Compañía de Distribución Integral Logista, S.A.U. and Subsidiares

Consolidated Financial Statements for the year ended 30 September 2011 prepared in accordance with International Financial Reporting Standars (IFRSs) as adopted by the European Union and Directors' Report, together with Independent Auditors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Sole Shareholder of
Compañía de Distribución Integral Logista, S.A.U. and Subsidiares:

We have audited the consolidated financial statements of Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries (the Group) comprising the consolidated balance sheet at 30 September 2011 and the related income statement, statement of cash flows, statement of changes in equity, statement of comprehensive income and notes to the consolidated financial statements for the year then ended. The Parent´s directors are responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the regulatory financial reporting framework applicable to the Company (identified in Note 2.4 to the accompanying consolidated financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for the year ended 30 September 2011 present fairly, in all material respects, the consolidated equity and consolidated financial position of Compañía de Distribución Integral Logista, S.A. and Subsidiaries at 30 September 2011 and the consolidated results of their operations, the changes in the consolidated equity, the changes in the consolidated statement of comprehensive income and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the regulatory financial reporting framework applicable to the Company.

The accompanying consolidated directors' report for 2011 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 consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for the year ended 30 September 2011. Our work as auditors was confined to checking the 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, S.A. and Subsidiaries.

DELOITTE, S.L.

Registered in R.O.A.C. under no. S0692

Luis de la Mora

December 22, 2011

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Compañía de Distribución Integral Logista, S.A.U. and Subsidiares

Consolidated Financial Statements for the year ended 30 September 2011 prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Directors' Report

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40. In the event of a discrepancy, the Spanish-language version prevails.

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

CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2011, 2010 AND 2009

(Thousands of Euros)

ASSETS	Note	2011	2010	2009
NON-CURRENT ASSETS:				
Property, plant and equipment	6	219,302	227,944	234,710
Investment property	6	4,287	2,464	890
Goodwill	8	701,812	701,838	701,838
Other intangible assets	9	29,471	27,086	23,163
Investments in associates	10	163	556	610
Other non-current financial assets	11.1	11,098	11,281	11,734
Deferred tax assets	27	49,409	45,388	45,277
Total non-current assets		1,015,542	1,016,557	1,018,222
CURRENT ASSETS:				
Inventories	12	766,993	648,720	745,702
Trade and other receivables	13	855,895	932,909	988,485
Tax receivables	27	12,050	15,948	12,744
Other current financial assets	11.2	1,108,711	1,210,562	1,028,669
Cash and cash equivalents	14	35,384	29,612	44,657
Other current assets	15	5,450	5,737	6,606
Total current assets		2,784,483	2,843,488	2,826,863
NON-CURRENT ASSETS HELD FOR SALE	7	2,537	5,093	10,300
TOTAL ASSETS		3,802,562	3,865,138	3,855,385

EQUITY AND LIABILITIES	Note	2011	2010	2009
EQUITY:				
Share capital	16	26,550	26,550	26,550
Share premium	17	178,814	178,814	178,814
Reserves of the Parent	17	6,845	200,862	169,305
Reserves at consolidated companies	18 and 19	83,701	62,536	69,860
Translation differences		190	(113)	(123)
Valuation adjustments	20	19,950	19,950	19,950
Consolidated profit for the period		91,868	64,635	81,165
Equity attributable to shareholders of the Parent		407,918	553,234	545,521
Minority interests	21	8,641	9,775	13,154
Total equity		416,559	563,009	558,675
NON-CURRENT LIABILITIES:				
Bank borrowings	22	9	40	63
Non-current obligations under finance leases	23	25	56	86
Other non-current liabilities	24	6,993	7,479	9,110
Long-term provisions	26	140,759	144,233	126,729
Deferred tax liabilities	27	101,241	88,122	81,967
Total non-current liabilities		249,027	239,930	217,955
CURRENT LIABILITIES:				
Bank borrowings	22	5,844	3,928	5,619
Other current financial liabilities	28	46,219	7,110	-
Current obligations under finance leases	23	13	11	27
Trade and other payables	29	599,334	685,782	617,160
Tax payables	27	2,394,563	2,312,022	2,411,647
Short-term provisions	26	17,384	15,695	16,810
Other current liabilities	30	73,619	37,651	27,492
Total current liabilities		3,136,976	3,062,199	3,078,755
TOTAL EQUITY AND LIABILITIES		3,802,562	3,865,138	3,855,385

The accompanying Notes 1 to 40 are an integral part of the consolidated balance sheet at 30 September 2011.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

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

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 30 SEPTEMBER 2011 AND 2010

(Thousands of Euros)

	Note	2011	2010
Revenue	32 a)	5,701,033	5,867,867
Procurements		(4,943,506)	(5,116,473)
Gross profit-		**757,527**	**751,394**
Cost of logistics networks-			
Staff costs	32 b)	(128,638)	(129,492)
Transport costs		(187,088)	(192,931)
Provincial sales office expenses		(85,011)	(81,799)
Depreciation and amortisation charge		(29,657)	(28,942)
Other operating expenses	32 c)	(126,056)	(124,804)
Total cost of logistics networks		(556,450)	(557,968)
Commercial expenses-			
Staff costs	32 b)	(6,253)	(7,561)
Other operating expenses	32c)	(15,799)	(9,578)
Commercial expenses		(22,052)	(17,139)
Head office expenses-			
Staff costs	32 b)	(42,596)	(39,088)
Depreciation and amortisation charge		(3,986)	(4,519)
Other operating expenses	32c)	(21,468)	(20,859)
Total head office expenses		(68,050)	(64,466)
Share of results of companies	10	(850)	(246)
Net loss on disposal of non-current assets		(112)	190
Other expenses	32 e)	1,848	(35,417)
Profit from operations-		**111,861**	**76,348**
Finance income	32 d)	27,325	22,518
Finance costs		(10,885)	(10,050)
Profit before tax-		**128,301**	**88,816**
Positive adjustments to the income tax	27	-	7,874
Income tax	27	(36,926)	(30,889)
Profit for the period from continuing operations-		**91,375**	**65,801**
Loss for the period from discontinued operations net of tax	37	(500)	(1,801)
Profit for the period-		**90,875**	**64,000**
Attributable to-			
Shareholders of the Parent		91,868	64,635
Minority interests	21	(993)	(635)
Basic earnings per share	**5**	**2.08**	**1.46**

The accompanying Notes 1 to 40 are an integral part of the consolidated income statements for 2011.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 SEPTEMBER 2011 AND 2010

(Thousands of Euros)

	2011	2010
Net gain (loss) on available for sale financial assets during the year	-	-
Net gain (loss) on cash flow hedging instruments available for sale financial assets during the year	-	-
Net actuarial gain (loss) recognised directly in equity	-	-
Foreign exchange rate changes	303	10
Net gain (loss) on taxes recognised directly in equity	-	-
Total other comprehensive income	**303**	**10**
Profit for the year	90,875	64,000
Total comprehensive income fot the year	**91,178**	**64,010**
Attributable to-		
Shareholders of the Parent	91,868	64,635
Minority interests	(993)	(635)
Total atributable	**90,875**	**64,000**
Total effect of changes in accounting policies	-	-

The accompanying Notes 1 to 40 are an integral part of the consolidated statement of comprehensive income for 2011.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40).
In the event of a discrepancy, the Spanish-language version prevails.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 30 SEPTEMBER 2011 AND 2010

(Thousands of Euros)

	Share Capital	Share Premium	Reserves of the Parent	Reserves at Consolidated Companies	Valuation Adjustments	Translation Differences	Profit for the Year	Total	Minority Interests	Total Equity
Balance at 30 September 2009	**26,550**	**178,814**	**169,305**	**69,860**	**19,950**	**(123)**	**81,165**	**545,521**	**13,154**	**558,675**
Net profit for 2010 attributable to the Parent	-	-	-	-	-	10	64,635	64,645	-	64,645
Loss attributable to minority interests	-	-	-	-	-	-	-	-	(635)	(635)
Income and expenses recognised in the period	**-**	**-**	**-**	**-**	**-**	**10**	**64,635**	**64,645**	**(635)**	**64,010**
Transactions with Shareholders:										
Distribution of profit:										
To reserves	-	-	31,557	(6,590)	-	-	(24,967)	-	-	
Dividends	-	-	-	-	-	-	(56,198)	(56,198)	-	(56,198)
Other changes	-	-	-	(734)	-	-	-	(734)	(2,744)	(3,478)
Balance at 30 September 2010	**26,550**	**178,814**	**200,862**	**62,536**	**19,950**	**(113)**	**64,635**	**553,234**	**9,775**	**563,009**
Net profit for 2011 attributable to the Parent	-	-	-	-	-	303	91,868	92,171	-	92,171
Loss attributable to minority interests	-	-	-	-	-	-	-	-	(993)	(993)
Income and expenses recognised in the period	**-**	**-**	**-**	**-**	**-**	**303**	**91,868**	**92,171**	**(993)**	**91,178**
Transactions with Shareholders:										
Distribution of profit:										
To reserves	-	-	240	21,030	-	-	(21,270)	-	-	-
Dividends (Note 17)	-	-	-	-	-	-	(43,365)	(43,365)	-	(43,365)
Distribution of dividend with a charge to reserves (Note 17)	-	-	(194,257)	-	-	-	-	(194,257)		(194,257)
Other changes	-	-	-	135	-	-	-	135	(141)	(6)
Balance at 30 September 2011	**26,550**	**178,814**	**6,845**	**83,701**	**19,950**	**190**	**91,868**	**407,918**	**8,641**	**416,559**

The accompanying Notes 1 to 40 are an integral part of the consolidated statement of changes in equity for 2011.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 30 SEPTEMBER 2011 AND 2010

(Thousands of Euros)

	Note	2011	2010
OPERATING ACTIVITIES:			
Consolidated profit before tax from continuing operations		**128,301**	**88,816**
Adjustments for-			
Profit of companies accounted for using the equity method	10	850	246
Depreciation and amortisation charge	6 and 9	33,643	33,461
Period provisions	11, 12, 13 and 26	11,312	51,128
Proceeds from disposal of non-current assets		231	(181)
Other adjustments to profit	26	(3,000)	(485)
Financial profit		(16,440)	(12,468)
Adjusted profit		**154,897**	**160,517**
Net change in assets / liabilities-			
(Increase)/Decrease in inventories		141,144	28,329
(Increase)/Decrease in trade and other receivables		(183,388)	104,544
(Increase)/Decrease in other current assets		(2,421)	(5,149)
Increase/(Decrease) in trade payables		(25,263)	66,296
Increase/(Decrease) in other current liabilities		38,076	(71,781)
Increase (Decrease) in other non-current liabilities		10,440	(31,444)
Income tax paid		(14,940)	(10,321)
Finance income and costs		21,009	14,222
Total net cash flows from operating activities		**139,554**	**255,213**
INVESTING ACTIVITIES:			
Net investment in property, plant and equipment	6	(21,947)	(23,865)
Addition to intangible assets	9	(7,033)	(6,006)
Investments and other current and non-current financial assets		101,510	(183,987)
Total net cash flows from investing activities		**72,530**	**(213,858)**
FINANCING ACTIVITIES:			
Dividends paid (-)	17	(237,622)	(56,198)
Changes in current borrowings	28	32,209	43
Changes in non-current borrowings		(62)	(53)
Minority interests	21	(1,134)	(117)
Reserves and other		297	(75)
Total net cash flows from financing activities		**(206,312)**	**(56,400)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**5,772**	**(15,045)**
Cash and cash equivalents at beginning of year		**29,612**	**44,657**
Net change in cash and cash equivalents during the year		5,772	(15,045)
Total cash and cash equivalents at end of year		**35,384**	**29,612**

The accompanying Notes 1 to 40 are an integral part of the consolidated cash flow statement for 2011.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

Compañía de Distribución Integral Logista, S.A.U. and Subsidiares

Notes to the Consolidated Financial Statements for the year ended 30 September 2011 Prepared in accordance with IFRSs as adopted by the EU

1. Composition of the Logista Group

The Parent, Compañía de Distribución Integral Logista, S.A. (until 1999 Marco Ibérica, Distribución de Ediciones, S.A., "Midesa"), was incorporated in 1964.

In 1999 Tabacalera, S.A. (currently Altadis, S.A.) subscribed a capital increase at the Company through the contribution of the tobacco and other product import and distribution business line, including the employees, the physical assets assigned to it and the distribution and transport contracts.

The Parent's registered office is in Leganés (Madrid), Polvoranca Industrial Park, calle Trigo, no. 39, and its company object is as follows:

1. The marketing, purchase and sale, including import and export, storage, transport and distribution of tobacco products (including the raw material and finished product) and accessories relating to their consumption.

2. The distribution of all kinds of documents, forms or certificates issued by public- or private-sector entities.

3. The distribution of other forms, certificates, travel and parking documents, bingo cards, all kinds of cards and tickets for entertainment shows, services related to marketing and supply of all type of gaming products, legally authorized.

4. The distribution of other products to tobacco and stamp vendors and to the various channels that market tobacco product accessories and complementary articles.

5. Trading, manufacturing and business dealings, including import and export and other transactions referring to the articles, objects, products, equipment, parts, elements and materials mentioned in the preceding points.

6. The purchase, sale and distribution of all manner of products and goods relating to food, beverages and usable and consumable articles, their export and import, and their dealership, distribution and marketing.

7. The provision of all manner of technical, transport, commercial and consulting services in their various forms, including manufacturer-supplier mediation services and centralised collection and payment services.

8. The marketing, distribution, transport and sale of all manner of consumer products and goods which are usually supplied to kiosks, tobacconists, supermarkets and hypermarkets, and to other sales outlets easily accessible by the consumer.

9. The acquisition, management, distribution and ownership of shares or equity interests in other companies, whatever are their company object.

10. The supply and marketing of telephone services, prepaid landline services and mobile phone recharge cards, the distribution of phone time "off line" and prepaid minutes on line, distribution, installation and operation of terminals phone recharge, as well as their technical assistance, maintenance and repair thereof

11. The supply and marketing of services related to information technology and communications, in particular the sale, lease, installation, operation, control, development and / or operation, maintenance and repair of equipment, systems, programs and computer applications and technical infrastructure adequate to provide, by electronic means and / or information technology of the activities mentioned in the preceding paragraphs.

On 29 September 2005, the Parent's Board of Directors approved the segregation of the publications and books distribution lines of business and on 30 December 2005 it incorporated two companies named Compañía de Distribución Integral de Publicaciones Logista, S.L. and Logista Libros, S.L. and contributed the aforementioned lines of business to them. On 1 February 2006, Logista, S.A. sold 25% of Compañía de Distribución Integral de Publicaciones Logista, S.L. to Editorial Planeta de Agostini, S.A. and 50% of Logista Libros, S.L. to Editorial Planeta, S.A.

In addition to the operations carried on directly by it, Logista, S.A. is the head of a group of domestic and foreign subsidiaries that engage in various business activities and which compose, together with Logista S.A., the Logista Group ("the Group"). In addition to its own individual financial statements, Logista, S.A. also prepares consolidated financial statements for the Group, including its interests in joint ventures and investments in associates.

A detail of the investees included in the scope of consolidation comprising the Logista Group at 30 September 2011 and 2010 is provided in Appendices I and II, which includes, inter alia, the percentage and cost of the ownership interest held by the Parent and the line of business, company name and registered office of each investee.

2. Basis of presentation of the financial statements and basis of consolidation

2.1 Adoption of International Financial Reporting Standards (IFRSs)

Since 1 January 2005, the Group has prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Despite the delisting of the head of the Group on 16 June 2008, the Company elected to continue preparing consolidated financial statements under International Financial Reporting Standards, which is permitted under current accounting legislation.

2.2 Standards and interpretations effective in 2011

In the year ended 30 September 2011 the following standards, amendments to standards and interpretations came into force, which, if applicable, were applied by the Group in the preparation of the consolidated financial statements:

- *IAS 24 (Revised) – Related Party Disclosures*

  The revised IAS 24 provides a partial exemption from certain disclosure requirements when the transactions are between government-related or government-controlled entities (or entities related to an equivalent government institution) and revises the scope applicable to the disclosure requirements through the inclusion in the definition of "related party" of certain relationships between jointly controlled entities and associates of the same investor, which were not explicit in the previous version of the standard.

- *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments*

  This interpretation addresses the accounting by a debtor when all or part of a financial liability is extinguished through the issue of equity instruments to the creditor. The interpretation does not apply to transactions in situations where the counterparties in question are shareholders or related parties, acting in their capacity as such, or where extinguishing the financial liability by issuing equity shares is in accordance with the original terms of the financial liability. In all other cases, the equity instruments issued are measured at fair value at the date the liability is extinguished and any difference between this value and the carrying amount of the liability is recognised in profit or loss.

