

ANNEX I

GENERAL

1st

HALF-YEARLY FINANCIAL REPORT

2017-2018

END OF THE REPORTING PERIOD

31/03/2018

I. IDENTIFICATION DETAILS

Corporate name: COMPAÑIA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.

Registered office: CALLE TRIGO 39, Polígono Industrial Polvoranca
Leganés (Madrid)

Tax ID number (CIF):

A87008579

II. INFORMATION IN ADDITION TO PERIODIC INFORMATION ALREADY PUBLISHED

Explanation of the main modifications with respect to periodic information already published
(to be completed only for the scenarios stipulated in section B) of the instructions)

ANNEX I "half yearly financial report" originally issued in Spanish.
In the event of a discrepancy, the Spanish-language version prevails.

III. STATEMENT(S) BY THE PARTIES RESPONSIBLE FOR THE INFORMATION

To the best of our knowledge, the interim condensed financial statement presented herein, drawn up on the basis of the accounting principles applicable, provide a true and fair view of the equity, financial position and results of the issuer, or of its consolidated companies considered as a whole, and the interim management report contains a true and fair analysis of the information required.

Observations in relation to the previous statement(s):

Person(s) responsible for this information:

Name/Corporate name	Position
Gregorio Marañón y Bertrán de Lis	Chairman
Luis Egido Gálvez	Chief Executive
Stéphane Lissner	Director
Cristina Garmendia Mendizábal	Director
Eduardo Zaplana Hernández-Soro	Director
John Matthew Downing	Director
Richard Guy Hathaway	Director
Rafael de Juan López	Director and Secretary of the Board
Richard Charles Hill	Director
Amal Pramanik	Director

Date of signature of this half-yearly financial report by the management body concerned: 24/04/2018

IV. SELECT FINANCIAL INFORMATION			
1. SEPARATE BALANCE SHEET (AS PER NATIONAL ACCOUNTING PLAN)			
Units: thousand of euros			
ASSETS		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 30/09/2017
A) NON-CURRENT ASSETS	0040	972.589	974.054
1. Intangible assets:	0030		
a) Goodwill	0031		
b) Other intangible assets	0032		
2. Property, plant and equipment	0033		
3. Investment property	0034		
4. Non-current investments in group companies and associates	0035	972.589	974.054
5. Non-current investments	0036		
6. Deferred tax assets	0037		
7. Other non-current assets	0038		
B) CURRENT ASSETS	0085	47.200	54.399
1. Non-current assets held for sale	0050		
2. Inventories	0055		
3. Trade and other receivables:	0060	47.180	23.409
a) Sales and services rendered	0061		
b) Other receivables	0062		
c) Current tax assets	0063	47.180	23.409
4. Current investments in group companies and associates	0064		30.979
5. Current investments	0070		
6. Prepayments for current assets	0071		
7. Cash and cash equivalents	0072	20	11
TOTAL ASSETS (A+B)	0100	1.019.789	1.028.453
EQUITY AND LIABILITIES		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 30/09/2017
A) EQUITY (A.1 + A.2 + A.3)	0195	959.121	1.012.744
A.1) SHAREHOLDERS' EQUITY	0180	959.121	1.012.744
1. Capital:	0171	26.550	26.550
a) Registered capital	0161	26.550	26.550
b) <i>Less: Uncalled capital</i>	0162		
2. Share premium	0172	867.808	867.808
3. Reserves	0173	20.330	11.293
4. <i>Less: Own shares and equity holdings</i>	0174	(8.348)	(7.716)
5. Prior periods' profit and loss	0178		
6. Other equity holder contributions	0179	3.952	5.415
7. Profit/(loss) for the period	0175	48.831	149.102
8. <i>Less: Interim dividend</i>	0176		(39.708)
9. Other equity instruments	0177		
A.2) VALUATION ADJUSTMENTS	0188		
1. Available-for-sale financial assets	0181		
2. Hedging transactions	0182		
3. Others	0183		
A.3) GRANTS, DONATIONS AND BEQUESTS RECEIVED	0194		
B) NON-CURRENT LIABILITIES	0120	4.460	13.560
1. Non-current provisions	0115		
2. Non-current payables:	0116		
a) Debt with financial institutions and bonds and other marketable securities:	0131		
b) Other financial liabilities	0132		
3. Non-current payables to group companies and associates	0117		
4. Deferred tax liabilities	0118	4.460	13.560
5. Other non-current liabilities	0135		
6. Non-current accruals	0119		
C) CURRENT LIABILITIES	0130	56.208	2.149
1. Liabilities associated with non-current assets held for sale	0121		
2. Current provisions	0122		
3. Current payables:	0123	48.096	-
a) Debt with financial institutions and bonds and other marketable securities:	0133		
b) Other financial liabilities	0134	48.096	
4. Current payables to group companies and associates	0129		
5. Trade and other payables:	0124	8.112	2.148
a) Suppliers	0125		
b) Other payables	0126	8.112	2.148
c) Current tax liabilities	0127		
6. Other current liabilities	0136		1
7. Current accruals	0128		
TOTAL EQUITY AND LIABILITIES (A + B + C)	0200	1.019.789	1.028.453

IV. SELECT FINANCIAL INFORMATION									
2. PROFIT & LOSS STATEMENT INDIVIDUAL (SETTLED UNDER NATIONAL ACCOUNTING PLAN)									
Units: thousand of euros									
		CURRENT PERIOD (2H)		PREVIOUS PERIOD (2H)		CURRENT ACUUMULATION ACTUAL 31/03/2018		PREVIOUS ACCUMULATION 31/03/2017	
		Amount	%	Amount	%	Amount	%	Amount	%
(+) Revenue	0205					40.268	100,00	3.983	100,00
(+/-) Changes in inventories of finished goods and work in progress	0206								
(+) Work carried out by the company on assets	0207								
(-) Supplies	0208								
(+) Other operating income	0209								
(-) Personnel expenses	0217					(485)	(1,20)	(456)	(11,45)
(-) Other operating expenses	0210					(380)	(0,94)	(451)	(11,33)
(-) Amortisation and depreciation	0211								
(+) Non-financial and other capital grants	0212								
(+) Reversal of excess provisions	0213								
(+/-) Impairment and gains/(losses) on disposal of assets	0214								
(+/-) Other gains/(losses)	0215					(1)	(0,00)	(3)	(0,06)
= OPERATING PROFIT/(LOSS)	0245					39.401	97,85	3.073	77,16
(+) Finance income	0250					151	0,37	126	3,17
(-) Finance costs	0251								-
(+/-) Change of fair value in financial instruments	0252								
(+/-) Exchange gains/(losses)	0254								
(+/-) Impairment and gains/(losses) on disposal of financial assets	0255								
= FINANCIAL PROFIT/(LOSS)	0256					151	0,37	126	3,17
= PROFIT/(LOSS) BEFORE TAX	0265					39.552	98,22	3.199	80,33
(+/-) Income tax	0270					9.279	23,04	195	4,90
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	0280					48.831	121,27	3.394	85,23
Profit/(loss) after tax for the period from (+/-) discontinued operations	0285								
= EARNINGS FOR THE YEAR	0300					48.831	121,27	3.394	85,23
EARNINGS PER SHARE									
Basic	0290		Amount (X,XX euros)		Amount (X,XX euros)		Amount (X,XX euros)		Amount (X,XX euros)
Diluted	0295						0,38		0,03
							0,38		0,03

Figures in the first semester financial statement are equal to the accumulated ones, so it is not needed to be filled

IV. SELECT FINANCIAL INFORMATION

3. SEPARATE STATEMENT OF CHANGES IN EQUITY (SEPARATE STATEMENT OF RECOGNISED INCOME AND EXPENSES AS PER SPANISH GAPP)

Units: thousand of euros

		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 31/03/2017
A) PROFIT/(LOSS) FOR THE PERIOD	0305	48.831	3.394
B) INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY:	0310		
1. Measurement of financial instruments:	0320		
a) Available-for-sale financial assets	0321		
b) Other income/(expense)	0323		
2. Cash flow hedges	0330		
3. Grants, donations and bequests received	0340		
4. Actuarial gains and losses and other adjustments	0344		
5. Other income and expense recognised directly in equity	0343		
6. Tax effect	0345		
C) AMOUNTS TRANSFERRED TO INCOME STATEMENT:	0350		
1. Measurement of financial instruments:	0355		
a) Available-for-sale financial assets	0356		
b) Other income/(expense)	0358		
2. Cash flow hedges	0360		
3. Grants, donations and bequests received	0366		
4. Other income and expense recognised directly in equity	0365		
5. Tax effect	0370		
TOTAL RECOGNISED INCOME/(EXPENSE) (A + B + C)	0400	48.831	3.394

IV. SELECT FINANCIAL INFORMATION
4. SEPARATE STATEMENT OF CHANGES IN EQUITY (1/2) STATEMENT OF TOTAL CHANGES IN EQUITY AS PER SPANISH GAAP ACCOUNTING PLAN

Units: thousand of euros

ACTUAL PERIOD		Shareholders' equity					Valuation adjustments	Grants, donations and bequests received	Total equity
		Capital	Share premium and reserves (1)	Own shares	Profit/(loss) for the period	Other equity instruments			
Initial balance at 01/10/2017	3010	26.550	844.808	(7.716)	149.102			1.012.745	
Adjustments for changes in accounting criteria	3011								
Adjustments for errors	3012								
Adjusted initial balance	3015	26.550	844.808	(7.716)	149.102			1.012.745	
I. Total recognised income and expense	3020				48.831			48.831	
II. Transactions with equity holders or owners	3025		39.708	(632)	(138.958)			(99.883)	
1. Capital increases/(reductions)	3026								
2. Conversion of financial liabilities into equity	3027								
3. Distribution of dividends	3028		39.708		(138.958)			(99.250)	
4. Transactions with own shares and equity holdings (net)	3029			(632)				(632)	
5. Increase (decrease) in equity resulting from a business combination	3030								
6. Other transactions with equity holders or owners	3032								
III. Other changes in equity	3035		7.574		(10.144)			(2.571)	
1. Share-based payments	3036								
2. Transfers between equity items	3037		10.144		(10.144)				
3. Other changes	3038		(2.571)	(0)				(2.571)	
Closing balance at 31/03/2018	3040	26.550	892.089	(8.348)	48.831			959.121	

(1) Share premium and reserves column englobes the next epigrafs from Shareholders' equity: 2. Share premium, 3. Reserves, 5. Profit/loss form previous periods, 6. Other equity holder contributions and 8. Minus: Interim divide

IV. SELECT FINANCIAL INFORMATION
4. SEPARATE STATEMENT OF CHANGES IN EQUITY (2/2) STATEMENT OF TOTAL CHANGES IN EQUITY AS PER SPANISH GAAP ACCOUNTING PLAN

Units: thousand of euros

PREVIOUS PERIOD		Shareholders' equity					Valuation adjustments	Grants, donations and bequests received	Total equity
		Capital	Share premium and reserves (1)	Own shares	Profit/(loss) for the period	Other equity instruments			
Initial balance at 01/10/2016 (comparison period)	3050	26.550	845.519	(5.032)	122.807			989.843	
Adjustments for changes in accounting criteria	3051								
Adjustments for errors	3052								
Adjusted initial balance (comparison period)	3055	26.550	845.519	(5.032)	122.807			989.843	
I. Total recognised income and expense	3060				3.394			3.394	
II. Transactions with equity holders or owners	3065		33.119	(3.160)	(119.136)			(89.177)	
1. Capital increases/(reductions)	3066								
2. Conversion of financial liabilities into equity	3067								
3. Distribution of dividends	3068		33.119		(119.136)			(86.017)	
4. Transactions with own shares and equity holdings (net)	3069			(3.160)				(3.160)	
5. Increase (decrease) in equity resulting from a business combination	3070								
6. Other transactions with equity holders or owners	3072								
III. Other changes in equity	3075		4.910		(3.671)			1.239	
1. Share-based payments	3076								
2. Transfers between equity items	3077		3.671		(3.671)				
3. Other changes	3078		1.239					1.239	
Closing balance at 31/03/2017 (comparison period)	3080	26.550	883.547	(8.192)	3.394			905.300	

(1) Share premium and reserves column englobes the next epigrafes from Shareholders' equity: 2. Share premium, 3. Reserves, 5. Profit/loss form previous periods, 6. Other equity holder contributions and 8. Minus: Interim divide;

IV. SELECT FINANCIAL INFORMATION

5. SEPARATE STATEMENT OF CASH FLOWS (AS PER NATIONAL ACCOUNTING PLAN)

Units: thousand of euros

		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 31/03/2017
A) CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)	0435	28.643	6.477
1. Profit/(loss) before tax	0405	39.552	3.199
2. Adjustments for:	0410	(40.419)	(4.109)
(+) Amortisation and depreciation	0411		
(+/-) Other adjustments (net)	0412	(40.419)	(4.109)
3. Changes in operating assets and liabilities	0415	7.590	3.277
4. Other cash flows from operating activities:	0420	21.920	4.109
(-) Interest paid	0421		
(+) Dividends received	0422	40.268	3.983
(+) Interest received	0423	151	126
(+/-) Income tax received (paid)	0430	(18.499)	
(+/-) Other amounts paid (received)	0425		
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)	0460	0	0
1. Payments for investments	0440		
(-) Group companies, associates and business units	0441		
(-) Property, plant and equipment, intangible assets and investments	0442		
(-) Other financial assets	0443		
(-) Other assets	0444		
2. Proceeds from sale of investments:	0450	0	0
(+) Group companies, associates and business units	0451		
(+) Property, plant and equipment, intangible assets and investments	0452		
(+) Other financial assets	0453		
(+) Other assets	0454		
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3)	0490	(28.634)	(6.470)
1. Proceeds from and payments for equity instruments:	0470	(3.366)	(3.160)
(+) Issue of equity instruments	0471		
(-) Redemption of own equity instruments	0472		
(-) Acquisition of own equity instruments	0473	(3.366)	(3.160)
(+) Disposal of own equity instruments	0474		
(+) Grants, donations and bequests received	0475		
2. Proceeds from and payments for financial liability instruments:	0480	73.982	82.707
(+) Issues	0481	73.982	82.707
(-) Redemption and repayment	0482		
3. Dividends and interest on other equity instruments paid	0485	(99.250)	(86.017)
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS	0492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	0495	9	6
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	0499	11	13
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E + F)	0500	20	19

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 31/03/2017
(+) Cash in hand and at banks	0550	20	19
(+) Other financial assets	0552		
(-) Less: Bank overdrafts repayable on sight	0553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	0600	20	19

IV. SELECT FINANCIAL INFORMATION

6. CONSOLIDATED BALANCE SHEET (IFRS ADOPTED)

Units: thousand of euros

ASSETS		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 30/09/2017
A) NON-CURRENT ASSETS	1040	1.680.615	1.705.568
1. Intangible assets:	1030	1.449.045	1.473.525
a) Goodwill	1031	920.800	925.679
b) Other intangible assets	1032	528.245	547.846
2. Property, plant and equipment	1033	187.640	187.620
3. Investment property	1034	18.137	18.374
4. Investments accounting for using equity method	1035	2.367	1.584
5. Non-current financial assets	1036	4.402	4.521
6. Deferred tax assets	1037	19.024	19.944
7. Other non-current assets	1038		
B) CURRENT ASSETS	1085	5.244.635	4.837.180
1. Non-current assets held for sale	1050	13	13
2. Inventories	1055	1.121.468	1.122.622
3. Trade and other receivables:	1060	1.893.529	1.784.097
a) Trade receivables	1061	1.751.159	1.630.371
b) Other receivables	1062	88.917	122.995
c) Current tax assets	1063	53.453	30.730
4. Other current financial assets	1070	1.964.837	1.821.726
5. Other current assets	1075	14.476	6.914
6. Cash and cash equivalents	1072	250.313	101.808
TOTAL ASSETS (A+B)	1100	6.925.251	6.542.748

