accept an offer, the time when the Group can no longer withdraw the offer of termination benefits is the earlier of when the employee accepts the offer and when a restriction on the Group's ability to withdraw the offer takes effect.

In the case of involuntary termination benefits, the Group can no longer withdraw the offer when it has informed the affected employees or trade union representatives of the plan; the actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made; the plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations and the expected completion date; the plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

If the termination benefits are not expected to be settled wholly before 12 months after the end of the annual reporting period, the liability is discounted by reference to market yields on high quality corporate bonds.

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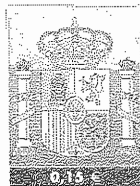

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(ii) Short-term employee benefits

Short-term employee benefits are employee benefits, other than termination benefits, that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service.

Short-term employee benefits are reclassified as long-term if the characteristics of the benefit change or if there is a non-temporary change in expectations of the timing of settlement.

The Group recognises the expected cost of short-term employee benefits in the form of accumulating compensated absences when the employees render service that increases their entitlement to future compensated absences. In the case of non-accumulating compensated absences, the expense is recognised when the absences occur.

The Group recognises the expected cost of profit-sharing and bonus plans when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date.

The financial effect of provisions is recognised as a finance cost in profit or loss.

The tax effect and gains on the expected disposal of assets are not taken into account in measuring a provision.

If it is not probable that an outflow of resources will be required to settle an obligation, the provision is reversed. The provision is reversed against the income statement caption in which the related expense was recognised.

(Continúa)

(p) Revenue recognition

Revenue from the sale of goods or services is measured at the fair value of the consideration received or receivable. Revenue is presented net of value added tax and any other taxes. When sales discounts are considered likely to be disbursed at the revenue recognition date, they are accounted for as a decrease in revenue.

Discounts granted to customers are recognised as a reduction in sales revenue when it is probable that the discount conditions will be met.

Sales of goods to customers in cash or sales to franchises and revenue from services rendered are recognised when the Group sells the product or renders the service.

Revenues from royalties and advertising are recognised when the service is rendered and are calculated as a percentage of the sales of the franchise.

Revenues from transfer fees largely reflect the right of the franchisee to open an outlet and are recognised upon signing the contract.

Revenues from leases to franchisees and revenues for personnel management are also recognised when the service is rendered.

The Group does not have significant volumes of product returns.

(q) Income tax

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax is the amount of income taxes payable or recoverable in respect of the consolidated taxable profit or tax loss for the period. Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits. Temporary differences are differences between the carrying amount of an asset or liability and its tax base.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

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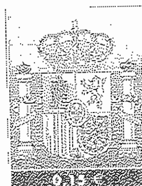

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Since 1 January 2007 Foodco Pastries Spain, S.A. has been the parent of a tax Group in Spain, as defined by the consolidated tax regime, which comprises Tele Pizza, S.A.U., Circol, S.A., Mixor, S.A. and Luxtor, S.A. at 31 December 2015.

(i) *Recognition of deferred tax liabilities*

The Group recognises all deferred tax liabilities except where:

- they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

- they are associated with investments in subsidiaries and joint ventures for which the Group is able to control the timing of the reversal of the temporary difference and it is not probable that the difference will reverse in the foreseeable future.

(ii) *Recognition of deductible temporary differences*

The Group recognises deferred tax assets provided that:

- it is probable that taxable profit will be available against which the deductible temporary difference can be utilised or when tax legislation allows the future conversion of deferred tax assets into a receivable from public entities. However, assets arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affect neither accounting profit nor taxable income.

- the temporary differences are associated with investments in subsidiaries and joint ventures that will reverse in the foreseeable future and sufficient tax gains are expected to be generated against which the temporary differences can be offset.

Tax planning opportunities are only considered when assessing the recoverability of deferred tax assets if the Group intends to use these opportunities or it is probable that they will be utilised.

(iii) *Measurement of deferred tax assets and liabilities*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted. The tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

(Continúa)

The Group reviews the carrying amount of deferred tax assets at the reporting date and reduces this amount to the extent that it is not probable that sufficient taxable profit will be available against which to recover them.

Deferred tax assets that do not comply with the above conditions are not recognised in the consolidated statement of financial position. At year end the Group reassesses whether conditions are met for recognising previously unrecognised deferred tax assets.

(iv) Offset and classification

The Group only offsets current tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group only offsets deferred tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts, and they relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position under non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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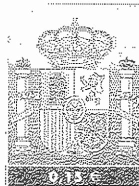

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(s) Classification of assets and liabilities as current and non-current

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. Current assets and liabilities are determined as follows:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within 12 months after the reporting date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least 12 months after the reporting date.

- Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within 12 months after the reporting date or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

- Financial liabilities are classified as current when they are due to be settled within 12 months after the reporting date, even if the original term was for a period longer than 12 months, and an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting date and before the consolidated annual accounts are authorised for issue.

(t) Environmental issues

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as other operating expenses in the period in which they are incurred.

Property, plant and equipment acquired by the Group to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Group's activities, are recognised as assets, applying the measurement, presentation and disclosure criteria described in note 4 (d).

(Continúa)

(5) Segment Reporting

As described below, the Group is organised internally into operating segments, which are strategic business units. The strategic business units operate under different market conditions and are managed separately because they require different strategies.

In 2015 the Group modified its operating segments as the financial information used internally to assess their performance ceased to be segmented by country, as had been the case until 2014, and began to be segmented by geographical area and activity as a result of organisational changes carried out by Group management in 2015.

At 31 December 2015 and 2014, the Group comprises the following operating segments:

- Spain
- Rest of Europe
- Latin America
- Master franchise and others

Segment performance is measured based on the profit generated by each segment. The profit generated by each segment is used as a measure of its performance because the Group considers that this is the most relevant information in the assessment of the profits generated by specific segments in relation to other groups which operate in these businesses.

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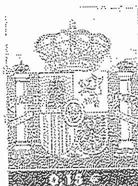

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Inter-segment transaction prices are established based on the normal commercial terms and conditions with unrelated third parties.

	2015					
	Thousands of Euros					
	Spain	Rest of Europe	Latin America	Master franchise and others	Eliminations	Total
Revenues						
Own store sales	116,361	32,577	51,174	-	-	200,112
Supply sales	69,157	13,042	7,694	667	-	90,560
Royalties	15,879	1,713	1,815	892	-	20,299
Other revenues	10,076	2,035	5,192	625	-	17,928
To other segments	9,474	-	-	-	(9,474)	-
Total revenues	220,946	49,367	65,875	2,184	(9,474)	328,899
Gross margin	154,083	33,780	48,079	1,689	-	237,631
Amortisation and depreciation	(11,064)	(1,425)	(4,120)	-	-	(16,609)
Segment operating profit/(loss)	27,028	7,065	5,341	1,685	-	41,119
Net finance income/(cost)	(33,729)	(211)	(1,466)	-	-	(35,406)
Other gains	9	57	1	-	-	67
Other losses	(3,412)	(424)	(266)	-	-	(4,102)
Income tax	(1,941)	491	(1,293)	(45)	-	(2,788)
Profit/(loss) from continuing operations	(12,045)	6,978	2,317	1,640	-	(1,110)
Post-tax loss from discontinued operations	(39)	-	-	-	-	(39)
Profit/(loss) for the year attributable to the Parent	(12,084)	6,978	2,317	1,640	-	(1,149)
Segment assets	754,458	39,944	91,958	-	-	886,360
Assets held for sale or from discontinued operations	130	-	-	-	-	130
Group assets	754,458	39,944	91,958	-	-	886,490
Segment liabilities	44,784	6,678	5,662	-	-	57,124
Liabilities held for sale or from discontinued operations	85	-	-	-	-	85
Unassigned liabilities	-	-	-	-	-	829,281
Liabilities and equity	44,869	6,678	5,662	-	-	886,490
Investments in property, plant and equipment and intangible assets	18,455	2,524	9,209	-	-	30,188

Euros 5,585 thousand of total additions to Group property, plant and equipment in 2015 are for maintenance or replacement, while Euros 24,603 thousand reflects new investment.

(Continúa)

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	2014					
	Thousands of Euros					
	Spain	Rest of Europe	Latin America	Master franchise and others	Eliminations	Total
Revenues						
Own store sales	123,483	30,957	47,849	-	-	202,289
Supply sales	66,057	11,804	6,990	422	-	85,273
Royalties	14,350	1,484	1,527	490	-	17,851
Other revenues	14,183	1,645	5,100	180	-	21,108
To other segments	10,245	-	-	-	(10,245)	-
Total revenues	228,318	45,890	61,466	1,092	(10,245)	326,521
Gross margin	159,098	31,680	44,471	802	-	236,051
Amortisation and depreciation	(11,474)	(2,241)	(3,688)	-	-	(17,403)
Segment operating profit/(loss)	14,082	4,337	2,674	802	-	21,895
Net finance income/(cost)	60,314	(454)	357	-	-	60,217
Other gains	30	39	-	-	-	69
Other losses	(7,890)	(511)	(464)	-	-	(8,865)
Income tax	19,999	170	(2,638)	(30)	-	17,501
Profit/(loss) from continuing operations	86,535	3,581	(71)	772	-	90,817
Post-tax loss from discontinued operations	(80)	-	-	-	-	(80)
Profit/(loss) for the year attributable to the Parent	86,455	3,581	(71)	772	-	90,737
Segment assets	755,379	35,244	95,969	-	-	886,509
Assets held for sale or from discontinued operations	84	-	-	-	-	84
Group assets	755,380	35,244	95,969	-	-	886,593
Segment liabilities	46,695	6,575	12,654	-	-	65,924
Liabilities held for sale or from discontinued operations	83	-	-	-	-	83
Unassigned liabilities	-	-	-	-	-	820,586
Liabilities and equity	46,778	6,575	12,654	-	-	886,593
Investments in property, plant and equipment and intangible assets	10,956	1,297	6,802	-	-	19,055

Euros 4,218 thousand of total additions to Group property, plant and equipment and intangible assets in 2014 are for maintenance or replacement, while Euros 14,837 thousand reflects new investment.

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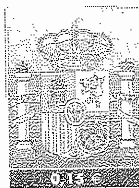

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(6) Non-current Assets Held for Sale and Discontinued Operations

The subsidiary in Morocco, which is currently in liquidation, continues to be classified under non-current assets held for sale and its operations are included in discontinued operations in the consolidated income statement.

In 2014 the Group classified the assets and liabilities of its subsidiary in Colombia, as held-for-sale, and its revenues and expenses as profits from discontinued operations, in accordance with the standard, as its sale was expected to take place in 2015. Similarly, the Group had also classified a number of stores in Chile as held-for-sale, based on the decisions of the Steering Committee.

The aforementioned transactions did not take place in 2015 as no agreement was reached with the acquirer and the Group has decided to continue with its operations in Colombia, therefore, the consolidated statement of financial position, consolidated income statement and consolidated statement of cash flows for 2014 have been restated as if they have never been thus classified.

(7) Business Combinations

On 30 December 2015, through Tele Pizza, S.A., the Group acquired a 100% interest in Burmasa Delivery, S.L., the franchisee of three stores in Burgos. In 2015 the Group also acquired several stores, primarily in Spain, while in 2014, the Group acquired several stores that were already up and running from franchisees in Spain, Portugal and Chile. These acquisitions of outlets are part of the Group's global strategy, which involves operating the outlets as own stores in various geographic regions rather than as franchises.

Aggregate details of the cost of the business combinations, the net assets acquired and goodwill are as follows:

	Thousands of Euros	
	2015	2014
Cost of the combination, cash paid	9,734	9,407
Less, fair value of net assets acquired	(1,636)	(1,972)
Goodwill (note 9)	8,098	7,435

Goodwill arising in business combinations in both years reflects that the stores acquired have a strong market position and are considered tax-deductible

(Continúa)

The amounts recognised in 2015 by significant class at the date of acquisition of assets, liabilities and contingent liabilities are as follows:

	Thousands of Euros
	Fair value
Intangible assets	940
Property, plant and equipment	1,584
Other non-current assets	20
Inventories	33
Trade and other receivables	105
Cash and cash equivalents	188
Total assets	2,870
Trade and other payables	(1,046)
Total net assets acquired	1,824
Cash paid	9,922
Cash and cash equivalents of the acquire	(188)
Cash outflow for the acquisition	9,734

Net assets acquired during 2014 total Euros 1,972 thousand and consist entirely of the property, plant and equipment of the stores acquired.