- *Amendments to IFRS 2, Share-based Payment*

  These amendments relate to the recognition of share-based payment transactions among group entities. The main change is that the amendments incorporate the previous requirements set out in IFRIC 8 and IFRIC 11 and, accordingly, these interpretations have been withdrawn since their content is included in the main body of the standard. The amendments clarify the fact that an entity that receives services from employees or suppliers should account for the transaction no matter which entity in the group settles the transaction and no matter whether the transaction is settled in shares or in cash.

- *Amendment to IAS 32 – Classification of Rights Issues*

  This amendment relates to the classification of foreign currency denominated rights issues (rights, options or warrants). Pursuant to this amendment, when these rights are offered to all shareholders to acquire a fixed number of shares in exchange for a fixed amount, they are equity instruments, irrespective of the currency in which that fixed amount is denominated and provided that other specific requirements of the standard are fulfilled.

2.3 Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been endorsed by the European Union:

		Obligatory Application in Annual Reporting Periods Beginning On or After:
Standards and modifications thereof:		
IFRS 9 Financial Instruments: Classification and measurement (a)	Replaces the IAS 39 classification and measurement requirements of financial assets and liabilities as well as their derecognition	1 January 2013
Amendment to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets (a)	Extends and reinforces the disclosures on transfers of financial assets	1 July 2011
Amendment to IAS 12 Income Tax – deferred tax assets and liabilities related to investment property (a)	On the calculation of deferred taxes relating to investment property in accordance with the fair value model of IAS 40	1 January 2012
IFRS 10 Consolidated Financial Statements (a)	Replaces the current consolidation requirements of IAS 27	1 January 2013
IFRS 11 Joint Arrangements (a)	Replaces the current IAS 31	1 January 2013
IFRS 12 Disclosures of Interests in Other Entities (a)	Single standard that establishes the disclosures relating to ownership interests in subsidiaries, associates, joint ventures and unconsolidated entities.	1 January 2013
IFRS 13 Fair Value Measurement (a)	Sets out a framework for measuring fair value	1 January 2013
IAS 27 (Revised) Separate Financial Statements (a)	Revises the standard introduced which, after the publication of IFRS 10, now solely addresses the separate financial statements of an entity.	1 January 2013
IAS 28 (Revised) Investments in Associates and Joint Ventures (a)	Parallel revision relating to the publication of IFRS 11 Joint Arrangements	1 January 2013
Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income (a)	Minor amendment relating to the presentation of items of other comprehensive income	1 July 2012
Amendment to IAS 19 – Employee Benefits (a)	The amendments mainly affect defined benefit plans, since one of the main changes is the elimination of the corridor method.	1 January 2013

(a) Standards not yet adopted by the European Union at the date of preparation of these financial statements.

The directors of the Parent have not yet assessed the impact that the application of these standards might have on the accompanying consolidated financial statements.

2.4 Authorisation for issue of the consolidated financial statements

These consolidated financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Group, which consists of:

a) The Spanish Commercial Code and all other Spanish corporate law.

b) International Financial Reporting Standards (IFRS), as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and Law 62/2003, of 30 December, on Tax, Administrative, Labour and Social Security Measures, and the applicable standards and circulars of the Spanish National Securities Market Commission.

c) All other applicable Spanish accounting legislation.

The accompanying consolidated financial statements, which were obtained from the accounting records of the Company and of its investees, are presented in accordance with the regulatory financial reporting framework applicable to the Group and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Group's equity, financial position, results of operations and cash flows for 2010.

These consolidated financial statements were formally prepared by the Board of Directors at its meeting on 21 December 2011. The directors of Compañía de Distribución Integral Logista, S.A.U. will submit these consolidated financial statements for approval by the Sole Shareholder, and it is considered that they will be approved without any changes.

The Group's consolidated financial statements for 2010 were approved by the Parent's Sole Shareholder on 30 March 2011.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2011 are summarised in Note 4.

2.5 Information relating to 2010 and 2009

As required by IAS 1, the information relating to 2010 contained in these notes to the consolidated financial statements is presented with the information relating to 2011 for comparison purposes and, accordingly, it does not constitute the Group's consolidated financial statements for 2010.

For the purposes of improving the presentation of its financial statements, in 2011 the Company reclassified excise duties chargeable on inventory items yet to be sold from "Sundry Accounts Receivable" to "Inventories" in the accompanying consolidated balance sheet. To facilitate comparison, the consolidated balance sheet for 2010, which is included for comparison purposes in the accompanying financial statements, was also reclassified in the same manner, and, accordingly, it differs from the consolidated balance sheet forming part of the 2010 financial statements, which were approved by the Sole Shareholder on 30 March 2011 by EUR 140,641 thousand.

Additionally, the 2009 consolidated balance sheet, in which the same reclassification amounting to EUR 207,791 thousand was made, is presented for comparison purposes.

2.6 Presentation currency

These consolidated financial statements are presented in euros since this is the currency of the primary economic environment in which the Group operates. Transactions in currencies other than the euro are recognised in accordance with the policies described in Note 4.14.

2.7 Responsibility for the information and use of estimates

The information in these consolidated financial statements is the responsibility of the Parent's directors.

In preparing the consolidated financial statements for 2011, estimates were made by the Group's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets.
- The assumptions used in the actuarial calculations of the pension liabilities and other obligations to employees.
- The useful life of the property, plant and equipment and intangible assets.
- The measurement of goodwill and of certain intangible assets.
- The market value of certain assets.
- The calculation of the required provisions.

Although these estimates were made on the basis of the best information available at 2011 year end, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years.

2.8 Basis of consolidation

2.8.1 Subsidiaries

Subsidiaries are defined as companies included in the scope of consolidation which the Parent manages directly or indirectly because it holds a majority of the voting rights in their representation and decision-making bodies or over which it has the capacity to exercise control.

The financial statements of the subsidiaries are fully consolidated. Accordingly, all material balances and transactions between consolidated companies are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group.

The share of minority interests of the equity and profit of the Group is presented under "Minority Interests" in the consolidated balance sheet and under "Loss for the Year Attributable to Minority Interests" in the consolidated income statement, respectively.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or until the date of disposal, as appropriate.

2.8.2 Joint ventures

"Joint ventures" are deemed to be ventures that are managed jointly by the Parent and third parties unrelated to the Group, where neither party can exercise greater control than the other. The financial statements of the joint ventures are proportionately consolidated.

The assets and liabilities assigned to jointly controlled operations or those controlled jointly with other venturers are presented in the consolidated balance sheet classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint ventures is recognised in the consolidated income statement on the basis of the nature of the related items.

Where necessary, adjustments are made to the financial statements of these companies to adapt the accounting policies used to those applied by the Group.

2.8.3 Associates

Associates are companies over which the Parent is in a position to exercise significant influence. In general, significant influence is presumed to exist when the Group's percentage of (direct or indirect) ownership exceeds 20% of the voting rights, provided that it does not exceed 50%.

In the consolidated financial statements, investments in associates are accounted for using the equity method, i.e. at the Group's share of net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations.

In the case of transactions with an associate, the related profits and losses are eliminated to the extent of the Group's interest in the associate's capital.

Where necessary, adjustments are made to the financial statements of these companies to adapt the accounting policies used to those applied by the Group.

If as a result of losses incurred by an associate its equity were negative, the investment should be presented in the Group's consolidated balance sheet with a zero value, unless the Group is obliged to give it financial support, in which case the related provision would be recorded.

2.8.4 Translation of foreign currency

The various items in the balance sheets and income statements of the foreign companies included in consolidation were translated to euros as follows:

- Assets and liabilities were translated to euros at the official year-end exchange rates.

- Share capital and reserves were translated to euros at the historical exchange rate.

- Income statement items were translated to euros at the average exchange rate for the year.

The exchange differences arising from the use of these criteria were included in equity under "Reserves at Consolidated Companies - Translation Differences". These translation differences will be recognised as income or expenses in the period in which the investment that gave rise to them is realised or disposed of in full or in part.

In 2011 all of the Logista Group companies presented their financial statements in euros, except for Compañía de Distribución Integral Logista Polska, Sp. Z.o.o. and Logesta Polska Sp., Z.o.o. (both located in Poland) and Logesta Maroc, S.A. (located in Morocco).

2.8.5 Changes in the scope of consolidation and in the ownership interests

The most significant changes in the scope of consolidation in 2011 and 2010 that affect the comparison between years were as follows:

1 Main changes in the scope of consolidation in 2011

Disposals

On 1 June 2011, the Parent sold its 60% ownership interest in Logirest, S.L. for EUR 33. The gain on this sale at a consolidated level amounted to EUR 73 thousand, which was recognised under "Net Gains or Losses on Disposals of Non-Current Assets" in the consolidated income statement for 2011.

On 14 June 2011, Compañía de Distribución Integral de Publicaciones Logista, S.L. sold its 60% ownership interest in Valdebro Publicaciones, S.A. for EUR 680. The gain on this sale at a consolidated level amounted to EUR 35 thousand, which was recognised under "Net Gains or Losses on Disposals of Non-Current Assets" in the consolidated income statement for 2011.

2 Main changes in the scope of consolidation in 2010

Additions or acquisitions

On 18 December 2009, the Parent acquired the remaining 49% of Logesta Gestión de Transporte, S.A., for EUR 4,000 thousand, thereby increasing its ownership interest to 100%.

On 10 November 2009, S.A. Distribuidora de Ediciones reduced share capital to zero to offset losses. It then carried out a capital increase of EUR 100 thousand, which was subscribed in full by Compañía de Integral de Publicaciones Logista, S.L. As a result, Compañía Integral de Publicaciones Logista, S.L. owns all the share capital of the former.

On 15 October 2009, the Parent and GTECH Global Lottery, S.L.U. formed the unincorporated temporary joint venture (UTE) known as "Compañía de Distribución Integral Logista, S.A.U. y GTECH Global Lottery, S.L.U., Unión Temporal de Empresas, Ley 18/1982 de 26 de mayo, número 1" to render services to the Spanish National Organisation for the Blind (ONCE). The contribution amounted to EUR 1,000 thousand and represents 50% of the share capital of the UTE.

On 23 October 2009, the incorporation of Distribuci6n de Publicaciones Siglo XXI Guadalajara, S.L. was registered at the Mercantile Registry, with share capital of EUR 3 thousand and a share premium of EUR 76 thousand, 80% of which was owned by Compañía de Distribuci6n Integral de Publicaciones Logista, S.L. as a result of the spin-off of the distribution line of business in Guadalajara from Grupo Comercial de Prensa Siglo XXI, S.A.

Disposals

On 29 June 2010, all the shares in Catalunya 2, S.A. were sold, which gave rise to a loss of EUR 301 thousand for the Group.

On 24 March 2010, 2.27% of the share capital of Dima Distribuci6n Integral, S.L. was sold to Distribuciones Comecosa, S.L. for EUR 11 thousand.

On 24 March 2010, the whole of the ownership interest in Comercial de Prensa Siglo XXI, S.L. was sold for EUR 80 thousand, which gave rise to a loss of EUR 2 thousand.

On 24 March 2010, Distribuidora de Prensa por Rutas, S.A. was excluded from the scope of consolidation as a result of the sale of Comercial de Prensa Siglo XXI, S.L.

3. Distribution of the Parent´s profit

The distribution of profit for 2011, amounting to EUR 50,306 thousand, that the Parent's directors will propose for approval by its sole shareholder consists of paying a dividend of EUR 1.1 per share out of profit for the year and allocating the remainder of the profit obtained during the year to increase the balance of voluntary reserves, as follows:

	Thousands of Euros
To voluntary reserves	1,631
Dividends	48,675
Total	**50,306**

4. Accounting principles and policies and measurement bases

The principal measurement bases and accounting principles and policies applied in preparing the consolidated financial statements for 2011 in accordance with the IFRSs in force at the date of the related financial statements are described below. None of the standards were applied early.

4.1 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less any accumulated depreciation. In the case of assets acquired by the Group as a result of asset contributions, acquisition cost is considered to be the market value of these assets determined by professional valuers at the date on which the assets were contributed.

The deferred tax liability arising as a result of the contribution at market value of the assets transferred by Altadis, S.A. (see Note 1) is recognised under "Non-Current Liabilities – Deferred Tax Liabilities"in the accompanying consolidated balance sheet (see Note 27).

As a result of the transition to International Accounting Standards (IAS), the Group revalued a plot of land assigned to its business activities by EUR 28,500 thousand, on the basis of an appraisal from an independent value and the market value of the aforementioned plot was considered to be the deemed cost on transition to IASs. The detail of the aforementioned revaluation is as follows:

Thousands of Euros				
Carrying Amount	Fair Value	Surplus	Tax Effect (Note 27)	Effect on Reserves (Note 20)
9,000	37,500	28,500	(8,550)	19,950

The upkeep and maintenance costs of the various items of property, plant and equipment are recognised in the income statement as incurred. The amounts invested in improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

In-house work on non-current assets is measured at accumulated cost (external costs plus in-house costs, determined on the basis of direct and general manufacturing costs.

The consolidated companies depreciate their property, plant and equipment using the straight-line method, applying annual depreciation rates determined on the basis of the years of estimated useful life of the related assets. The depreciation rates applied are as follows:

	Annual Depreciation Rates (%)
Buildings	2-4
Plant and machinery	12-16
Other fixtures, tools and furniture	8-16
Other items of property, plant and Equipment	12-25

Land is considered to have an indefinite useful life and, therefore, is not depreciated.

4.2 Investment property

Investment property relates to investments in land and buildings held to earn rentals. Investment property is stated at the lower of cost, less any accumulated depreciation, and market value. Depreciation is recognised using the same methods as those used for items of the same category classified under "Property, Plant and Equipment" (see Note 4.1).

The Group determines periodically the market value of its investment property by reference to the prices of comparable transactions, in-house studies, external appraisals, etc.

4.3 Goodwill

In the acquisitions made, the excess cost of the business combination as a percentage of the acquirer's investment in the net fair value of the identifiable assets, liabilities and contingent liabilities which have been recognised, is recognised as goodwill.

Goodwill is only recognised when it has been acquired for consideration.

Goodwill arising from the acquisition of an associate is recognised as an increase in the value of the investment.

Goodwill is not amortised. Accordingly, at the date of each consolidated balance sheet the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell. These valuation adjustments are recognised as an expense in the income statement. If there is any impairment, the goodwill is written down and the impairment loss is recognised. An impairment loss recognised for goodwill must not be reversed in a subsequent period.

To perform the aforementioned impairment test, the goodwill is allocated in full to one or more cash-generating units.

The recoverable amount of each cash-generating unit is the higher of value in use and the net selling price of the assets associated with the cash-generating unit. Value in use is calculated on the basis of the estimated future cash flows, discounted using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the business.

The recoverable amounts were calculated for each cash-generating unit using profit and loss, investment and working capital projections for the next three years. The discount rate used ranged from 7.54% to 8.83% in 2011 (2010: from 7.64% to 9.83%). Also, the growth rate of activity used to calculate the residual value of each cash-generating unit after the projected period was 0% for both years, except for Logista Italia, S.p.A, which was 1% in both years and Dronas Group which was 1% in 2009.

4.4 Intangible assets

Intangible assets with finite useful lives are amortised using the straight-line method, applying annual amortisation rates determined on the basis of the years of the estimated useful lives of the related assets.

Trademarks

"Trademarks" includes the acquisition cost of the rights over certain trademarks and/or the value assigned thereto on consolidation (see Note 9).

The Group considers "Trademarks" as assets with indefinite useful lives.

Concessions, rights and licences

"Concessions, Rights and Licences" includes mainly the amounts paid to acquire certain concessions and licences. The assets included in this account are amortised on a straight-line basis over the term thereof.

Computer software

Computer software is recognised at acquisition cost, including the implementation costs billed by third parties, and is amortised on a straight-line basis over a period of three to five years. Computer software maintenance costs are expensed currently.

4.5 Impairment losses on property, plant and equipment and intangible assets

The Group assesses each year the possible existence of permanent losses in value requiring it to reduce the carrying amounts of its property, plant and equipment and intangible assets, if their recoverable amounts are below their carrying amounts.

The recoverable amount is determined using the same methods as those employed in testing for goodwill impairment.(see Note 4.3)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and the related write-down is recognised through profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the amount at which the asset would have been carried had no impairment loss been recognised.

4.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group, which usually has the option to purchase the assets at the end of the lease under the terms and conditions agreed on execution thereof. All other leases are classified as operating leases.