EQUITY AND LIABILITIES		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 30/09/2017
A) EQUITY (A.1 + A.2 + A.3)	1195	471.059	502.433
A-1) SHAREHOLDERS' EQUITY	1180	469.153	500.476
1. Capital	1171	26.550	26.550
a) Issued capital	1161	26.550	26.550
b) <i>Less: Uncalled capital</i>	1162		
2. Share premium	1172	867.808	867.808
3. Reserves	1173	(487.984)	(500.319)
4. <i>Less: Own shares</i>	1174	(8.348)	(7.716)
5. Prior periods' profit and loss	1178		
6. Other equity holder contributions	1179		
7. Profit (loss) for year attributable to the parent	1175	71.128	153.862
8. <i>Less: Interim dividend</i>	1176		(39.708)
9. Other equity instruments	1177		
A.2) OTHER ACUMULATED COMPREHENSIVE INCOME	1188	76	90
1. Amounts not reclassified to profit or loss	1186		
2. Amounts transferred subsequently to profit or loss:	1187	76	90
a) Available-for-sale financial assets	1181		
b) Hedging transactions	1182		
c) Translation difference	1184	76	90
d) Other	1183		
EQUITY ATTRIBUTABLE TO THE PARENT (A.1 + A.2)	1189	469.230	500.567
A.3) NON-CONTROLLING INTERESTS	1193	1.829	1.866
B) NON-CURRENT LIABILITIES	1120	324.973	340.534
1. Government grants	1117		
2. Non-current provisions	1115	34.895	36.686
3. Non-current financial liabilities:	1116	4.432	4.880
a) Bank borrowings and bonds or other marketable securities	1131		
b) Other financial liabilities	1132	4.432	4.880
4. Deferred tax liabilities	1118	285.646	298.968
5. Other non-current liabilities	1135		
C) CURRENT LIABILITIES	1130	6.129.219	5.699.781
1. Liabilities associated with non-current assets held for sale	1121		
2. Current provisions	1122	12.245	13.728
3. Current financial liabilities:	1123	34.467	34.371
a) Bank borrowings and bonds and other marketable securities	1133		
b) Other financial liabilities	1134	34.467	34.371
4. Trade and other payables:	1124	6.025.119	5.588.111
a) Trade payables	1125	992.022	1.027.035
b) Other payables	1126	5.004.531	4.558.730
c) Current tax liabilities	1127	28.566	2.346
5. Other current liabilities	1136	57.388	63.571
TOTAL EQUITY AND LIABILITIES (A + B + C)	1200	6.925.251	6.542.748

IV. SELECT FINANCIAL INFORMATION									
7. CONSOLIDATED INCOME STATEMENT (IFRS ADOPTED)									
Units: thousand of euros									
		CURRENT PERIOD (2H)		PREVIOUS PERIOD (2H)		CURRENT ACCUMULATION 31/03/2018		PREVIOUS ACCUMULATION 31/03/2017	
		Amount	%	Amount	%	Amount	%	Amount	%
(+) Revenue	1205					4.465.462	100,00	4.526.421	100,00
(+/-) Changes in inventories of finished goods and work in progress	1206					45.383	1,02	3.452	0,08
(+) Work carried out by the company on assets	1207					989	0,02	561	0,01
(-) Raw materials and consumables used	1208					(3.966.584)	(88,83)	(4.018.523)	(88,78)
(+) Other operating income	1209					-	-	0	-
(-) Personnel expenses	1217					(138.645)	(3,10)	(145.056)	(3,20)
(-) Other operating expenses	1210					(277.321)	(6,21)	(254.937)	(5,63)
(-) Amortisation and depreciation	1211					(43.101)	(0,97)	(43.201)	(0,95)
(+) Non-financial and other capital grants	1212								
(+/-) Impairment and gains/(losses) on disposal of assets	1214					38	0,00	57	0
(+/-) Other gains/(losses)	1215					6	0	(24)	(0,00)
= OPERATING PROFIT/(LOSS)	1245					86.226	1,93	68.750	1,52
(+) Finance income	1250					6.132	0	5.837	0,13
(-) Finance costs	1251					(786)	(0,02)	(707)	(0,02)
(+/-) Change of fair value in financial instruments	1252								
(+/-) Exchange gains/(losses)	1254					(29)	(0,00)	22	0,00
(+/-) Impairment and gains/(losses) on disposal of financial assets	1255					0	-	18.119	0,40
= FINANCIAL PROFIT/(LOSS)	1256					5.317	0,12	23.271	0,51
(+/-) Profit/(loss) from companies accounted for using the equity method	1253					782	0,02	774	0,02
= PROFIT/(LOSS) BEFORE TAX	1265					92.326	2,07	92.795	2,05
(+/-) Income tax	1270					(21.235)	(0,48)	(16.236)	(0,36)
= PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	1280					71.091	1,59	76.559	1,69
Profit/(loss) after tax for the period from (+/-) discontinued operations	1285					0	-	(42)	(0,00)
= CONSOLIDATED EARNINGS FOR THE YEAR	1288					71.091	1,59	76.517	1,69
a) Profit/(loss) for the period attributable to the parent	1300					71.128	1,59	76.590	1,69
b) Profit/(loss) for the period attributable to non-controlling interests	1289					(37)	- 0,00	(73)	- 0,00
EARNINGS PER SHARE						Amount (X.XX euros)		Amount (X.XX euros)	
Basic	1290					0,55		0,58	
Diluted	1295					0,55		0,58	

Figures in the first semester financial statement are equal to the accumulated ones, so it is not needed to be filled

IV. SELECT FINANCIAL INFORMATION

8. CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES (IFRS ADOPTED)

Units: thousand of euros

		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 31/03/2017
A) CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	1305	71.091	76.517
B) OTHER COMPREHENSIVE INCOME - AMOUNTS NOT RECLASSIFIED TO PROFIT OR LOSS	1310	(14)	8
1. Revaluation/(reversal of revaluation) of PP&E and intangible assets	1311		
2. Actuarial gains and losses	1344		
3. Participation in other comprehensive income recognized for Companies accounted using the equity method and joint venture	1342		
4. Other income and expense recognised directly in equity	1343	(14)	8
5. Tax effect	1345		
C) OTHER COMPREHENSIVE INCOME - AMOUNTS TRANSFERRED SUBSEQUENTLY TO INCOME STATEMENT:	1350		
1. Held for sale financial assets :	1355		
a) Gains / (losses) for evaluation	1356		
b) Amounts transferred to profit and loss	1357		
c) Other reclassifications	1358		
2. Cash flow hedges:	1360		
a) Gains / (losses) for evaluation	1361		
b) Amounts transferred to profit and loss	1362		
c) Amounts transferred to the initial value of swap amounts	1363		
d) Other reclassifications	1364		
3. Translation differences:	1365		
a) Gains / (losses) for evaluation	1366		
b) Amounts transferred to profit and loss	1367		
c) Other reclassifications	1368		
4. Companies accounted for using the equity method:	1370		
a) Gains / (losses) for evaluation	1371		
b) Amounts transferred to profit and loss	1372		
c) Other reclassifications	1373		
5. Other incomes and expenses recognised subsequently to income statement:	1375		
a) Gains / (losses) for evaluation	1376		
b) Amounts transferred to profit and loss	1377		
c) Other reclassifications	1378		
6. Tax effect	1380		
TOTAL RECOGNISED COMPREHENSIVE INCOME (A + B + C)	1400	71.077	76.525
a) Attributable to the parent	1398	71.114	76.598
b) Attributable to non-controlling interests	1399	(37)	(73)

IV. SELECT FINANCIAL INFORMATION									
9. STATEMENT OF TOTAL CHANGES IN EQUITY (AS PER NIIF) (1/2)									
Units: thousand of euros									
ACTUAL PERIOD		Shareholders' equity					Valuation adjustments	Minority interests	Total equity
		Capital	Share premium and reserves (1)	Own shares	Profit/(loss) for the period	Other equity instruments			
Initial balance at 01/10/2017	3110	26.550	327.782	(7.716)	153.862		90	1.866	502.434
Adjustments for changes in accounting criteria	3111								
Adjustments for errors	3112								
Adjusted initial balance	3115	26.550	327.782	(7.716)	153.862		90	1.866	502.434
I. Total recognised income and expense	3120				71.128		(14)	(37)	71.077
II. Transactions with equity holders or owners	3125		35.616	(632)	(138.958)				(103.975)
1. Capital increases/(reductions)	3126								
2. Conversion of financial liabilities into equity	3127								
3. Distribution of dividends	3128		39.708		(138.958)				(99.250)
4. Transactions with own shares and equity holdings (net)	3129		(4.092)	(632)					(4.724)
5. Increase (decrease) in equity resulting from a business combination	3130								
6. Other transactions with equity holders or owners	3132								
III. Other changes in equity	3135		16.427		(14.904)			0	1.523
1. Share-based payments	3136								
2. Transfers between equity items	3137		14.904		(14.904)				0
3. Other changes	3138		1.523						1.523
Closing balance at 31/03/2018	3140	26.550	379.825	(8.348)	71.128		75	1.829	471.059

(1) Share premium and reserves column englobes the next items from Shareholders' equity: 2. Share premium, 3. Reserves, 5. Profit/loss from previous periods, 6. Other equity holder contributions and 8. Minus: Interim dividend.

IV. SELECT FINANCIAL INFORMATION									
9. STATEMENT OF TOTAL CHANGES IN EQUITY (AS PER NIIF) (2/2)									
Units: thousand of euros									
		Shareholders' equity					Valuation adjustments	Minority Interest	Total equity
		Capital	Share premium and reserves (1)	Own shares	Profit/(loss) for the period	Other equity instruments			
Initial balance at 01/10/2016 (comparison period)	3150	26.550	336.032	(5.032)	132.079		107	2.133	491.868
Adjustments for changes in accounting criteria	3151								
Adjustments for errors	3152								
Adjusted initial balance (comparison period)	3155	26.550	336.032	(5.032)	132.079	0	107	2.133	491.868
I. Total recognised income and expense	3160				76.590		8	(73)	76.525
II. Transactions with equity holders or owners	3165	0	33.119	(3.160)	(119.136)	0	0	0	(89.177)
1. Capital increases/(reductions)	3166								
2. Conversion of financial liabilities into equity	3167								
3. Distribution of dividends	3168		33.119		(119.136)				(86.017)
4. Transactions with own shares and equity holdings (net)	3169			(3.160)					(3.160)
5. Increase (decrease) in equity resulting from a business combination	3170								
6. Other transactions with equity holders or owners	3172								
III. Other changes in equity	3175	0	(4.181)	0	(12.943)	0	0	(5)	(17.129)
1. Share-based payments	3176								
2. Transfers between equity items	3177		(5.420)		5.420				
3. Other changes	3178		1.239		(18.362)			(5)	(17.129)
Closing balance at 31/03/2017 (comparison period)	3180	26.550	364.970	(8.192)	76.590	0	115	2.054	462.088

(1) Share premium and reserves column englobes the next items from Shareholders' equity: 2. Share premium, 3. Reserves, 5. Profit/loss from previous periods
6. Other equity holder contributions and 8. Minus: Interim dividend

IV. SELECT FINANCIAL INFORMATION

10. A. CONSOLIDATED INDIRECT STATEMENT OF CASH FLOWS (IFRS ADOPTED)

Units: thousand of euros

		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 31/03/2017
A) CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)	1435	410.561	(41.020)
1. Profit/(loss) before tax	1405	92.326	92.795
2. Adjustments for:	1410	40.135	29.036
(+) Amortisation and depreciation	1411	43.105	43.201
(+/-) Other adjustments (net)	1412	(2.970)	(14.166)
3. Movements in working capital	1415	294.663	(122.386)
4. Other cash flows from operating activities:	1420	(16.563)	(40.465)
(-) Interest paid	1421		
(-) Dividends and returns on other equity instruments paid	1430		
(+) Dividends received	1422		
(+) Interest received	1423	5.317	4.909
(+/-) Income tax received/(paid)	1430	(21.880)	(45.374)
(+/-) Other amounts received/(paid)	1425		
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2 + 3)	1460	(159.911)	237.910
1. Payments for investments	1440	(16.014)	(19.728)
(-) Group companies, associates and business units	1441		
(-) Property, plant and equipment, intangible assets and investment property	1442	(16.014)	(19.728)
(-) Other financial assets	1443		
(-) Other assets	1444		
2. Proceeds from sale of investments:	1450	(143.897)	257.638
(+) Group companies, associates and business units	1451		
(+) Property, plant and equipment, intangible assets and investment property	1452		
(+) Other financial assets	1453	(143.897)	234.998
(+) Other assets	1454		22.640
3. Other cash flows from investing activities	1455		
(+) Dividends received	1456		
(+) Interest received	1457		
(+/-) Other amounts received/(paid)	1458		
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3 + 4)	1490	(102.145)	(89.406)
1. Proceeds from/(payments for) equity instruments:	1470	(3.366)	(3.160)
(+) Issue of equity instruments	1471		
(-) Redemption of own equity instruments	1472		
(-) Acquisition of own equity instruments	1473	(3.366)	(3.160)
(+) Disposal of own equity instruments	1474		
2. Proceeds from and payments for financial liability instruments:	1480	471	(229)
(+) Issues	1481	471	
(-) Redemption and repayment	1482		(229)
3. Dividends and interest on other equity instruments paid	1485	(99.250)	(86.017)
4. Other cash flows from financing activities	1486	0	0
(-) Interest paid	1487		
(+/-) Other amounts received/(paid)	1488		
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS	1492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	1495	148.505	107.484
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1499	101.808	23.625
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E + F)	1500	250.313	131.109

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT PERIOD 31/03/2018	PREVIOUS PERIOD 31/03/2017
(+) Cash in hand and at banks	1550	250.313	131.109
(+) Other financial assets	1552		
(-) Less: Bank overdrafts repayable on sight	1553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	1600	250.313	131.109

This consolidated cash flow statement (indirect method) allows alternative classification of related interest and dividends either received and paid which contemplated adopted IFRS. Each of the above items should be classified consistently and in each year, as operating, investing or financing activities