The business combinations are definitive and the fair value of the net assets acquired does not differ from their carrying amount.

The businesses acquired during 2015 have generated revenues and a consolidated income statement for the Group for the period between the acquisition date and the reporting date of Euros 3,533 thousand and Euros 259 thousand (profit), respectively.

Had the acquisition taken place on 1 January 2015, Group revenues and consolidated profit/(loss) for the year ended 31 December 2015 would have amounted to Euros 338,949 thousand and Euros 434 thousand (profit), respectively.

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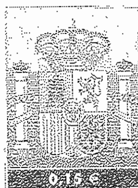

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(8) Property, Plant and Equipment

Details of and movements in property, plant and equipment of the consolidated statement of financial position, are as follows:

	Thousands of Euros					
Data	Land and buildings	Technical installations and machinery	Other installations, equipment and furniture	Advances and property, plant and equipment under construction	Other property, plant and equipment	Total
Cost						
Balance at 31.12.13	9,653	126,106	15,392	573	15,934	167,658
Additions	1	7,625	663	102	1,427	9,818
Disposals	(1,036)	(26,217)	(2,774)	(187)	(2,477)	(32,691)
Transfers non-current asset held for sale	-	1,072	194	(97)	62	1,231
Other transfers	357	(286)	17	(164)	76	-
Exchange losses	(127)	(629)	(288)	(4)	(6)	(1,054)
Balances at 31.12.14	8,848	107,671	13,204	223	15,016	144,962
Additions	32	13,811	1,679	1,259	2,277	19,058
Disposals	(1,115)	(16,346)	(2,956)	-	(2,106)	(22,523)
Other transfers	5	977	170	(1,091)	(61)	-
Exchange losses	(158)	(1,264)	(361)	-	(84)	(1,867)
Balances at 31.12.15	7,612	104,849	11,736	391	15,042	139,630
Depreciation or impairment						
Depreciation at 31.12.13	(4,560)	(91,554)	(10,888)	-	(12,034)	(119,036)
Impairment at 31.12.13	(217)	(8,299)	(14)	-	-	(8,530)
Depreciation for the year	(312)	(5,954)	(1,049)	-	(1,289)	(8,604)
Disposals	540	20,477	2,498	-	2,203	25,718
Transfers non-current asset held for sale	(29)	(454)	(79)	-	(29)	(591)
Other transfers	(302)	336	146	-	(180)	-
Exchange gains(losses)	50	386	148	-	44	628
(Impairment loss)/impairment reversal	(133)	1,488	-	-	-	1,355
Depreciation at 31.12.14	(4,613)	(76,763)	(9,224)	-	(11,285)	(101,885)
Impairment at 31.12.14	(350)	(6,811)	(14)	-	-	(7,175)
Depreciation for the year	(390)	(6,046)	(1,303)	-	(1,300)	(9,039)
Disposals	511	12,768	1,460	-	1,618	16,357
Exchange gains/Losses	116	724	191	-	103	1,134
(Impairment loss)/impairment reversal	349	786	-	-	-	1,135
Depreciation at 31.12.15	(4,376)	(69,317)	(8,876)	-	(10,864)	(93,433)
Impairment at 31.12.15	-	(6,027)	(12)	-	-	(6,039)
Carrying amount						
Balance at 31.12.13	4,876	25,473	4,489	573	3,899	39,310
Balance at 31.12.14	3,885	24,097	3,966	223	3,731	35,902
Balance at 31.12.15	3,236	29,505	2,848	391	4,178	40,158

(Continúa)

During 2015 and 2014 significant additions to installations and machinery mainly reflect investments related to new stores opened and the purchase of franchised stores. There have also been additions to furniture and scooters. Similarly, in 2014, significant investments were made in lighting, energy efficiency measures and air conditioning.

Other property, plant and equipment include the acquisition of motorcycles and IT equipment for stores.

Disposals in 2015 and 2014 primarily include property, plant and equipment used in stores which have been franchised, closed or sold, and items relating to the termination of rental contracts for certain stores. Disposals in 2014 included the assets of the factory in Ávila which were sold.

The Group receives government grants to finance items of property, plant and equipment (see note 21).

At 31 December 2015 and 2014 the Group has no commitments to acquire items of property, plant and equipment. Assets totalling Euros 1,040 thousand have been pledged as security (Euros 1,100 thousand at 31 December 2014). The Group does not have any significant unused property, plant and equipment.

During 2015 the Group recognised impairment losses totalling Euros 536 thousand (reversal of impairment losses amounting to Euros 1,355 thousand in 2014). Impairment previously recognized and written off in 2015 of Euros 1,697 thousand are basically impairments which had been recognised in respect of the stores sold to franchisees during 2015. The impairment losses recognised and reversed are basically due to the impairment of assets used in operations in the Group's stores. Impairment losses have been determined based on value in use. Value in use is calculated based on future cash flows, projected up to the expiry date of the lease contract for each store. The main assumptions employed to project cash flows are detailed in note 9.

The Group has taken out sufficient insurance policies to cover the risk of damage to its property, plant and equipment.

Details of the cost of fully depreciated property, plant and equipment at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Technical installations and machinery	44,422	46,675
Other	14,082	16,810
	58,504	63,485

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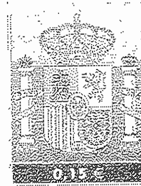

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Property, plant and equipment held under finance leases at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Cost of items held under finance leases	2,535	2,651
Accumulated depreciation and impairment losses	(846)	(126)
Carrying amount	1,689	2,525

Details of the main terms of finance leases in force at 31 December 2015 are as follows:

			Thousands of Euros		
Asset	Contract date	Number of monthly payments	Cash value	Amount of each instalment	Purchase option
Machinery (several agreements)	Between May 2012 and June 2014	60	2,535	85	71
Less, accumulated depreciation			(846)		
Total			1,689		

Details of the main terms of finance leases in force at 31 December 2014 were as follows:

			Thousands of Euros		
Asset	Contract date	Number of monthly payments	Cash value	Amount of each instalment	Purchase option
Machinery (several agreements)	Between May 2012 and December 2013	60	2,651	85	71
Less, accumulated depreciation			(126)		
Total			2,525		

(Continúa)

A summary of the liabilities resulting from these operations at 31 December 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Total liability under the contracts	2,947	3,039
Payments made		
In prior years	(482)	-
During the year	(414)	(482)
Finance lease payables (note 18 (a) and (b))	2,051	2,557

Property, plant and equipment includes assets leased out to third parties under operating leases at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Cost	4,947	5,519
Accumulated depreciation at 1 January	(4,510)	(4,998)
Depreciation charge for the year	(91)	(236)
Carrying amount	347	285

The Group has entered into sublease contracts with part of its franchisees in respect of the premises at which the latter operate the brand. These sublease contracts are arranged for the same period of time as the franchise contract entered into with the franchisee (10 years). This is a mandatory period and the contracts cannot be cancelled early. The rent comprises generally a fixed amount increased annually in line with the consumer price index.

However, to calculate the future minimum receivable under non-cancellable operating leases, the Group has applied the same criterion as for the calculation of minimum operating lease payments, therefore taking into account the duration of the sublease agreement due to the Group has committed to sub-leasing the premises to the franchisee for this period (see note 25).

In any case, from a legal standpoint, the lease contracts can generally be cancelled with prior notice of three months, on average.

Operating lease instalments recognised as income in 2015 and 2014 total Euros 2,413 thousand and Euros 2,922 thousand, respectively. They are recognised as "other revenues".

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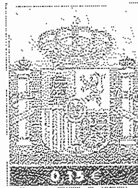

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Future minimum payments receivable under non-cancellable operating subleases are as follows:

	Thousands of Euros	
	2015	2014
Up to 1 year	5,286	4,967
Between 1 and 5 years	20,089	17,739
More than 5 years	18,818	15,509
	44,193	38,216

(9) Intangible Assets

Details of goodwill and movements of the consolidated statement of financial position during the year are as follows:

	Thousands of Euros
Cost	
Balance at 31.12.2013	376,040
Goodwill on business combinations for the year (note 7)	7,435
Exchange gains/(losses)	18
Disposals	(1,097)
Impairment losses for the year (note 26)	(6,157)
Balance at 31.12.2014	376,239
Goodwill on business combinations for the year (note 7)	8,098
Goodwill purchases in business combination	932
Exchange gains/(losses)	(115)
Disposals	(2,082)
Impairment losses for the year (note 26)	(378)
Balance at 31.12.2015	382,694

Impairment losses of goodwill in 2015 reflects stores closures and in 2014 it reflects stores closures and also the calculation made of the recoverable amount of each CGU group.

(Continúa)

Details of goodwill by country at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Spain	267,601	262,702
Portugal	61,311	61,511
Chile	40,672	38,958
Colombia	8,144	8,144
Poland	4,620	4,620
Other	346	304
	382,694	376,239

The recoverable amount of each group of CGUs is determined based on its value in use. These calculations are based on cash flow projections from the financial budgets approved by Parent management over a period of five years. Cash flows subsequent to this five-year period are extrapolated using the sector growth rates in each country, which do not exceed the average long-term growth for the home delivery business in which the groups of CGUs operate.

The discount rate assumption used when calculating value in use is as follows:

	2105				
	Spain	Portugal	Chile	Poland	Colombia
Discount rate (WACC)	7.70 %	8.10 %	8.40 %	7.15 %	8.75 %
Growth rate of income in Perpetuity (g)	1.7 %	1.40 %	3.20 %	1.00 %	4.00 %

	2014				
	Spain	Portugal	Chile	Poland	Colombia
Discount rate (WACC)	8.10%	9.26%	9.02%	7.96%	9.35%
Growth rate of income in Perpetuity (g)	1.70%	1.50%	3.30%	1.70%	3.15%

To calculate the value in use of the different groups of CGUs over the five-year budget period, the directors' business operating assumptions were net annual revenue growth rates of between 2% and 4%, without considering any outlet openings or acquisitions and taking into account the features of each market and estimated inflation. This growth in annual income has a practically proportional impact on other business operating assumptions, such as the gross margin and EBITDA.

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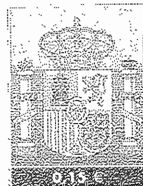

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Growth rates of income in perpetuity have been determined based on the Economist Intelligence Unit (EIU) estimates of the GDP deflator and the CPI of the different countries.

The income and expense growth rates have been determined based on past performance and expectations for future market development. The discount rates used reflect specific risks related to the relevant segments.