4.6.1 Finance leases

In cases where the Company acts as lessor, the Group recognises an asset and the corresponding liability in the balance sheet, at the inception of the finance lease, at the present value of the future minimum lease payments designated as rent in the agreement. To calculate the present value of the lease payments the interest rate stipulated in the finance lease is used.

The cost of assets acquired under finance leases is presented in the consolidated balance sheet and is depreciated on the basis of the nature of the leased assets under the same methods as those applied to similar items classified under "Property, Plant and Equipment".

Finance charges are recognised over the lease term on a time proportion basis.

4.6.2 Operating leases

In operating leases, the ownership of the leased asset and substantially all the risks and rewards relating to the leased asset remain with the lessor.

When the Group acts as the lessor, it recognises the operating lease income on a straight-line basis. The amount to be recognised on a straight-line basis is deemed to be the total minimum rental income forecast over the term of the contract, in accordance with the agreed terms and conditions. These assets are depreciated using a policy consistent with the lessor's normal depreciation policy for similar items for own use.

When the Group acts as the lessee, lease costs are recognised in the income statement on a straight-line basis, in accordance with the policies described above.

4.7 Non-current assets held for sale

Non-current assets are classified as held for sale if it is considered that their carrying amount will be recovered through a sale transaction. Assets are classified under this heading only when the sale is highly probable and the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The depreciation of non-current assets held for sale is discontinued when they are classified as such. At the date of each consolidated balance sheet the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell.

4.8 Financial instruments

4.8.1 Financial assets

Financial assets are recognised in the consolidated balance sheet on the date of acquisition at fair value and are classified as:

Trade and other receivables

Trade and other receivables are measured at fair value less any recognised impairment losses, which are estimated based on the solvency of the debtor and the age of the receivables.

Other current and non-current financial assets

"Other Current and Non-Current Financial Assets" include the following investments:

1. Current and non-current loans granted

2. Guarantees

3. Deposits and other financial assets

The loans granted are measured at their amortised cost, which is understood to be the initial value thereof increased by accrued interest and repayment premiums based on the effective interest rate and decreased by the principal and interest repayments, while also considering possible reductions due to impairment or uncollectibility.

The changes in the amortised cost of the assets included under "Other Current and Non-Current Financial Assets" arising from accrued interest or premiums or from the recognition of impairment are recognised in the income statement.

Guarantees are measured at the amount paid which does not differ substantially from the fair value thereof.

Cash and cash equivalents

Cash consists of cash and demand deposits at banks. Cash equivalents are short-term investments with a maturity of three months that are not subject to a significant risk of changes in value.

4.8.2 Financial liabilities

Bank borrowings

Bank loans are recognised at the amount received, net of arrangement costs and commissions. These loan arrangement costs and finance charges are recognised in the income statement using the accrual method and on a time proportion basis and are added to the carrying amount of the liability, to the extent that they are not settled, in the period in which they arise.

Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost.

4.9 Inventories

In general, the Group companies measure inventories at the lower of the price per the most recent invoice, which does not differ significantly from applying the average acquisition cost, and net realisable value.

The Group recognises period provisions for the decline in value of inventories in order to adjust the value of those whose cost exceeds net realisable value. These valuation adjustments are recognised as an expense in the consolidated income statement.

4.10 Current/Non-current classification

In the consolidated balance sheet assets and liabilities due to be realised or settled or maturing within 12 months are classified as current items and those due to be realised or settled or maturing within more than 12 months as non-current items.

4.11 Termination benefits

Under current labour legislation and certain employment contracts, the Group companies are required to pay termination benefits to employees terminated under certain conditions.

The accompanying consolidated balance sheet at 30 September 2011 includes the provisions that the Parent's directors consider necessary to cover the restructuring plans in progress at year-end (see Note 26).

4.12 Pension and other obligations to employees

The Group is obliged to supplement the social security retirement, disability or death benefits to employees who have fulfilled certain conditions.

In general, the obligations relating to the current and former employees of these groups are defined contribution obligations and are externalised. The annual contributions made by the Group to meet these obligations are recognised under "Staff Costs" in the consolidated income statements and amounted to EUR 2,498 thousand and EUR 2,439 thousand in 2011 and 2010.

Under the collective agreements currently in force, the Parent is obliged to make a lump sum payment of a specific amount on the date of retirement and another payment on completion of 24 years of service at the company, subject to compliance with certain conditions. Also, the Parent is obliged to make fixed monthly payments to a certain group of current employees and employees who retired prior to 1 January 2009 as compensation for the "free tobacco" benefit. To cover these obligations, provisions were recognised, the amount of which is calculated each year based on the corresponding actuarial studies performed by independent experts using the projected unit credit method and PERM/F 2000P mortality tables, an inflation rate of 1.5% and an annual discount rate of 4.65% as the main assumptions (see Note 26).

On 25 June 2008, the Group's Board of Directors approved the "2008 Medium-Term Incentives Plan" under which certain employees are entitled to receive, at the end of the third year from the inception of each block into which the plan is divided, an amount calculated on the basis of the amount deposited by each employee at the inception of each block and the growth in each three-year period of certain assets related to operations.

The Group distributes the total amount of the estimated incentive for each block on a straight-line basis over three years and charges it to income. "Staff Costs" in the accompanying consolidated income statement for 2011 includes EUR 1,444 thousand in this connection (2010: EUR 1,746 thousand).

4.13 Provisions

The Group recognises provisions for the estimated amounts required to cover the liability arising from litigation in progress, indemnity payments or obligations and collateral and other guarantees provided which are highly likely to involve a payment obligation (legal or constructive) for the Group, provided that the amount can be estimated reliably.

Provisions are quantified on the basis of the best information available on the situation and evolution of the events giving rise to them and are fully or partially reversed when such obligations cease to exist or are reduced, respectively.

Also, the adjustments arising from discounting these provisions are recognised as a finance cost on an accrual basis.

4.14 Currencies other than the euro

The consolidated financial statements of the Logista Group are presented in euros.

Transactions in currencies other than the euro are recognised at their equivalent euro value by applying the exchange rates prevailing at the transaction date. Any gains or losses resulting from the exchange differences arising on the settlement of balances deriving from transactions in currencies other than the euro are recognised in the consolidated income statement as they arise.

Balances receivable and payable in currencies other than the euro at year-end are measured in euros at the exchange rates prevailing on that date. Any gains or losses arising on such measurement are recognised in the consolidated income statement for the year.

4.15 Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Specifically, revenue represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT, excise duty on tobacco products and other sales taxes.

As a result of the regulations of the main countries in which the Group operates, the Group makes payments to the relevant tax authorities in respect of excise duties on the tobacco products it sells, which are also charged to customers. The Group does not recognise as income or expenses the amounts relating to the aforementioned excise duties, which amounted to approximately EUR 18,655,382 thousand in 2010 and EUR 18,339,968 thousand in 2009.

In the particular case of books and published materials, the Group's customers are entitled to return the products they fail to sell and in turn, the Group may exercise this right with respect to its suppliers. At each reporting date, a provision is recognised based on the historical experience of the sales returns for the purpose of adjusting the margins obtained during the course of business (see Note 26).

In purchase and sale transactions on which the Group receives commission, regardless of the legal form of such transactions, only commission income is recognised. Distribution and sales commissions are recognised in revenue. The Group recognises income and expenses on transactions involving products held on a commission basis (mainly stamps, certain tobacco and publishing business products) at the date of the sale.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment is established. In any case, interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement.

4.16 Income tax

The current income tax expense is calculated on the basis of the accounting profit before tax, increased or reduced, as appropriate, by the permanent differences from taxable profit, net of tax relief and tax credits. The rates used to calculate the income tax expense are those in force at the balance sheet date.

Deferred tax assets and liabilities are recognised using the balance sheet method, recognising the differences between the carrying amount of the assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax assets and liabilities are calculated at the tax rates expected at the date on which the asset is realised or the liability is settled. Deferred tax assets and liabilities are recognised in full with a charge to the consolidated income statement, except when they relate to line items taken directly to equity accounts, in which case the deferred tax assets and liabilities are also recognised with a charge or credit to the related equity accounts.

Deferred tax assets and tax loss carryforwards are recognised when it is considered probable that the Group will be able to utilise them in the future, regardless of when they are recovered. Deferred tax assets and liabilities are not adjusted and are classified as non-current assets or liabilities in the consolidated balance sheet.

The Group recognises the deferred tax arising from the deductibility of the amortisation, for tax purposes, of certain items of goodwill generated on the acquisition of companies (see Note 27).

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

"Income Tax" represents the sum of the current tax expense and the result of recognising deferred tax assets and liabilities (see Note 27).

The Parent files consolidated income tax returns and consolidated VAT returns as part of the consolidated tax group the Parent of which is its sole shareholder, Altadis, S.A.

4.17 Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows, prepared in accordance with the indirect method, with the meanings specified:

1. Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

2. Operating activities: the principal revenue-producing activities of the consolidated Group companies and other activities that are not investing or financing activities.

3. Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

4. Financing activities: activities that result in changes in equity and borrowings.

4.18 Discontinued operations

A discontinued operation is a Group component representing a line of business or significant area which has or will be disposed of by any means other than through ordinary operations. The net assets arising from discontinued operations which have not yet been realised are recognised under "Non-Current Assets Held for Sale".

For this type of operations, the Group includes the profit after tax from discontinued operations and the profit after tax recognised on the disposal of the items composing the discontinued operations under a single item, "Profit for the Year from Discontinued Operations Net of Tax" in the consolidated income statement. Similarly, "Discontinued Operations" includes, where applicable, the losses recognised as a result of reducing the carrying amount of the items relating to discontinued operations not yet realised at their fair value less estimated costs to sell.

Also, when operations are classified as discontinued, the Group presents under "Profit for the Year from Discontinued Operations Net of Tax" the amount for the preceding year relating to the operations classified as discontinued at the reporting date, also adapting the rest of headings in the consolidated income statement for the previous year (see Note 36).

4.19 Joint Ventures

The Group accounts for investments in unincorporated temporary joint ventures (UTEs) by recognising in its balance sheet the share corresponding to it, in proportion to its ownership interest, of the jointly controlled assets and of the jointly incurred liabilities.

Also, it recognises in the income statement its share of the income earned and expenses incurred by the joint venture. In addition, the proportional part corresponding to the Group of the related items of the joint venture is included in the statement of changes in equity and the statement of cash flows.

5. 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 year, excluding the average number of treasury shares.

Earnings per share are calculated as follows:

	Thousands of Euros	
	2011	2010
Net profit for the year (thousands of euros)	91,868	64,635
Weighted average number of shares issued (thousands of shares)	44,250	44,250
Earnings per share (euros)	**2.08**	**1.46**

At 30 September 2011 and 2010, there were no dilutive effects on basic earnings per share.

6. Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated balance sheets in 2011 and 2010 were as follows:

2011

	Thousands of Euros					
	Balance at 30/09/10	Additions or Charge for the Year	Disposals or Reductions	Exclusions for the Scope of Consolidation	Transfers (Note 7)	Balance at 30/09/11
Cost:						
Land and buildings	165,700	10	(50)	(207)	1,153	166,606
Plant and machinery	113,580	1,386	(950)	(291)	(1,140)	112,585
Other fixtures, tools and furniture	53,866	2,399	(674)	(995)	17,707	72,303
Other items of property, plant and equipment	83,900	3,169	(123)	(28)	(10,201)	76,717
Property, plant and equipment in the course of construction	15,050	14,983	(1)	-	(13,832)	16,200
	432,096	21,947	(1,798)	(1,521)	(6,313)	444,411
Accumulated depreciation:						
Buildings	(54,639)	(3,484)	45	-	275	(57,803)
Plant and machinery	(65,444)	(8.707)	669	291	1,701	(71,490)
Other fixtures, tools and furniture	(60,271)	(8,627)	238	585	(3,286)	(71,361)
Other items of property, plant and equipment	(20,710)	(2,649)	144	27	1,821	(21,367)
	(201,064)	(23,467)	1,096	903	511	(222,021)
Impairment losses	(3,088)	-	-	-	-	(3,088)
Total	**227,944**	**(1,520)**	**(702)**	**(618)**	**(5,802)**	**219,302**

2010

	Thousands of Euros					
	Balance at 30/09/09	Additions or Charge for the Year	Disposals or Reductions	Exclusions for the Scope of Consolidation	Transfers (Notes 7 and 9)	Balance at 30/09/10
Cost:						
Land and buildings	162,517	137	-	-	3,046	165,700
Plant and machinery	109,502	1,379	(427)	(696)	3,462	113,580
Other fixtures, tools and furniture	60,678	965	-	(1,251)	(6,526)	53,866
Other items of property, plant and equipment	67,534	13,177	(755)	(342)	4,286	83,900
Property, plant and equipment in the course of construction	20,788	7,847	(63)	-	(13,522)	15,050
	421,019	23,865	(1,245)	(2,289)	(9,254)	432,096
Accumulated depreciation:						
Buildings	(50,400)	(3,083)	-	-	(1,156)	(54,639)
Plant and machinery	(57,184)	(9,122)	430	653	(221)	(65,444)
Other fixtures, tools and furniture	(33,310)	(8,257)	339	607	(19,650)	(60,271)
Other items of property, plant and equipment	(42,327)	(3,596)	-	336	24,844	(20,710)
	(183,221)	(24,058)	769	1,569	3,817	(201,064)
Impairment losses	(3,088)	-	-	-	-	(3,088)
Total	**234,710**	**(193)**	**(476)**	**(693)**	**(5,437)**	**227,944**

Additions

The additions to "Property, Plant and Equipment in the Course of Construction" relate mainly to investments in technological infrastructure renovation projects to increase the functionality of the operational platforms, and investments in expansion and improvement of the Parent's warehouses in Leganés (Madrid), as part of the ordinary business.

Additions to "Other Items of Property, Plant and Equipment" relate mainly to the acquisition of various lottery ticket terminals acquired by the Logista –GTECH UTE.

Disposals

The disposals in 2011 and a portion of 2010 relate mainly to the retirement of items which have been substantially depreciated in full or are not used for the Group's business and to the sale of various items of property, plant and equipment of scant significance.

Transfers

The transfers in 2011 relate mainly to reclassifications of items between and from "Other Intangible Assets" to "Computer Software" in order to correctly classify them according to their nature.

The transfers to "Land and buildings" in 2010 relaty to reclassifications from "Non-Current Assets Classified as Held for Sale" of the building owned by the Parent located in Sintra, Portugal, the cost of which amounted to EUR 4,368 thousand, with accumulated depreciation of EUR 912 thousand (see Note 7). Transfers also relate to the transfer to "Investment Property" of a building owned by the Group in Seville, the cost of which amounted to EUR 1,650 thousand, with accumulated depreciation of EUR 60 thousand.

Assets held under finance leases

At 30 September 2011, the Group held items of property, plant and equipment acquired through finance leases with a cost of EUR 409 thousand and accumulated depreciation of EUR 272 thousand (cost of EUR 1,707 thousand and EUR 1,313 thousand of accumulated depreciation at 30 September 2010).

Investment property

In 2011 Compañía de Distribución Integral de Publicaciones Logista, S.L. entered into a lease agreement on the property located at Santa Perpetua de la Mogoda (Barcelona), the carrying amount of which was EUR 1,854 thousand at 30 September 2011 (2010: EUR 2,101 thousand). Accordingly, this property was reclassified from "Available-for-Sale Assets" to "Investment Property", having recognised the related period provision to accumulated depreciation from the date on which it was classified as an available-for-sale asset.

The Group's investment property also includes land and buildings located in Malaga (EUR 439 thousand), Barcelona (EUR 93 thousand), Madrid (EUR 324 thousand) and Seville (EUR 1,577 thousand) not used in commercial operations and from which gains are expected to be obtained from the sale thereof, although there are no plans to sell them in the short term. The aforementioned amounts have been reduced by the accumulated depreciation related to each item.

The 2011 investment property depreciation charge amounted to EUR 281 thousand (2010: EUR 17 thousand).

Other disclosures

Fully depreciated items of property, plant and equipment in use at 30 September 2011 amounted to EUR 110,865 thousand (EUR 99.411 thousand at 30 September 2010).

At the end of 2011 the Group had yet to formalise the acquisition of a land lot in Alcalá de Guadaira (Seville), for which it paid an advance of EUR 4,671 thousand in 2005, which is recognised under "Property, Plant and Equipment in the Course of Construction". This formalisation is dependent upon the municipal authority executing the corresponding land development projects. The Parent's directors have commenced actions aimed at ensuring that the municipal authority meets the obligations assumed.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

At 30 September 2011 and 2010, the items of property, plant and equipment located abroad, mainly in Portugal, France and Italy, amounted to EUR 38,352 thousand and EUR 42,195 thousand, net of the related accumulated depreciation, respectively.