IV. SELECT FINANCIAL INFORMATION

10. B. CONSOLIDATED DIRECT STATEMENT OF CASH FLOWS (IFRS ADOPTED)

Units: thousand of euros

		CURRENT PERIOD 31/03/2017	PREVIOUS PERIOD 31/03/2016
A) CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)	8435		
(+) Profit/(loss) before tax	8410		
(-) Other cash flows from operating activities:	8411		
(-) Interest paid	8421		
(-) Dividends and returns on other equity instruments paid	8422		
(+) Dividends received	8430		
(+) Interest received	8423		
(+/-) Income tax received/(paid)	8424		
(+/-) Other amounts received/(paid)	8425		
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2 + 3)	8460		
1. Payments for investments	8440		
(-) Group companies, associates and business units	8441		
(-) Property, plant and equipment, intangible assets and investment property	8442		
(-) Other financial assets	8443		
(-) Other assets	8444		
2. Proceeds from sale of investments:	8450		
(+) Group companies, associates and business units	8451		
(+) Property, plant and equipment, intangible assets and investment property	8452		
(+) Other financial assets	8453		
(+) Other assets	8454		
3. Other cash flows from investing activities	8455		
(+) Dividends received	8456		
(+) Interest received	8457		
(+/-) Other amounts received/(paid)	8458		
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3 + 4)	8490		
1. Proceeds from/(payments for) equity instruments:	8470		
(+) Issue of equity instruments	8471		
(-) Redemption of own equity instruments	8472		
(-) Acquisition of own equity instruments	8473		
(+) Disposal of own equity instruments	8474		
2. Proceeds from and payments for financial liability instruments:	8480		
(+) Issues	8481		
(-) Redemption and repayment	8482		
3. Dividends and interest on other equity instruments paid	8485		
4. Other cash flows from financing activities	8486		
(-) Interest paid	8487		
(+/-) Other amounts received/(paid)	8488		
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS	8492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	8495		
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	8499		
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E + F)	8500		

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT PERIOD 31/03/2017	PREVIOUS PERIOD 31/03/2016
(+) Cash in hand and at banks	8550		
(+) Other financial assets	8552		
(-) Less: Bank overdrafts repayable on sight	8553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	8600		

This consolidated cash flow statement (indirect method) allows alternative classification of related interest and dividends either received and paid which contemplated adopted IFRS. Each of the above items should be classified consistently and in each year, as operating, investing or financing activities

IV. SELECT FINANCIAL INFORMATION
11. CHANGES TO GROUP COMPOSITION

Table 1:

BUSINESS COMBINATIONS OR OTHER ACQUISITIONS OR INCREASED HOLDINGS IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENT IN ASSOCIATES (CURRENT PERIOD)						
Name of the company (or area of business) acquired or merged	Category	Effective date of transaction (dd-mm-yyyy)	(Net) cost of combination (a) + (b) (thousand of euros)		% of voting rights acquired	% of total voting rights in company following acquisition
			(Net) amount paid on acquisition + other costs directly attributable to the combination (a)	Fair value of equity instruments issued for acquisition of company (b)		

Table 2:

DECREASES IN INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENT IN ASSOCIATES OR OTHER SIMILAR OPERATIONS (CURRENT PERIOD)					
Name of the company (or area of business) disposed of, spun off or derecognised	Category	Effective date of transaction (dd-mm-yyyy)	% of voting rights disposed of or retired	% of total voting rights in company following disposal	Gain/(loss) generated (thousand of euros)

IV. SELECT FINANCIAL INFORMATION							
12. DIVIDENDS PAID							
		CURRENT PERIOD			PREVIOUS PERIOD		
		% of nominal	Euros per share (X.XX)	Amount (thousand of euros)	% of nominal	Euros per share (X.XX)	Amount (thousand of euros)
Ordinary shares	2158	375.00	0.75	99.250	325.00	0.65	86.017
Other shares (non-voting, callable etc.)	2159						
Total dividends paid	2160			99.250			86.017
a) Dividends charged to profit or loss	2155						
b) Dividends charged to reserves or share premium	2156			99.250			86.017
c) Dividends in kind	2157						

IV. SELECT FINANCIAL INFORMATION

13. BREAKDOWN OF FINANCIAL INSTRUMENTS BY TYPES AND CATEGORIES (1/2)

Units: thousand of euros

CURRENT PERIOD FINANCIAL ASSETS: TYPE/CATEGORY		CURRENT PERIOD				
		Held-for-trading financial assets	Other financial assets at FV through P&L	Available-for- sale financial assets	Loans and receivables	Held-to-maturity investments
Equity instruments	2061			972.589		
Debt securities	2062					
Derivatives	2063					
Other financial assets	2064					
Long-term/non-current	2065			972.589		
Equity instruments	2066					
Debt securities	2067					
Derivatives	2068					
Other financial assets	2069					
Short-term/current	2070					
TOTAL INDIVIDUAL	2075			972.589		
Equity instruments	2161			682		
Debt securities	2162				194	
Derivatives	2163					
Other financial assets	2164				3.526	
Long-term/non-current	2165			682	3.720	
Equity instruments	2166					
Debt securities	2167				1.964.454	
Derivatives	2168					
Other financial assets	2169				383	
Short-term/current	2170				1.964.837	
TOTAL CONSOLIDATED	2175			682	1.968.557	
FINANCIAL LIABILITIES: TYPE/CATEGORY		CURRENT PERIOD				
		Held-for-trading financial liabilities	Other financial liabilities at FV through P&L	Debts and payables	Hedging derivatives	
Bank borrowings	2076					
Bonds and other marketable securities	2077					
Derivatives	2078					
Other financial liabilities	2079				-	
Long-term debt/non-current financial liabilities	2080					
Bank borrowings	2081					
Bonds and other marketable securities	2082					
Derivatives	2083					
Other financial liabilities	2084				48.096	
Short-term debt/current financial liabilities	2085				48.096	
TOTAL INDIVIDUAL	2090				48.096	
Bank borrowings	2176					
Bonds and other marketable securities	2177					
Derivatives	2178					
Other financial liabilities	2179				4.432	
Long-term debt/non-current financial liabilities	2180				4.432	
Bank borrowings	2181					
Bonds and other marketable securities	2182					
Derivatives	2183					
Other financial liabilities	2184				34.467	
Short-term debt/current financial liabilities	2185				34.467	
TOTAL CONSOLIDATED	2190				38.899	

(Abbreviation - FV: Fair Value / P&L: Profit and loss statement)

IV. SELECT FINANCIAL INFORMATION

13. BREAKDOWN OF FINANCIAL INSTRUMENTS BY TYPES AND CATEGORIES (2/2)

Units: thousand of euros

PREVIOUS PERIOD FINANCIAL ASSETS: TYPE/CATEGORY		PREVIOUS PERIOD					
		Held-for-trading financial assets	Other financial assets at FV through P&L	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Hedging derivatives
Equity instruments	5061			974.054			
Debt securities	5062						
Derivatives	5063						
Other financial assets	5064						
Long-term/non-current	5065			974.054			
Equity instruments	5066						
Debt securities	5067				30.979		
Derivatives	5068						
Other financial assets	5069						
Short-term/current	5070				30.979		
TOTAL INDIVIDUAL	5075			974.054	30.979		
Equity instruments	5161			677			
Debt securities	5162				194		
Derivatives	5163						
Other financial assets	5164				3.650		
Long-term/non-current	5165			677	3.844		
Equity instruments	5166						
Debt securities	5167				1.821.329		
Derivatives	5168						
Other financial assets	5169				398		
Short-term/current	5170				1.821.726		
TOTAL CONSOLIDATED	5175			677	1.825.570		
FINANCIAL LIABILITIES: TYPE/CATEGORY		CURRENT PERIOD					
		Held-for-trading financial liabilities	Other financial liabilities at FV through P&L	Debts and payables	Hedging derivatives		
Bank borrowings	5076						
Bonds and other marketable securities	5077						
Derivatives	5078						
Other financial liabilities	5079						
Long-term debt/non-current financial liabilities	5080						
Bank borrowings	5081						
Bonds and other marketable securities	5082						
Derivatives	5083						
Other financial liabilities	5084						
Short-term debt/current financial liabilities	5085						
TOTAL INDIVIDUAL	5090						
Bank borrowings	5176						
Bonds and other marketable securities	5177						
Derivatives	5178						
Other financial liabilities	5179				4.880		
Long-term debt/non-current financial liabilities	5180				4.880		
Bank borrowings	5181						
Bonds and other marketable securities	5182						
Derivatives	5183						
Otros pasivos financieros	5184				34.371		
Short-term debt/current financial liabilities	5185				34.371		
TOTAL CONSOLIDATED	5190				39.251		

(Abbreviation - FV: Fair value / P&L: Profit and loss statement)

IV. SELECT FINANCIAL INFORMATION
14. SEGMENT INFORMATION

Units: thousand of euros

Table 1

GEOGRAPHIC AREA	Geographic distribution of revenue					
	INDIVIDUAL		CONSOLIDATED			
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Domestic market	2210	3.983	1.030.205	1.037.886		
Export:	2215	0	3.435.257	3.488.535		
a) European Union	2216	0	3.435.257	3.488.535		
b) OECD countries	2217	0				
c) Other countries	2218	0				
TOTAL	2220	3.983	4.465.462	4.526.421		

Table 2

SEGMENTS	Ordinary income CONSOLIDATED					
	From external customers		Inter-segment		Total ordinary revenue	
	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
IBERIA	2221	1.315.314	1.263.978		1.315.314	1.263.978
ITALY	2222	1.236.850	1.237.966		1.236.850	1.237.966
FRANCE	2223	1.937.624	2.039.245		1.937.624	2.039.245
CORPORATE AND OTHERS	2224	3.689	4.447		3.689	4.447
(-) Adjustments and elimination of ordinary income among segments	2231		(28.014)		(28.014)	(19.215)
TOTAL	2235	4.493.476	4.545.637	(28.014)	(19.215)	4.465.462

Table 3

SEGMENTS	Profit/(loss)		
	CONSOLIDATED		
	CURRENT PERIOD	PREVIOUS PERIOD	
IBERIA	2250	55.494	46.374
ITALY	2251	37.626	27.917
FRANCE	2252	(434)	867
CORPORATE AND OTHERS	2253	(6.459)	(6.409)
Total reported segment profit/(loss)	2260	86.226	68.750
(+/-) Profit/(loss) not allocated	2261	6.099	24.045
(+/-) Elimination of internal profit/(loss) (inter-segment)	2262		
(+/-) Other profit/(loss)	2263		
(+/-) Income tax and/or profit/(loss) from discontinued operations	2264		
PROFIT/(LOSS) BEFORE TAX	2270	92.326	92.795

IV. SELECT FINANCIAL INFORMATION
15. AVERAGE NUMBER OF EMPLOYEES

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
AVERAGE NUMBER OF EMPLOYEES	2295	0	0	5.714	5.536
Men	2296	0	0	3.637	3.550
Women	2297	0	0	2.077	1.986

IV. SELECT FINANCIAL INFORMATION
16. REMUNERATION RECEIVED BY DIRECTORS AND EXECUTIVES

DIRECTORS:

Basis of remuneration		Amount (thousand of euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Fixed remuneration	2310	824	843
Variable remuneration	2311	2.969	1.988
Attendance fees	2312	83	90
By-law stipulated remuneration	2313	-	-
Payments based on shares and/or other financial instruments	2314	-	-
Other	2315	212	197
TOTAL	2320	4.088	3.118

Other benefits:

Advances	2326	-	-
Loans granted	2327	-	-
Pension plans and funds: contributions	2328	6	6
Pension plans and funds: obligations assumed	2329	-	-
Life insurance premiums	2330	7	9
Guarantees issued in favour of directors	2331	-	-

Executives:		Amount (thousand of euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Total remuneration received by executives	2325	4.039	3.616

IV. SELECT FINANCIAL INFORMATION
17. RELATED-PARTY TRANSACTIONS (1/2)

Units: thousand of euros

RELATED-PARTY TRANSACTIONS EXPENSES AND INCOME		CURRENT PERIOD				
		Significant shareholders	Directors and executives	Persons, companies or entities in group	Other related parties	Total
1) Finance costs	2340			21		21
2) Management or cooperation contracts	2341					
3) R+D transfers and licensing agreements	2342					
4) Leases	2343			217		217
5) Services received	2344					
6) Purchase of goods (finished or under construction)	2345	181.328		215.652		396.980
7) Impairment losses on irrecoverable or doubtful receivables	2346					
8) Losses on derecognition or disposal of assets	2347					
9) Other expenses	2348			100		100
EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	2350	181.328		215.990		397.318
10) Finance income	2351			5.843		5.843
11) Management or cooperation contracts	2352					
12) R+D transfers and licensing agreements	2353					
13) Dividends received	2354					
14) Leases	2355					
15) Rendering of services	2356	5.122		28.145		33.267
16) Sale of goods (finished or under construction)	2357					
17) Gains on derecognition or disposal of assets	2358					
18) Other income	2359					
INCOME (10 + 11 + 12 + 13 + 14 + 15 + 16 + 17 + 18)	2360	5.122		33.988		39.110

OTHER TRANSACTIONS		CURRENT PERIOD				
		Significant shareholders	Directors and executives	Persons, companies or entities in group	Other related parties	Total
Acquisition of tangible assets, intangible assets or others	2371					
Financing agreements: loans and capital contributions (lender)	2372					
Finance leases (lessor)	2373					
Repayment or cancellation of credits and leases (lessor)	2377					
Sale of tangible assets, intangible assets or others	2374					
Financing agreements, loans and capital contributions (borrower)	2375					
Finance leases (lessee)	2376					
Repayment or cancellation of credits and leases (lessee)	2378					
Guarantees and deposits extended	2381					
Guarantees and deposits received	2382					
Commitments undertaken	2383					
Commitments/guarantees cancelled	2384					
Distribution of dividends and other benefits	2386	59.738				59.738
Other transactions	2385					

IV. SELECT FINANCIAL INFORMATION
17. RELATED-PARTY TRANSACTIONS (2/2)

Units: thousand of euros

RELATED-PARTY TRANSACTIONS EXPENSES AND INCOME		CURRENT PERIOD				
		Significant shareholders	Directors and executives	Persons, companies or entities in group	Other related parties	Total
1) Finance costs	6340			9		9
2) Management or cooperation contracts	6341					
3) R+D transfers and licensing agreements	6342					
4) Leases	6343			330		330
5) Services received	6344					
6) Purchase of goods (finished or under construction)	6345	177.319		273.049		450.368
7) Impairment losses on irrecoverable or doubtful receivables	6346					
8) Losses on derecognition or disposal of assets	6347					
9) Other expenses	6348			281		281
EXPENSES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	6350	177.319		273.668		450.987
10) Finance income	6351			5.521		5.521
11) Management or cooperation contracts	6352					
12) R+D transfers and licensing agreements	6353					
13) Dividends received	6354					
14) Leases	6355			93		93
15) Rendering of services	6356	4.982		20.300		25.282
16) Sale of goods (finished or under construction)	6357					
17) Gains on derecognition or disposal of assets	6358					
18) Other income	6359					
INCOMES (10+ 11 + 12 + 13 + 14 +15 + 16 + 17 + 18)	6360	4.982		25.914		30.896

OTHER TRANSACTIONS		CURRENT PERIOD				
		Significant shareholders	Directors and executives	Persons, companies or entities in group	Other related parties	Total
Purchase of tangible and intangible assets or other assets	6371					
Financial agreement : credit and contribution of capital (moneylender)	6372					
Financial lease agreements (lessor)	6373					
Amortization or cancelation of credits and lease agreements (lessor)	6377					
Sell of tangible and intangible assets or other assets	6374					
Financial agreement, loans and contribution of capital (borrower)	6375					
Financial lease agreements (lessee)	6376					
Amortization or cancelation of credits and lease agreements (lessee)	6378					
Guarantees and deposits extended	6381					
Guarantees and deposits received	6382					
Commitments undertaken	6383					
Commitments/guarantees cancelled	6384					
Distribution of dividends and other benefits	6386	60.401				60.401
Other transactions	6385					

V. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS / CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD

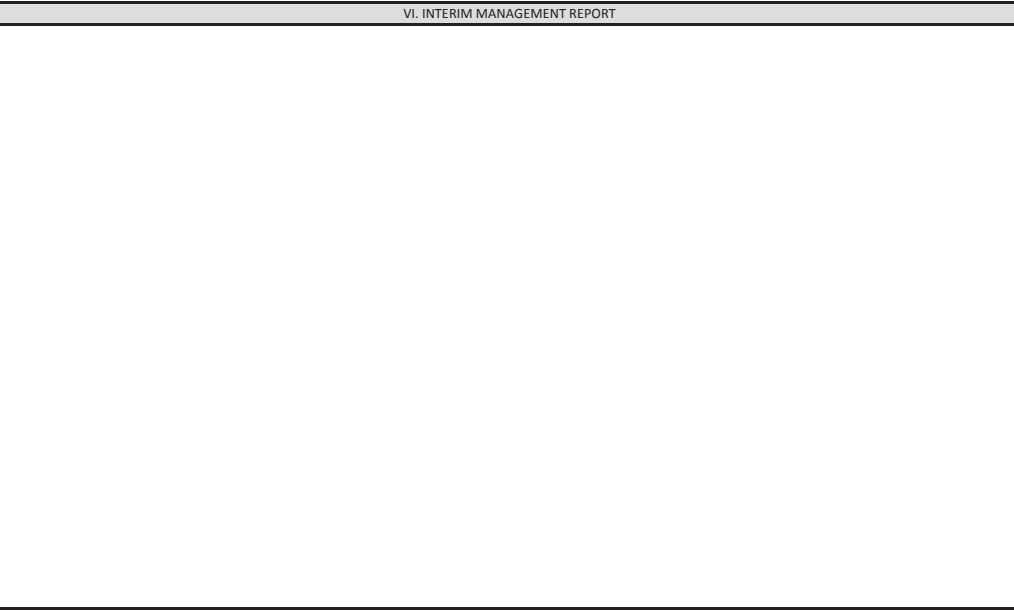
(1) Notes to the financial statements: This section will be used to attach the notes to the interim financial statements and the other select financial information in Chapter IV of this document, and this will at least contain the minimum disclosures required by the Instructions to draw up the half-yearly financial report.