If a sensitivity analysis of goodwill impairment per CGU group were performed, the result, in thousands of Euros, of reasonably possible variations of between 50 and 25 basis points in the discount rate, between 50 and 25 basis points in the growth rate of income in perpetuity or between 50 and 25 basis points in the business operating assumptions, would be as follows:

	WACC		g		Business operating assumptions	
	> 0.5%	>0.25%	<0.5%	<0.25%	+/- 0.50%	+/- 0.25%
Poland	250	-	112	-	733	200
Chile	4,097	1,968	3,287	1,545	5,989	2,813
Portugal	-	-	-	-	-	-
Colombia	-	-	-	-	1,190	812
Spain	-	-	-	-		-
Impairment	4,347	1,968	3,399	1,545	6,722	3,,013

(Continúa)

Details of other intangible assets and movement are as follows:

	Thousands of Euros					
	Concessions patents and, licences	Trademarks	Contractual and other rights	Other intangible assets	Computer Software	Total
Cost						
Balances at 31.12.13	1,270	253,502	151,359	632	20,787	427,550
Additions	427	-	-	124	1,250	1,801
Disposals	(114)	-	-	-	(198)	(312)
Other transfer	-	-	-	-	14	14
Exchange gains/(losses)	2	-	-	15	(88)	(71)
Balances at 31.12.14	1,585	253,502	151,359	771	21,765	428,982
Additions	140	-	-	45	1,915	2,100
Disposals	(155)	-	-	(271)	(234)	(660)
Exchange gains/(losses)	(2)	-	-	(17)	(99)	(118)
Balances at 31.12.15	1,568	253,502	151,359	528	23,347	430,304
Amortisation or impairment						
Amortisation at 31.12.13	(887)	(18,526)	(44,798)	(557)	(17,068)	(81,836)
Impairment at 31.12.13	(8)	-	-	-	-	(8)
Amortisation of the year	(100)	-	(5,938)	(3)	(1,869)	(7,910)
Disposals	113	-	-	-	197	310
Other transfers	-	-	-	-	38	38
Exchange gains/(losses)	-	-	-	(6)	(29)	(35)
Amortisation at 31.12.14	(874)	(18,526)	(50,736)	(566)	(18,731)	(89,433)
Impairment at 31.12.14	(8)	-	-	-	-	(8)
Amortisation of the year	(181)	-	(5,818)	(6)	(1,565)	(7,570)
Disposals	155	-	-	271	163	589
Other transfers	129	-	-	(129)	-	-
Exchange gains/(losses)	2	-	-	19	79	100
Amortisation at 31.12.15	(769)	(18,526)	(56,554)	(411)	(20,054)	(96,314)
Impairment at 31.12.15	(8)	-	-	-	-	(8)
Carrying amount						
Balance a 31.12.13	375	234,976	106,561	75	3,719	345,714
Balance a 31.12.14	703	234,976	100,623	205	3,034	339,541
Balance a 31.12.15	791	234,976	94,805	117	3,293	333,982

The Company has recognised an intangible asset with an indefinite useful life under patents, licences and trademarks in relation to the "telepizza" brand. The original value of this asset was Euros 247,028 thousands and its carrying amount at 31 December 2015 is Euros 228,502 thousands (see note 4 (g)). The "Jeno's pizza" brand also has an indefinite useful life and a value of Euros 6,474 thousand at 31 December 2015.

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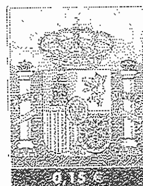

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In 2006 the Group acquired the "telepizza brand name from Tele Pizza, S.A. through a business combination with the latter. When allocating a purchase price to the shares, this brand name was measured at its fair value of Euros 247,028 thousand. In the aforementioned business combination, the Group also recognised the rights arising from the franchise contracts at their fair value, which totalled Euros 132,960 thousand.

The recoverable amount of intangible assets with an indefinite useful life is determined by calculating the value in use. These cash flow projections for these calculations are based on financial budgets approved by the Parent's management for a five-year period. Cash flows beyond the five-year period are extrapolated using specific growth rates for the sector in each country. These growth rates do not exceed the average long-term growth rate of the business.

Based on the estimates and projections available to the Parent's directors, the expected future economic benefits of these CGUs fully justify the carrying amount of recognised goodwill and intangible assets with an indefinite useful life. The discount rate assumption used when calculating value in use in the periods 2015 and 2014 of intangible assets with an indefinite useful life is as follows:

Discount rate (WACC)	7.35% - 8.35%
Growth rate of income in perpetuity (g)	1.50% - 2.00%

For its impairment analysis, the Group has applied the upper figure of the discount rate range shown above.

To calculate the value in use of the different groups of CGUs over the five-year budget period, the directors' business operating assumptions were net revenue growth rates of between 2% and 4%, without considering any outlet openings or acquisitions and taking into account the features of each market and estimated inflation. This growth in annual income has a practically proportional impact on other business operating assumptions, such as the gross margin and EBITDA.

Growth rates of income in perpetuity have been determined based on the Economist Intelligence Unit (EIU) estimates of the GDP deflator and the CPI of the different countries.

If a sensitivity analysis of impairment of intangible assets with an indefinite useful life were performed, the result, in thousands of Euros, of reasonably possible variations of between 50 and 25 basis points in the discount rate, between 50 and 25 basis points in the growth rate of income in perpetuity or between 50 and 25 basis points in the business operating assumptions, would be as follows:

(Continúa)

	WACC		g		Business operating assumptions	
	> 0.5%	>0.25%	<0.5%	<0.25%	+/- 0.50%	+/- 0.25%
Impairment	10,597	-	473	-	1,938	-

As regards contractual rights with franchisees subject to amortisation, there are no indications of the potential impairment of these intangible assets.

Details of remaining useful life, amortisation for the year, accumulated amortisation and the carrying amount of individually significant intangible assets at 31 December are as follows:

	Euros			
Description of the asset	Remaining useful life	Amortisation for the year	Accumulated Amortisation	Carrying amount
2015				
"Jeno's Pizza" brand	Indefinite	-	-	6,474
"telepizza brand	Indefinite	-	18,526	228,502
Contractual rights	21	4,296	46,290	90,225
		4,296	64,816	325,201
2014				
"Jeno's Pizza" brand	Indefinite	-	-	6,474
"telepizza" brand	Indefinite	-	18,526	228,502
Contractual rights	22	4,296	41,994	94,521
		4,296	60,520	329,497

At 31 December 2015 and 2014 the Group has no commitments to purchase intangible assets.

Details of the cost of fully amortised intangible assets at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Computer software	16,009	12,840
Other	1,156	1,195
	17,165	14,035

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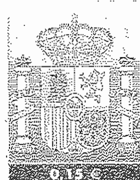

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(10) Non-current Financial Assets

Details of non-current financial assets at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Security deposits and guarantees	6,119	6,140
Non-current trade receivables	16,390	13,689
Other loans and receivables	1,202	1,201
	23,711	21,030

Non-current trade receivables mainly reflect amounts receivable for franchising activities and from the sale of non-current assets to franchisees.

(11) Inventories

Details at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Merchandise	10,138	8,597
Raw materials	978	1,009
Finished goods	276	250
Total inventories	11,392	9,856

The cost of inventories recognised as an expense and included in the cost of goods sold is as follows:

	Thousands of Euros	
	2015	2014
Net purchases	92,805	86,872
Change in inventories	(1,536)	3,598
	91,269	90,470

The Group has long-term commitments to purchase certain inventories, which if breached will give rise to penalties with a negative effect of approximately Euros 3 million on the consolidated income statement.

At 31 December 2015 and 2014 the Group has no inventories pledged as collateral to secure repayment of debts and commitments with third parties. The Group has taken out sufficient insurance policies to cover the risk of damage to its inventories.

(Continúa)

(12) Trade and Other Receivables

Details are as follows:

	Thousands of Euros	
	2015	2014
Trade receivables	34,724	44,237
Other receivables	3,661	3,113
Public entities	3,186	4,448
Impairment	(7,141)	(7,881)
Trade and other receivables	34,430	43,917

Other receivables mainly include volume discounts on purchases from suppliers and advertising promotions.

An analysis of impairment losses due to the credit risk associated with financial assets is as follows:

	Thousands of Euros	
	2015	2014
Current		
Balance at 1 January	(7,881)	(6,239)
Charge	(914)	(1,642)
Write off	1,654	-
Balance at 31 December	(7,141)	(7,881)

(13) Cash and Cash Equivalents

Details at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Cash in hand and at banks	39,946	34,905
Current bank deposits	-	10,000
Cash and cash equivalents	39,946	44,905

Cash surpluses have been invested in daily and weekly deposits in monetary assets (REPOS, Eurodeposits and promissory notes) at average market interest rates.

Cash and cash equivalents recognised in the consolidated statement of financial position are the same as those reported in the statement of cash flows as the Group does not have any overdrafts.

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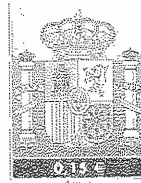

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(14) Deferred Taxes

Details of deferred tax assets are as follows:

	Thousands of Euros			
Deferred tax assets	Non-deductible provisions	Tax credits and deductions	Other	Total
Balances at 31.12.2013	369	8,848	548	9,765
Taken to the income statement (note 27)	1,850	(1,285)	1,142	1,707
Balances at 31.12.2014	2,219	7,563	1,690	11,472
Taken to the income statement (note 27)	(450)	1,867	(1,030)	387
Balances at 31.12.2015	1,769	9,430	660	11,859

The deferred tax assets recognised in the consolidated statement of financial position mainly reflect tax loss carryforwards generated by the Group companies Foodco Pastries Spain, S.A., Tele Pizza, S.A. and Mixor, S.A. (see note 27). During 2015, as a result of the merger between Tele Pizza, S.A. and A Tu Hora, S.A., deferred tax assets for the tax loss carryforwards of the latter company amounted to approximately Euros 3,576 thousand.

Since 2012, due to the limitations on the deductibility of finance costs laid down in tax legislation, the tax group of the companies domiciled in Spain has obtained taxable income. Therefore, the Group has recognised deferred tax assets in respect of tax credits for loss carryforwards available for offset because the directors consider these credits to be recoverable, basing this assumption on the Company's five-year business plans, as the tax group in Spain, as mentioned previously, has been achieving taxable income and will continue to do so in the coming years. Based on estimates of the future tax profits of the tax group in Spain, all the tax credits in respect of losses recognised are expected to have been offset by the end of 2018.

Details of deferred tax liabilities are as follows:

	Thousands of Euros			
Deferred tax liabilities	Accelerated Depreciation	Intangible assets	Other	Total
Balances at 31.12.2013	1,496	103,763	698	105,957
Taken to the income statement (note 27)	(923)	(18,314)	185	(19,052)
Balances at 31.12.2014	573	85,449	883	86,905
Taken to the income statement (note 27)	(206)	(1,659)	(293)	(2,158)
Balances at 31.12.2015	367	83,790	590	84,747

(Continúa)

Spanish Income Tax Law 27/2014 of 27 November 2014, approved on 28 November 2014, incorporated wholly new legislation on corporate income tax and entered into force for tax periods beginning on or after 1 January 2015. These amendments included a reduction of the general tax rate from 30% in 2014 to 28% in 2015 and 25% from 2016 onwards.

Furthermore, the limit of 25% for offsetting tax loss carryforwards in 2015 has been raised to 60% for tax periods beginning in 2016 and 70% for 2017 onwards. The deadline of 18 years for offsetting tax loss carryforwards has also been wholly eliminated.

In light of these amendments to tax legislation, the Company has adjusted its deferred tax assets for tax loss carryforwards and temporary differences by Euros 1,542 thousand and its deferred tax liabilities by Euros 16,363 thousand.

(15) Equity

As part of the Group's debt restructuring process, in 2014 the Parent increased its share capital by Euros 221 thousand, with a share premium of Euros 213,160 thousand, by issuing 4,411 new shares of Euros 50 par value each with a share premium of Euros 48,324.61 each, in accordance with the Sole Shareholder's decision of 20 October 2014. The shares were subscribed and fully paid by the Sole Shareholder, by capitalising the outstanding Euros 107,111 thousand participating loan and Euros 106,269 thousand subordinated loan on 20 October 2014 (see note 29).

Given that this transaction is outside the scope of IFRIC 19, the use of judgement to determine the appropriate accounting treatment is essential, taking into account that in this capital increase, which entailed a debt-for-equity swap, the financial liability was cancelled by the Sole Shareholder in the context of a reorganisation and restructuring process agreed between the different shareholders and the final creditors. Furthermore, because the fair value of the shares issued is significantly lower than the fair value of the cancelled financial liability, the directors have considered it preferable, under the applicable accounting regulations, to recognise the impact of the difference between the carrying amount of the cancelled financial liability and its fair value at the transaction date in the consolidated income statement.