7. Non-current assets held for sale

The changes in "Non-Current Assets Held for Sale" in the consolidated balance sheets in 2011 and 2010 were as follows:

	Thousands of Euros
Balance at 30/09/09	10,300
Disposals	(651)
Losses from discontinued operations (Note 37)	(1,100)
Transfers (Note 6)	(3,456)
Balance at 30/09/10	5,093
Additions	45
Losses from discontinued operations (Note 37)	(500)
Reclassifications (Note 6)	(2,101)
Balance at 30/09/11	**2,537**

At 30 September 2011, "Non-Current Assets Held for Sale" includes various buildings owned by the Group that are currently in the sale process. These sales are expected to materialise at short term. The market value of these assets exceeded their carrying amount at 30 September 2011.

This heading also includes the 49% ownership interest in the capital of Publidispatch, S.A.S. amounting to EUR 392 thousand, which the Parent's directors intend to sell in the future.

The transfers in 2011 relate to the lease of a property located at Santa Perpetua de la Mogoda (Barcelona), which was reclassified to "Investment Property" (see Note 6).

The breakdown of the balance of "Non-Current Assets Held for Sale" at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Buildings:		
Santa Perpetua de la Mogoda (Barcelona)	-	2,101
Auby (France)	2,117	2,117
Villanueva de la Cañada (Madrid)	375	375
Lecce (Italy)	369	369
Trapani (Italy)	190	145
Pozul (Valencia)	143	143
Ownership interest in Publidispatch, S.A.S	392	392
Other	(1,049)	(549)
Balance at 30/09	**2,537**	**5,093**

8. Goodwill

The changes in "Goodwill" in the accompanying consolidated balance sheets in 2011 and 2010 were as follows:

	Thousands of Euros	
	2011	2010
Beginning balance	701,838	701,838
Additions	-	-
Disposals	(26)	-
Ending balance	**701,812**	**701,838**

The detail of the balance of "Goodwill" at 30 September 2011 and 2010 and of the changes therein were as follows (no movements registered in 2010):

	Thousands of Euros		
	Balance at 30/09/10	Disposals	Balance at 30/09/11
Logista Italia, S.p.A.	660,620	-	660,620
Dronas 2002, S.L.	36,545	-	36,545
Terzia, S.p.A.	2,302	-	2,302
T2 Gran Canaria, S.A.	908	-	908
T2 Opelog, S.A.	486	-	486
Logista-Dis, S.A.	321	-	321
Librodis Promotora y Comercializadora del Libro, S.A.	178	-	178
Transportes Basegar, S.L.	85	-	85
Basegar Logística, S.A.	41	-	41
Other	352	(26)	326
Total	**701,838**	**(26)**	**701,812**

Based on the available estimates and projections, the Parent's directors consider that the projections of income attributable to the Group originating from the various companies support the recoverability of the carrying amount of the goodwill recognised. In addition, at the date of preparation of these consolidated financial statements, the directors consider that no fundamental events exist which would require the estimates made at 2011 year-end to be changed for impairment testing purposes.

9. Other intangible assets

The changes in "Other Intangible Assets" in 2011 and 2010 were as follows:

2011

	Thousands of Euros				
	Balance at 30/09/10	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 6)	Balance at 30/09/11
Cost:					
With indefinite useful life-					
Trademarks	125	-	-	35	160
With finite useful life-					
Computer software	101,157	1,560	(258)	9,549	112,008
Concessions, rights and licences	637	-	-	42	679
Advances and intangible assets in progress	1,992	5,473	(4)	(3,313)	4,418
	103,911	7,033	(262)	6,313	116,995
Accumulated amortisation:					
Computer software	(75,996)	(9,842)	207	(544)	(86,175)
Concessions, rights and licences	(185)	(53)	-	33	(205)
	(76,181)	(9,895)	207	(511)	(86,380)
Impairment losses	(644)	(500)	-	-	(1,144)
Total	**27,086**	**(3,362)**	**(55)**	**5,802**	**29,471**

2010

	Thousands of Euros				
	Balance at 30/09/09	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 6)	Balance at 30/09/10
Cost:					
With indefinite useful life-					
Trademarks	125	-	-	-	125
With finite useful life-					
Computer software	82,055	1,115	(59)	18,046	101,157
Concessions, rights and licences	1,562	-	-	(925)	637
Advances and intangible assets in progress	1,535	4,891	(7)	(4,427)	1,992
	85,277	6,006	(66)	12,694	103,911
Accumulated amortisation:					
Computer software	(61,323)	(9,348)	66	(5,391)	(75,996)
Concessions, rights and licences	(147)	(38)	-	-	(185)
	(61,470)	(9,386)	66	(5,391)	(76,181)
Impairment losses	(644)	-	-	-	(644)
Total	**23,163**	**(3,380)**	-	**7,303**	**27,086**

The additions to "Advances and intangible assets in progress" in 2011 relate mainly to functional development projects for the Group's existing applications.

The transfers to "Computer Software" in 2011 relate to the reclassification of various items from "Property, Plant and Equipment" based on their nature.

At 30 September 2011 and 2010, fully amortised intangible assets in use amounted to approximately EUR 66,385 and EUR 49,253 thousand, respectively.

10. Investments in associates accounted for using the equity method and interests in proportionately consolidated joint ventures

The detail of the changes in 2011 and 2010 in "Investments in Associates Accounted for Using the Equity Method" were as follows:

2011

	Thousands of Euros			
	Balance at 30/09/10	Share of Profit for the Year	Capital increases	Balance at 30/09/11
International News Portugal, Lda	350	63	-	413
DIMA Distribución Integral, S.L.	158	(913)	457	(298)
Other	48	-	-	48
Total	**556**	**(850)**	**457**	**163**

2010

	Thousands of Euros					
	Balance at 30/09/09	Share of Profit for the Year	Distribution of Dividends	Inclusions for the Scope of Consolidation	Exclusions for the Scope of Consolidation	Balance at 30/09/10
Distrirutas, S.A.	320	17	(334)	-	(3)	-
International News Portugal, Lda	220	130	-	-	-	350
DIMA Distribución Integral, S.L.	-	(392)	-	550	-	158
Other	70	(1)	-	-	(21)	48
Total	**610**	**(246)**	**(334)**	**550**	**(24)**	**556**

A detail of the main investments in associates, including the name, registered office, principal line of business, the Group's ownership interest and the most significant financial information relating thereon is provided in Appendices I and II.

The most significant financial information relating to interests in joint ventures is as follows (considering a full interest):

2011

	Thousands of Euros					
	30 September 2011				2011	
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Income	Expenses
Logista Libros, S.L.	40,649	10,515	50,157	-	29,521	(29,337)
Avanzalibros, S.L.	1,079	3	759	-	720	(398)
Logilivro, Logística do Livro, Lda.	-	-	-	-	3,118	(2,263)
UTE Logista – GTECH	3,541	23,945	80,942	-	10,628	(40,162)
Librodis, Promotora y Comercializadora del libro, S.A.	122	4	189	-	1,193	(1,127)

2010

	Thousands of Euros					
	30 September 2010				2010	
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Income	Expenses
Logista Libros, S.L.	46,553	11,625	56,220	-	28,572	(26,273)
Avanzalibros, S.L.	3,116	6	3,070	-	345	(435)
Logilivro, Logística do Livro, Lda.	1,924	222	3,169	-	296	(916)
UTE Logista – GTECH	3,300	17,485	44,707	-	1,500	(23,923)
Librodis, Promotora y Comercializadora del libro, S.A.	162	1	294	2	1,111	(1,236)

On 26 October 2010, Compañía de Distribución Integral Logista, S.A.U. and Indra Sistemas, S.A. formed, with ownership interests of 97% and 3% respectively, the unincorporated temporary joint venture called "Compañía de Distribución Integral Logista, S.A.U. and Indra Sistemas, S.A., Unión Temporal de Empresas, Ley 18/1982 de 26 de mayo, número 1", which is engaged in the provision of services for the Andalusian transport authority network. The assets and liabilities of this UTE, together with its results at the end of the reporting period were not significant at 30 September 2011.

11. Financial assets

11.1 Other non-current financial assets

The changes in "Other Non-Current Financial Assets" in 2011 and 2010 were as follows:

2011

	Thousands of Euros			
	Balance at 30/09/10	Additions	Disposals or Reductions	Balance at 30/09/11
Cost:				
Long-term loans	5,497	141	(160)	5,478
Long-term deposits and guarantees	3,134	89	(536)	2,687
Other investments	4,223	350	-	4,573
	12,854	580	(696)	12,738
Impairment losses	(1,573)	(67)	-	(1,640)
Total	**11,281**	**513**	**(696)**	**11,098**

2010

	Thousands of Euros			
	Balance at 30/09/09	Additions	Disposals or Reductions	Balance at 30/09/10
Cost:				
Long-term loans	5,781	-	(284)	5,497
Receivable from the sale of property, plant and equipment	99	-	(99)	-
Long-term deposits and guarantees	3,357	49	(272)	3,134
Other investments	3,469	867	(113)	4,223
	12,706	916	(768)	12,854
Impairment losses	(972)	(601)	-	(1,573)
Total	**11,734**	**315**	**(768)**	**11,281**

"Long-Term Loans" includes the collection rights of Dronas 2002, S.L. amounting to EUR 578 thousand in 2011 (2010: EUR 593 thousand), arising on the sale of its Valencia branch office and a EUR 4,900 thousand loan granted to Publidispatch, S.A.S. The aforementioned loan matures on 1 October 2012 and is renewable for a further four years under the same terms and conditions and earns interest tied to Euribor payable annually.

At 30 September 2011 and 2010, Logista Italia, S.p.A. held a 13.33% ownership interest in the share capital of Banca ITB, S.p.A., amounting to EUR 4,198 thousand, recognised under "Other Non-Current Financial Assets – Other Investments".

In 2011 and 2010 the Group recognised a EUR 67 thousand and EUR 601 thousand, respectively, impairment loss in relation to this ownership interest, which is recognised under "Finance Costs" in the accompanying consolidated income statement for 2011.

There are no significant differences between the carrying amount of these financial assets and their fair value.

11.2 Other current financial assets

The detail of "Other Current Financial Assets" in the accompanying consolidated balance sheets at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Loans to related companies (Note 35)	1,076,630	1,204,852
Other loans	31,512	5,136
Short-term deposits and guarantees	569	574
Total	**1,108,711**	**1,210,562**

At 30 September 2011, the shareholders of Compañía de Distribución Integral Logista, S.A.U. and GTECH Global Lottery, S.L.U., unincorporated temporary joint venture, granted a loan of EUR 63,712 thousand to the former through a monetary contribution given in equal portions. The Parent included EUR 15,928 thousand in this connection under "Other Current Financial Assets" and "Other Current Financial Liabilities" in the accompanying consolidated balance sheet at 30 September 2011.

There are no significant differences between the carrying amount of these financial assets and their fair value.

12. Inventories

The detail of the Group's inventories at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Tobacco	729,504	606,128
Published materials	22,388	25,573
Other merchandise	18,987	19,658
Write-downs	(3,886)	(2,639)
Total	**766,993**	**648,720**

In 2011, the Parent reclassified from "Trade and Other Receivables" to "Inventories" the balance of tobacco excise duty, which becomes chargeable when the tobacco items are transferred from the bonded warehouse to the warehouse for consumption. The balance relates to tobacco stored in the warehouse for consumption at 30 September 2011, since excise duty undoubtedly increases the value of inventories (see Note 2.5). At 30 September 2010 the balance of this excise duty amounted to EUR 140,641 thousand.

The write-downs in 2011 and 2010 cover mainly certain tobacco-product inventories that were defective at year-end.

13. Trade and other receivables

The detail of "Trade and Other Receivables" in the accompanying consolidated balance sheets at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Trade receivables for sales and services	836,143	907,103
Related companies (Note 35)	11,716	9,293
Sundry accounts receivable	39,331	48,221
Employee receivables	356	248
Less- Allowances for doubtful debts	(31,651)	(31,955)
	855,895	**932,909**

The changes in the "Allowances for Doubtful Debts" in 2011 and 2010 were as follows:

	Thousands of Euros
Allowance for doubtful debts at 30 September 2009	21,103
Transfer (Note 26)	7,441
Applications	(7,219)
Disposals	10,630
Allowance for doubtful debts at 30 September 2010	31,955
Additions	3,923
Applications	(4,227)
Allowance for doubtful debts at 30 September 2011	**31,651**

The additions to doubtful debts are recognised under "Other Operating Expenses" in the accompanying consolidated income statement for 2011.

At 30 September 2011, the total amounts of balances provided are older than 90 days.

Trade receivables for sales and services

"Trade Receivables for Sales and Services" includes mainly the balances receivable from the sales of tobacco products, postage and other stamps relating basically to the final delivery of each year, which may be settled during the first days of the following year, including the excise duties and VAT associated with tobacco product sales which do not form part of revenue (see Note 4.15).

The average credit period taken on sales of goods and services ranges from 10 to 30 days. No interest is charged on the receivables for the first 30 days after the expiry date of the invoice. Thereafter, interest is charged at between 6.5% and 9% on the outstanding balance.

None of the clients supposes more than 5% of the trade receivable balances, so there is no clients' concentration risk.

The detail of the past-due receivables for which no allowance had been recognised at 30 September 2011 and 2010 is as follows:

Tranche	Thousands of Euros	
	2011	2010
0-30 days	17,876	19,311
30-90 days	9,903	11,987
90-180 days	4,951	3,445
180-360 days	596	5,022
More than 360 days	3,835	2,697

The Group recognizes an allowance for doubtful debts based on seniority of the debt, unless there are additional guarantees of payment

14. Cash and cash equivalents

"Cash and Cash Equivalents" in the consolidated balance sheets at 30 September 2011 and 2010 includes mainly the Group's cash deposited in current accounts at banks.

The average interest rate obtained by the Group on its cash and cash equivalent balances was 1.85% in 2011 (1.52% in 2010).

15. Other current assets

"Other Current Assets" in the accompanying consolidated balance sheets at 30 September 2011 and 2010 relates mainly to expenses paid which accrued after year-end.

16. Share capital and treasury shares

At the end of 2011 and 2010, the Parent's share capital amounted to EUR 26,550 thousand and was represented by 44,250,000 fully subscribed and paid shares of EUR 0.6 par value each, all of the same class.

At 30 September 2011 and 2010, the Parent's sole shareholder was Altadis, S.A.

Capital Management-

The main objectives of the Group's capital management are to ensure financial stability in the short and long term and the adequate funding of investments, keeping debt levels, all aimed at that the Group maintains its financial strength and soundness of their ratios so that it supports their business and maximizes the value for its shareholders.

At September 30, 2011 and 2010 the leverage ratio is as follows:

	Thousand euros	
	2011	2010
Bank borrowings	5,853	3,968
Long-term loans	-	-
Other current financial liabilities	46,219	7,110
Gross debt	**52,072**	**11,078**
Noncurrent financial assets held to maturity	(11,098)	(11,281)
Current financial assets held to maturity	(1,108,711)	(1,210,562)
Cash and cash equivalent	(35,384)	(29,612)
Cash assets	**(1,155,193)**	**(1,251,455)**
Total net debt	**(1,103,121)**	**(1,240,377)**
Total equity	416,559	563,009
Financial leverage	**(2.64)**	**(2.20)**

17. Reserves of the Parent

Share premium

The Spanish Capital Companies Law expressly permits the use of the share premium account balance to increase the capital of the entities at which it is recognised and does not establish any specific restrictions as to its use.

Legal reserve

Under the Spanish Capital Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 30 September 2011, the Parent's legal reserve has reached the stipulated level.

Dividends

On 30 March 2011, the Parent's sole shareholder approved the distribution of a dividend of EUR 0.98 per share out of profit for 2011. The total dividend distributed was EUR 43,364 thousand.

In addition, on 30 March 2011 the Parent's sole shareholder approved the distribution of an additional dividend of EUR 4.39 per share out of the Parent's voluntary reserves. The additional dividend distributed totalled EUR 194,258 thousand.

18. Reserves at fully or proportionately consolidated companies

The detail, by company, of the balance of this heading in the consolidated balance sheets at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Logista Italia, S.p.A.	85,504	72,119
Dronas 2002, S.L.	18,089	13,111
Logista Publicaciones Portugal, S.A.	764	2,307
Publicaciones y Libros, S.A.	3,073	3,220
Distribérica, S.A.	2,237	3,076
Midsid Sociedade Portuguesa de Distribuiçao, SGPS, S.A.	(145)	2,057
Logista Libros, S.L.	(313)	(1,462)
Compañía de Distribución Integral de Publicaciones Logista, S.L.	12	(3,202)
Logista Transportes e Transitarios, Lda.	(1,673)	(5,149)
Logirest, S.L.	-	(628)
Other reserves and consolidation adjustments	(23,870)	(23,133)
Total	**83,678**	**62,316**

The reserves at consolidated companies include the retained earnings not appropriated at the beginning of the period relating to the consolidated companies and taking into account the consolidation adjustments.