(2) Condensed financial statements:

(2.1) Issuers preparing condensed consolidated financial statements: If the forms for consolidated financial statements in sections 6, 7, 8, 9 and 10.A or 10.B of Chapter IV Select financial information do not meet the requisites established by international accounting regulations adopted as applicable to interim financial information; or if the issuer voluntarily prepares consolidated condensed financial statements for the interim period using its own format of condensed financial statements, it will attach the consolidated condensed financial statements for the interim period to this section, which will at least contain the minimum disclosures required by international accounting regulations adopted as applicable to interim financial information, without prejudice to the obligation to supply the additional financial information in Chapter IV Select financial information.

(2.2) Issuers not prepared condensed consolidated financial statements: Exceptionally, if the forms for separate financial statements in sections 1, 2, 3, 4 and 5 of Chapter IV Select financial information do not meet the requisites of Article 13 of Royal Decree 1362/2007; or if the issuer voluntarily prepares condensed separate financial statements for the interim period using its own format of condensed financial statements, it will attach the condensed separate financial statements for the interim period to this section, which will at least contain the minimum disclosures required by section C.2.1) herein, without prejudice to the obligation to supply the additional financial information in Chapter IV Select financial information.

VI. INTERIM MANAGEMENT REPORT



VII. AUDITOR'S REPORT

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Compañía de Distribución Integral Logista Holdings, S.A.

Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements (“the interim financial statements”) of Compañía de Distribución Integral Logista Holdings, S.A. (“the Parent”) and Subsidiaries (“the Group”), which comprise the balance sheet as at 31 March 2018, and the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes, all condensed and consolidated, for the six-month period then ended. The Parent’s directors are responsible for the preparation of the interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the review

Our limited review was performed in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying certain analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim condensed consolidated financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying interim financial statements for the six-month period ended 31 March 2018 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim financial statements.

Emphasis of matter paragraph

We draw attention to Note 1 to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 30 September 2017. This matter does not affect our conclusion.


Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated directors' report for the six-month period ended as at 31 March 2018 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the interim condensed consolidated financial statements, as well as the required information pursuant to Article 12 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim condensed consolidated financial statements for the six-month period ended as at 31 March 2018. Our work as auditors was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Compañía de Distribución Integral Logista Holdings, S.A. and Subsidiaries.

Paragraph on other matters

This report was prepared at the request of the Board of Directors of the Parent in relation to the publication of the six-monthly financial report as required by Article 119 of Securities Market Law 4/2015, of 23 October, implemented by Royal Decree 1362/2007, of 19 October.


DELOITTE, S.L.



José Luis Aller

27 April 2018

PRICEWATERHOUSECOOPERS AUDITORES, S.L.



Raúl Llorente Adrián

27 April 2018

Compañía de Distribución Integral Logista Holdings, S.A. and Subsidiaries

Interim Condensed Consolidated
Financial Statements for the period
ended 31 March 2018 and Interim
Directors' Report

*Translation of interim condensed consolidated
financial statements originally issued in Spanish
and prepared in accordance with IAS 34 as
adopted by the European Union (see Note 1b). In
the event of a discrepancy, the Spanish-language
version prevails.*

COMPañÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, SA AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2018 AND 30 SEPTEMBER 2017
(Thousands of Euros)

ASSETS	Note	31-03-2018	30-09-2017	EQUITY AND LIABILITIES	Note	31-03-2018	30-09-2017
NON-CURRENT ASSETS:				EQUITY:			
Property, plant and equipment	5	187,640	187,620	Share capital	8	26,650	26,550
Investment property		18,137	18,374	Share premium		867,808	867,808
Goodwill	4	920,80	925,679	Reserves of the Parent		24,279	16,706
Other intangible assets	4	528,245	547,846	Reorganisation reserves		(753,349)	(753,349)
Investments in associates		2,367	1,584	Reserves at consolidated companies		221,136	216,374
Other non-current financial assets	6	4,402	4,521	Translation differences	90	76	90
Deferred tax assets		19,024	19,944	Reserve for first-time application of IFRSs		19,950	19,950
Total non-current assets		1,680,615	1,705,568	Consolidated profit for the period		71,128	153,862
				Interim dividend		-	(7,716)
				Treasury shares	8	(6,348)	(7,716)
				Equity attributable to shareholders of the Parent		469,230	500,567
				Minority interests		1,829	1,866
				Total equity		471,059	502,433
CURRENT ASSETS:				NON-CURRENT LIABILITIES:			
Inventories		1,121,468	1,122,622	Other non-current financial liabilities	7	4,432	4,880
Trade and other receivables		1,835,667	1,747,338	Long-term provisions	9	34,895	36,686
Tax receivables		57,862	36,759	Deferred tax liabilities		285,646	298,968
Other current financial assets	6	1,964,837	1,821,726	Total non-current liabilities		324,973	340,534
Cash and cash equivalents		250,313	101,808	CURRENT LIABILITIES:			
Other current assets		14,476	6,914	Other current financial liabilities	7	34,467	34,371
Total current assets		5,244,623	4,837,167	Trade and other payables		992,022	1,023,707
				Tax payables		5,033,097	4,564,404
				Short-term provisions	9	12,245	13,728
				Other current liabilities		57,388	63,571
NON-CURRENT ASSETS HELD FOR SALE		13	13	Total current liabilities		6,129,219	5,699,781
TOTAL ASSETS		6,925,251	6,542,748	TOTAL EQUITY AND LIABILITIES		6,925,251	6,542,748

The accompanying Notes 1 to 16 are an integral part of the condensed consolidated balance sheet at 31 March 2018

**COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SIX MONTHS PERIODS ENDED
31 MARCH 2018 AND 2017
(Thousands of Euros)**

	Note	31-03-2018	31-03-2017
Revenue	12	4,466,451	4,526,982
Procurements		(3,921,201)	(4,015,071)
Gross profit		545,250	511,911
Cost of logistics networks:			
Staff costs		(86,301)	(93,748)
Transport costs		(119,134)	(107,164)
Provincial sales office expenses		(37,702)	(35,132)
Depreciation and amortisation charge		(42,227)	(42,499)
Other operating expenses		(99,092)	(90,199)
Total cost of logistics networks		(384,456)	(368,742)
Commercial expenses:			
Staff costs		(22,455)	(22,334)
Other operating expenses		(11,869)	(11,440)
Total commercial expenses		(34,324)	(33,774)
Research expenses:		(1,024)	(1,086)
Head office expenses:			
Staff costs		(29,166)	(28,252)
Depreciation and amortisation charge		(823)	(665)
Other operating expenses		(9,275)	(10,675)
Total head office expenses		(39,264)	(39,592)
Share of results of companies		782	774
Net loss on disposal and impairment of non-current assets		38	57
Other results		6	(24)
Profit from operations		87,009	69,524
Finance income		6,132	23,978
Finance costs		(815)	(707)
Profit before tax	12	92,326	92,795
Income tax	14	(21,235)	(16,236)
Profit for the period from continuing operations		71,091	76,559
Loss for the period from discontinued operations net of tax		-	(42)
Profit for the period		71,091	76,517
Attributable to-			
Shareholders of the Parent Company		71,128	76,590
Minority interests		(37)	(73)
Basic earnings per share	3	0.55	0.58

The accompanying Notes 1 to 16 are an integral part of the condensed consolidated income statement for the six months periods ended as 31 March 2018.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIODS ENDED 31 MARCH 2018 AND 2017

(Thousands of Euros)

	31-03-2018	31-03-2017
Profit for the year	71,091	76,517
Net gain (loss) on available for sale assets recognised in equity		-
Net gain (loss) on cash flow hedging instruments recognised in equity		-
Net actuarial gain (loss) recognised directly in equity		-
Foreign exchange rate changes	(14)	8
Net gain (loss) on taxes recognised directly in equity		-
Total other comprehensive income	(14)	8
Total comprehensive income for the year	71,077	76,525
Attributable to-		
Shareholders of the Parent Company	71,114	76,598
Minority interests	(37)	(73)
Total attributable	71,077	76,525

The accompanying Notes 1 to 16 are an integral part of the condensed consolidated statement of comprehensive income for the six months periods ended 31 March 2018.

COMPañÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIODS ENDED 31 MARCH 2018 AND 2017**
(Thousands of Euros)

	Share Capital	Share Premium	Reserves of the Parent	Reorganisation Reserves	Reserves at Consolidated Companies	Translation Differences	Valuation Adjustments	Consolidated Profit for the Period	Interim Dividend	Treasury Shares	Equity attributable to the Shareholder of the Parent	Minority interests	Total Equity
Balance at 30 September 2016	26,550	867,908	-	-	223,914	107	19,950	132,079	(33,119)	(5,032)	489,736	2,132	491,868
Net profit for the period attributable to the Parent	-	-	-	-	-	8	-	76,590	-	-	76,598	-	76,598
Loss attributable to minority interests	-	-	-	-	-	-	-	-	-	-	-	(73)	(73)
Income and expenses recognised in the period	-	-	-	-	-	8	-	76,590	-	-	76,598	(73)	76,525
I. Transactions with Shareholders:	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit:	-	-	-	-	-	-	-	(12,943)	33,119	(3,160)	(86,017)	-	(86,017)
To reserves	-	-	3,671	-	9,272	-	-	(119,136)	-	-	(86,017)	-	(86,017)
Dividends	-	-	-	-	-	-	-	-	-	(3,160)	(3,160)	-	(3,160)
On treasury shares operations :	-	-	-	-	(16,362)	-	-	-	-	-	(17,123)	(5)	(17,128)
II. Other changes	-	-	1,239	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2017	26,550	867,908	15,738	(753,349)	214,824	115	19,950	76,590	-	(8,192)	460,034	2,064	462,098
Balance at 30 September 2017	26,550	867,908	16,706	(753,349)	216,374	90	19,950	153,862	(39,708)	(7,716)	500,567	1,866	502,433
Net profit for the period attributable to the Parent	-	-	-	-	-	(14)	-	71,128	-	-	71,114	-	71,114
Loss attributable to minority interests	-	-	-	-	-	-	-	-	-	-	-	(37)	(37)
Income and expenses recognised in the period	-	-	-	-	-	(14)	-	71,128	-	-	71,114	(37)	71,077
I. Transactions with Shareholders:	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of profit:	-	-	-	-	-	-	-	(14,904)	39,708	(632)	(99,250)	-	(99,250)
To reserves	-	-	10,142	-	4,762	-	-	(138,958)	-	-	(99,250)	-	(99,250)
Dividends (Note 3)	-	-	-	-	-	-	-	-	-	-	(4,724)	-	(4,724)
On treasury shares operations (Note 8b):	-	-	(4,082)	-	-	-	-	-	-	-	1,523	-	1,523
II. Other changes	-	-	1,523	-	-	-	-	-	-	-	1,523	-	1,523
Balance at 31 March 2018	26,550	867,908	24,279	(753,349)	221,136	76	19,950	71,128	-	(8,248)	469,230	1,829	471,059

The accompanying Notes 1 to 16 are an integral part of the condensed consolidated statement of changes in equity for the six months periods ended 31 March 2018.

**COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS , S.A.
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIODS ENDED**

31 MARCH 2018 AND 2017

(Thousands of Euros)

	Note	31-03-2018	31-03-2017
1. OPERATING ACTIVITIES:			
Consolidated profit before tax from continuing operations		92,326	92,795
Adjustments for-			
Profit of companies accounted for using the equity method		(782)	(774)
Depreciation and amortisation charge		43,105	43,201
Period provisions		1,697	8,681
Proceeds from disposal of non-current assets		(41)	(57)
Financial profit		(5,317)	(23,271)
Other results		1,473	1,256
Adjusted profit		132,461	121,831
Net change in assets / liabilities-			
(Increase)/Decrease in inventories		1,055	39,299
(Increase)/Decrease in trade and other receivables		(91,095)	143,536
(Increase)/Decrease in other non current assets		(4,973)	(38,536)
Increase/(Decrease) in trade payables		(31,686)	34,410
Increase/(Decrease) in other current liabilities		422,336	(286,825)
Increase/(Decrease) in other non-current liabilities		(974)	(14,270)
Income tax paid		(21,880)	(45,374)
Finance income and costs		5,317	4,909
Total net cash flows from operating activities (I)		410,561	(41,020)
2. INVESTING ACTIVITIES:			
Net investment in property, plant and equipment		(12,362)	(10,829)
Net investment in intangible assets		(3,652)	(8,899)
Variation of other current and non-current financial assets		(143,897)	234,998
Disposals of non-current held for sale assets		-	22,640
Total net cash flows from investing activities (II)		(159,911)	237,910
3. FINANCING ACTIVITIES:			
Dividends paid (-)	3	(99,250)	(86,017)
Other equity instruments		(3,366)	(3,160)
Changes in current borrowings		471	(229)
Total net cash flows from financing activities (III)		(102,145)	(89,406)
4. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)			
		148,505	107,484
Cash and cash equivalents at beginning of year		101,808	23,625
Net change in cash and cash equivalents during the year		148,505	107,484
Total cash and cash equivalents at end of year		250,313	131,109

The accompanying Notes 1 to 16 are an integral part of the condensed consolidated cash flow statement for the six months periods ended 31 March 2018.

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with IAS 34 as adopted by the European Union (see Note 1b). In the event of a discrepancy, the Spanish-language version prevails.