Based on the foregoing, as the fair value of the liabilities settled is less than their carrying amount, the Company recognised a gain of Euros 128,568 thousand in the consolidated income statement for 2014 under gains on settlement of financial liabilities through the issue of equity instruments with a charge to the share premium.

To determine the fair value of the capitalised financial liability the Group has applied a level 3 fair value hierarchy in which the debt repayment capacity has been determined based on the discounted free cash flows obtained from the Group's business plan and taking into account the ranking of the balances owed.

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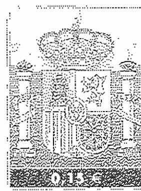

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Moreover, on 20 October 2014 the Company's Sole Shareholder made a monetary contribution of Euros 157,532 thousand. On the same date, the related company Foodco Debt S.à r.l. subscribed a 1.06% capital increase by Tele Pizza, S.A. for an amount of Euros 45,240 thousand through offset of the Group's debt with the Group company (see note 18(a)), and subsequently contributing to the Parent the aforementioned shares that resulted from the share capital increase.

(a) Share Capital

Share capital comprises 360,000 shares of Euros 50 par value each (360,000 shares at 31 December 2014), fully subscribed by Foodco Finance, S.à r.l, with registered office in Luxembourg (see note 1).

On 20 October 2014 the former Sole Shareholder, Telefood S.à r.l., transferred all its shares in Foodco Pastries Spain S.A.U. to Foodco Finance, S.à r.l., which therefore became the Sole Shareholder of the Parent.

Share capital at 31 December 2015 and 2014 is Euros 18,000 thousand.

Like other groups in the sector, the Group controls its capital structure through the leverage ratio. This ratio is calculated as net debt divided by EBITDA (Profit before interest, tax, depreciation and amortisation). Net debt is the sum of financial liabilities less cash and cash equivalents. EBITDA is the sum of the captions of the income statement "Operating profit" plus "depreciation and amortisation". Ratios in 2015 and 2014 are calculated as follows:

	Thousands of Euros	
	2015	2014
Total financial liabilities	389,832	378,992
Less: Cash and cash equivalents	(39,946)	(44,905)
Net debt	349,886	334,087
EBITDA	57,728	39,298
Debt ratio	6.06	8.50

The financing contract entered into by the Group with financial institutions described in note 18 (a) requires the Company to comply with certain covenants.

The Group complies with all these ratios at 31 December 2015 and 2014.

(b) Share premium

At 31 December 2015 and 2014 this premium is freely distributable, provided that its distribution would not reduce the Parent's equity to an amount lower than its share capital.

(Continúa)

(c) Accumulated gains/losses

- Legal reserve

  The Parent is obliged to transfer 10% of each year's profits to a legal reserve until this reserve reaches an amount equal to 20% of share capital. This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available. Under certain conditions it may be used to increase share capital provided that the balance left on the reserve is at least equal to 10% of total share capital after the increase. At 31 December 2015 the Parent has appropriated to this reserve more than the minimum amount required by law. The legal reserve of the Parent amounts to Euros 10,832 thousand at 31 December 2015.

- Other reserves

  Other reserves reflect the expenses incurred in increasing share capital in 2008, 2010, 2011, 2013 and 2014, net of the tax effect, and from the monetary and non-monetary contributions received in 2014 totalling Euros 157,615 thousand.

- Other cumulative gains/(losses)

  These reflect the results of the Group companies and the respective consolidation adjustments.

(d) Translation differences

Translation differences reflect differences generated since the inclusion of the Telepizza subgroup in the Group in September 2006.

(16) Earnings/(Loss) per Share

(a) Basic

Basic earnings/losses per share are calculated by dividing the profit/loss for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year, excluding own shares if applicable.

	2015	2014
Profit/(loss) for the year attributable to equity holders of the Parent (in Euros)	(1,148,968)	90,736,949
Weighted average number of ordinary shares outstanding (in number of securities)	360,000	356,459
Basic earnings/(losses) per share (in Euros)	(3.19)	254.55

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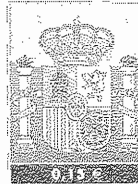

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(b) Diluted

At 31 December 2015 and 2014 diluted earnings/losses per share are the same as basic earnings/losses per share, because ordinary shares have no dilutive effects.

(17) Current and Non-Current Financial Liabilities at Fair Value

Details of derivative financial instruments measured at fair value at 31 December 2015 and 2014 are as follows:

2015		Thousands of Euros	
		Fair values	
		Liabilities	
	Notional amount	Non-current	Current
Derivatives			
Interest rate swaps	(205,000)	215	-
Foreign currency swaps	(1,625)	-	-
Total derivatives at fair value through profit or loss	(206,625)	215	-

2014		Thousands of Euros	
		Fair values	
		Liabilities	
	Notional amount	Non-current	Current
Interest rate derivatives			
Interest rate swaps	(530,000)	(36)	2,230
Total derivatives at fair value through profit or loss	(530,000)	(36)	2,230

In 2014 the Group arranged a new interest rate hedge for Euros 205,000 thousand, which swapped the Euribor rate borne on a loan for a fixed rate of 1.06%. This instrument became effective on 22 December 2014 and expires on 22 December 2017. At 31 December 2015 it has a negative fair value of Euros 215 thousand (positive fair value of Euros 36 thousand at 31 December 2014). The Group also arranged an exchange rate hedge for Euros 1,625 thousand effective as of 15 April 2015 and with an expiry date of 15 April 2016 to hedge part of the Group's transactions in Chilean pesos.

On 14 September 2012 the Group arranged a new interest rate swap with expiry on 22 December 2015 for an initial notional amount of Euros 125,000 thousand. The swap was increased to Euros 325,000 thousand on 23 December 2013 and expired on 31 December 2015. The average interest rate up to 23 December 2013 was 0.32%, increasing thereafter to 0.735% until expiry. At 31 December 2014 it had a positive fair value of Euros 2,216 thousand.

The Group accrued expenses in relation to its derivative financial instruments of Euros 1,964 thousand and Euros 1,697 thousand in 2015 and 2014, respectively.

(Continúa)

(18) Interest-bearing Loans, Borrowings and Bonds

(a) Non-current loans and borrowings

On 12 September 2006 the Group entered into a credit facility (hereinafter Senior Facility), which provided a total of Euros 591 million to subsequently finance the acquisition of Tele Pizza, S.A. shares and convertible bonds. On that date, the Group also arranged a subordinated loan (hereinafter Mezzanine Facility), providing a maximum of Euros 100 million to the Foodco Group to partially finance this acquisition. All loans had a single maturity date, except the Senior Facility, tranche A, which is repayable in instalments.

On 20 October 2014 Foodco Pastries Spain, S.A.U. together with its subsidiary Tele Pizza, S.A. signed an Amendment and Restatement Deed on refinancing the senior debt held by the Group. This refinancing was used to repay the Mezzanine debt, the borrowing costs capitalised to date and a portion of the senior debt. The only outstanding debt of this type was a single tranche amounting to Euros 285,000 thousand and a revolving credit facility for up to Euros 10,000 thousand.

Furthermore, the Sole Shareholder's contribution of Euros 157,532 thousand enabled the Group in 2014 to repay its debt to the banking syndicate. As mentioned above, the portion of the syndicated financing held by the Group with Foodco Debt and the corresponding interest were capitalised through a share capital increase with a premium totalling Euros 45,240 thousand (see note 15).

As a result of this refinancing, the finance costs on the capitalised tranches were canceled. Furthermore, the Group expensed all costs incurred as a result of the refinancing as there was a significant change in the debt.

The finance costs accrued on the syndicated loan amounted to Euros 20,227 thousand and Euros 29,387 thousand in 2015 and 2014, respectively.

Details of payments and the present value of borrowings by maturity are as follows:

	Thousands of Euros			
	2015		2014	
	Principal	Interest	Principal	Interest
Less than one year (note 18 (b))	884	4,101	722	4,095
Two to five years	286,176	-	1,890	-
Over five years	-	-	285,000	-
	287,060	4,101	287,612	4,095

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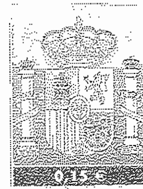

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Details of non-current loans and borrowings at 31 December 2015 and 2014 are as follows:

Type	Final maturity date	Thousands of Euros			Margin as % of Euribor
		Limit	Balance at 31.12.2015	Balance at 31.12.2014	
Senior					
Senior Facility	2020	285,000	285,000	285,000	Euribor + 6%
Revolving	2020	10,000	-	-	Euribor + 5.75%
Finance lease payables (note 8)			1,176	1,890	-
Balance at 31 December			286,176	286,890	

Although the interest rates are as listed above, the Group has contracted various variable-to-fixed interest rate swaps, which are described in note 17. The floating rate is pegged to the Euribor and has a floor of 1%.

The Group has pledged shares in the Parent and the subsidiaries, Tele Pizza, S.A., Telepizza Chile, S.A., Telepizza Portugal, Telepizza Poland Sp. Z o.o and Luxtor, S.A. as collateral for the aforementioned loan. The Parent is also required to comply with certain covenants (see note 15 (a)).

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(b) Current Loans and Borrowings

Details of current loans and borrowings at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Finance lease payables (note 8)	875	667
Accrued interest (note 18 (a))	4,101	4,095
Other debts	9	55
	4,985	4,817

(19) Employee Benefits

Termination benefits

During the year ended 31 December 2014, the directors of the Parent and certain subsidiaries approved termination benefits for various employees which were paid in 2015. Therefore, in 2014 a provision of Euros 1,337 thousand was recognised in this respect.

The total expense recognised in 2015 and 2014 for termination benefits is Euros 443 thousand and Euros 1,894 thousand, respectively (see note 24).

(Continúa)

(20) Contingencies

The Group has contingent liabilities for bank and other guarantees related to its normal business operations amounting to Euros 3,547 thousand at 31 December 2015 (Euros 3,300 thousand at 31 December 2014). The Group does not expect any significant liabilities to arise from these guarantees.

The Group is not involved in any significant claims or litigation of any type except for certain labour disputes associated with the normal course of business.

(21) Government Grants

Movement in non-refundable government grants is as follows:

	Thousands of Euros	
	2015	2014
Grants received	7,369	7,369
Grants taken to income		
In prior years	(6,898)	(6,472)
During the year	(471)	(426)
Balance at 31 December	-	471

As mentioned in note 8, the Group receives government grants to finance acquisitions of property, plant and equipment, including a grant from the Madrid regional government in 2002 to finance improvement of the preparation and commercialisation of dough and other pizza-related products manufactured in the Daganzo factory (Madrid).

The Group estimates that the conditions initially established for the grants will remain unchanged.

(22) Trade and Other Payables

Details are as follows:

	Thousands of Euros	
	2015	2014
Trade payables	35,664	34,813
Public entities	6,249	6,741
Other payables	1,377	42
Salaries payable	4,176	5,279
Current guarantees and deposits received	49	63
	47,515	46,938

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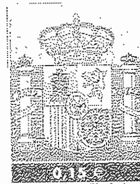

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Trade payables includes balances from reverse factoring arrangements through financial institutions totalling Euros 8,614 thousand at 31 December 2015 (Euros 5,608 thousand at 31 December 2014).

Average Payment Period to Suppliers. "Reporting Requirement", Third Additional Provision of Law 15/2010 of 5 July 2010

Details of average payment period to suppliers by the Spanish consolidated companies are as follows:

	2015
	Days
Average payment period for suppliers	107
Payment period for transactions settled	119
Payment period for outstanding transactions	55
	Thousands of Euros
Total payments made	121,445
Total payments outstanding	30,339

(23) Revenues

Details are as follows:

	Thousands of Euros	
	2015	2014
Own store sales	200,112	202,289
Supply sales	90,560	85,273
Royalties	20,299	17,851
Other revenues	17,928	21,108
	328,899	326,521

Other revenues in 2015 and 2014 mainly includes transfer fee, which are collected when a franchise is opened or when an existing franchise agreement is renewed, income from other services provided to franchisees.