Under the heading of "other reserves and consolidation adjustments" are included primarily the effect of the first application of IFRS, as well as the reserves recognised by the other Group companies, the amounts of which are scantly significant. The change with respect to the prior year relates mainly to Compañía de Distribución Integral Logista Polska, Sp. Z.o.o., Logesta Gestión de Transporte, S.A. and Logesta Italia, S.R.L.

19. Reserves at companies accounted for using the equity method

The detail, by company, of the balance of this heading in the consolidated balance sheets at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
International News Portugal, LDA.	255	152
DIMA Distribución Integral, S.L.	(294)	-
Other	62	68
Total	**23**	**220**

20. Valuation adjustments

"Valuation Adjustments" includes mainly the reserve arising from the net revaluation of land owned by the Parent (see Note 4.1). There were no changes therein in 2011 and 2010.

21. Minority interests

The detail, by consolidated company, of the balance of "Minority Interests" and "Profit or Loss Attributable to Minority Interests" is as follows:

Entity	Thousands of Euros			
	2011		2010	
	Minority Interests	Profit or Loss Attributable to Minority Interests	Minority Interests	Profit or Loss Attributable to Minority Interests
Compañía de Distribución Integral de Publicaciones Logista, S.L.	4,953	(818)	5,606	(123)
Logesta Gestión de Transporte, S.A.	-	-	-	(33)
Distribuidora Valenciana de Ediciones, S.A.	928	(2)	930	(112)
Terzia, S.p.A.	771	(386)	1,157	(121)
Publicaciones y Libros, S.A.	754	(103)	857	(49)
Comercial de Prensa SIGLO XXI, S.A.	-	-	-	24
Logista Publicaciones Portugal, S.A.	2	-	-	(16)
Distribuidora del Este, S.A.	-	-	-	(45)
Distriburgos, S.A.	(375)	-	(375)	-
Logirest, S.L.	-	9	-	-
Distribuidora del Noroeste, S.L.	137	4	133	15
Valdebro Publicaciones, S.A.	-	31	73	24
Transportes Basegar, S.L.	258	109	149	86
Logesta Noroeste, S.A.	408	64	343	24
Distribérica, S.A.	70	2	54	116
Distribuidora de Publicaciones del Sur, S.A.	407	57	350	56
Other entities	328	40	498	(481)
Total	**8,641**	**(993)**	**9,775**	**(635)**

The changes in this heading in 2011 and 2010 were as follows:

	Thousands of Euros	
	2011	2010
Beginning balance	9,775	13,154
Changes in the scope of consolidation	(22)	(2,627)
Change due to profit for the year	(993)	(635)
Dividends paid to minority interests and other	(119)	(117)
Ending balance	**8,641**	**9,775**

22. Bank borrowings

The detail of the bank borrowings at 30 September 2011 and 2010 is as follows:

	Thousands of Euros					
	2011			2010		
	Non-Current	Current	Total	Non-Current	Current	Total
Bank loans	9	5,844	5,853	40	3,928	3,968
Total	**9**	**5,844**	**5,853**	**40**	**3,928**	**3,968**

At 30 September 2011 and 2010, the Group had unused credit facilities granted by various banks of EUR 6,065 and EUR 5,000 thousand, respectively.

The interest rates on bank borrowings are generally tied to Euribor and denominated in euros. The average interest rates on these borrowings in 2011 and 2010 were 4.08 % and 2.75%, respectively.

The detail of the bank borrowings at 30 September 2010 and 30 September 2011 is as follows:

	Thousands of Euros	
	2011	2010
Maturities:		
On demand or within a year	5,844	3.928
Between one and two years	9	40
	5,853	**3,968**

23. Obligations under finance leases

The detail of the Group's obligations under finance leases at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	Present Value of Lease Payments	
	2011	2010
Amounts payable under finance leases:		
Within one year	13	11
Between two and five years	25	56
	38	**67**

In the periods ended 30 September 2011 and 30 September 2010, the average effective interest rates on the finance lease obligations were 5,51% and 2.46%, respectively. Interest rates are set at the lease date and the lease payments foreseen therein are fixed and not floating over the term of the lease. All the lease obligations are denominated in euros.

The Group's obligations under finance leases are secured by the lessors' charges on the leased assets.

24. Other non-current liabilities

The detail of "Other Non-Current Liabilities" in the accompanying consolidated balance sheets at 30 September 2010 and 30 September 2011 is as follows:

	Thousands of Euros	
	2011	2010
Guarantees and deposits received	6,166	6,079
Other liabilities	827	1,400
Total other non-current liabilities	**6,993**	**7,479**

25. Risk exposure

The management of the risks to which the Logista Group is exposed in the course of its business constitutes one of the basic pillars of its activities aimed at preserving the value of the Group's assets at all the business units and in all the countries in which it operates (mainly Spain, Italy, France and Portugal) and, as a result, the value of its shareholder's investments. The risk management system is structured and defined to achieve the strategic and operating objectives.

The Group's financial risk management is centralised in the Corporate Finance Division. This Division has the required mechanisms in place to control, based on the Group's financial position and structure and on the economic variables of the environment, the exposure to interest and exchange rate fluctuations and to the credit and liquidity risks, establishing, when necessary, the related credit limits and setting the policy for the doubtful debts allowance.

The main risks and uncertainties faced by the Group derive from the possible regulatory changes in the industries in which it operates.

On 1 January 2011,Law 42/2010, of 30 December, entered into force, amending Law 28/2005, of 26 December, on health measures against smoking and governing the sale, supply, consumption and advertising of tobacco products. This law imposes additional restrictions on the consumption of tobacco, with respect to those previously in force.

Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables, the latter two concentrating the risks of doubtful debts and past-due amounts. In general the Group has its cash and cash equivalents deposited at financial institutions with a high level of solvency. The Group controls the default and delinquency risks by setting credit limits and establishing demanding conditions in relation to collection periods.

The commercial risk is spread out over a large number of customers that have shorter collection periods and extremely low historical default rates and, therefore, the Group's exposure to third-party credit risk is scantly material.

At 30 September 2011 the Group considers that the level of credit risk exposure of its financial assets is not significant.

Interest rate risk

In relation to its cash and cash equivalents and bank borrowings, the Group is exposed to interest rate fluctuations which might affect its profit and cash flows. However, due to the Group's low borrowing level, management considers that the effect would not be material under any circumstances.

In accordance with the disclosure requirements of IFRS 7, the Group performed a sensitivity analysis in relation to the possible interest rate fluctuations which might occur in the markets in which it operates. Based on these requirements, the Group considers that an interest rate drop of 100 basis points would give rise to a decrease in the Group's finance income of EUR 11 million.

Foreign currency risk

The level of exposure of equity and the income statement to the effects of future changes in the foreign currency exchange rates in force is not significant because the volume of the Group's transactions in currencies other than the euro is not material (see Note 35).

The Group does not have significant investments in foreign entities which operate in currencies other than the euro and it does not carry out significant transactions in countries whose currency is not the euro.

In addition, all the companies composing the Logista Group prepare their financial statements in euros, except for two subsidiaries in Poland and another in Morocco, the activities of which are of scant significance in the Group's business taken as a whole.

Liquidity risk

The Group has to meet payments arising from its activities, including significant amounts relating to excise duties and VAT.

Also, as a result of the difference between the average collection and payment periods, at 30 September 2011, the Group had a working capital deficiency amounting to EUR 352,493 thousand (30 September 2010: EUR 218,681 thousand).

In any case, to ensure liquidity and in order to meet the payment obligations arising from its activity, the Group's balance sheet includes cash and the financing facilities from Group companies and banks detailed in Note 22.

26. Provisions

The detail of the balance of short- and long-term provisions in the accompanying consolidated balance sheets at 30 September 2011 and 2010 and of the main changes therein in the periods is as follows:

2011

	Thousands of Euros				
	Balance at 30/09/10	Additions	Provisions Used/Reversed	Transfers	Balance at 30/09/11
Customs and excise duty assessments	106,494	4,543	(3,000)	-	108,037
Obligations to employees	6,101	286	(285)	-	6,102
Provision for restructuring costs	6,614	4,235	(521)	(6,421)	3,907
Provision for contingencies and charges	22,164	2,602	(3,611)	(924)	20,231
Other	2,860	-	(378)	-	2,482
Long-term provisions	**144,233**	**11,666**	**(7,795)**	**(7,345)**	**140,759**
Provision for restructuring costs	10,272	1,034	(4,743)	5,928	12,491
Customer refunds	4,942	413	(529)	-	4,826
Other	481	216	(2,047)	1,417	67
Short-term provisions	**15,695**	**1,663**	**(7,319)**	**7,345**	**17,384**

2010

	Thousands of Euros				
	Balance at 30/09/09	Additions	Provisions Used/Reversed	Transfers	Balance at 30/09/10
Customs and excise duty assessments	63,325	43,169	-	-	106,494
Obligations to employees	5,634	500	(33)	-	6,101
Provision for restructuring costs	14,733	-	(4,664)	(3,455)	6,614
Provision for contingencies and charges	41,282	6,214	(17,300)	(8,032)	22,164
Other	1,755	277	(518)	1,346	2,860
Long-term provisions	**126,729**	**50,160**	**(22,515)**	**(10,141)**	**144,233**
Provision for restructuring costs	7,307	1,543	(2,033)	3,455	10,272
Customer refunds	4,983	-	-	(41)	4,942
Other	4,520	200	(2,278)	(1,961)	481
Short-term provisions	**16,810**	**1,743**	**(4,311)**	**1,453**	**15,695**

Provisions for tobacco excise duties and customs duty assessments

The Parent had recognised provisions for the tax assessments arising as a result of the tax inspections performed by the Spanish customs authorities as regards the settlement of the excise duties on tobacco products for 2004, 2005 and 2006. Since these assessments arose due to a change in the view taken hitherto by the authorities to differentiate between tax warehouses and consumption warehouses, the Parent signed in disconformities these assessments and filed an appeal against them. In the event that the outcome of these appeals is not favourable, the Parent recognised provisions to cover payment of deficiency and late-payment interest amounting to EUR 99,143 thousand. Also, since the date these assessments were issued, the Parent recognised EUR 8,654 thousand in relation to the necessary late-payment interest, of which EUR 4,055 thousand were recognised in the accompanying income statement for 2011 (2010: EUR 2,669 thousand).

The Parent was issued assessments by the Customs Inspection Authorities for adjustments in the figure for unpaid amounts relating to tariffs and VAT on imports for the years 2000 and 2002 and for the first half of 2003. The total amount of the deficiency, interest and penalty in these assessments is EUR 7,300 thousand. The Parent has filed two separate appeals against portions of this amount at the Central Economic-Administrative Tribunal, National Court and Supreme Court and the Catalonia High Court, respectively. The amount was provisioned in full at 30 September 2011. Since the date these assessments were issued, the Parent has recognised EUR 1,594 thousand in relation to the necessary late-payment interest, of which EUR 488 thousand were recognised in the accompanying income statement for 2011 (2010: EUR 322 thousand).

In 2011 the Catalonia High Court handed down various final judgments relating to a portion of the aforementioned tax assessments totalling EUR 3,000 thousand, finding for the Parent, which as a result released the provision it had made and recognised income under "Other Gains and Losses" in the accompanying income statement.

Provision for obligations to employees

This balance includes mainly the present value of the Parent's long-service bonuses and the "free tobacco" benefit. In 2011 and 2010 period provisions of EUR 216 thousand and EUR 700 thousand, respectively, were recognised in this connection.

Provision for restructuring costs

Logista Italia. S.p.A. is restructuring its logistics warehousing network which gives rise to termination benefits as the main cost. In 2011, an agreement was entered into to renew the temporary transport services with the logistics network, giving rise to the recognition of a further EUR 4,235 thousand under "Long-term Provisions". In addition, provisions of EUR 3,970 thousand (2010: EUR 4,664 thousand) were used, of which EUR 521 thousand were recognised under "Long-term Provisions" and EUR 3,454 thousand under "Short-term Provisions". EUR 5,928 thousand were transferred to "Short-term Provisions". At year-end EUR 3,907 thousand of "Long-term Provisions" (2010: EUR 6,614 thousand) and EUR 5,928 thousand (2010: EUR 3,454 thousand) of "Short-term Provisions" had not yet been used.

In 2011 provisions of EUR 1,034 thousand were recognised for restructuring programmes that the Parent Company's directors intend to carry out (2010: EUR 1,447 thousand). Also, compensation amounting to EUR 1,289 thousand was paid in 2011. EUR 493 thousand were transferred to "Current Provisions", in the caption "Other".

Provision for contingencies and charges

At 30 September 2011 the balance of "Provision for Contingencies and Charges" from the detail above includes basically the provisions recognised by Logista Italia, S.p.A. for litigation in progress with members of its logistics warehousing network, which amounts to EUR 12,564 thousand at year-end (2010: EUR 13,716 thousand). In 2011 a provision of EUR 3,035 thousand was used, relating to compensation effectively paid by the Company. In addition, the Company received more complaints in this connection, which gave rise to the recognition of EUR 1,883 thousand in the year.

The balance at 30 September 2011 of the "Provision for Contingencies and Charges" in the foregoing detail includes mainly provisions to cover the payment of excise duties relating to tobacco theft primarily in Italy amounting to EUR 4,512 thousand (2010: EUR 5,275 thousand). During 2011, the Company has made disbursements by EUR 558 thousand. Also, EUR 924 thousand were transferred to "Short term provisions".

This balance also includes provisions to cover the risk of various lawsuits held by the Group with third parties.

Customer refunds

The customers of books and publications 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 year-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 the book and publications sales activity.

27. Tax matters

Consolidated Tax Group

Some of the Group companies file consolidated tax returns with Altadis, S.A. (see Note 4.16). The companies included with Altadis, S.A. in the Group's consolidated tax return, for Spanish corporation tax purposes, are as follows: Compañía de Distribución Integral Logista, S.A., Distribérica, S.A., Publicaciones y Libros, S.A., Distribuidora de las Rías, S.A., Asturesa de Publicaciones, S.A., Logista-Dis, S.A., La Mancha 2000, S.A., Dronas, 2002, S.L. , T-2 Gran Canaria, S.A., T-2 Opelog, S.A., Cyberpoint, S.L.L., Distribuidora del Noroeste, S.L., Logilenia Distribuidora Farmacéutica, S.L., Compañía de Distribución Integral de Publicaciones Logista, S.L., as well as other Altadis Group companies.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

Years open for review by the tax authorities

At 30 September 2011, the Consolidated Tax Group had the last five years open for review for income tax, since 2009 for customs duties, since 2008 for excise duties, and the remaining four years for the other taxes applicable to it.

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.

In November 2011, the Company received notice of the outcome of the tax audit in process for excise duty settlements for 2007. As a result of this audit, tax assessments amounting to EUR 4,337 thousand, including interest of EUR 940 thousand, were signed on a contested basis and will be appealed.

In view of the varying interpretations that can be made of the applicable tax legislation, the outcome of the tax audits of the open years that could be conducted by the tax authorities in the future could give rise to tax liabilities which cannot be objectively quantified at the present time. However, the directors of the Parent consider that the possibility of material liabilities arising in addition to those already recognised in this connection is remote.

Tax receivables and payables

The detail of the tax receivables at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Deferred tax assets:		
Provision for restructuring costs	7,494	6,543
Tax loss and tax credit carryforwards	23,154	12,762
Provision for third-party liability	4,298	10,231
Other deferred tax assets	14,463	15,852
	49,409	**45,388**
Tax receivables (current):		
VAT refundable	10,703	12,491
Income tax refundable	1,115	1,336
Other	232	2,121
	12,050	**15,948**

The deferred tax assets relate mainly to the period provisions for restructuring costs, termination benefits and provisions for obligations to employees which will become tax-deductible in coming years.

The detail of the tax payables at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Deferred tax liabilities:		
Assets contributed by Altadis	958	946
Revaluation of land owned by the Parent	8,550	8,550
Goodwill	89,453	76,099
Other	2,280	2,527
	101,241	**88,122**
Tax payables (current):		
Excise duty on tobacco products	1,861,463	1,824,527
VAT payable	502,824	465,751
Customs duty settlements	6,627	7,291
Income tax, net of prepayments	13,682	2,266
Personal income tax withholdings	1,989	2,074
Social security taxes payable	6,326	6,297
Other	1,652	3,816
	2,394,563	**2,312,022**

Short-term balances include mainly the "Excise Duty on Tobacco Products" accrued by the Parent and by Logista Italia, S.p.A. and pending payment to the tax authorities.