Compañía de Distribución Integral Logista Holdings, S.A. And Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements
for the period of six months ended 31 March 2018

1. Introduction, basis of presentation of the interim condensed consolidated financial statements and other information

a) Introduction

The Parent Company, Compañía de Distribución Integral Logista Holdings, S.A., was incorporated as a sociedad anónima (Spanish public limited company) on 13 May 2014, with its sole shareholder being Altadis, S.A.U., a company belonging to Imperial Brands Plc group. On 4 June 2014, the Parent Company effected a capital increase with all shares subscribed by Altadis, S.A.U. through non-monetary contribution of shares representing 100% of the share capital of Compañía de Distribución Integral Logista, S.A.U., until that time the parent company of Logista Group, and from then onwards, the Company became the Parent of the aforementioned Group.

The Parent Company has registered office at Polígono Industrial Polvoranca, calle Trigo, no. 39, Leganés (Madrid).

Compañía de Distribución Integral Logista Holdings, S.A. is the head of a group of domestic and foreign subsidiaries that engage in various business activities and which compose, together with it, the Logista Group ("the Group").

The Group, a distributor and logistics operator, provides various distribution channels with a wide range of value added products and services, including tobacco and related products, convenience goods, electronic documents and products (such as mobile phone and travel card top-ups), drugs, books, publications and lottery tickets. The Group provides these services through a complete infrastructure network which spans the whole value chain, from picking to POS delivery.

The offering of shares in the Parent Company came to an end on 14 July 2014, and its shares are currently listed for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

The consolidated financial statements of Logista Group for 2017 were formally approved by the General Shareholders' Meeting on 21 March 2018.

b) Basis of presentation of the interim condensed consolidated financial statements

The accompanying interim condensed consolidated financial statements are presented in accordance with the International Accounting Standard (IAS) 34 Interim Financial Reporting, and have been prepared by the Parent Company's Board of Directors on 24 April 2018 in conformity with Article 12 of the Spanish "Real Decreto 1362/2007".

In accordance with the statements of IAS 34 the interim financial information is prepared with the single purpose of updating the content of the latest consolidated financial statements issued by the Group, with an emphasis on the new activities, events and circumstances taken place during the semester and not duplicating the information previously provided in the consolidated financial statements for the year 2017. Therefore, for an accurate comprehension of the information included in the accompanying interim condensed consolidated financial statements, these should be read along with the Group's consolidated financial statements for the year 2017.

The accounting policies and methods used in the preparation of the accompanying interim condensed consolidated financial statements are the same as the ones used in the preparation of the consolidated financial statements for the year 2017, and additionally the standards and interpretations which have an obligatory application for the Group since 1 October 2017 have been also considered. In this regards, the main applicable standards are as follows:

Standards and modifications thereof	Contents	Obligatory Application in Annual Reporting Periods Beginning On or After
Amendment to IAS 12 Recognition of deferred asset taxes for unrealized losses	It makes reference to the deferred taxes of assets with fair value less than the cost	1 January 2017
Amendment to IAS 7 Initiative of disclosures	Reconciliation of changes in liabilities in the balance sheet with flows from financing activities	1 January 2017
Improvement to IFRS Cycle 2014-2016, IFRS 12	Disclosure of interest in other entities.	1 January 2017

The application of these standards has not had a significant impact for the Group.

At the date of preparation of these interim condensed consolidated financial statements, the following standards and interpretations with a potential impact for the Group have been published by the IASB and adopted by the European Union for their application in annual reporting periods beginning on or after the indicated date:

Standards and modifications thereof	Contents	Obligatory Application in Annual Reporting Periods Beginning On or After
IFRS 9 Financial Instruments. Classification, valuation and hedge accounting	In replaces the requirement for classification, valuation, recognition and derecognition of financial assets and liabilities, hedge accounting and impairment of IAS 39	1 January 2018
IFRS 15 – Revenue from Contracts with Customers	New income recognition standard (replaced IAS 18, IFRIC 15, IFRIC 18 and SIC-31)	1 January 2018
Improvement to IFRS Cycle 2014-2016	Minor amendments to a number of standards.	1 January 2018
IFRS 16 Leases	It replaces IAS 17 and its interpretations. The central novelty lies in a single accounting model for lessees, which will include all leases in the balance sheet (with some limited exceptions) with an impact similar to that of current financial leases (there will be amortization of the asset for the right of use and a financial cost for the amortized cost of the liability)	1 January 2019
Amendment to IFRS 2: Classification and valuation of share-based payments	Limited modifications that clarify specific issues such as the effects of accrual conditions on share-based payments to be settled in cash, the classification of share-based payments when it has net settlement clauses and some aspects of changes in the type of share-based payments	1 January 2018
Amendment to IFRS 40 reclassification of investment properties	The amendment clarifies that a reclassification from/to investment properties is only permitted when evidence of change in its use exist	1 January 2018
Amendment to IFRS 9 Features of early cancellation with negative compensation	It allows the valuation at amortized cost of some financial instruments with characteristics of advance payment, allowing the payment of an amount lower than the unpaid amounts of principal and interest	1 January 2019

In relation to the standards with effect from 1 January 2018, the Group does not expect a significant equity impact.

For those standards that come into force in 1 January 2019, the Group is in the process of evaluating the impact of their application.

In addition, at the date of preparation of these interim condensed consolidated financial statements, the following standards and interpretations with a potential impact for the Group have been published by the IASB, not being approved for use in the European Union:

Standards and modifications thereof	Contents	Obligatory Application in Annual Reporting Periods Beginning On or After
Improvement to IFRS Cycle 2015-2017	Minor amendments to a number of standards.	1 January 2019
IFRIC 22 transactions and advances in foreign currency	This interpretation establishes the “date of transaction” to determine the Exchange rate applicable in transactions with advances in foreign currency	1 January 2018
IFRIC 23 Uncertainty about fiscal treatments	This interpretation clarifies how to apply accrual and valuation criteria of IAS 12 when there is an uncertainty about the acceptability by the tax authorities of a specific tax treatment used by the entity	1 January 2019
Amendment to IAS 28 long term interest in associates and joint ventures	It clarifies that IFRS 9 must be applied in long term interests in associates and joint ventures if equity method is not applied	1 January 2019
Amendment to IAS 19 Modification, reduction or liquidation of a plan	According to the proposed amendment, when there is a change in a defined benefit plan (due to modification, reduction or liquidation), the entity shall use updated hypotheses in the determination of the cost of the services and net interest for the period after the change of the plan	1 January 2019
Amendment to IFRS 10 and IAS 28 Sale and contribution of assets between an investor and his associate/joint venture	Clarification in relation to the result of these operations, depending on if it is a business or assets.	Not defined date

c) Use of estimates

The consolidated profit and equity are sensitive to the accounting principles and policies, the measurement bases and the estimates used by the Parent Company's Directors in the preparation of the interim condensed consolidated financial statements. The main accounting principles and policies and measurement bases are described in the Note 4 to the consolidated financial statements for the year 2017.

In preparing the accompanying interim condensed consolidated financial statements, estimates made by the Parent Company's Directors have been occasionally used in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

1. The corporate income tax expense, which in accordance with IAS 34 is recognized in interim period on the basis of the best estimate of the weighted average corporate tax rate expected by the Group for the fiscal year.
2. The assessment of possible impairment losses on certain assets.
3. The assumptions used in the actuarial calculations of the pension liabilities and other obligations to employees.
4. The useful life of the property, plant and equipment and intangible assets.
5. The measurement and impairment of goodwill and of certain intangible assets.
6. The market value of certain assets.
7. The calculation of the required provisions.
8. The valuation and allocation of deferred tax assets and liabilities.

Although these estimates were made on the basis of the best information available at the period ending 31 March 2018, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. This would be done prospectively, recognising the effects of the changes in accounting estimates in the relevant future financial statements.

d) Comparability of the information

The information relating to the first semester of 2017 and 30 September 2017 contained in these notes to the interim condensed consolidated financial statements is presented with the information relating to the period ended 31 March 2018 for comparison purposes only.

e) Materiality

When determining the information to be disclosed in these explanatory notes on the various line items in the financial statements or on other matters, the Group took into account materiality in accordance with IAS 34, in relation to the interim condensed consolidated financial statements.

2. Changes in the Group's composition

a) Changes in the scope of consolidation during the six month period ended as of 31 March 2018

There are no changes in the scope of perimeter during the first six months of 2018.

b) Changes in the scope of consolidation during the six month period ended as of 31 March 2017

On 13 February 2017, the subsidiary MIDSID – Sociedade Portuguesa de Distribuição, S.A. acquired all the shares representing the share capital of José Costa & Rodrigues, Lda., for an amount of EUR 11,449 thousand (see Note 4-b).

3. Dividends paid by the Parent Company

a) Dividends paid by the Parent Company

On 21 March 2018 the Shareholders' General Meeting of the Parent Company has approved the distribution of the result of 2017, which included an interim dividend of result of that year that was approved by the Board of Directors and liquidated before, of EUR 39,708 thousand and a complementary dividend of EUR 99,250 thousand, which has been paid on 28 March 2018.

b) Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group (after tax and minority interests) by the weighted average number of ordinary shares outstanding during the period, excluding the average number of treasury shares.

Earnings per share are calculated as follows:

	31-03-18	31-03-17
Net profit for the period (thousands of euros)	71,128	76,590
Weighted average number of shares issued (thousands of shares) (*)	129,445	132,411
Earnings per share (euros)	0.55	0.58

(*) During the first six months of the period ended 31 March 2018, the Parent Company acquired through a purchase and sale agreement 172,540 treasury shares and gave to employees 138,096 treasury shares (see Note 11).

At 31 March 2018 and 2017, there were no dilutive effects on basic earnings per share.

4. Intangible assets

a) *Goodwill*

The disclosure of this caption as of 31 March 2018 and 30 September 2017 is the following:

	Thousands of Euros	
	31-03-18	30-09-17
Italy, tobacco and related products	662,922	662,922
France, tobacco and related products	237,106	237,106
Iberia, transport	18,269	18,269
Iberia, tobacco and related products	2,017	6,896
Iberia, other business	486	486
Total	920,800	925,679

The impairment tests policies applied by the Group to its intangible assets and goodwill are described in the Note 4.3 of the consolidated financial statements for the year ended as of 30 September 2017.

Based on the methodology used and considering the estimates, projections and valuations available to the Parent Company's Directors, during the first six months of 2018 and 2017 no impairment evidence has been identified on these assets.

b) *Other intangible assets*

In the context of the business combination described in Note 2-b, a valuation of the fair value of acquired assets and liabilities has been carried out, which has led to a purchase price allocation of the goodwill to the vending machined channel.

During the first six months of 2018 and 2017 the Group has recorded additions to this caption by EUR 3,656 and EUR 3,550 thousand respectively, which are mainly related to new functional development projects for the Group's existing applications.

During the first six months of 2018 and 2017, no impairment has been recorded on these elements.

5. Property, plant and equipment

a) *Movement in the period*

During the first six months of 2018 and 2017 the Group has acquired elements of Property, plant and equipment for EUR 12,629 and EUR 10,602 thousand, respectively, mainly due to the development of a new platform in Coslada (Madrid), the new installations in the warehouses of Bolonia (Italy) and to the acquisition of new semitraillers and vending machines.

In addition, during the first six months of 2018 and 2017 the Group wrote off elements of Property, plant and equipment with a net booked value of EUR 200 and EUR 253 thousand, respectively, which generated a positive impact of EUR 41 and EUR 29 thousand, respectively, registered in the caption "Net loss on disposal and impairment of non-current assets" on the accompanying interim condensed consolidated income statements

b) *Impairment losses*

During the first six months of 2018 and 2017 no impairment has been recorded on these elements.

c) *Property, plant and equipment purchase commitments*

As of 31 March 2018 and 2017 the Group does not have significant Property, plant and equipment purchase commitments.

6. Other financial assets

a) Detail and disclosure

The disclosure of the Group's financial assets as of 31 March 2018 and 30 September 2017, attending to their nature and category for the purposes of their valuation, is as follows:

Financial Assets: Nature/Category	Thousands of Euros				
	31-03-18				
	Loans Granted to Third Parties	Loans Granted to Related Companies (Note 10)	Short-Term Deposits and Guarantees	Available- for-Sale Financial Assets	Total
Equity instruments	-	-	-	682	682
Financial debts	194	-	-	-	194
Other financial assets	-	-	3,526	-	3,526
Non-current	194	-	3,526	682	4,402
Financial debts	30,057	1,934,397	-	-	1,964,454
Other financial assets	-	-	383	-	383
Current	30,057	1,934,397	383	-	1,964,837
Total	30,251	1,934,397	3,909	682	1,969,239

Financial Assets: Nature/Category	Thousands of Euros				
	30-09-17				
	Loans Granted to Third Parties	Loans Granted to Related Companies (Note 10)	Short-Term Deposits and Guarantees	Available- for-Sale Financial Assets	Total
Equity instruments	-	-	-	677	677
Financial debts	194	-	-	-	194
Other financial assets	-	-	3,650	-	3,650
Non-current	194	-	3,650	677	4,521
Financial debts	30,479	1,790,850	-	-	1,821,329
Other financial assets	-	-	397	-	397
Current	30,479	1,790,850	397	-	1,821,726
Total	30,673	1,790,850	4,047	677	1,826,247

Loans granted to third parties

The venturers of "Compañía de Distribución Integral Logista, S.A.U. y GTECH IGT Lottery Spain, S.L.U., Unión Temporal de Empresas" granted a loan to this joint venture divided into equal shares which at 31 March 2018 totalled EUR 119,765 thousand. Compañía de Distribución Integral Logista, S.A.U. has recognised EUR 29,941 thousand (30 September 2017: EUR 30,317 thousand) in this connection, which are presented under "Other Current Financial Assets" and "Other Current Financial Liabilities" in the accompanying condensed consolidated balance sheet at 31 March 2018, for the receivables from and payables to the aforementioned joint venture that correspond to the other venturer (see Note 7).

Loans granted to related parties

As of 12 June 2014, Imperial Brands Enterprise Finance Limited, Compañía de Distribución Integral Logista Holdings, S.A., Compañía de Distribución Integral Logista, S.A.U. and Logista France, S.A.S. entered into a new mutual agreement for a five-year credit line (automatically renewable for one year, unless either of the parties sends a notice opposing such renewal at least one year prior to maturity), with a maximum disposal limit of EUR 2,600 million.

For more information on these cash pooling agreements, see Note 9 to the consolidated financial statements of Group Logista for the year ended September 30, 2017.

Available for sale financial assets

On 19 December 2016, the subsidiary Logista Italia, S.p.A. sold its share of 13.33% in Banca ITB, S.p.A to Intesa Sanpaolo S.p.A, for an amount of EUR 22,667 thousand, which arose a benefit of EUR 18,119 thousand (net of costs related to the sale), registered in the caption "Finance Income" of the accompanying condensed consolidated income statement as of 31 March 2017.

b) Impairments

During the first six months of 2018 and 2017 the Group has not recorded any significant impairment on its financial assets.