(Continúa)

(24) Personnel Expenses

Details of personnel expenses in 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Salaries and wages	74,321	79,429
Social Security	15,819	16,880
Termination benefits (note 19)	443	1,894
Other employee benefits expenses	502	434
Total personnel expenses	91,085	98,637

The average number of full-time equivalent employees in the Group during 2015 and 2014, distributed by category, is as follows:

	Number	
	2015	2014
Management	37	34
Store managers	419	450
Other personnel	4,765	4,698
	5,221	5,182

At year end the distribution by gender of the Group's personnel and directors is as follows:

	Number			
	2015		2014	
	Male	Female	Male	Female
Board members	9	-	9	-
Management	29	6	27	7
Store managers	210	211	161	204
Other personnel	2,908	1,996	2,186	1,889
	3,156	2,213	2,383	2,100

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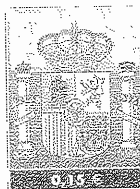

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(25) Other Expenses

Details of other expenses are as follows:

	Thousands of Euros	
	2015	2014
Operating Leases	25,987	27,908
Transport	11,865	9,536
Advertising and publicity	15,531	13,832
Utilities	12,046	12,616
Other expenses	23,388	34,224
	88,817	98,116

The Group leases most of the properties at which it carries out its activity, including stores, factories and offices. Most lease contracts for stores stipulate payment of a fixed rent that is increased annually in line with the consumer price index. The exception are stores located in shopping centres, for which both a fixed and variable rental fee are paid base on the revenues.

The initial lease period of each contract is usually 10 years but generally, with few exceptions, the Group has the option of ending the lease contract early without having to pay any kind of penalty, giving due notice as provided for in the contract. Leases on premises located in shopping centres are subject to a mandatory period of five years during which the Group cannot cancel the contract.

The Group has entered into sublease contracts with many of its franchisees in respect of the premises at which the latter operate the brand. These sublease contracts are arranged for the same period of time as the franchise contract entered into with the franchisee (10 years). This is a mandatory period and the contracts cannot be cancelled early. The rent comprises a fixed amount increased annually in line with the consumer price index.

The Group has no obligations in respect of lease contracts that the franchisees enter into directly with the lessor or in respect of properties owned by franchisees.

(Continúa)

Future minimum payments under operating leases at 31 December 2015 and 2014, considering the payments to be accrued based on the lease period set out in the contracts, irrespective of the fact that most of the store lease contracts can be cancelled subject to a short period of notice, are as follows:

	Thousands of Euros	
	2015	2014
Less than one year	19,307	16,848
One to five years	51,149	47,866
More than 5 years	40,819	46,570
	111,275	111,284

Future minimum payments under non-cancellable operating leases at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Less than one year	12,202	7,613
One to five years	32,614	27,305
More than 5 years	23,010	49,661
	67,826	84,579

(26) Other losses

Details at 31 December 2015 and 2014 are as follows:

	Thousands of Euros	
	2015	2014
Losses on sale of property, plant and equipment	(3,121)	(3,994)
Impairment losses on goodwill (note 9)	(378)	(6,157)
(Impairment losses)/reversals of impairment on property, plant and equipment (note 8)	(536)	1,355
	(4,035)	(8,796)

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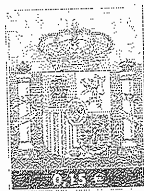

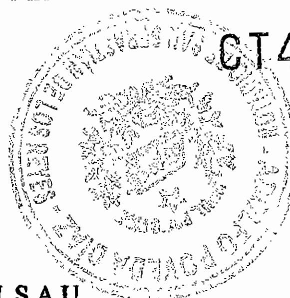

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(27) Income tax

A reconciliation of income tax, resulting from applying the standard tax rate in Spain to the pre-tax loss, with the income tax expense recognised in the consolidated income statement for 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Pre-tax profit from continuing activities	1,678	73,316
Tax losses not recognised as tax credits	7,477	5,817
	9,155	79,133
Expected Parent tax income/expense at the standard tax rate (28%)/(30%)	2,563	23,740
Non-taxable income at the standard tax rate	-	(38,580)
Non-deductible expenses at the standard tax rate		
Interest expense	4,463	9,025
Adjustments for tax credits	(3,576)	-
Deductions applied	(439)	-
(Income)/expense due to different tax rates	(223)	3,135
Adjustment for change in tax rate	-	(14,821)
Income tax expense/(income)	2,788	(17,501)

Non-taxable income comprises income of Euros 128,568 thousand in the consolidated income statement for 2014 under the heading, Settlement of financial liabilities through the issue of equity instruments and reflects the difference between the fair value of liabilities and their carrying amount.

Non-deductible expenses reflect non-deductible interest of the Group companies in Spain.

(Continúa)

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AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

Income tax payable/(recoverable) for 2015 and 2014 is calculated as follows:

	Thousands of Euros	
	2015	2014
Tax expense/(income)	2,788	(17,501)
Deductible temporary differences (note 14)	387	2,458
Taxable temporary differences (note 14)	1,701	2,988
Recognition (offset) of tax credits (note 14)	(439)	-
Reversal of deferred tax liabilities arising on business combinations (note 14)	457	457
Adjustment for change in tax rate	183	14,821
Payments on account	(3,896)	(2,333)
Income tax payable	1,181	890

In accordance with prevailing legislation in each country, losses declared may be carried forward to be offset against profits of the subsequent accounting periods, the amount being distributed as considered appropriate. Losses are offset when the tax declarations are filed, without prejudice to the taxation authorities' power of inspection during the inspection periods established by applicable legislation.

At 31 December 2015 and 2014 the Group has recognised the following deferred tax assets in respect of tax loss carryforwards in Spain:

	Thousands of Euros	
Year	2015	2014
2001	3,103	3,955
2002	717	717
2003	286	286
2004	285	285
2005	88	88
2008	6,036	11,998
2009	7,562	7,562
2010	628	628
2011	14,466	14,466
2012	4,782	4,782
2014	532	756
Total	38,485	45,523

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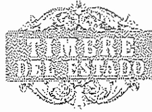

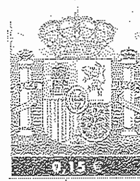

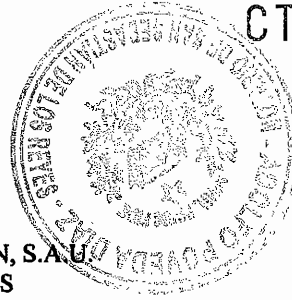

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At 31 December 2015 and 2014 the Group has recognised the following deferred tax assets in respect of tax loss carryforwards of Telepizza Portugal:

Year	Thousands of Euros	
	2015	2014
2012	2,544	2,544
2013	37	37
Total	2,581	2,581

At 31 December 2015 and 2014 the Group has the following unrecognised deferred tax assets in respect of tax loss carryforwards of companies abroad as follow:

Year	Thousands of Euros	
	2015	2014
2009	536	536
2010	588	588
2011	3,743	3,743
2012	1,814	1,814
2013	1,369	1,369
2014	6,376	6,376
2015 (estimated)	5,120	-
Total	19,546	14,426

At 31 December 2015 the Group has not recognised deferred tax assets in respect of non-deductible interest, for which the period of utilisation is indefinite, as follows:

Year	Thousands of Euros	
	2015	2014
2012	52,643	52,643
2013	38,045	38,045
2014	48,939	48,939
2015	15,940	-
	155,567	139,627

(Continúa)

Based on the tax declarations filed by the Group companies during 2015 and in prior years, the Group had the following tax credits pending application:

	Thousands of Euros		Available
	2015	2014	until
Environment	-	25	2029
Double taxation deductions	-	95	-
R&D&i	-	483	2021-2029
	-	603	

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected and agreed by the taxation authorities or before the inspection period of four years has elapsed. At 31 December 2015, the Company has open to inspection by the taxation authorities all the main applicable taxes since 1 January 2012 (except for income tax, which is open to inspection for 2011).

Due to the treatment permitted by fiscal legislation of certain transactions, additional tax liabilities could arise in the event of inspection. In any case, the Parent's directors do not consider that any such liabilities that could arise would have a significant effect on the annual accounts.

(28) Commitments

As stated in notes 8 and 9, at 31 December 2015 and 2014 the Group has no commitments relating to investing activities.

(29) Transactions and Balances with Related Parties

The Parent has obtained a loan from its Sole Shareholder, details of which are as follows:

	Thousands of Euros	
	2015	
	Non-current	Current
Subordinated loan	96,489	2,182

	Thousands of Euros	
	2014	
	Non-current	Current
Subordinated loan	84,825	2,460

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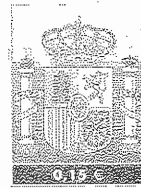

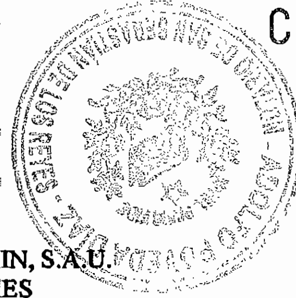

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(i) Participating loan

On 17 July 2006 the Parent obtained a participating loan from its Sole Shareholder for an initial amount of Euros 150,680 thousand, which bears fixed interest at a rate of 16% with a variable tranche based on the Company's profits. The loan was repayable on maturity in 2036.

This loan was reduced on several occasions following successive share capital increases carried out by the Parent in 2008, 2010, 2011 and 2013. On 20 October 2014, through the minutes of the decisions taken, the Sole Shareholder approved the decision to capitalise the entire amount outstanding on this participating loan, together with the accrued interest payable at that date, through a share capital increase for Euros 107,111 thousand, including the share premium (see note 15).

(ii) Subordinated loan

On 17 July 2006 the sole shareholder signed another contract with the Parent to extend a loan of Euros 35,000 thousand to the latter. This loan accrues interest of 12.125% and falls due in 2016. This loan reflected the subordinated loan obtained by the sole shareholder from third parties. On 20 October 2014, through the minutes of the decisions taken, the sole shareholder approved the decision to capitalise this subordinated loan, together with the accrued interest payable at that date, as part of the share capital increase with a share premium for Euros 106,269 thousand (see note 15).

On 20 October 2014 the Company arranged a further subordinated loan with its sole shareholder for an amount of Euros 84,824 thousand, which accrues interest of 14.5% plus a spread of 0.273% and falls due in 2021. This rate of interest will be reduced to 13.5% if any interest payments are made. Interest is settled half-yearly and accrued interest payable is capitalised by increasing the loan principal. At 31 December 2015 and 2014 the accrued interest not capitalised, and therefore payable, on this loan amounts to Euros 2,182 thousand and Euros 2,460 thousand, respectively.

Total interest incurred on the subordinated loan in 2015 amounts to Euros 12,868 thousand.

The Group has not entered into any other contracts with the Sole Shareholder of the Parent.

(Continúa)

(30) Information on the Parent's Directors and Senior Management Personnel

The directors of the Parent, senior management personnel and the board of directors received remuneration from the Group totalling Euros 2,415 thousand in 2015 (Euros 3,797 thousand in 2014). The Company has extended loans to senior management personnel amounting to Euros 1,200 thousand and has not assumed any guarantee obligations on their behalf. The Company has no pension or life insurance obligations with its former or current directors or senior management personnel. Life insurance premiums of Euros 16 thousand were paid in 2015 for senior management and savings plan contributions amount to Euros 132 thousand.

During 2015 and 2014 the Parent's directors have not carried out operations with the Company or Group companies other than ordinary operations under market conditions.

(31) Conflicts of Interest Concerning the Directors

Except for the matter detailed in the following paragraph, the directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

During 2015 the director Mr. Steve Winegar, who represents the company Ebitda Consulting, S.L., has reported a conflict of interest relating to the operations carried out by the Group in Poland, as Ebitda Consulting, S.L. is the shareholder of Amrest Z.o.o., a company whose statutory activity (the restaurant business) is similar or identical to that of the Group, and is on the boards of directors of various subsidiaries of Amrest Z.o.o.