The Parent is reducing its taxable profit each year by one-twentieth of the goodwill implicit in the acquisition cost of its foreign subsidiaries, principally that arising on the acquisition of Logista Italia, S.p.A. These reductions are considered as temporary differences.

Reconciliation of the accounting profit to the taxable profit

The reconciliation of the income tax expense resulting from the application of the standard tax rate in force in Spain to the income tax expense recognised for the periods ended 30 September 2011 and 2010:

	Thousands of Euros	
	2011	2010
Consolidated profit before tax	128,301	88,816
Loss for the period from discontinued operations (Note 37)	(500)	(1,801)
Consolidated profit before tax	**127,801**	**87,015**
Income tax at the applicable tax rate	29,944	30,024
Effect of temporary differences	7,955	3,714
Positive adjustments to the income tax	-	(7,874)
Tax credits arising from:		
Double taxation	-	(2,831)
Investments	(973)	(18)
Current income tax expense	**36,926**	**23,015**

Changes in deferred tax assets and liabilities

The changes in deferred tax assets and liabilities in 2011 and 2010 were as follows:

2011

		Thousands of Euros		
	Balance at 30/09/10	Change in Profit	Other Movements	Balance at 30/09/11
Deferred tax assets:				
Provision for restructuring costs	6,543	951	-	7,494
Other deferred tax assets	38,845	4,214	(1,143)	41,915
	45,388	**5,165**	**(1,143)**	**49,409**
Deferred tax liabilities	**88,122**	**13,119**	-	**101,241**

2010

		Thousands of Euros		
	Balance at 30/09/09	Change in Profit	Other Movements	Balance at 30/09/10
Deferred tax assets:				
Provision for restructuring costs	10,931	(4,388)	-	6,543
Other deferred tax assets	34,296	4,549	-	38,845
	45,277	**161**	-	**45,388**
Deferred tax liabilities	**81,967**	**3,825**	**2,330**	**88,122**

Tax credit carryforwards

At 30 September 2011, the Company did not have any tax credit carryforwards. At 30 September 2010 tax credit carryforwards amounted to EUR 1,088 thousand, all of which were earned in 2010.

28. Other current financial liabilities

This heading includes mainly the balance of the current account with Imperial Tobacco Enterprise Finance Limited, amounting EUR 30 million (see Note 35).

Additionally, this caption includes the loan granted to Compañía de Distribución Integral Logista, S.A.U. and GTECH Global Lottery, S.L.U., Unión Temporal de Empresas, which amounted to EUR 15,928 thousands as of 30 September 2011.

29. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheet at 30 September 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Accounts payable for purchases and services	514,727	593,857
Notes payable	15,238	16,043
Payable to related companies (Note 34)	69,136	75,616
Advances received on orders	233	266
	599,334	**685,782**

"Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs. The average payment period for trade purchases in 2011 was approximately 29 days (2010: 29 days).

30. Other current liabilities

At 30 September 2011 and 2010, "Other Current Liabilities" includes mainly the remuneration payable to the employees of the various Group companies, as well as a deposit received from a tobacco manufacturer in Portugal, amounting to EUR 35,549 thousand euros (2010: EUR 37,651 thousand).

31. Guarantee commitments to third parties

At 30 September 2011, the Group has been provided with bank guarantees totalling EUR 284,356 thousand (30 September 2010: EUR 284,356 thousand which, in general, secure the fulfilment of certain obligations assumed by the consolidated companies in the performance of their business activities.

These guarantees include those that cover the assessments issued by the public authorities as a result of the inspections performed by the Spanish customs authorities of the settlement of excise duties on tobacco products for 2004, 2005 and 2006, which have been appealed and amount to EUR 147,759 thousand in 2011 (2010: EUR 182,006 thousand). The directors consider that the risk of contingencies arising as a result of these guarantees is sufficiently covered by the provisions recognised at 30 September 2011 (see Note 26).

Practically all the guarantees relate to normal commercial transactions; in this connection the Parent's directors consider that the liabilities not foreseen at 30 September 2011 and 2010 which might arise from the aforementioned guarantees provided would not, under any circumstances, be material.

At 30 September 2011 and 2010, the Group had taken out insurance policies to cover possible contingencies for transport and storage in factories and representative offices, fire and third-party liability for all its work centres. The insured sum adequately covers the aforementioned assets and risks.

32. Income and expenses

a) *Revenue*

The detail of "Revenue" in the consolidated income statements for 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Distribution and logistics	5,398,652	5,543,947
Publications and books	77,820	99,057
Transport	224,561	224,863
Total	**5,701,033**	**5,867,867**

b) *Staff costs*

The detail of the Group's "Staff Costs" in 2011 and 2010 is as follows:

	Thousands of Euros	
	2011	2010
Wages, salaries and similar expenses	136,523	133,979
Employer social security costs	33,292	34,335
Other employee benefit costs	7,672	7,827
	177,487	**176,141**

The average number of employees at the Group, by professional category, in 2011 and 2010 was as follows:

2011

Category	Number of Persons							
	Average Headcount				Headcount at 30/09/10			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Management	56	6	-	-	54	5	-	-
Line personnel and clerical staff	1,088	944	150	131	1,113	954	146	125
Messengers	1,219	660	331	82	1,182	625	347	86
Total	**2,364**	**1,610**	**481**	**213**	**2,349**	**1,584**	**493**	**211**
TOTAL	**3,973**		**694**		**3,933**		**704**	

2010

Category	Number of Persons							
	Average Headcount				Headcount at 30/09/10			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Management	57	7	-	-	60	7	-	-
Line personnel and clerical staff	1,072	930	137	140	1,051	919	164	153
Messengers	1,285	733	322	100	1,232	706	362	164
Total	**2,415**	**1,669**	**460**	**240**	**2,343**	**1,632**	**526**	**317**
TOTAL	**4,084**		**700**		**3,975**		**843**	

The average number of disabled employees at the Group in 2011 and 2010 was 49 and 53, respectively.

Remuneration of senior executives

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

The remuneration earned in 2011 by the members of the Parent's Management Committee amounted to EUR 2,132 thousand (2010: EUR 2,688 thousand), and included the remuneration received by certain executives who are also members of the Parent's Board of Directors. These amounts include the sums paid to members of the Management Committee in 2011 and 2010 relating to the incentive plan detailed in Note 4.12.

The contributions payable by the company in 2011 to pension plans for the members of the Parent's Management Committee amounted to EUR 236.3 thousand and EUR 210.8 thousand at 30 September 2011 and 2010.

c) Other operating expenses

The detail of "Other Operating Expenses" in the consolidated income statements is as follows:

Cost of logistics networks

	Thousands of Euros	
	2011	2010
Leases	31,272	31,812
Security and cleaning	11,784	11,637
Utilities	15,058	12,937
Other operating expenses	67,942	68,418
Total	**126,056**	**124,804**

Head office costs

	Thousands of Euros	
	2011	2010
Leases	2,718	2,275
Security and cleaning	368	412
Utilities	406	572
Other operating expenses	17,976	17,600
Total	**21,468**	**20,859**

Commercial expenses

	Thousands of Euros	
	2011	2010
Leases	193	216
Security and cleaning	1	2
Utilities	23	23
Other operating expenses	15,582	9,337
Total	**15,799**	**9,578**

d) Finance income

The detail of "Finance Income" in the accompanying consolidated income statements is as follows:

	Thousands of Euros	
	2011	2010
Interest income	25,173	21,081
Exchange gains	1	13
Other finance income	2,151	1,424
	27,325	**22,518**

e) Other expenses

The detail of "Other expenses" in the accompanying consolidated income statements is as follows:

	Thousands of Euros	
	2011	2010
Lawsuit resolution income	-	4,093
Provisions additions/reversal (Note 26)	3,000	(30,846)
Others	(1,152)	(8,664)
	1,848	**(35,417)**

f) Other disclosures

The fees for financial audit services provided to the various companies composing the Logista Group by the principal auditor and by other entities related to the auditor during 2011 amounted to EUR 809 thousand (2010:

EUR 933 thousand). Also, the fees charged by other auditors participating in the audit of the various Group companies totalled EUR 233 thousand (2010: EUR 236 thousand).

In addition, the principal auditor and other entities related to the auditor provided other professional services to the various Group companies amounting to EUR 246 thousand in 2011 (2010: EUR 27 thousand), while the fees paid for other professional services provided by other auditors participating in the audit of the various Group companies amounted to EUR 1 thousand (2010: EUR 8 thousand).

33. Segment reporting

Basis of segmentation

Segment reporting is structured on a primary basis by business segment and on a secondary basis by geographical segment.

Primary segments - Business segments

The business lines described below were established on the basis of the Logista Group's organisational structure at 2011 year-end, taking into account, on the one hand, the nature of the goods and services offered and, on the other, the activities of the customers at which they are targeted.

In 2011 the Logista Group engaged mainly in the following major lines of business, which provides the basis for the Group's primary segment reporting:

1. Distribution and Logistics activity.

2. Publishing industry activity.

3. Transport activity.

Income and expenses that cannot be specifically attributed to any operating line or that are the result of decisions affecting the Group as a whole –and, among them, expenses incurred in projects or activities affecting several lines of business, income from strategic investments, etc.–are attributed to the "Distribution and Logistics" segment given the Company's origins and the symbiosis between the corporate unit and the Group's traditional and main business line, to which the reconciling items arising from the reconciliation of the result of integrating the financial statements of the various lines of business (prepared using a management approach) into the Group's consolidated financial statements are also allocated.

Secondary segments - Geographical segments

The Group's business activities are located mainly in Spain, Portugal and Italy. "Other" includes France, Poland and Morocco.

Basis and methodology for segment reporting

The segment reporting below is based on monthly reports prepared by Logista Group management which are generated through a computer application which categorises the transactions by business line and geographical area.

The segment's ordinary revenue relates to the ordinary income directly allocable to the segment plus the relevant proportion of the Group general revenue that can be allocated thereto using reasonable allocation bases. Each segment's ordinary revenue does not include interest or dividend income or gains arising from sale of investments.

The expenses of each segment are determined as the directly allocable expenses arising from its operating activities plus the relevant proportion of the expenses which may be allocated to the segment using reasonable allocation bases. The expenses allocated do not include interest or losses arising from the disposal of investments; similarly, they do not include the income tax expense or the head office's general administrative expenses that are not related to the segments' operating activities and, therefore, that cannot be allocated using reasonable allocation bases.

The segment profit or loss includes interest income, dividends and gains or losses on sale of investments, and it is presented before any adjustment for minority interests.

The assets and liabilities of the segments are those that are directly related to their operations plus those that can be directly attributed to them on the basis of the aforementioned allocation system, and include the proportional part of joint ventures. Segment liabilities do not include income tax liabilities.

Segment information about these businesses is presented below.

Primary segment reporting

	Thousands of Euros							
	Distribution and Logistics		Publishing Industry		Transport		Total Group	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue:								
External sales	5,411,729	5,560,197	78,472	99,420	311,400	300,340	5,801,602	5,959,957
Inter-segment sales	-	-	-	-	-	-	(100,568)	(92,090)
Total revenue	**5,411,729**	**5,560,197**	**78,472**	**99,420**	**311,400**	**300,340**	**5,701,033**	**5,867,867**
Profit or loss:								
Segment result	109,238	67,638	(6,539)	(765)	10,012	9,721	112,711	76,594
Share of results of Associates	-	-	-	-	-	-	(850)	(246)
Profit (Loss) from operations	**109,238**	**67,638**	**(6,539)**	**(765)**	**10,012**	**9,721**	**111,861**	**76,348**

Inter-segment sales are made at prevailing market prices.

The detail of the other disclosures related to the Group's business segments is as follows:

	Thousands of Euros							
	Distribution and Logistics		Publishing Industry		Transport		Total Group	
	2011	2010	2011	2010	2011	2010	2011	2010
Other disclosures:								
Additions to non-current assets	23,828	20,946	1,223	1,705	3,974	7,220	29,025	29,871
Depreciation and amortisation charge	(21,087)	(21,352)	(3,545)	(2,785)	(9,011)	(9,324)	(33,643)	(33,461)
Balance sheet:								
Assets-								
Property, plant and equipment	172,136	175,171	17,735	20,465	36,255	39,865	226,126	235,501
Other non-current assets	738,023	728,886	5,394	7,262	48,536	50,001	791,953	786,149
Inventories	729,536	611,000	35,986	36,010	1,471	1,710	766,993	648,720
Trade receivables	792,792	848,010	58,711	90,450	4,392	(5,551)	855,895	932,909
Other current assets	-	-	-	-	-	-	1,161,595	1,261,859
Total consolidated assets							**3,802,562**	**3,865,138**
Liabilities-								
Non-current liabilities	240,384	231,295	5,873	5,962	2,770	2,673	249,027	239,930
Current liabilities	2,948,305	2,843,155	118,811	148,853	69,860	70,191	3,136,976	3,062,199
Equity	-	-	-	-	-	-	416,559	563,009
Total consolidated liabilities							**3,802,562**	**3,865,138**

Secondary segment reporting

The breakdown of certain of the Group's consolidated balances based on the geographical location of the companies that gave rise to them is as follows:

	Thousands of Euros					
	Ordinary Revenue		Total Assets		Additions to Non-Current Assets	
	2011	2010	2011	2010	2011	2010
Spain	2,216,469	2,495,872	1,795,811	1,926,854	25,151	26,531
Italy	3,002,659	2,919,207	1,858,969	1,764,188	1,431	2,177
Portugal	466,211	439,089	159,494	164,279	2,362	966
Other	15,694	13,699	(11,712)	9,817	81	197
Total	**5,701,033**	**5,867,867**	**3,802,562**	**3,865,138**	**29,025**	**29,871**

34. Foreign currency transactions

The Logista Group's foreign currency transactions in 2011 and 2010, measured in euros at the average exchange rate for the year, were as follows:

	Thousands of Euros	
	2011	2010
Sales	10,058	10,029
Purchases	4,972	5,304
Services received	4,332	4,444

35. Balances and transactions with related parties

The balances at 30 September 2011 and 2010 with associates and other related companies were as follows:

2011

	Receivables		Payables	
	Credit Facilities	Accounts Receivable	Credit	Accounts Payable
Altadis, S.A.	1,076,568	3,526	-	38,075
Imperial Tobacco Overseas Holding	-	618	-	23,538
Imperial Tobacco Enterprise Finance Limited	-	-	30,291	-
SEITA	-	198	-	-
Altadis Distribution France, S.A.	-	1,245	-	-
John Player, S.A.	-	3,607	-	7,054
Other	62	2,522	-	469
	1,076,630	**11,716**	**30,291**	**69,136**

2010

	Thousands of Euros		
	Receivables		Payables
	Credit Facilities	Accounts Receivable	Accounts Payable
Altadis, S.A.	1,055,807	4,753	48,584
Imperial Tobacco Overseas Holding	-	2,072	25,058
Imperial Tobacco Enterprise Finance Limited	138,963	-	-
SEITA	-	162	8
Altadis Distribution France, S.A.	-	1,049	38
Other	10,082	1,257	1,928
	1,204,852	**9,293**	**75,616**

The Parent has a current account with Imperial Tobacco Enterprise Finance Limited on which interest is paid at the European Central Bank rate plus a spread of 0.75%. At 30 September 2011, the balance payable relating to this current account is EUR 30,291 thousand while the balance receivable was EUR 138,963 thousand at 30 September 2010.

On 1 October 2009, the Parent Company arranged a loan with Altadis, S.A., with a maximum principal limit of EUR 1,037 million which bears interest tied to the European Central Bank official rate plus a spread of 0.75%. At 30 September 2011, the balance amounts to EUR 1,077 million, including interests (2010: EUR 1,055 thousand).