7. Other current financial liabilities

The disclosure of the Group's financial liabilities as of 31 March 2018 and 30 September 2017, attending to their nature and category for the purposes of their valuation, is as follows:

Financial liabilities: Nature / Category	Thousands of Euros			
	31-03-18			
	Debts and Accounts payable to third parties (Note 6)	Debts and Accounts payable to related companies (Note 10)	Guarantees and deposits received	Total
Other financial liabilities	-	-	4,432	4,432
Non-current financial liabilities	-	-	4,432	4,432
Other financial liabilities	29,941	4,526	-	34,467
Current financial liabilities	29,941	4,526	-	34,467
Total	29,941	4,526	4,432	38,899

Financial liabilities: Nature / Category	Thousands of Euros			
	30-09-17			
	Debts and Accounts payable to third parties (Note 6)	Debts and Accounts payable to related companies (Note 10)	Guarantees and deposits received	Total
Other financial liabilities	-	-	4,880	4,880
Non-current financial liabilities	-	-	4,880	4,880
Other financial liabilities	30,317	4,054	-	34,371
Current financial liabilities	30,317	4,054	-	34,371
Total	30,317	4,054	4,880	39,251

8. Equity

a) Share capital

On 31 March 2018 and 30 September 2017 the Parent Company's share capital was represented by 132,750,000 fully subscribed and paid shares of EUR 0.2 par value each, all of the same class.

The only shareholder with an ownership interest of 10% or more in the Parent Company's share capital at 31 March 2018 was Altadis, S.A.U., with an ownership interest of 60%.

b) Treasury shares

In order to cater for the long-term incentive plan discussed in Note 4.12 the Consolidated financial statements of 30 September 2017, the Parent Company has purchased 172,540 treasury shares for EUR 3,366 thousand in the first semester of 2018.

In addition, 137,022 shares have been given to employees of the Group, as a consequence of the end of the first block of 2014 General and Special Incentive Plan, for a total amount of EUR 2,705 thousand.

At 31 March 2018, the Parent Company holds 425,876 treasury shares, representative of the 0.32% of Share Capital.

9. Provisions and contingent liabilities

a) Detail and movement

The detail of the balance of short and long term provisions in the accompanying condensed consolidated balance sheets at 31 March 2018 and 2017 and of the main changes therein in the periods is as follows:

	Thousands of Euros					
	30-09-17	Additions	Reversion	Use	Transfers	31-03-18
Fiscal assessments	8,176	30	(1,900)	-	-	6,306
Obligations to employees	20,369	824	(537)	(443)	-	20,213
Provision for contingencies and charges	5,579	431	(3)	(533)	-	5,474
Other	2,562	-	(6)	-	346	2,902
Non-current provisions	36,686	1,285	(2,446)	(976)	346	34,895
Provision for restructuring costs	6,249	803	(95)	(2,876)	824	4,905
Customer refunds	2,005	501	(109)	-	(161)	2,236
Other	5,474	210	(364)	(342)	126	5,104
Current provisions	13,728	1,514	(568)	(3,218)	789	12,245

	Thousands of Euros						
	30-09-16	Additions to perimeter	Additions	Reversion	Use	Transfers	31-03-17
Fiscal assessments	7,411	-	1,329	-	-	-	8,740
Obligations to employees	16,428	-	7,530	(714)	(391)	-	22,853
Provision for contingencies and charges	2,566	-	-	-	-	-	2,566
Other	6,425	-	503	(295)	(367)	-	6,266
Non-current provisions	32,830	-	9,362	(1,009)	(758)	-	40,425
Provision for restructuring costs	7,725	-	3,400	(708)	(2,716)	(57)	7,644
Customer refunds	2,791	-	121	(1,087)	-	-	1,825
Other	6,622	50	700	(748)	(708)	57	5,973
Current provisions	17,138	50	4,221	(2,543)	(3,424)	-	15,442

b) Provisions for fiscal assessments

Compañía de Distribución Integral Logista, S.A.U. has recognised provisions for assessment as a result of audits by the Spanish customs authorities of the returns for excise tax on tobacco products 2009. The Company signed the assessment on a contested basis and filed appeal against it and it has recognised provision for the possible deficiency and interest in this connection in order to cater for the possibility of unfavourable decision being handed down on the appeal.

In the first six months of 2018, EUR 1,900 thousand have been reversed as judgment favourable to the Group have been received, related to various files raised for tax seals.

In the first six months of 2017 no significant movements were recorded with respect to this provision.

c) Provision for obligations to employees

This line item includes mainly the present value of the obligations assumed by Compañía de Distribución Integral Logista, S.A.U. in relation to long-service bonuses and the “tobacco gift”, as well as the retirement bonus obligations recorded by the subsidiaries of the Group in order to cover the retirement benefits.

During the first semester of 2018, there was no significant movement in relation to these provisions.

During the first semester of 2017, EUR 6,860 thousand were registered as a consequence of a sentence issued by the hearing room of Audiencia Nacional in which Compañía de Distribución Integral Logista, S.A.U. was condemned to the recognition of the perception, once retired, of the monetary amount equivalent to the free tobacco perceived as active personnel to those workers that, coming from the Altadis, S.A.U, had retired after 2005. This sentence was appealed by Compañía de Distribución Integral Logista, S.A.U. in the Supreme Court.

The payments performed during these periods amounted to EUR 443 thousand and EUR 391 thousand, respectively.

d) Provision for restructuring costs

This provision includes the estimations of payments to be done in relation to the restructuring plans the Group is carrying out.

During the first semesters of 2018 and 2017, EUR 803 thousand and EUR 3,400 thousand, respectively, have been accrued for and EUR 2,876 thousand and EUR 2,716 thousand, respectively, have been paid as severances, being debited to the related provision.

e) Provision for contingencies and charges

It relates mainly to provisions for contingencies associated with various lawsuits that the Group has in progress with third parties. During the first semesters of 2018 and 2017, there has been no significant movement in relation to these provisions.

f) Provision for customer refunds

The customers of the publishing sector are entitled to the refund of those products which are finally not sold, and the Group may in turn exercise this entitlement to a refund vis-à-vis its suppliers. At each period-end, the Group recognises a provision based on past experience of the refunds on sales with a view to correcting the margins obtained in the course of editorial products sales activity. During the first semesters of 2018 and 2017 there have been no significant variations in this provision.

g) Contingent assets and liabilities

The Note 22 to the Group’s consolidated financial statements for the year ended 30 September 2017 provides information regarding the bank guarantees and liabilities as of such date. During the first six months of 2018 there have been no significant changes in the Group’s contingent assets and liabilities.

10. Related parties

The related parties are the subsidiaries, associates and joint ventures, as well as the key personnel in the management of the Parent Company and those entities on which this key personnel has a significant influence or control, as well as those entities of the Group of which its ultimate shareholder is the Parent Company.

The Group’s transactions with related parties during the first semesters of 2018 and 2017, as well as the balances at the end of 31 March 2018 and 30 September 2017, are detailed in the table below. Related party transactions are carried out on an arm’s length basis.

Transactions

Expenses and income	Thousands of Euros		
	31-03-18		
	Main Shareholder	Group persons, companies or entities	Total
Expenses:			
Services received	-	317	317
Procurements	181,328	215,652	396,980
Financial expense	-	21	21
	181,328	215,990	397,318
Income:			
Financial income	-	5,843	5,843
Services rendered	5,122	28,145	33,267
	5,122	33,988	39,110

Expenses and income	Thousands of Euros		
	31-03-17		
	Main Shareholder	Group persons, companies or entities	Total
Expenses:			
Services received	-	418	418
Procurements	177,319	273,241	450,560
Financial expense	-	9	9
	177,319	273,668	450,987
Income:			
Financial income	-	5,521	5,521
Services rendered	4,982	20,393	25,375
	4,982	25,914	30,896

Balances

Balances	Thousands of Euros		
	31-03-18		
			Total
Debitors:			
Credits (Note 6)	-	1,934,397	1,934,397
Accounts receivable	1,930	9,788	11,718
	1,930	1,944,185	1,946,115
Creditors:			
Loans (Note 7)	-	4,526	4,526
Accounts payable	45,843	119,791	165,634
	45,843	124,317	170,160

Balances	Thousands of Euros		
	30-09-17		
	Main Shareholder	Group persons, companies or entities	Total
Debitors:			
Credits (Note 6)	-	1,790,850	1,790,850
Accounts receivable	2,728	23,956	26,684
	2,728	1,814,806	1,817,534
Creditors:			
Loans (Note 7)	-	4,054	4,054
Accounts payable	45,071	136,906	181,977
	45,071	140,960	186,031

Credits refer to the cash pooling agreement mentioned in Note 6 a).

11. Information about remunerations

The Notes 23-b and 27 of the Group's consolidated financial statements for the year ended 30 September 2017 detail the existing agreements regarding the remuneration and other retributions to the Board of Directors and the Group's Senior Management.

Remuneration of Directors

The remuneration received by the members of the Board of Directors of the Parent Company as a result of their membership thereof or of any of its executive committees in all connections, including the remuneration received by the members of the Board who in turn are executives for all concepts during the first six months of 2018 and 2017 totalled EUR 4,088 thousand and EUR 3,118 thousand, respectively.

In addition, corporate contributions to pension plan for the first six months of 2018 and 2017 corresponding to executive directors amounted to EUR 6 thousand in both periods.

Life insurance premium corresponding to the executive directors in the first six months of 2018 and 2017 amount to EUR 7 and 9 thousand, respectively.

The Directors' third-party liability insurance in the first six months of 2018 and 2017 amounts to EUR 23 thousand in both periods.

No other obligations to the members of the Board of Directors have been acquired relating to life insurance, pension plans or similar items for the discharge of their duties.

During the first six months of 2018 the Parent Company did not carry out with its Directors any transactions not relating to its ordinary business operations or transactions not carried out on an arm's length basis.

Remuneration of the Senior Managers

Senior Management functions are discharged by the members of the Management Committee.

The remuneration earned during the first six months of 2018 by the members of the Management Committee, excluding executive directors amounted to EUR 4,039 thousand (EUR 3,616 thousand in the first six months of 2017).

The period contributions to the pension plans for members of the Management Committee in the first six months of 2018 and 2017 amounted to EUR 24 thousand and EUR 21 thousand, respectively.

Incentive Plans

In Note 4.12 of the Notes to the Consolidated Financial Statements of the Group for the year ended September 30, 2017 incentive plans in force are detailed.

In particular, in relation to the General and Special long-term incentive Plans 2017 approved on March 21, 2017, on January 23, 2018 the Board of Directors has approved the list of beneficiaries and maximum number of shares to be distributed to the vesting period 2018-2020, amounting to 58 people for the General Plan and 9 for the Special Plan and 210,212 shares, respectively. In addition, in relation to the General and Special long-term incentive Plans 2014 approved on June 4, 2014, on January 24, 2017 the Board of Directors approved the list of beneficiaries and maximum number of shares to be distributed to the vesting period 2017-

2019, amounting to 56 people for the General Plan and 9 for the Special Plan and 163,357 shares, respectively.

On January 26, 2016 the Board of Directors approved the list of beneficiaries and maximum number of shares to be distributed to the vesting period 2016-2018, amounting to 50 people for the General Plan and 10 for the Special Plan and 186,307 shares, respectively.

These plans are valued at the initial moment of granting, taking into consideration the fair value of the shares granted determined by its market price, adjusted by the conditions under which such shares have been granted and the expectation of accomplishment of the objectives in the incentive plans.

The imputation of that assessment to results, according to IFRS 2, is accrued for lineally under the line "Staff costs" of the income statement during the vesting period.

On January 23, 2018, in relation to the General and Special long-term incentive Plan 2014, the Boards of Directors approved the shares finally granted related to 2015-2017 consolidation period, amounting to 209,613 shares.

12. Segmented information

The Note 24 to the Group's consolidated financial statements for the year ended 30 September 2017 includes the criteria followed by the Group in order to define its operating segments. There has been no change in the segmentation criteria.

The disclosure of revenues by geographical area as of 31 March 2018 and 2017 is as follows:

Revenues by Geographical area	Thousands of Euros	
	31-03-18	31-03-17
Iberia	1,315,878	1,264,406
Italy	1,236,850	1,237,966
France	1,938,048	2,039,378
Corporate and others	3,689	4,447
Inter-segment sales	(28,014)	(19,215)
Total	4,466,451	4,526,982

The reconciliation of the segmented profit before tax with the consolidated profit before tax as of 31 March 2018 and 2017 is as follows:

Profit before tax	Thousands of Euros	
	31-03-18	31-03-17
Segments		
Iberia	55,494	46,374
Italy	37,626	27,917
France	(434)	868
Corporate and others	(6,459)	(6,409)
Share of results of companies	782	774
Financial result	5,317	23,271
PROFIT BEFORE TAX	92,326	92,795

The consolidated balance sheets of the Group by business segments are as follows (in thousands of Euros):

	31-03-18				
	Iberia	Italy	France	Corporate and others	Total Group
Balance sheet					
Assets-					
Property, plant and equipment, Investment property and Non-current assets held for sale	140,161	20,803	44,700	126	205,790
Other non-current assets	62,195	670,479	740,799	1,365	1,474,838
Inventories	397,825	286,454	437,189	-	1,121,468
Trade receivables	527,447	374,812	932,798	610	1,835,667
Other current assets					2,287,488
Total consolidated assets					6,925,251
Liabilities-					
Non-current liabilities	108,429	36,121	180,423	-	324,973
Current liabilities	1,877,157	1,590,510	2,660,520	1,032	6,129,219
Equity					471,059
Total consolidated liabilities					6,925,251

	30-09-17				
	Iberia	Italy	France	Corporate and others	Total Group
Balance sheet					
Assets-					
Property, plant and equipment, Investment property and Non-current assets held for sale	141,587	20,734	43,526	160	206,007
Other non-current assets	61,833	670,562	766,356	823	1,499,574
Inventories	410,869	287,479	424,274	-	1,122,622
Trade receivables	519,743	325,389	901,132	1,074	1,747,338
Other current assets					1,967,207
Total consolidated assets					6,542,748
Liabilities-					
Non-current liabilities	114,701	36,270	189,563	-	340,534
Current liabilities	1,402,664	1,619,006	2,677,284	827	5,699,781
Equity					502,433
Total consolidated liabilities					6,542,748

13. Average number of employees

The average number of employees at the Group for the first six months of the period ended 31 March 2018 and 2017 is as follows:

	31-03-18	31-03-17
Men	3,637	3,550
Women	2,077	1,986
Total	5,714	5,536

14. Tax matters

The calculation of the income tax at 31 March 2018 has been performed based on the best estimation of the effective tax rate for the annual accounting period.

At the date of preparation of these interim condensed consolidated financial statements, settlements for VAT, corporation income tax and withholdings of year 2013 for Logista Italia, S.p.A. and customs duties of year 2016 for Compañía de Distribución Integral Logista, S.A.U. are in the process of inspection.

Compañía de Distribución Integral Logista, S.A.U. has the last four years open for review for income tax, since 2017 for Customs duties, since 2015 for Excise duties, and the last four years for the other taxes applicable to the Consolidated Fiscal Group.

In general, the other consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable to them in accordance with the specific legislation of each country, except for Italy, which has, in general, open for review the last 5 years.

The effective rate of income tax during the 6-month period ended March 31, 2017 was reduced as a result of the tax treatment corresponding to the sale of the stake in Banca ITB, S.p.A. and modification of the tax rate applicable to certain countries where the Group operates.

15. Subsequent events

There have been no significant events since the end of the six-month period ended March 31, 2018 until the date of preparation of these interim condensed consolidated financial statements.