(32) Environmental Information

The Group's operations are subject to legislation governing environmental protection and health and safety in the workplace (environmental protection and safety-in-the-workplace laws). The Group complies substantially with these laws and has established procedures designed to encourage and ensure compliance.

The Group has adopted appropriate measures for protecting and improving the environment and minimising the effect of its activities thereon and complies with prevailing environmental legislation. During the year the Group has considered that no significant contingencies exist concerning the environment and, accordingly, no provision has been made for environmental liabilities and charges.

The Group considers that the environmental risks deriving from its activity are minimal and adequately covered and that no additional liabilities will arise therefrom. The Group has not incurred any expenses, made investments or received significant grants related with these risks during the year ended 31 December 2015 and 2014.

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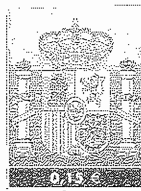

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(33) Audit Fees

KPMG Auditores, S.L., the auditors of the Group's annual accounts, invoiced the Group the following fees and expenses for professional services during the years ended 31 December 2015 and 2014:

	Thousands of Euros	
	2015	2014
Audit services	150	172
Other assurance services	5	5
	155	177

The amounts detailed in the above table include the total fees for services rendered in 2015 and 2014, irrespective of the date of invoice.

Other affiliates of KPMG International have invoiced the Group the following fees and expenses for professional services during the years ended 31 December 2015 and 2014:

	Thousands of Euros	
	2015	2014
Audit services	71	70
Non-Audit services	29	85
	100	155

(34) Subsequent events after 31 December 2015

At the date of authorising these consolidated annual accounts for issue the Parent has launched a process for the public offer for the subscription and sale of Company shares and subsequent listing on the Spanish stock exchanges.

This process will give rise to various expenses for the Company in 2016, which are estimated at approximately Euros 20 million for external advisory, fees payable to underwriting banks, management incentives and other expenses associated with the project.

In addition, the board of directors expects that if the project goes ahead, debt would be refinanced with a view to adjusting financial leverage to the Group new circumstances and existing loans from related parties would be capitalised.

(Continúa)

(35) Risk Management Policy

Financial risk factors

The Group's activities are exposed to various financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Group's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Group's profits. The Group therefore uses derivatives to mitigate certain risks.

Risks are managed by the Group's Finance Department in accordance with policies approved by the board of directors of the Parent. This department identifies, evaluates and mitigates financial risks in close collaboration with the Group's operational units. The board of directors issues global risk management policies in writing, as well as policies for specific issues such as currency risk, interest rate risk, liquidity risk, the use of derivatives and non-derivative instruments, and investments of cash surpluses.

Interest rate risk

Variations in interest rates affect the fair value of assets and liabilities that accrue interest at fixed rates, as well as the future cash flows of assets and liabilities indexed to a variable interest rate. Such variations could have a significant impact on the cost of debt and the return on investments.

The objective of interest rate management is to achieve a balance in the structure of debt that minimises the year-on-year cost of the debt with limited volatility in the income statement. Exhaustive monitoring of trends in benchmark interest rates is essential to ensure that any substantial fluctuations identified are evaluated and that optimum hedging is contracted, where necessary, to minimise the risk, assuring a reasonable interest rate.

The structure of financial risk at 31 December 2015 and 2014 is as follows:

Type of financing	Interest rate	Benchmark	Thousands of Euros	
			2015	2014
Syndicated loan	Floating	Euribor	289,101	289,095
Subordinated loan	Fixed	-	98,671	87,285
Credit facilities	Floating	Euribor	9	55
Finance leases	Floating	DTF	2,051	2,557
Total			389,832	379,532

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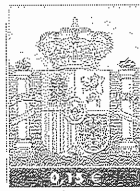
PAPEL EXCLUSIVO PARA DOCUMENTOS NOTARIALES



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The benchmark interest rates for the debt contracted by the Group companies are mainly one-month, three-month and one-year Euribor plus a spread, depending on the conditions established for each of the financial transactions.

The Group manages cash flow interest rate risk through variable to fixed interest rate swaps. These interest rate swaps convert variable interest rates on borrowings to fixed interest rates. The Group generally obtains non-current borrowings with variable interest rates and swaps these for fixed interest rates that are normally lower than if the financing had been obtained directly with fixed interest rates. Through interest rate swaps the Group undertakes to exchange the difference between fixed interest and variable interest with other parties periodically (generally on a quarterly basis). The difference is calculated based on the contracted notional principal amount.

The Group has contracted a fixed interest rate swap facility for a two-year period to cover a portion of the drawdowns from the Senior Facility (see note 17).

At 31 December 2015, had interest rates been 10 basis points higher or lower, with the other variables remaining constant, it would not have affected profit for the year, mainly because borrowing costs on variable interest rate debt not covered by the interest rate swap have a floor of 1% and therefore, 1% was the rate paid for variable interest referenced to Euribor.

Currency risk

As the Group operates internationally, fluctuations in exchange rates for financial or commercial transactions in foreign currencies are another fundamental financial risk to which the Group is exposed.

Currency risk mainly arises from three types of transactions:

- Commercial transactions in foreign currency
- Intragroup payables in foreign currency.
- Net assets deriving from net investments in foreign operations with functional currencies other than the Euro (risk of fluctuation in the exchange rate on translation of the financial statements of these companies in the consolidation process).

There are no significant Group balances or commercial transactions denominated in foreign currencies other than the functional currencies of each country where the Group operates.

During 2015 the Group has arranged an exchange rate derivative instrument to hedge currency risk associated with the transactions in Chilean pesos and considers that possible fluctuations in the exchange rates of the Chilean Peso and the Polish Zloty would not have a significant impact on its consolidated equity.

(Continúa)

At 31 December 2015, had the Euro strengthened/weakened by 10% against the Chilean Peso, the Colombian Peso and the Polish Zloty, with the other variables remaining constant, consolidated post-tax profit would have been Euros 456 thousand higher (Euros 12 thousand higher in 2014), mainly as a result of translating trade receivables, debt instruments classified as available-for-sale financial assets and payables to Group companies that are eliminated on consolidation. Translation differences recognised under other comprehensive income would have increased by Euros 5,981 (Euros 5,184 in 2014), mainly due to translation differences on foreign operations.

Liquidity risk

The Group's liquidity policy consists of contracting credit facilities and maintaining marketable securities for a sufficient amount to cover forecast requirements, making financing available and enabling the Parent to settle market positions relating to non-current investments immediately, thereby ensuring that this financial risk is minimised.

Details of Group exposure to liquidity risk at 31 December 2015 and 2014 are shown below. The tables show the analysis of financial liabilities by remaining contractual maturity dates.

	2015					
	Thousands of Euros					
	Balance at 31.12.2015	Future cash flow maturities	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years
Loans and borrowings, financial institutions						
Principal	287,060	287,060	9	875	286,176	-
Interest	4,101	86,993	5,240	15,607	66,146	-
Loans and borrowings, related parties						
Principal	96,489	96,489	-	-	-	96,489
Interest	2,182	119,059	-	-	-	119,059
Derivatives	215	215	-	-	215	-
Trade and other payables	41,266	41,266	41,266	-	-	-
Total	431,313	631,082	46,515	16,482	352,537	215,548

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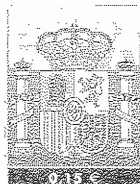

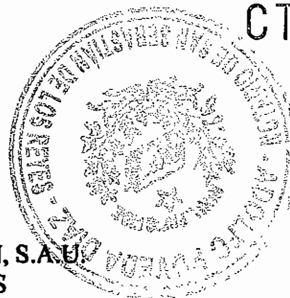

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	2014					
	Thousands of Euros					
	Balance at 31.12.2014	Future cash flow maturities	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years
Loans and borrowings, financial institutions						
Principal	287,612	287,612	180	542	286,890	-
Interest	4,095	107,282	-	15,184	92,098	-
Loans and borrowings, related parties						
Principal	84,825	84,825		-	-	84,825
Interest	2,460	132,206			-	132,206
Derivatives	2,194	2,194	-	2,230	(36)	-
Trade and other payables	40,197	40,197	40,197	-	-	-
Total	421,383	654,316	40,377	17,956	378,952	217,031

Payables to public entities are not included in suppliers and other payables.

Future cash flow maturities include the loan principal plus interest based on contractual interest rates at year end.

This item does not include approved investments not capitalised under property, plant and equipment under construction at the reporting date.

Credit risk

The Group is not exposed to significant credit risk considering the following parameters:

- Credit risk is not significantly concentrated.

- Cash placements and derivative contracts are with highly solvent entities.

- The average collection period for trade receivables is very short, varying between cash collections at retail stores and collections at one month from sale in the case of franchisees and other customers.

- Customers have adequate credit records, which significantly reduces the likelihood of bad debts.

The Group has recognised impairment losses of Euros 7,141 thousand for credit risks associated with financial assets. Euros 914 thousand have been recognised in the consolidated income statement for 2015.

(Continúa)

Appendix I

FOODCO PASTRIES SPAIN, S,A.U. AND SUBSIDIARIES
Details of Shareholdings in Group Companies
31 December 2015 and 2014

(Expressed in thousands of Euros)

	Registered office	Percentage ownership	Capital	Reserves	Profit/(loss)	Total shareholders' equity
Tele Pizza S.A. (1)	Madrid	100%	7,800	333,978	33,116	374,895
Mixor, S.A. (3)	Madrid	100%	3,215	3,783	(12)	6,987
Circol, S.A. (3)	Madrid	100%	1,085	3,233	226	4,544
Grupo Telepizza Chile (2)	Santiago de Chile	100%	3,065	45,245	6,039	54,349
Grupo Telepizza Portugal (2)	Lisbon	100%	1,900	15,498	4,600	22,038
Telepizza Poland Sp, Z o.o. (1)	Warsaw	100%	9,319	(9,435)	(439)	(554)
Telepizza Maroc, S.A. (3) (4)	Casablanca	100%	59	(793)	-	(735)
Burmasa Delivery S.L. (3)	Madrid	100%	355	(24)	-	331
Lubasto Holding, B.V. (3)	Amsterdam	100%	27	-	(32)	(1)
Telepizza Guatemala (3)	Guatemala	100%	1	184	555	739
Luxtor, S.A. (1)	Avila	100%	6,128	12,675	10,258	29,061
Telepizza Ecuador S,A, (3)	Quito	100%	1,548	(556)	(204)	787
Cozicharme, LDA (2)	Lisbon	100%	5	(28,145)	(3,827)	(31,977)
Bazigual, SGPS, LDA (2)	Lisbon	100%	5	(141)	695	559
Inverjenos S.A.S. (1)	Bogotá	100%	1,471	6,935	(6,257)	2,149
Telepizza Shanghai S.A.(3)	Shanghai	100%	100	20	(25)	95
Telepizza Andina (3)	Lima	100%	8,043	(2,627)	(630)	4,786

(1) Audited
(2) The main companies of the subgroup have been audited
(3) Unaudited
(4) Dormant companies

This appendix forms an integral part of note 1 to the consolidated annual accounts for 2015, in conjunction with which it should be read.

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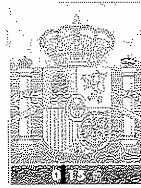

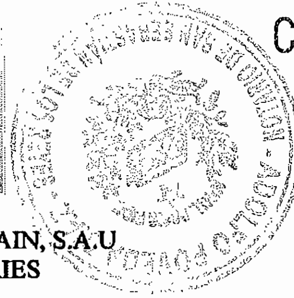

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FOODCO PASTRIES SPAIN, S.A.U
AND SUBSIDIARIES

Consolidated Directors Report

1. The Group's Position and Business Performance

In 2015 the macroeconomic context of our main market, **Spain**, was characterised by the consolidation of the recovery in the main economic indicators.

GDP accelerated its rate of growth in 2015, reaching 3.2%, reinforcing the positive trend that began in 2014, when growth was 1.4%. Household spending is estimated to have risen by 3.1% in 2015, ahead of the 2.3% increase posted in 2014.