The transactions with related companies in 2011 and 2010 were as follows:

2011

	Thousands of Euros			
	Operating Income	Finance Income	Purchases	Other Operating Expenses
Altadis, S.A.	7,650	20,761	449,639	366
Altadis Polska, S.A.	218	-	-	-
Altadis USA	-	-	305	-
Imperial Tobacco Italy, s.r.l.	1,179	-	68,334	-
Imperial Tobacco Polska, S.A.	3,751	-	-	31
Imperial Tobacco Enterprise Finance Limited		3,765	-	-
Imperial Tobacco International Limited	1,553	-	22,859	354
Imperial Tobacco Portugal SPPLC	611	-	-	-
Editorial Planeta, S.A.	1,993	803	125,195	241
Editorial Planeta de Agostini, S.A.	3	-	-	-
Ediciones Altaya, S.A.	-	-	3	-
Espasa Calpe, S.A.	4	-	-	-
Casa del Libro, S.A.	12,996	-	-	-
SEITA, S.A.	1,213	-	1	-
John Player, S.A.	1,977	-	35,340	-
Corporación Habanos, S.A.	5	-	-	-
Promocigar	2	-	-	-
Total	**33,155**	**25,329**	**701,676**	**992**

2010

	Thousands of Euros			
	Operating Income	Finance Income	Purchases	Other Operating Expenses
Altadis, S.A.	10,373	18,527	538,910	984
Altadis Polska, S.A.	189	-	-	4
Altadis USA	-	-	224	-
Imperial Tobacco Italy, s.r.l.	2,246	-	61,521	-
Imperial Tobacco Polska, S.A.	3,318	-	-	-
Imperial Tobacco Enterprise Finance Limited	-	2,317	-	-
Imperial Tobacco International Limited	2,493	-	15,196	34
Imperial Tobacco Portugal SPPLC	418	-	-	-
Editorial Planeta, S.A.	1,214	-	62,720	47
Editorial Planeta de Agostini, S.A.	185	-	25,419	-
Ediciones Altaya, S.A.	-	-	418	-
Espasa Calpe, S.A.	55	-	-	-
Casa del Libro, S.A.	6,610	-	-	-
SEITA, S.A.	1,138	-	-	-
John Player, S.A.	551	-	29,550	-
Enlaces Editoriales, S.L.	366	-	9,089	-
Corporación Habanos, S.A.	2	-	-	-
Promocigar	847	-	-	-
Total	**30,005**	**20,844**	**743,047**	**1,069**

36. Remuneration of directors

Remuneration of the Parent's directors

The remuneration received in 2011 by the Parent's directors as members of the Board or of certain of its standing committees totalled EUR 362 thousand (2010: EUR 301 thousand).

In 2011 and 2010 the Parent 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.

No 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.

All the directors are male, except for one female.

Detail of the investments in companies engaging in similar activities and of the similar activities carried on by the directors, as independent professionals or as employees of the Parent

Pursuant to Article 229 of the Spanish Capital Companies Law, in order to reinforce the transparency of corporations, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Compañía de Distribución Integral Logista, S.A., in which the members of the Board of Directors own or have owned equity interests in 2011, and of the functions, if any, that they discharge thereat:

Owner	Invester	Line of Businees	Ownership Interest	Functions
D. José Riva Francos	Vapores Suardíaz	Transport	15%	Vicechairman and Chairman of the Board
Dª Alison Cooper	Imperial Tobacco Group	Tobacco manufacture	130,187 shares	C.E.O.
D. Luis Egido Gálvez	Imperial Tobacco Group	Tobacco manufacture	40,782 shares	General Manager, Logistics Business
D. Kenneth Hill	Imperial Tobacco Group	Tobacco manufacture	Less than 0.01%	Special projects manager
D. Nicholas Keveth	Imperial Tobacco Group	Tobacco manufacture	19,019 shares	Accounting, budgets and tax manager
D. Conrad Tate	Imperial Tobacco Group	Tobacco manufacture	Less tan 0.01%	Corporate Development manager

Also, pursuant to the aforementioned law, set forth below are the activities performed by the various members of the Board of Directors in 2011, which are identical, similar or complementary to the activities that constitute the company object of Compañía de Distribución Integral Logista, S.A.:

Name	Activity Performed	Type of Arrangement under which the Activity is Performed	Company through which the Activity is Performed	Position held or Function Discharged at the Company Concerned
D. Luis Egido Gálvez	Tobacco manufacture	Employee	Altadis, S.A.	Logistics unit general manager
	Tobacco manufacture and distribution	Employee	Altadis Maroc	Chairman of the Board
	Distribution	Employee	Logista Italia, S.p.A.	Chairman
	Distribution	Employee	Logista Portugal (Sucursal)	Legal Representative
	Distribution	Employee	T2 Opelog, S.A.	Chairman
	Transport	Employee	Dronas 2002, S.L.	Chairman
D. Kenneth Hill	Tobacco manufacture	Employee	Commonwealth Brands	Chairman of the Board
	Vending machines manufacture	Employee	Sinclair Collins	Chairman of the Board
D. Gregorio Marañón y Bertrán de Lis	Tobacco manufacture	Employee	Altadis, S.A.	Chairman of the Board
D. Rafael de Juan López	Transport	Employee	Dronas 2002, S.L.	Chairman of the Board
	Distribution	Employee	T2 Opelog, S.A.	Chairman of the Board
	Distribution	Employee	Logista Italia, S.p.A.	Chairman of the Board
	Distribution	Employee	Logista Publicaciones, S.L.	Chairman
D. Conrad Tate	Tobacco manufacture and sale	Employee	Reemtsma Cigaretten Fabriken GmbH	Supervising Board Member

37. Discontinued operations

In 2008 Logista France, S.A.S. transferred its promotional and marketing material logistics business to Publidispatch, S.A.S., a company incorporated in 2008, and retained certain assets for their subsequent sale or disposal. Since the Group decided to dispose of the latter, these items have been recognised under "Non-Current Assets Held for Sale" since 2008.

Accordingly, the Group recognised in profit from discontinued operations the loss incurred by this company in 2011, which amounted to EUR 500 thousand (2010: EUR 1,100 thousand).

The detail of the assets owned by this company is as follows:

	Thousands of Euros	
	2011	2010
Buildings:		
Auby	2,117	2,117
Investment in Publidispatch, S.A.S.	392	392
Other	(1,709)	(579)
Total	**1,430**	**1,930**

The income, expenses and profit before tax recognized in the accompanying consolidated income statements are as follows:

	2011	2010
Revenue	20	5,978
Procurements	(39)	(75)
Gross profit	**(19)**	**5,903**
Cost of logistics networks:		
Staff costs	(17)	(2,500)
Depreciation and amortisation charge	(66)	(100)
Other operating expenses	(987)	(5,731)
Total cost of logistics networks	(1,070)	(8,332)
Other income/(expenses)	173	419
Loss from operations	**(915)**	**(2,010)**
Finance income	443	534
Finance costs	(28)	(325)
Loss before tax	**(500)**	**(1,801)**
Income tax	-	-
Loss for the period	**(500)**	**(1,801)**

The net cash flows attributable to discontinued operating, investing and financing activities are not material.

38. Disclosures on the payment periods to suppliers. Additional Provision Three "Disclosure obligation" provided for in Law 15/2010, of 5 July

The detail of the disclosures required under Additional Provision Three of Law 15/2010, of 5 July, is as follows:

	Amounts Paid and Payable at Year-End			
	2011		2010	
	Amount	%	Amount	%
Paid within the maximum payment period	2,843,946	96.53%	3,072,262	96.01%
Remainder	102,224	3,47%	127,931	3,99%
Total payments made in the year	**2,946,170**	**100%**	**3,200,193**	**100%**
Payables at year-end past due by more than the maximum payment period	10,745		20,872	

The figures shown in the foregoing table relate to suppliers of goods and services and, therefore, they include the figures relating to "Payable to Suppliers" and "Sundry Accounts Payable" under current liabilities in the balance sheet.

The weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers past due by more than the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period. The weighted average period of late payment has been 0.85 days in 2011 (2010: 1.65 days).

The maximum payment period applicable to the Company in 2011 under Law 3/2004, of 29 December, on combating late payment in commercial transactions, was 85 days.

39. Environmental matters

In-force environmental legislation does not significantly affect the activities carried on by the Group and, therefore, it does not have any environmental liability, expenses, income, grants, assets, provisions or contingencies that might be material with respect to the Group's equity, financial position and results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

40. Explanation added for translation to English

These consolidated financial statements are presented on the basis of IFRSs 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.

Appendix I

Logista Group Subsidiaries

The companies detailed below were either fully consolidated, because they are companies in which the Logista Group owns majority voting rights, or were proportionately consolidated:

2011

			% of ownership By the Parent Company		Net	Thousands of Euros			
						Data on the Companies			
Company	Audit firm	Location	Direct	Indirect	Book Value	Assets	Liabilities	Equity	Profit/Loss Ejercicio
Compañía de Distribución Integral de Publicaciones Logista, S.L.	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	75	-	-	56,824	54,057	2,767	(6,116)
Logista Portugal, Distribuçao de Publicaciones, S.A. y soc. dependientes (a):	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	57	-	39,992	42,784	(2,792)	(2,856)
Jornal Matinal, LDA. (a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	76	106	671	502	169	34
Marco Postal Entrega Personalizada de Publicaçoes, LDA. (a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	75	-	1,348	871	477	(15)
Distribérica, S.A. (a)	No auditada	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	75	4,099	1,696	3	1,693	67
Publicaciones y Libros, S.A. (a)	Deloitte	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	75	-	3,975	422	3,553	(412)
Distribuidora del Noroeste, S.L. (a)	BDO	Gandarón, 34 Interior- Vigo	49	51	-	3,337	2,489	848	34
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	No auditada	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	-	60	64	947	829	118	132
Distribuidora de Publicaciones del Sur, S.A. (a)	BDO	Polígono Ind. ZAL, Ctra. De las Exclusas,s/n, Parcela 2, Módulos 3 y 4 (Sevilla)	-	50	69	3,626	3,263	363	91
Promotora Vascongada de Distribuciones, S.A. (a)	No auditada	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	-	75	135	1,758	1,600	158	(131)
Asturesa de Publicaciones, S.A. (a)	No auditada	Pérez Galdós, 10. Oviedo	-	75	233	245	-	245	-
Distribuidora de las Rías, S.A. (a)	No auditada	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña	-	75	170	1,549	1,339	210	47
Distribuidora Valenciana de Ediciones, S.A. (a)	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	-	50	-	5,049	3,373	1,676	(4)
Distriburgos, S.A. (a)	No auditada	c/ Canónigo Isidoro Díaz de Muragarren, 2, 7ºA Burgos	-	50	-	(6)	936	(942)	-

Company	Audit firm	Location	% of ownership By the Parent Company		Net Book Value	Thousands of Euros Data on the Companies			
			Direct	Indirect		Assets	Liabilities	Equity	Profit/Loss Ejercicio
Cyberpoint, S.L.L. (f)	No auditada	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	75	70	40	(24)	64	(9)
Distribuidora del Este, S.A. (a)	BDO	Calle Saturno, 11. Alicante	-	75	-	1,486	1,524	(38)	(61)
S.A. Distribuidora de Ediciones (a)	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona	-	75	3,513	9,607	9,336	271	(478)
La Mancha 2000, S.A. (a)	No auditada	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara	100	-	1,352	2,725	553	2,172	135
Midsid Sociedade Portuguesa de Distribuiçao, SGPS, S.A. (a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	-	3,610	38,507	34,555	3,952	1,212
Logista-Dis, S.A. (b)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-	1,202	15,443	11,309	4,134	2,557
Logista Libros, S.L. (h)	Deloitte	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	50	-	542	52,365	50,156	2,209	251
Librodis Promotora y Comercializadora del Libro, S.A. (a) (h)	No auditada	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	-	50	197	123	191	(68)	65
Avanzalibros, S.L. (h)	No auditada	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	-	50	200	1,083	759	324	272
Logesta Gestión de Transporte, S.A. (d)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-	4,510	35,897	30,268	5,629	1,042
Logesta Italia, s.r.l.	Deloitte	Via in Arcione 98. Roma	-	100	100	7,811	6,015	1,796	541
Transportes Basegar, S.A.	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)	-	60	186	3,384	2,851	533	187
Basegar Logística, S.L.	No auditada	c/ Alameda Recalde, 34, 2º izda Bilbao	-	50	30	23	167	(144)	(48)
Logesta Noroeste, S.A.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	-	60	420	2,368	1,329	1,039	161
Logesta Lusa Lda	No auditada	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100	-	315	279	36	(5)
Logesta Polska Sp. z.o.o.	No auditada	Flory nr 9, lok 6. kod-00-586 Warszawa--(Polonia)	-	100	-	1,233	1,630	(397)	142
Logesta Deutschland GMBH	No auditada	Pilotystr 4. 80538- München-(Alemania)	-	100	100	124	93	31	(23)
Logesta France, s.a.r.l.	No auditada	25 Av. Du Bois de la Pie. Z.I. Paris Nord. 93290 Tremblay (Francia)	-	100	50	1,734	1,281	453	125
Dronas 2002, S.L. y sociedades dependientes (c)	Deloitte	Pol. Industrial Nordeste, c/ Energía 25-29. Sant Andreu de la Barca	100	-	21,292	123,274	86,545	36,729	5,335

Company	Audit firm	Location	% of ownership By the Parent Company		Net Book Value	Thousands of Euros Data on the Companies			
			Direct	Indirect		Assets	Liabilities	Equity	Profit/Loss Ejercicio
T2 Gran Canaria, S.A.	Deloitte	Urbanización El Cebadal. C/ Entrerríos, 3. Las Palmas de Gran Canaria	-	100	1,657	4,794	997	3,797	1,030
T2 Opelog, S.A.	Deloitte	Polígono Industrial Nordeste. C/ Industria, 53-65. San Andreu de la Barca	-	100	3,873	11,983	8,207	3,776	1,439
Logilenia Distribuidora Farmacéutica, S.L.	No auditada	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	-	100	410	3,009	2,598	411	53
Logista Italia, S.p.A. (a)	Deloitte	Vía in Arciones, 98. Roma (Italia)	100	-	605,629	1,795,134	1,723,840	71,294	37,311
Terzia, S.p.A. (a)	Deloitte	Vía in Arciones, 98. Roma (Italia)	-	68	901	5,457	5,335	122	(1,202)
Logista, Transportes e Transitarios, Lda. (d)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	-	-	8,590	9,356	(766)	(939)
Compañía de Distribución Integral Logista Polska, Sp Z.o.o. (a)	No auditada	Al. Jerozolimskie 133. Warszawa. Polonia	100	-	-	1,403	3,869	(2,466)	(1,853)

(a) All these companies engage in the distribution and dissemination of publications and in the distribution of tobacco and other consumer products in Spain, Italy, France and Portugal.

(b) These companies engage in the purchase and sale of consumer products.

(c) The Dronas Group engages in integrated shipping, express shipping and pharmaceutical logistics.

(d) These companies' object is the performance of transport activities.

(e) This company engages in the provision of an integrated logistics service in the organised catering network channel.

(f) This company is specialised in software development for the management of points of sale for publications.

(g) This group engages in the distribution of marketing, promotional and advertising material to retail networks and in the distribution of other consumer products.

(h) This company has been proportionately consolidated.