16. Explanation added for translation to English

These interim condensed consolidated financial statements are presented on the basis of IAS 34 as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

Compañía de Distribución Integral Logista Holdings, S.A. and Subsidiaries

Consolidated Interim Directors Report for financial period of six months ended on March 31th 2018

Main highlights of the H1 2018 Logista results:

- Economic Sales¹ increase by 6.5% improving the 1.3% drop in Revenues
- Adjusted Operating Profit and Profit from Operations rise by 14.1% and 25.2% respectively, reflecting the good performance recorded by the activity and the lower impact from negative non-recurring results
- Net Income reduced by 7.1% mainly as a consequence of the capital gain obtained on the sale of an affiliate in the first quarter last fiscal year

Key Metrics Summary

<i>Data in million euros</i>	1 Oct. 2017 – 31 Mar. 2018	1 Oct. 2016 – 31 Mar. 2017	% Change
Revenues	4,466.5	4,527.0	(1.3)%
Economic Sales	545.2	511.9	6.5%
Adjusted Operating Profit	114.1	100.0	14.1%
Margin over Economic Sales	20.9%	19.5%	+140 b.p.
Profit from Operations	87.0	69.5	25.2%
Net Income	71.1	76.6	(7.1)%

The first half of fiscal year 2018 was characterized by the sound growth recorded in the recurring activity of the Group as well as by a lower incidence of non-recurring results (negative and positive) at all levels of the profit & loss account.

Group's Revenues reduced by 1.3% over the same period of the preceding year whilst Economic Sales grew by 6.5% thanks to the significant improvements recorded by all business lines in Iberia and Italy that easily offset the reduction experienced by the activities in France. The Economic Sales growth confirms once more the capacity of the Group to offer value added services to its clients over and above the value of the distributed products.

Per activities, Pharma, Tobacco Portugal and Transport as well as distribution of convenience products in Spain and Italy continue recording the best performance whereas Tobacco, Electronic transactions and Other businesses in France presented the weakest performance.

The tobacco distribution recurring activity has recorded growth despite a 2.2% decline of distributed volumes (cigarettes and RYO) during the fiscal year compared to fiscal year 2017, while in said fiscal year the yearly variation vs. fiscal year 2016 was -4.1%. All geographies recorded reductions of distributed cigarettes volumes but Portugal.

During this first semester, retail selling prices of tobacco products varied in all geographies, although tobacco excise taxes have been modified only in France. The global impact for the Group of these movements has been slightly positive in the period.

Therefore, to the strength shown by of the recurring activity in the Iberia and Italy segments added a low yearly comparison base that included, in the previous year, the non-recurring negative impact in the valuation of inventories from the movements in excise taxes and prices in Italy and France, partially offset by the positive impact of that movements in Spain.

¹ Economic Sales: This term equals Gross Profit and is used without distinction by the Management to refer to the figure resulting of subtracting Procurements to the Revenue figure.

Total operating costs grew by 4.7%, below Economic Sales increase. If the €6.8 million non-recurring cost from a litigation provision, accounted for in the Iberia segment in the preceding year, is eliminated from the base, operating costs grew by 6.4%, in line with the reported and underlying growth of Economic Sales.

Therefore, the Adjusted EBIT margin over Economic Sales reached 20.9% compared to the 19.5% obtained in the first half of fiscal year 2017 and Adjusted EBIT reached €114.1 million (+14.1% above previous year). This, together with the lower restructure costs registered during the period (€1.7 million compared to €5.2 million), contributed to a 25.2% Profit from Operations increase comparing with the same period of the fiscal year 2017.

Financial Results in the first half of this fiscal year reached €5.3 million, significantly below the €23.3 million registered in the same period of the last fiscal year. This decrease was mainly due to the capital gain derived from the sale of an affiliated company in the Italy segment registered in that period. Without considering the mentioned capital gain, the yearly variation in the financial results was not significant.

Likewise, the fact that the capital gain from the sale of this affiliate was taxed at a very low rate, resulted in a tax rate significantly lower than the 23.0% recorded during the current fiscal year.

Because of all the above mentioned, the Net Income reduced by 7.1% to €71.1 million.

Revenues Evolution (By Segment and Activity)

<i>Data in million euros</i>	1 Oct. 2017 – 31 Mar. 2018	1 Oct. 2016 – 31 Mar. 2017	% Change
Iberia	1,315.9	1,264.4	4.1%
Tobacco & Related*	1,108.5	1,079.3	2.7%
Transport Services	184.6	170.9	8.0%
Other Businesses*	71.1	59.6	19.3%
Adjustments	(48.3)	(45.5)	(6.3)%
France	1,938.0	2,039.4	(5.0)%
Tobacco & Related	1,853.6	1,950.2	(4.9)%
Other Businesses	88.0	92.3	(4.7)%
Adjustments	(3.6)	(3.1)	(18.6)%
Italy	1,236.9	1,238.0	(0.1)%
Tobacco & Related	1,236.9	1,238.0	(0.1)%
Corporate & Others	(24.3)	(14.8)	(64.7)%
Total Revenues	4,466.5	4,527.0	(1.3)%

* The lottery distribution activity previously reported in Other Businesses is now included in Tobacco & Related. Revenues related to the fiscal year 2017 have been restated with the goal of being comparable with the revenues for the fiscal year 2018.

Economic Sales Evolution (By Segment and Activity)

<i>Data in million euros</i>	1 Oct. 2017 – 31 Mar. 2018	1 Oct. 2016 – 31 Mar. 2017	% Change
Iberia	276.8	261.8	5.7%
Tobacco & Related*	131.8	127.7	3.1%
Transport Services	126.2	119.5	5.6%
Other Businesses*	41.4	35.4	17.2%
Adjustments	(22.6)	(20.8)	(8.5)%
France	125.6	135.9	(7.6)%
Tobacco & Related	105.0	114.5	(8.3)%
Other Businesses	23.5	24.0	(2.0)%
Adjustments	(2.9)	(2.6)	(12.0)%
Italy	142.1	112.5	26.4%
Tobacco & Related	142.1	112.5	26.4%
Corporate & Others	0.8	1.7	55.3%
Total Economic Sales	545.2	511.9	6.5%

* The lottery distribution activity previously reported in Other Businesses is now included in Tobacco & Related. Economic Sales related to the fiscal year 2017 have been restated with the goal of being comparable with the economics sales for the fiscal year 2018.

Adjusted EBIT Evolution (By Segment)

<i>Data in million euros</i>	1 Oct. 2017 – 31 Mar. 2018	1 Oct. 2016 – 31 Mar. 2017	% Change
Iberia	56.5	46.8	20.8%
France	26.0	30.8	(15.4)%
Italy	37.8	28.5	32.9%
Corporate & Others	(6.2)	(6.0)	(4.2)%
Total Adjusted EBIT	114.1	100.0	14.1%

Adjusted Operating Profit (or indistinctly Adjusted EBIT) is the principal indicator used by Management to assess the recurring results of operations of the business. This indicator is basically calculated by deducting from the Profit from Operations all those expenses that are not directly linked to the Revenue obtained by the Group during each period, which facilitates the analysis of the evolution of operating expenses and typical margins of the Group. In the following table reconciliation between Profit from Operations and Adjusted Operating Profit for H1 in fiscal years 2018 and 2017 is shown:

<i>Data in million euros</i>	1 Oct. 2017 – 31 Mar. 2018	1 Oct. 2016 – 31 Mar. 2017
Adjusted Operating Profit	114.1	100.0
(-) Restructuring Costs	(1.7)	(5.2)
(-) Amortization of Assets Logista France	(26.2)	(26.1)
(+/-) Net Loss of Disposal and Impairment of Non-Current Assets	0.0	0.0
(+/-) Share of Results of Companies and Others	0.8	0.8
Profit from Operations	87.0	69.5

BUSINESS REVIEW

1. Iberia: Spain and Portugal

The Iberia segment's Revenues increased to €1,315.9 million compared to €1,264.4 million in the first half of the fiscal year 2017, recording a 4.1% growth. The Economic Sales of the segment reached €276.8 million, a 5.7% ahead of the €261.8 million recorded in the same period of the preceding year.

Revenues in Tobacco and related products increased by 2.7%, mainly because of the growth of the activity in Portugal and despite the drop suffered by tobacco volumes distributed in Spain.

The cigarette volumes distributed in Spain during the semester started dropped by 2.6% in the period compared to the preceding year, recording a similar trend to the one recorded in that semester compared to the same period in fiscal year 2016 (-2.0%). Distributed volumes of RYO and cigars also maintained a decreasing trend, reaching a fall of 1.5% and 3.3% vs. -2.8% and -4.5% in the yearly comparison of the preceding year.

During the first half of the current fiscal year, tobacco manufacturers increased, in general, the retail selling price of the pack of cigarettes in 5 cents, in a scenario of stability in excise taxes on tobacco. In the same period of the preceding year, most of tobacco manufacturers decided to increase the retail selling price of the pack of cigarettes in 10 cents, after the rise in excise taxes announcement by the Spanish Government in December 2016. The positive impact on the inventories of the Group derived from these movements in this semester was lower than in the preceding year.

The Economic Sales from the distribution of convenience products increased over the same period in fiscal year 2017 thanks to a higher penetration in tobacconists and the good performance of the activity. Revenues recorded a slight decrease due to the change in the billing model of one of our clients that, however, did not have effect in the Economic Sales figure.

Thus, Economic Sales in Tobacco and related products grew by 3.1% comparing to previous year due to the good performance of the distribution of convenience products, of the activity in Portugal and the increase of value added services.

Revenues in Transport recorded again, as a whole, a very solid performance, growing by 8.0%. The three activities (Long distance, Courier and Industrial parcel) increased significantly Revenues and Economic Sales. Economic Sales in Transport increased by 5.6% to €126.2 million.

The activity of Long distance and full-load has benefited from the increase of flows derived from the services provided in the NGP category for a client in Italy, offsetting in this way the drop on tobacco volumes.

The leading position in their respective market segments of the courier and parcel subsidiaries, derived from a continuous commitment to differentiation, allowed to continue reaching solid growth indicators. The constant growth of the urgent services from the on-line sales joint the consumption improvement shown during the period.

Revenues in Other Businesses (which from this fiscal year includes only Pharma and publications activities, while lottery distribution is included in Tobacco and related products) increased by 19.3% reaching €71.1 million and Economic Sales went up by 17.2% to €41.4 million.

The seasonality of the vaccination schedule (that mainly affected the first quarter) and the incorporation of some clients with relevant presence in this segment has led to a significant growth in the semester in the Pharma business. This activity registered a very positive fiscal year start, with improvements in the pre-existing business and the incorporation of the largest part of the activity coming from Sanofi in October 1,

2017, as well as its distribution to hospitals since January 1, 2018 (the vaccines' portfolio of Sanofi will be managed from January 1, 2019).

The constant commercial work that the Group has carried out in Pharma allowed continuing adding clients under exclusive distribution of some of their products in the pharmacy channel, according to the strategy for the future development of this line of activity. Additionally, the launch of new value added services to the clients in the pharmaceutical sector has continued developing, in line with the general strategy of the Group, in the distribution to pharmacies and to hospitals.

Despite the difficult environment in the distribution of publications in Spain, the Group's efforts have enabled to maintain the sales at a similar level to the same period of the preceding year.

Total operating expenses reported in the Iberia segment increased by 2.4% in the first half. However, as previously mentioned, in the same period of the previous year a non-recurring expense was recorded for €6.8 million so the yearly comparison base was high. Nevertheless, and even adjusting the base for this concept, the 5.8% increase of recurring operating expenses was lower than the growth registered by the recurring activity.

Adjusted Operating Profit reached €56.5 million, a progress of 20.8% with respect to last year. If the impact of the non-recurring cost recorded in that period is not considered, the increase was 5.4%.

In the first semester of this fiscal year the restructuring costs amounted €1.0 million, while in the same period of the preceding year were €0.4 million. The Profit from Operations reached €56.3 million versus €47.1 million recorded in fiscal year 2017.

2. France

Revenues from the France segment reduced by 5.0% to €1,938.0 million while Economic Sales declined by 7.6%, to reach €125.6 million.

Tobacco and related products Revenues fell by 4.9% to €1,853.6 million due to the decline experienced by distributed tobacco volumes vs. same period of last year, both in cigarettes (-5.2%) and in RYO (-9.6%).

Throughout the first half of this fiscal year, the French government has carried out the tax increases corresponding to fiscal year 2018, included in the pack of excise tax increases planned till the year 2020 and aimed to increase the price of the pack of cigarettes to €10 in that year.

In concrete, there were increases in the months of November (first quarter) and March (second quarter). Additionally, in January 1, 2018 and according to the calendar announced by the Government last year, a new raise in the commission the tobacconists receive on the sale of tobacco products entered into force.

In general, tobacco manufacturers passed-through practically the total amount of this tax increase to the retail prices of their products (approximately 35 cents and 1 euro per pack respectively in November and March), although not all of them in the same amount and did it in an uneven way depending on the different references. However, the majority of tobacco manufacturers decided not to pass-through the increase of the tobacconists' commission to the consumers.

The global impact on the Group's stock value of these movements of prices, taxes and commissions was negative in the first and second quarter of this fiscal year.

In the preceding year, after the rise in taxation on tobacco products and the increase of the tobacconists' commission on the sale of these products (all them effective from January 1, 2017), tobacco manufacturers increased the price of a pack of cigarettes below the total amount of said measures and, therefore, the net impact was slightly negative on the second quarter results.

For its part, the growth registered in the revenues of convenience products during the first half of this fiscal year, partially offset the significant decrease experienced by the revenues from electronic transactions with respect to the same period in the previous fiscal year.

The Economic Sales from Tobacco and related products declined to a higher extent than Revenues vs. the previous year (-8.3% to €105.0 million) due to the negative non-recurring impact derived from the movements in tobacco retail selling prices and taxes previously described and to the lower sales in electronic transactions compared to the same period last year.

The Other Businesses activity (wholesale distribution of convenience products in non-tobacconist channels) experienced a fall of 4.7% in Revenues, in a practically stable consumption environment, which encourages an increasing price competition. The decline in Economic Sales was less pronounced (-2.0% against the same period of last year) because of the slight improvement on margins.

The total operating costs of the France segment decreased by 5.3% so Adjusted Operating Profit declined to €26.0 million, a 15.4% lower than in the preceding year.

The restructuring expenses (€0.3 million) were much lower than the €3.8 million registered in the first half of 2017 and drove Profit from Operations to the same level of the previous year, reaching a €0.4 million loss. The main adjustment in this segment is the Amortization of Assets generated from the acquisition of Logista France that was €26.1 million in both periods.

3. Italy

The Revenues in the Italy segment stood practically stable in €1,236.9 million (-0.1%) vs. the same period last year driven by the significant increase in the sale of convenience products.

In contrast with the 7.8% decrease registered in the first semester last year, the cigarette distributed volumes only declined by 1.0%. The RYO category increased by 16.0% vs. 10.9% registered last year.

During the first half of this fiscal year, some tobacco manufacturers increased the price of their products between 10 and 20 cents per pack of cigarettes prices. This raise in retail selling prices which was not accompanied by increases on taxation (beyond the slight automatic update of excise taxes derived from the weighted average price on the previous year) has had a positive impact on the results of the segment, being greater in the second quarter of the fiscal year.

In the first quarter last year a small number of brands reduced their prices between 20 and 30 cents per pack, whilst in the second quarter an automatic update of the excise tax was not transferred to retail selling prices, translating into a negative impact on the valuation of the Group's stocks in both quarters.

During the first quarter of current fiscal year, the tobacco distribution contract with BAT was renewed in Italy for 3 years.