The unemployment rate has continued to improve, falling from 23.7% in 2014 to 20.9% in 2015.

These signs of recovery are expected to continue throughout 2016, and all the above indicators are set to improve.

Euribor (the principal benchmark rate for mortgage loans) remained at consistently low levels throughout 2015, declining through the year from 0.33% at the start to 0.06% by the end of 2015.

The **Portuguese** economy began to show signs of a recovery in 2014 after a slowdown of several years during which measures taken to reduce the public deficit eroded consumer confidence and total expenditure. This recovery has been borne out in 2015, as the expected improvements in the main economic indicators have begun to emerge. Portugal's GDP is estimated to have grown by 1.7% in 2015 while household spending is estimated at 2.5%. The unemployment rate saw an improvement, having declined from 14.2% to 12.1% year-on-year. This positive trend is expected to be maintained throughout 2016.

The **Polish** economy registered growth in 2015, with a 3.5% increase in both GDP and household spending. The unemployment rate also improved slightly during the year, decreasing from 9.1% in 2014 to 8.4% in 2015. This trend is expected to continue throughout 2016.

The **Chilean GDP** continued to grow in 2015, rising 2.3% during the year. Similarly, household spending continued to grow, recording an increase of 1.9%. At 2015 year end, the unemployment rate was 6.6%, similar to that for the previous year. Lastly, the macroeconomic scenario is expected to remain at these levels in 2016.

GDP in **Colombia** has continued to rise, and is expected to grow at a 2.9% pace in 2015. Its unemployment rate remains close to 9.0%. Growth of household consumption is estimated at 3.3%. This positive trend is expected to be maintained throughout 2016.

Peru, where the Group began operating in 2011 and has continued to expand its presence ever since, also presents an upward trend of macroeconomic growth. In 2015 the Peruvian GDP rose by 2.9% while household spending increased by 3.5%. The unemployment rate remained stable, ending the year at 6.2%. These indicators are expected to be even slightly better in 2016.

In **Ecuador**, the country where the Group began operations in November 2012 and continued to expand its presence significantly, the macroeconomic situation in 2015 reflects lower growth than in previous years. GDP growth for 2015 is estimated at 1.1%, and household spending increased by 0.8%. Unemployment has stayed at a similar level to 2014, ending 2015 at 5.3%. In 2016 growth is expected to resume the same pace as in prior years.

FOODCO PASTRIES SPAIN, S.A.U.
AND SUBSIDIARIES

Consolidated Directors Report

Activity of the Group

Foodco Pastries Spain, S.A.U. is the Parent of the Foodco Group, which holds a 100% interest in the Telepizza Group.

The Group primarily carries out its activity in the prepared food home delivery sector, mainly pizza delivery, through its main brand "telepizza" and also, to a lesser degree, the "Pizza World" brand.

The activity of its subsidiaries consists of the management and operation of fast-food sales stores and restaurants stores names "telepizza" and "Pizza World" for consumption at home and on the premises. At 31 December 2015, this activity is carried out through owned premises and franchises located mainly in Spain, Portugal, Poland, Chile, Colombia, Peru and Ecuador.

The Group also carries out its activities through master franchises in the United Arab Emirates, Guatemala, El Salvador, Panama, Bolivia, Russia and Angola.

The Group operates 1,311 stores.

Through its factory in Daganzo (Madrid), Tele Pizza, S.A. produces dough and supplies ingredients to all the stores in Spain and Portugal that are directly operated by the Telepizza Group or through its franchises.

Chain sales, which comprise sales made to the public by own stores, franchises and master franchises, amounted to Euros 492 million in 2015 compared with the Euros 451 million achieved in 2014, representing growth of 9.1%. Chain sales are an indicator used in the sector to measure the performance of the business.

The reasons for this growth in sales compared with the prior year are the excellent performance of the international activity, particularly in those countries in which the Group operates under the master franchise regime, and the consolidation of the recovery of growth in Spain.

	Millions of Euros	
	2015	2014
Sales to the public at stores	200	202
Sales to the public at franchises and master franchises	292	249
Chain sales	492	451

Own store sales are those reflected in note 23 to the accompanying consolidated annual accounts.

The sales of the franchisees and master franchisees are obtained from commercial reports. These sales relate directly to the Royalties and advertising income line of the details provided in note 23, which reflects the percentage of sales that the Company bills to the franchisees and master franchisees in respect of Royalties and advertising fees.

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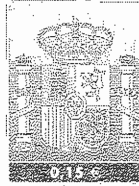

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FOODCO PASTRIES SPAIN, S.A.U.
AND SUBSIDIARIES

Consolidated Directors Report

Activity in the domestic market

The Group carries out its activity through the "telepizza" and "Pizza World" brands, and holds a leading position in the sector. Telepizza is the leader in the pizza home delivery segment in Spain, positioned far ahead of its nearest competitor in terms of both size and sales (*source: TNS*).

The Group's main market is Spain, where sales total Euros 318.5 million, accounting for 64.8% of the chain's sales. Sales in Spain have grown 5.8% in 2015 compared with the previous year, when they amounted to Euros 300.9 million, this helped to fuel the recovery of the Spanish market and supported the upward trend observed throughout 2015.

The chain's sales comprise own store sales (extracted directly from our financial statements) plus the franchise and master franchise sales reported by the franchisees and master franchisees and to which the royalties they pay us are applied.

Activity in Spain in recent years has suffered the effects of the macroeconomic environment and the crisis that commenced in 2008 and undermined household spending and employment. However, the main economic indicators already began to show signs of improvement in 2014, with promising trends in GDP, household spending and unemployment, and 2015 has served to confirm the consolidation of the macroeconomic recovery.

During 2015 Telepizza continued to adapt its activity and product range to the competitive environment to take advantage of the upturn in household spending.

Telepizza has continued to consolidate its reputation as an innovative brand by launching new products and sidelines.

Its commercial policy aimed at strengthening the emotional bond with customers, specifically families, has been maintained, introducing more choices for children.

Telepizza also strengthened its leading position in the online sales segment and continues to develop and improve its digital platforms. This purchase method is now available at virtually all of the brand's stores in Spain.

Another strategy that has continued to have positive effects in 2015 has been to open stores in smaller towns based on a specifically designed outlet model. This new format requires significantly lower levels of investment than the traditional format, thereby adding flexibility to the expansion strategy.

Telepizza's industrial division boasts state-of-the-art technology for manufacturing dough for pizza, which has allowed the Group to make ongoing improvements in productivity and stock management flexibility, guaranteeing a uniform, high-quality product. Within this area, the logistics platform is of particular importance as it supplies Telepizza stores with products, making at least two or three deliveries per week.

This year the emphasis has been on product quality, channelling investment into continuing to make improvements in that area.

Lastly, the success of the brand is based on two key factors: the quality of the product, freshly made and to meet customers tastes, and of the service, which covers most of Spain. The Company has made an effort to raise consumer satisfaction levels in these two areas in 2015.

Activity in the international market

Activity in international markets has seen an overall positive performance and strong growth.

International sales totalled Euros 173.3 million in 2015 (Euros 150 million in 2014), representing 35.2% of the Group's total chain sales. This figure represents growth of 15.5% compared with the prior year.

Telepizza operates directly in Portugal, Poland, Chile, Colombia, Peru and Ecuador. The Group also carries out its activities through master franchises in Central America, the United Arab Emirates, Panama, Bolivia and, since the end of 2014, Russia and Angola.

The strategy in these countries is based on adapting to local preferences and characteristics, as well as exporting improvements and successful strategies implemented in the domestic market.

In 2015 the Group experienced growth in its operations in Russia and Angola through the master franchise format, and expanded its operations in Latin America.

Chain sales are broken down, by geographical area, as follows:

- Rest of Europe: Euros 66.0 million (Euros 60.9 million in 2014), in Portugal and Poland, an increase of 8.3% vs. 2014.

- Latin America: Euros 75.3 million in Chile (Euros 69.3 million in 2014), Colombia, Peru and Ecuador, a gain of 8.6% compared with the previous year.

- Master franchises: Euros 32.1 million (Euros 19.8 million in 2014), a 61.9% rise on 2014, in Guatemala, El Salvador, United Arab Emirates, Panama, Bolivia, Russia and Angola.

Group financial information

Operating income totalled Euros 328.9 million (Euros 326.5 million in 2014), 0.6% higher than in 2014. Growth of operating revenues has been lower than that of the chain's sales due to the transfer of owned stores to franchises.

The gross operating margin was Euros 237.6 million (Euros 236.1 million in 2014), 72.3% of net sales and 0.7% higher than in 2014. The sales margin has remained in line with the previous year despite the Company's increased efforts aimed at improving products, as mentioned previously.

Operating profit amounted to Euros 41.1 million (Euros 21.9 million in 2014), representing a margin of 12.5%, up 87.8% compared to 2014. The costs incurred in the refinancing arranged in 2014 have led to a reduction in the Company's EBIT. Excluding these refinancing costs, EBIT would have grown by 14.2%.

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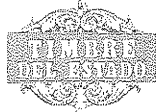

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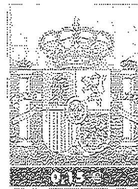

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FOODCO PASTRIES SPAIN, S.A.U.
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The net finance expense totalled Euros (35.4) million (Euros 51.4 million in 2014), mainly for interest on Group bank loans. The Group's finance costs totalled Euros 36,9 million in 2015 (Euros 72.5 million in 2014), whilst finance income amounted to Euros 1,5 million (4.1 million en 2014). Thanks to the aforementioned refinancing, finance costs have been reduced by 47.6% . However, after recognising finance income of Euros 128.6 million to settle financial liabilities in 2014, net finance income has fallen by 158.7% in 2015.

Therefore, as a result of the recognition of the aforementioned finance income in 2014, the Group posted a consolidated loss of Euros (1.1) million in 2015 (Euros 90.7 million in 2014), Euros (91.9) million less than in 2014.

The Company's losses do not stem from its operations but rather from the financing structure.

The Company has a new instrument to hedge interest rates for an amount of Euros 205 million at a fixed rate of 1.06%. This swap became effective on 22 December 2015 and will expire on 22 December 2017.

2. **Outlook**

During 2015 the Company continued to operate in a fiercely competitive environment. The macroeconomic recovery in Europe shows signs of consolidating and the consumer confidence index for the domestic market has improved. The sales policy adopted has to boost sales and, in certain cases, such as in Spain and Portugal, sales have outperformed the market.

Operations in Latin America have benefited from a favourable macroeconomic environment as the Company's expansion helped bolster sales.

In 2014 master franchise agreements were introduced in Russia and Angola, and 2015 has seen them grow.

The measures taken to improve product and service quality, the effort on the sales front, and efficiency gains made both in 2015 and in prior years, have led to a partial offset of the impact of growing competition on sales and operating profit and, more importantly, have put the Company in a position to achieve its targets from 2016 on.

In 2016 the Group aims to continue to expand its activity within the macroeconomic growth scenarios expected for all the countries in which it operates.

SPAIN

The outlook for Spain's economy in 2016 is that it will continue to grow. The current consensus for 2016 indicates GDP growth of 2.6%, a drop in unemployment to 20% and a 2.6% gain in household spending.

With these improvements on the horizon, Telepizza is confident that it will benefit from its position of market leadership, buoyed by the improvements initiated in 2015 and the experience of recent years, when changes were made to its strategy to adapt to market conditions, and from the efficiency

improvements introduced. In addition, new projects in the areas of efficiency and innovation will reinforce its position in the market.

In 2016 Telepizza will continue to apply a sales policy based on adapting its product range to the circumstances, increasing coverage in the domestic market and making the most of tried and tested tools such as online sales, providing greater support for mobile devices, and launching new products.

INTERNATIONAL

In 2016, Telepizza will continue to work to strengthen its position in the international markets in which it operates, calling on its experience of managing these markets and developing the master franchise formula in new markets.