Since the beginning of the fiscal year, the convenience products distribution activity maintained a significant growth rate (close to 20%). This fact as well as the increase in the new value added services rendered to manufacturers, including those related to NGP (Next Generation Products), resulted in a 26.4% increase in Economic Sales in the Italy segment.

Total operating costs of the segment increased by 24.1% with respect to last year, below the growth registered in Economic Sales, leading Adjusted Operating Profit to €37.8 million, a 32.9% higher than the preceding year. The operating costs increased slightly above the growth recorded by the recurring activity due, to a great extent, to the increase on the relative weight of the logistics services offered to a client in the NGP category.

The restructuring costs (€0.2 million) were lower than in the same period of the preceding fiscal year (€0.6 million). The Operating Profit reached €37.6 million.

4. Corporate and Others

This segment includes corporate expenses and the Polish operations.

Adjusted Operating Profit was slight lower than in the first semester of the previous year and reached -€6.2 million.

FINANCIAL RESULT EVOLUTION

Financial results reduced in the first half by 77.2% to €5.3 million vs. €23.3 million obtained in the previous year mainly due to the capital gain recorded in that period on the divestment of an affiliated company in the Italy segment.

The interest rate used as a reference in the treasury agreement with our majority shareholder (European Central Bank main rate), over which a 75 b.p. spread is obtained under that agreement, stood at 0.0% during the first half of both fiscal years.

The average cash position reached €1,543 million compared to €1,453 million in the fiscal year 2017.

NET INCOME EVOLUTION

Earnings Before Taxes in the first half of the current fiscal year slightly decreased comparing to the previous fiscal year (-0.5%) to €92.3 million and the Net Income reduced by 7.1% to reach €71.1 million.

The previously mentioned capital gain derived from the sale of an affiliated company in the first quarter of the previous fiscal year affected to the year-on-year comparison at both Profit Before Taxes and Net Profit level, not only by the amount of the aforementioned capital gain, but also for its very reduced tax rate. The nominal corporate tax rate increase registered in the period that stood at 23.0% vs 17.5% in the previous year is mainly explained by this reason.

Earnings per Share were €0.55 vs. €0.58 in the first half of fiscal year 2017, with no variations in the number of shares of the share capital.

At the first half of the current fiscal year closing, the Company owned 425,876 own shares.

CASH FLOW

The seasonality of the Group's business results in a negative cash flow during the first and second quarters of the fiscal year that is recovered during the second half, usually reaching its peak around year-end.

However, at the end of the first half of the current fiscal year, the negative working capital comparing to the end of the first half of the previous fiscal year was significantly higher due to the combined effect of prices/excise taxes movements and calendar effect. This together with the improvement in results and lower payments for corporate taxes resulted in a positive cash flow at March 31, 2018.

The investments in the first semester are in line with the usual investment level in the Group, but contrast with a net disinvestment balance in the same period of the previous fiscal year, due to the capital gain derived from the sale of an affiliated company in the Italy Segment.

During the second quarter of this fiscal year, dividends for a total of €99.3 million were paid.

DIVIDEND POLICY

The General Shareholders Meeting held on 21 March 2018 approved the distribution of a final dividend corresponding to fiscal year 2017 of €99.3 million (€0.75 per share) that was paid on 28 March 2018.

Additionally, the Board of Directors agreed past 27 July 2017 to distribute an interim cash dividend corresponding to fiscal year 2017 of €0.30 per share (slightly more than €39.7 million). The payment was effective on 30 August 2017.

Therefore, the total dividend corresponding to fiscal year 2017 amounted near €139 million (€1.05 per share), a 16.7% higher than the total dividend distributed in fiscal year 2016.

OUTLOOK

The performance of the business during the first semester of the fiscal year allows the Group to maintain the estimates already announced regarding results at closing of last fiscal year.

Current trading environment suggest that in fiscal year 2018, Adjusted EBIT could record around double digit growth with respect to fiscal year 2017.

This foreseen growth is composed of a slightly positive underlying activity forecast during the fiscal year and the positive impact coming from the yearly variation of non-recurring results derived from tobacco price and tax movements, not managed by Logista.

Although the amount that these results may reach is uncertain, it is very unlikely that the circumstances surrounding fiscal year 2017 that translated into a net negative impact are repeated, reason why it can be expected that said results provide additional growth to that of recurring activity.

It is estimated that restructuring costs can increase with respect to fiscal year 2017, depending on the evolution of the activity in France as is expected that if tobacco manufacturers implement the tobacco RSP rise requested by the French Government, tobacco distributed volumes may reduce significantly.

On the other hand, financial results will be lower than those of current fiscal year as no extraordinary result impact is forecasted in that line.

Finally, and in the absence of non-recurring impacts, a rise in the effective Corporate Income Tax of the Group is expected.

As a consequence of all the above, it can be expected that Net Profit stabilises around the figure reached in fiscal year 2017, after two consecutive years experiencing double-digit growth.

RISK EXPOSURE

The Corporate Risk Management System of the Company and its subsidiaries is set forth in the Risks Management General Policy of September, 29th 2015.

The Risk Management General Policy, applicable both to each of the businesses and countries, and Corporate areas of the Group, sets up the guidelines to integrate all the information originating from the different functions and operations of the Group, with the purpose of providing to the Business Managers/Corporate Directorates, a holistic view, improving the Management capacity to manage risks in an efficient way and minimizing the impact in case the risks materialize.

The Policy defines different risk categories, in which, as part of the financial risks category, tax risks related to the current Group activity are included.

Therefore, Fiscal strategy described at Fiscal Policy of Logista Group, states, as part of its key objectives the following:

- To minimize the fiscal risks associated with the Company's operations and strategic decisions, thus ensuring that the tax payable is appropriate and in proportion to the operations of the Businesses, the material and human resources, and the business risks of the Group.
- To define the fiscal risks and determine the Objectives and Activities of internal Control, and to set up systems for reporting fiscal compliance and for keeping documentary records, integrated with the Group's General Framework of Internal Control.

On the other hand, the Group's Internal Control General Policy of April 25th, 2017, establishes a general action framework for controlling and management of internal and external risks of any nature, which may affect the Logista Group, in accordance with the risk map in place at all times in the achievement of its objectives (Corporate Governance risks, market risks, financial risks, regulatory risks, business risks, operational risks, penal risks and reputational risks, among others).

Although in this management report, without neglecting to mention the main operational risks, we will focus on the control and risk management systems of financial risks, for a broader description of control and risk management systems of the Group see point E of the Annual Report on Corporate Governance. Also, in point F, the Internal Control System for the Group's Financial Information is described.

The main risks and uncertainties facing the Group are related to possible regulatory changes in the industries in which it operates, the normal operational risks arising in the ordinary course of businesses, which are insured externally as far as possible. However, the Group complies with all the requirements to operate in the various markets and industries in which it carries on its business activities, and it has established, through its organisational structure, the appropriate procedures and controls to enable it to identify, prevent and mitigate the risks of change in the regulatory framework and, similarly, to comply with the obligations imposed by the various legislations applicable to it.

Among the main risks, it is important to highlight:

- The Group's Businesses are subject to compliance of numerous general and industry laws and regulations, with European, national, regional and local reach, in every country where it operates, exposing the Group to potential failures to comply and the corresponding sanctions or claims and, on the other hand, to increasing costs for supervision of compliance and control.
- European Directive 2014/40/UE (3 April 2014), whose transposition period by the respective UE members ended on May 20, 2016, establishes tighter rules for tobacco products, related among others, to labelling, ingredients, track and trace and cross-border trade could affect the sold volume.
- Liberalization in the main markets where the Group operates as tobacco derived products authorized distributor where currently exists a State monopoly for retail sale of these products could affect results, if the measures already planned by the Group were not implemented.
- Main operational risks may occur are related to theft of tobacco in facilities and during transport associated to increases in insurance premiums, as well as to technological risks associated to the lack of (or faulty) availability of the Information System.

The Group could also be affected by the risks arising from the adverse economic climate worldwide and their possible impact on consumption in the markets and industries in which the Group is present.

From a financial perspective, the Group's main financial assets are cash and cash equivalents, credits to Group's companies, trade and other receivables and investments. These items represent the Group's maximum exposure to credit risk. So, the main financial risks for the Group could be summarized in:

- Safeguarding of assets: the Group's Financial Directorate has as one of its main objectives to safeguard the Group's assets value in all business units and countries where it operates (Spain, France, Italy, Portugal and Poland, mainly) through the risk analysis and prevention and optimizing the management of the main claims. The financial department analyses the accidental risks, which could affect the Logista Group, in its assets and also in its activity, and according to these risks, establishes the external insurance coverage contracts which considers necessary. Related to the high Goodwill, impairment tests are carried out according to International Accounting Standards in the Group.

- Credit risk: In general, the Group deposits its cash and cash equivalents in entities holding a high credit rating. The Group presents as well an exposure to credit or counterparty risk with Imperial Brands by virtue of the subscribed treasury agreements.
- The Group controls the insolvency and delinquency risks establishing credit limits and through the establishment of demanding conditions in respect to collection periods; that commercial risk is spread among a high number of clients with short collection periods, being the main Group's clients: newsstands and tobacconists. So, the credit risk exposure to third parties is not very significant, and the Group has, always if considered, Insurance Policies to mitigate the impact of possible defaults, although this default rate in all geographies in which the Group operates is very low.
- The Group estimates that at 31 March 2018 the level of exposure to credit risk of its financial assets is not significant.
- With regard to liquidity risk, the Group maintains enough cash and cash equivalents to face the payments derived from its usual activities. Also, if punctually financing is required, the Group has available credit lines.
- Respect the exposure to interest rate risk, considering the low level of the Group's financial debt, the Management of the Parent Company considers the impact from a potential increase in interest rates which could have in the consolidated annual accounts is not significant.
- Also, the level of exposure to the net equity and the P&L account in terms of future changes in the current exchange rates is not relevant; due to the volume of transactions of the Group in non-Euro currencies is not significant.

From a fiscal point of view, the risks facing the Group are:

- Changes in the payment cycle of the Group can obligate to seek out external financing sources to compliance its obligations: As any wholesale business, the payment cycles of the acquired products to manufacturers and the billing cycles of the points of sale do not match. Along with this, the payment by the Logista Group to Tax Authorities is made in a different cycle to the cycles corresponding to manufacturers and points of sale.
- On the other hand, the possibility of modifications in the tax regulation can impact directly in the results and cash management of the Group (excise duties, Corporate Income Tax, Personal Income Tax, etc).

During the first half of fiscal year 2018, the Group has suffered the materialization of normal operational risks, in the normal business evolution, and particularly, robberies of tobacco in facilities and during the transport, without incidence in the Group's results thanks to insurance of the goods. Also, the Group faced the responsibility for settlement tax litigations, resolved against the Group, without relevant incidence in the results due to they were provisioned.

CORPORATE SOCIAL RESPONSIBILITY

Environment

Logista promotes the respect for the environment among staff, customers, suppliers and the society in general. Accordingly, Logista has a Quality and Environment Director Plan and a Quality, Environment and Energy Efficiency Policy setting the guidelines and good practices to optimize the use of resources and prevent pollution in processes, according to regulatory compliance and the Group's targets voluntarily subscribed.

Logista controls and assesses the main environment and quality indicators identified by the Group for its sustainability performance. The Group calculates the Carbon Footprint of all its businesses and activities in the different countries including most of the Group's outsourced activities, like transport operations and franchises, and indirect activities, like those of acquiring goods and services, water consumption or waste generation.

The calculation is based on the Green House Gas Protocol norm and emission factors for reporting Green House Gases and in the UNE-EN-16258 norm, and an independent audit entity verifies the calculation according to the UNE-EN ISO 14064 norm, ratifying the figures and assuring the process reliability and traceability.

In October 2017, CDP included again the Logista Group in its prestigious “A-List” group, highlighting Logista as the only European distributor in the list and identifying it as a world leading company in managing Climate Change. In addition, Logista has been recognized as “CDP Supplier Leader 2018” for its performance in the “CDP’s Supply Chain Program”. Logista participates in this program since 2010 to respond the requirements of its main clients.

Logista also establishes efficiency plans in the short, medium and long term by country both for its network of facilities and for its transport networks, even if outsourced, as well as defining individualized programs that include the follow-up and the systematic control of the attainment of the objectives.

In addition, the Group periodically undertakes energy audits in every country and by each business.

Moreover, Logista collaborates with organizations and stakeholders favouring improving quality and environment, and participates and promotes initiatives on environmental protection. Thus, Logista is founding member, together with other Spanish companies, of the Grupo Español para el Crecimiento Verde (Spanish Group for Green Growth), to work together and to transfer to the society and the Public Administration its vision on the sustainable economic growth model compatible with the efficient use of natural resources.

Social matters and about staff

Logista maintains an explicit commitment to the human rights defense and incorporates the principles of the United Nations Global Compact in developing its activity regarding human rights, labour, environment and anticorruption, with tools guarantying and promoting its protection and respect.

During the first half of fiscal year 2018, the average staff increased to 5,714 employees (a 3.2% above the average staff during the first half of the previous fiscal year). 85.4% of the Group’s employees were permanent, while the 14.6% of the employees were temporary. Regarding the gender, 63.6% of employees were men and the 36.4% female.

Logista guarantees the labour rights of all employees. Collective labour agreements are signed whether by business or by industry depending on the companies and countries, being the main framework regulating labour relationships between the Group and its staff together with labour regulations in force. All Group’s employees are covered by own collective or sectoral agreements.

The Group’s Code of Conduct expressly includes Logista’s commitment to diversity, equal opportunities and non-discrimination, principles the Group promotes and are assumed by all employees. Logista guarantees the dissemination and knowledge of the Code of Conduct, which is also available in the Group’s intranet.

In addition, the Company has established internal rules for the prevention of corruption and money laundering within the internal control framework and in line with the Group’s compliance culture.

The Group also promotes supporting unfavoured groups with actions like recruiting young intellectually disabled people, groups in risk of exclusion or groups with sensorial disabilities, among others.

The Group’s Human Resources Directorate makes a biennial a Labour Climate Survey among all its employees, so that these may directly and confidentially express their opinion on relevant issues on their work in particular and on the Group in general.

The Group proactively manages labour Health and Safety across the whole activity cycle to prevent damages on people, goods and the environment. It sets health improvement targets and goals, assesses the performance and applies the needed corrections to reach targets, defining verification, audit and control processes to assure them.

SIGNIFICANT EVENTS FOR THE GROUP AFTER THE REPORTING PERIOD

No significant events took place after the reporting period that could affect a significant impact on the accompanying consolidated financial accounts.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group invested in I+D+i €1.9 million in the first half of the fiscal year 2018. Most of these investments were made to adapt the systems to enlarge the portfolio of services offered to its clients, automate processes and their adaptation to the new European rule about traceability and develop own software.

TREASURY SHARES

At 31 March 2018, the Group held in its balance sheet 425,876 own-shares, representing the 0.32% of the Company’s share capital. Own-shares were acquired in execution of the Share Buyback Program.

The Board of Directors of 28 November 2017 agreed an extension of the Share Buyback Program of the Company, extended for the last time on January 24, 2017, to allocate them to 2014 General Plan in

Performance Shares and to the Special Plan in Performance Shares. The Board of Directors agreed to extend until October 1, 2018 the Extended Share Buyback Program of the Company.

USE OF DERIVATIVE FINANCIAL INSTRUMENTS

No Group company uses derivative financial instruments.