All these activities will be carried out following the basic principle of profitability.

The master franchise will continue to provide a channel for opening operations in new territories.

3. R&D&i

The Company works constantly to create, develop and improve all its products, taking consumer preferences into consideration at all times and working with optimum ingredients that enable us to provide balanced products in terms of taste and nutritional composition. Quality is a key factor in this process and rigorous control measures are followed when approving new suppliers, thereby guaranteeing maximum product and service quality to stores.

Acceptance tests are another decisive factor in research, development and innovation work. These tests are carried out with market research companies and aim mainly to gauge customer opinion and ensure product acceptance. They also incorporate the opinions and experience of personnel from other departments in the Company, such as operations and marketing. The entire testing process is based on suggestions regarding product preparation and the names, ingredients and presentation of different products.

In 2015 Telepizza launched three new types of pizza in Spain, in addition to new products that offer consumers other options.

The common aim of these product launches was to reinforce the idea of variety, offering something new to consumers, as well as to provide a qualitative improvement in the range of products.

The international area benefits from research, development and innovation work performed in Spain, and also receives support in the local development and testing of products.

4. Risk Management Policy

The main risks to which the Group is exposed are derived from the level of consumer spending and the situation of the restaurant market in each country where we operate.

The Group's activities are exposed to various **financial risks**: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Group's global risk management programme focuses on uncertainty in the financial markets and

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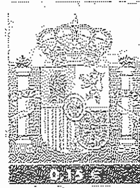

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aims to minimise potential adverse effects on the Group's profits. The Group therefore uses derivatives to mitigate certain risks.

Variations in **interest rates** affect the fair value of assets and liabilities that accrue interest at fixed rates, as well as the future cash flows of assets and liabilities indexed to a variable interest rate. Such variations could have a significant impact on the cost of debt and the return on investments.

The Group carries out exhaustive monitoring of trends in benchmark interest rates in order to ensure that any substantial fluctuations identified are evaluated and that optimum hedging is contracted, where necessary, to minimise the risk, assuring a reasonable interest rate.

The Group has contracted a fixed interest rate swap facility for a two-year period for the Senior Facility.

As the Foodco Group operates internationally, fluctuations in **exchange rates** for financial or commercial transactions in foreign currencies are another fundamental financial risk to which the Group is exposed.

The Group has contracted a foreign currency derivative to hedge a portion of its operations carried out in Chilean Pesos and does not consider that possible fluctuations in the exchange rates of the Chilean Peso and the Polish Zloty could have a significant impact on its consolidated equity.

Liquidity risk

The Group's liquidity policy consists of contracting credit facilities and maintaining marketable securities for a sufficient amount to cover forecast requirements, making financing available and enabling the Company to settle market positions relating to non-current investments immediately, ensuring that this financial risk is minimised.

Credit risk

The Group is not exposed to significant credit risk because: this risk is not highly concentrated, both cash placements and derivative contracts are with highly solvent entities, the average collection period for trade receivables is very short and customers have adequate credit records, which significantly reduces the possibility of bad debts.

5. Own shares

At 31 December 2015 no Foodco Pastries Spain, S.A.U. shares or rights over shares were held by any Foodco Group company and, consequently, the Group has no voting or profit-sharing rights relating to own shares.

6. Average payment period for suppliers

In 2015 the average payment period for suppliers is 107 days.

7. Significant events after 31 December 2015

FOODCO PASTRIES SPAIN, S.A.U.
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At the date of authorising these consolidated annual accounts for issue the Parent has launched a public offer for the subscription and sale of Company shares and subsequent listing on the Spanish stock exchanges.

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SIGNATURE PAGE

The Board of Directors of the Company Foodco Pastries Spain, S.A. in the meeting held on 10 March 2016 and in compliance with the requirements set out in article 253.2 of the Spanish Companies Act and in article 37 of the Code of Commerce, draw up the consolidated annual accounts and the management report of Foodco Pastries Spain, S.A. and the companies within its group corresponding to fiscal year beginning on 1 January 2015 and ending on 31 December 2015. The annual accounts are formed by the annexed documents preceding to this page.

For the purposes of complying with the provisions of article 253.2 of the Spanish Companies Act, Mr. Carlos Mallo Álvarez signs this document:

Mr Carlos Mallo Alvarez
Chairman and Director

I, Mr Alejandro Ortiz Vaamonde, in my condition of Vice-secretary of the Board of Directors, hereby certify that the signature which is above the name is authentic and corresponds to a member of the Board of Directors of the Company, and to the Signature page which is formed by 8 pages.

SIGNATURE PAGE

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For the purposes of complying with the provisions of article 253.2 of the Spanish Companies Act, Mr. Telmo Ribeiro Valido signs this document:

Mr Telmo Ribeiro Valido
Director - Secretary

I, Mr Alejandro Ortiz Vaamonde, in my condition of Vice-secretary of the Board of Directors, hereby certify that the signature which is above the name is authentic and corresponds to a member of the Board of Directors of the Company, and to the Signature page which is formed by 8 pages.

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SIGNATURE PAGE

The Board of Directors of the Company Foodco Pastries Spain, S.A. in the meeting held on 10 March 2016 and in compliance with the requirements set out in article 253.2 of the Spanish Companies Act and in article 37 of the Code of Commerce, draw up the consolidated annual accounts and the management report of Foodco Pastries Spain, S.A. and the companies within its group corresponding to fiscal year beginning on 1 January 2015 and ending on 31 December 2015. The annual accounts are formed by the annexed documents preceding to this page.

For the purposes of complying with the provisions of article 253.2 of the Spanish Companies Act, Mr. Pedro Ballvé Lantero signs this document:

Mr Pedro Ballvé Lantero
Director

I, Mr Alejandro Ortiz Vaamonde, in my condition of Vice-secretary of the Board of Directors, hereby certify that the signature which is above the name is authentic and corresponds to a member of the Board of Directors of the Company, and to the Signature page which is formed by 8 pages.

SIGNATURE PAGE

The Board of Directors of the Company Foodco Pastries Spain, S.A. in the meeting held on 10 March 2016 and in compliance with the requirements set out in article 253.2 of the Spanish Companies Act and in article 37 of the Code of Commerce, draw up the consolidated annual accounts and the management report of Foodco Pastries Spain, S.A. and the companies within its group corresponding to fiscal year beginning on 1 January 2015 and ending on 31 December 2015. The annual accounts are formed by the annexed documents preceding to this page.

For the purposes of complying with the provisions of article 253.2 of the Spanish Companies Act, Mr. Andrés Federico Rebuelta Melgarejo signs this document:

Mr Andrés Federico Rebuelta Melgarejo
Director

I, Mr Alejandro Ortiz Vaamonde, in my condition of Vice-secretary of the Board of Directors, hereby certify that the signature which is above the name is authentic and corresponds to a member of the Board of Directors of the Company, and to the Signature page which is formed by 8 pages.

PAPEL EXCLUSIVO PARA DOCUMENTOS NOTARIALES

CT4295103

10/2015

SIGNATURE PAGE

The Board of Directors of the Company Foodco Pastries Spain, S.A. in the meeting held on 10 March 2016 and in compliance with the requirements set out in article 253.2 of the Spanish Companies Act and in article 37 of the Code of Commerce, draw up the consolidated annual accounts and the management report of Foodco Pastries Spain, S.A. and the companies within its group corresponding to fiscal year beginning on 1 January 2015 and ending on 31 December 2015. The annual accounts are formed by the annexed documents preceding to this page.

For the purposes of complying with the provisions of article 253.2 of the Spanish Companies Act, Mr. Mark Alistair Porterfield Brown signs this document:

Mr Mark Alistair Porterfield Brown
Director

I, Mr Alejandro Ortiz Vaamonde, in my condition of Vice-secretary of the Board of Directors, hereby certify that the signature which is above the name is authentic and corresponds to a member of the Board of Directors of the Company, and to the Signature page which is formed by 8 pages.

SIGNATURE PAGE

The Board of Directors of the Company Foodco Pastries Spain, S.A. in the meeting held on 10 March 2016 and in compliance with the requirements set out in article 253.2 of the Spanish Companies Act and in article 37 of the Code of Commerce, draw up the consolidated annual accounts and the management report of Foodco Pastries Spain, S.A. and the companies within its group corresponding to fiscal year beginning on 1 January 2015 and ending on 31 December 2015. The annual accounts are formed by the annexed documents preceding to this page.

For the purposes of complying with the provisions of article 253.2 of the Spanish Companies Act, Mr. Alejo Vidal-Quadras de Caralt signs this document:

Mr Alejo Vidal-Quadras de Caralt
Director

I, Mr Alejandro Ortiz Vaamonde, in my condition of Vice-secretary of the Board of Directors, hereby certify that the signature which is above the name is authentic and corresponds to a member of the Board of Directors of the Company, and to the Signature page which is formed by 8 pages.

PAPEL EXCLUSIVO PARA DOCUMENTOS NOTARIALES

CT4295102

10/2015

SIGNATURE PAGE

The Board of Directors of the Company Foodco Pastries Spain, S.A. in the meeting held on 10 March 2016 and in compliance with the requirements set out in article 253.2 of the Spanish Companies Act and in article 37 of the Code of Commerce, draw up the consolidated annual accounts and the management report of Foodco Pastries Spain, S.A. and the companies within its group corresponding to fiscal year beginning on 1 January 2015 and ending on 31 December 2015. The annual accounts are formed by the annexed documents preceding to this page.

For the purposes of complying with the provisions of article 253.2 of the Spanish Companies Act, Mr. Luis Bach Terricabras signs this document:

Mr Luis Bach Terricabras
Director

I, Mr Alejandro Ortiz Vaamonde, in my condition of Vice-secretary of the Board of Directors, hereby certify that the signature which is above the name is authentic and corresponds to a member of the Board of Directors of the Company, and to the Signature page which is formed by 8 pages.

SIGNATURE PAGE

The Board of Directors of the Company Foodco Pastries Spain, S.A. in the meeting held on 10 March 2016 and in compliance with the requirements set out in article 253.2 of the Spanish Companies Act and in article 37 of the Code of Commerce, draw up the consolidated annual accounts and the management report of Foodco Pastries Spain, S.A. and the companies within its group corresponding to fiscal year beginning on 1 January 2015 and ending on 31 December 2015. The annual accounts are formed by the annexed documents preceding to this page.

For the purposes of complying with the provisions of article 253.2 of the Spanish Companies Act, Mr. Javier Gaspar Pardo de Andrade signs this document:

Mr Javier Gaspar Pardo de Andrade
Director

I, Mr Alejandro Ortiz Vaamonde, in my condition of Vice-secretary of the Board of Directors, hereby certify that the signature which is above the name is authentic and corresponds to a member of the Board of Directors of the Company, and to the Signature page which is formed by 8 pages.

TESTIMONIO NOTARIAL POR EXHIBICIÓN DE DOCUMENTO.

YO, **ADOLFO POVEDA DIAZ**, notario del Ilustre Colegio de Madrid, con residencia en San Sebastián de los Reyes, DOY FE Y TESTIMONIO: **DOY FE Y TESTIMONIO:** Que la presente fotocopia y las precedentes, redactadas en ingles idioma que entiendo suficientemente a tales efectos y cuyo original consta de noventa y siete hojas utilizadas únicamente por su anverso y que ahora fotocopio a doble cara, quedando el contenido en cuarenta y ocho folios de papel timbrado del Colegio Notarial serie CT número /4295149/ y los cuarenta y siete siguientes en orden descendente, son fiel reproducción de "las Cuentas Anuales Consolidadas 31 de diciembre de 2015 e Informe de Gestión Consolidado ejercicio 2015 de la sociedad Foodco Pastries Spain, S.L." que me ha sido exhibido y devuelvo. A los efectos oportunos yo, el notario, hago constar que la presente intervención no supone legitimación de firma alguna del documento a mi exhibido. En San Sebastián de los Reyes, a veintitrés de marzo de dos mil dieciséis.

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