Company	Audit Firm	Location	% of ownership By the Parent Company		Net book Value	Thousands of Euros Data on the Companies			
			Direct	Indirect		Assets	Liabilities	Equity	Profit/Loss Ejercicio
Compañía de Distribución Integral de Publicaciones Logista, S.L.	Deloitte	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	75	-	5,000	57,407	48,524	8,883	(2,949)
Logista Portugal, Distribuçao de Publicaciones, S.A. y soc. dependientes (a):	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	57	-	65,558	67,014	(1456)	(1,564)
Jornal Matinal, LDA. (a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	76	103	783	647	136	85
Marco Postal Entrega Personalizada de Publicaçoes, LDA. (a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	75	493	1,511	1,018	493	-
Distribérica, S.A. (a)	No auditada	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	75	3,878	1,627	1	1,626	(1,054)
Publicaciones y Libros, S.A. (a)	Deloitte	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	75	530	4,379	415	3,964	(196)
Distribuidora del Noroeste, S.L. (a)	BDO	Gandarón, 34 Interior- Vigo	49	51	-	3,571	2,757	814	114
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	No auditada	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	-	60	64	1,256	1,118	138	58
Distribuidora de Publicaciones del Sur, S.A. (a)	BDO	Polígono Ind. ZAL, Ctra. De las Exclusas, s/n, Parcela 2, Módulos 3 y 4 (Sevilla)	-	50	69	4,130	3,858	272	90
Promotora Vascongada de Distribuciones, S.A. (a)	No auditada	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	-	75	139	2,233	1,944	289	(69)
Asturesa de Publicaciones, S.A. (a)	No auditada	Pérez Galdós, 10. Oviedo	-	75	233	263	18	245	43
Distribuidora de las Rías, S.A. (a)	No auditada	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña	-	75	428	2,284	1,521	763	66
Distribuidora Valenciana de Ediciones, S.A. (a)	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	-	50	876	4,686	3,006	1,680	(181)
Distriburgos, S.A. (a)	No auditada	c/ Canónigo Isidoro Díaz de Muragarren, 2, 7ºA Burgos	-	50	-	(6)	936	(942)	-
Cyberpoint, S.L.L. (f)	No auditada	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	75	55	58	15	73	48
Distribuidora del Este, S.A. (a)	BDO	Calle Saturno, 11. Alicante	-	75	61	1,661	1,638	23	(149)
Valdebro Publicaciones, S.A. (a)	Deloitte	Polígono Ind. Villanueva, Sector 4. Villanueva de Gallego. Zaragoza	-	60	487	3,157	2,410	747	43

Company	Audit Firm	Location	% of ownership By the Parent Company		Net book Value	Thousands of Euros Data on the Companies			
			Direct	Indirect		Assets	Liabilities	Equity	Profit/Loss Ejercicio
S.A. Distribuidora de Ediciones (a)	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona	-	75	1,041	9,825	11,296	(1,471)	(651)
La Mancha 2000, S.A. (a)	No auditada	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara	100	-	1,352	2,575	547	2,038	164
Midsid Sociedade Portuguesa de Distribuiçao, SGPS, S.A. (a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	-	4,166	32,691	29,660	3,031	(1,918)
Logista-Dis, S.A. (b)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-	1,202	14,581	12,623	11,428	1,592
Logista Libros, S.L. (h)	Deloitte	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	50	-	1,490	58,178	56,220	1,958	2,299
Librodis Promotora y Comercializadora del Libro, S.A. (a) (h)	No auditada	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	-	50	197	163	296	(133)	(124)
Logilivro, Logística do Livro, Lda. (a) (h)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	50	-	2,146	3,169	(1,023)	(620)
Avanzalibros, S.L. (h)	No auditada	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	-	50	200	3,122	3,070	52	90
Logesta Gestión de Transporte, S.A. (d)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-	4,510	38,515	33,379	5,136	482
Logesta Italia, s.r.l.	Deloitte	Via in Arcione 98. Roma	-	100	100	6,815	5,060	1,755	509
Transportes Basegar, S.A.	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)	-	60	186	3,686	3,339	347	184
Basegar Logística, S.L.	No auditada	c/ Alameda Recalde, 34, 2° izda Bilbao	-	50	30	180	276	(96)	(39)
Logesta Noroeste, S.A.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	-	60	420	3,409	2,531	878	41
Logesta Lusa Lda	No auditada	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100	(102)	915	874	41	(51)
Logesta Polska Sp. Z.o.o.	No auditada	Flory nr 9, lok 6. kod-00-586 Warszawa--(Polonia)	-	100	4,510	1,122	1,806	(584)	185
Logesta Deutschland GMBH	No auditada	Pilotystr 4. 80538- München-(Alemania)	-	100	100	56	2	54	(10)
Logesta France, s.a.r.l.	No auditada	25 Av. Du Bois de la Pie. Z.I. Paris Nord. 93290 Tremblay (Francia)	-	100	100	1,766	1,438	328	(14)
Logirest, S.L. (e)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	60	-	-	6,823	7,251	(428)	(176)
Dronas 2002, S.L. y sociedades dependientes (c)	Deloitte	Pol. Industrial Nordeste, c/ Energía 25-29. Sant Andreu de la Barca	100	-	21,292	125,879	94,485	31,394	3,838

Company	Audit Firm	Location	% of ownership By the Parent Company		Net book Value	Thousands of Euros Data on the Companies			
			Direct	Indirect		Assets	Liabilities	Equity	Profit/Loss Ejercicio
T2 Gran Canaria, S.A.	Deloitte	Urbanización El Cebadal. C/ Entrerríos, 3. Las Palmas de Gran Canaria	-	100	1,657	3,960	1,193	2,767	276
T2 Opelog, S.A.	Deloitte	Polígono Industrial Nordeste. C/ Industria, 53-65. San Andreu de la Barca	-	100	2,239	9,491	7,155	2,336	276
Logilenia Distribuidora Farmacéutica, S.L.	No auditada	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	-	100	358	1,263	905	358	107
Logista Italia, S.p.A. (a)	Deloitte	Vía in Arciones, 98. Roma (Italia)	100	-	605,629	1,714,028	1,647,889	66,139	31,693
Terzia, S.p.A. (a)	Deloitte	Vía in Arciones, 98. Roma (Italia)	-	68	901	5,662	4,337	1,325	(380)
Logista, Transportes e Transitarios, Lda. (d)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	-	-	8,627	8,454	173	(1,974)
Compañía de Distribución Integral Logista Polska, Sp Z.o.o (a)	No auditada	Al. Jerozolimskie 133. Warszawa. Polonia	100	-	4,945	1,843	2,717	(874)	(1,944)

(a) All these companies engage in the distribution and dissemination of publications and in the distribution of tobacco and other consumer products in Spain, Italy, France and Portugal.
(b) These companies engage in the purchase and sale of consumer products.
(c) The Dronas Group engages in integrated shipping, express shipping and pharmaceutical logistics.
(d) These companies' object is the performance of transport activities.
(e) This company engages in the provision of an integrated logistics service in the organised catering network channel.
(f) This company is specialised in software development for the management of points of sale for publications.
(g) This group engages in the distribution of marketing, promotional and advertising material to retail networks and in the distribution of other consumer products.
(h) This company has been proportionately consolidated.

Appendix II

Logista Group Associates

The companies detailed below were accounted for using the equity method:

2011

Company	Audit Firm	Location	Activity	% of ownership By the Parent Company		Net Book Value	Thousands of Euros Data on the Companies			
				Direct	Indirect		Assets	Liabilities	Equity	Profit/Loss Of the year
DIMA Distribución Integral, S.L. (*)	Deloitte	Polígono Industrial Los Olivos. C/ Confianza, 1. Getafe. Madrid	Distribución y difusión editorial	-	15	-	-	1,489	(1,489)	(4,564)
International News Portugal, LDA. (**)	Patricio Moreira, Valente &Associados SROC	Alameda dos Oceanos., Lote 1º Lisboa	Distribución y difusión editorial	-	15	-	2,150	-	2,094	315
Logesta Maroc, S.A. (***)	No auditada	87 Rue Ahmed El .Casablanca (Marruecos)	Transporte	-	34	9	103	-	103	-

(*) Held indirectly through Compañía de Distribución Integral de Publicaciones Logista, S.L.

(**) Held indirectly through Logista Publicaciones Portugal, S.A.

(***) Held indirectly through Logesta Gestión de Transporte, S.A

2010

Company	Audit firm	Location	Activity	% of ownership By the Parent Company		Net Book Value	Thousands of Euros Data on the Companies			
				Direct	Indirect		Assets	Liabilities	Equity	Profit/Loss Of the year
DIMA Distribución Integral	Deloitte	Polígono Industrial Los Olivos, C/Confianza, 1. Gefafe. Madrid	Distribución y difusión editorial	-	15	550	893	100	793	(1,958)
International News Portugal, LDA. (**)	Patricio Mimoso e Mendes Jorge, SROC, S.A.	Alameda dos Oceanos., Lote 1º Lisboa	Distribución y difusión editorial	-	15	4	1,836	-	1,836	652
Logesta Maroc, S.A: (***)	JPC Audit, Sarl	87 Rue Ahmed El .Casablanca (Marruecos)	Transporte	-	34	9	103	-	103	(5)

(*) Held indirectly through Comercial de Prensa SIGLO XXI, S.A.

(**) Held indirectly through Logista Publicaciones Portugal, S.A.

(***) Held indirectly through Logesta Gestión de Transporte, S.A.

Compañía de Distribución Integral Logista, S.A.U. and Subsidiares

Consolidated Directors' Report
for the period ended
30 September 2011

1. Business performance of the LOGISTA Group in 2011 and Group situation

The Logista Group once again demonstrated the strength of its business model and its notable resilience in the face of increasingly complicated markets. Continuing wavering demand due to the difficult economic environment at European level and events in the industry that affected certain businesses locally, were offset by winning new customers, introducing new services and optimising costs. Consequently, the Group earned revenue of EUR 5,701 million and profit from operations of EUR 111.8 million.

The Group's financial profit grew considerably, reaching EUR 16.4 million as a result of the increase in finance income, the average effective interest rate being 1.85% during the year. Profit before tax of EUR 128.3 million and net profit of EUR 90.9 million were obtained.

The main measures taken by LOGISTA in 2011 in the various segments were as follows:

- The Distribution and Logistic Services segment includes the distribution of tobacco, stamps, documents and telephony, lottery products, advertising material, convenience items and pharmaceutical products. The revenues of this division totalled EUR 5,412 million and its profit from operations amounted to EUR 109.2 million.

  The tobacco distribution business in Spain was affected by the increase in tobacco tax in December 2010 and the entry into force of Law 42/2010, of 30 December 2010, on 2 January 2011 which, inter alia, prohibits smoking in virtually all enclosed public spaces. Cigarette volumes registered a fall of 15% from 1 October 2010 to 30 September 2011. In addition, the industry was dominated by a price war from May to September that resulted in a slight increase in prices in the year.

  The tobacco market in Italy recorded a slight downturn in cigarette volumes (-1%), which was offset by the price increases implemented by manufacturers. The Group's customers remain loyal and continue to renew their agreements with the main international and Spanish tobacco companies, as occurred in the case of the distribution agreement with JTI in Italy, which was renewed this year.

  The significant drop in the telephone prepaid card sector was partially offset by an increase in the market share and the sale of new electronic transaction services.

  The distribution and marketing operations of ONCE lottery games through Group channels were characterised by the points of sale included in the network and advertising efforts, which fuelled growth in revenue.

  The pharmaceutical product division recorded a sizeable increase in its billings due to the ongoing addition of customers and services despite the industry's fall in revenue following the measures adopted by the government to control healthcare expenditure.

  On 1 June 2011, 60% of Logirest, S.L. was sold to Servicios de Distribución Frigorífica S.A.U. (already owner of the remaining 40% of the shares).

- The performance of the publishing distribution segment continued its downward trend in terms of revenue recorded in the publications sector in the previous year. Revenues of this division totalled EUR 78.4 million whereas the division recognised a loss of EUR 6.5 million from operations.

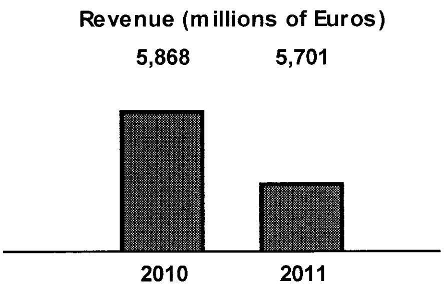
  Compañía de Distribución Integral de Publicaciones Logista, S.L. reached an agreement in Aragon under the sector optimisation process relating to the press, magazines and collectible items distribution networks.

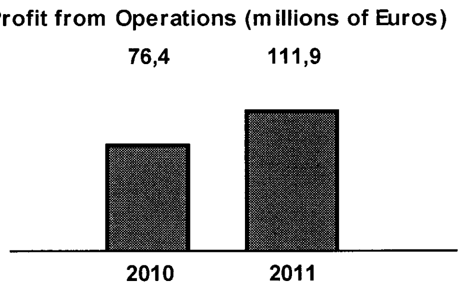
In addition, the restructuring and cost-cutting measures continued, which helped to partially mitigate the significant reduction in sales.

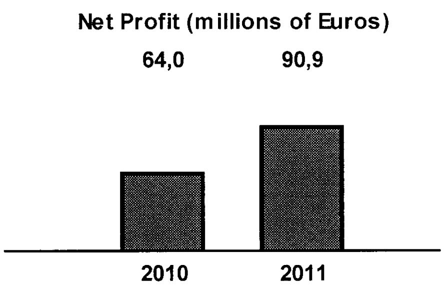
The improved productivity in the prior year enabled Logista Libros S.L. to absorb part of the impact on profit caused by the fall in revenue. However, logistics operations did not suffer a similar reduction (increase in returns in the retail channel and reduction in the average sales price of books).

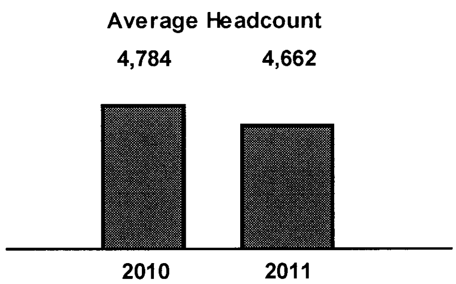
- The transport division recognised revenues of EUR 311.4 million and profit from operations of EUR 10.1 million. The satisfactory performance of profit, despite the overall adverse economic climate, which translated into a fall in volumes of courier services and greater pressure of tariffs, was due to the growth seen in the long-distance transport activity and the improvements obtained from activities in Portugal.

The main indicators for 2011 (October 2010 – September 2011) compared with the indicators for 2010 (October 2009 – September 2010) are as follows:









Risk exposure

The main risks and uncertainties facing the Group originate from possible regulatory changes in the industries in which it operates, the normal operating risks in the course of normal business activities, which are externally insured, and counterparty risk (customers' doubtful debts), which are of scant materiality.

The Group could be equally affected by the risks arising from the adverse global economic climate and its potential impact on the markets and industries where the Group is present.

The Group complies with all requirements and has all licences, permits, etc., required to operate in the various markets and industries in which it carries on its business activity, 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 at the same time comply with the obligations imposed by the applicable legislation.

The Group's main financial assets are cash and cash equivalents, inventories, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Logista Group currently has the following units and committees which ensure the efficiency of the established risk controls:

- Security Committee: its function is the prevention of and protection against antisocial risks and threats against assets and persons of Logista or any of its companies.

- Environment and Quality Committee: it establishes the action policy regarding the action to be taken by the various business units of the Logista Group in all matters relating to its commitment to the environment and quality commitment, and promotes the implementation of and compliance with the principles of conduct by issuing internal corporate regulations.

- Administrative Management - Insurance: the Administrative Department is responsible for analysing the accident risks which may affect both the Logista Group's assets and the performance of its business activities and, based on these risks, it arranges the external insurance coverage it deems necessary, to which end it has an external advisory services agreement.

- Cash Department - Financial Risk and Credit: its functions are to limit and control the financial risks arising from business dealings with third parties, to establish the related credit limits, where necessary, and to set a policy concerning allowances for doubtful debts.

- Internal Audit Department: the Internal Audit Department of the Logista Group is responsible for providing support to the Audit Committee in complying with its duties and responsibilities, furnishing it with objective analyses, assessments and recommendations in accordance with the established work plan. Specifically, the main activities to be performed are as follows:

    - Participate in monitoring of external audit work, including the related planning, quality, independence and general business terms.

    - Assist in the review of the Group's financial information, particularly in unaudited periods.

    - Guarantee an appropriate internal control system and information systems, identify the possible improvements therein and promote their implementation.

    - Identify risks and assess the associated controls, mainly through the performance of an annual audit plan.

    - Provide technical support to Group management on financial and accounting matters when required.

The Group's credit risk is attributable mainly to trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by Group management based on prior experience and its assessment of the current economic environment. The Group's credit risk is not particularly high since the customer portfolio is highly fragmented and distributed among a large number of counterparties since the Group's main customers are kiosk owners and tobacconists.

The management of the risks to which the Logista Group is exposed in the performance of its business activities constitutes one of the basic pillars of its activities aimed at preserving the value of the Group's assets and, therefore, the value of the shareholders' investments. Through the Group's global risk management approach, the risk management system is structured and defined to achieve the strategic and operating objectives. The risk control system is controlled and supervised by the Audit and Control Committee of the Board of Directors, which delegates these functions to the internal audit function.

The main objectives of the Group's Financial Department is to preserve the value of the Group's assets in all the business units and all the countries in which it operates (mainly Spain, Italy, Portugal and Poland) by analysing and preventing risk, and optimising management of the main losses.

Historically, the rates of default in all geographical areas in which the Group operates are maintained at very low levels.

As regards the exposure to interest rate risks, in view of the low level of the Group's financial debt, Parent management considers that the impact of a potential increase in interest rates on the accompanying consolidated financial statements would not be material.

Also, the level of exposure of equity and the income statement to the effects of future changes in prevailing exchange rates is not significant since the volume of the Group's transactions in currencies other than the euro is not material.

Environment

In matters concerning the environment, the Group complies strictly with all the requirements of applicable legislation and also looks for the best ways of reducing its environmental impact (waste reduction awareness campaigns and improvement of waste management; policies aimed at reducing atmospheric emissions and the use of water, electricity and paper; reduction of the use of containers and packaging by improving manufacturing processes, etc.).

In 2011, the Group implemented various initiatives in this connection such as the inclusion of energy efficiency criteria at certain locations, e.g. the new centre in Barcelona, which will give rise to considerable savings in resources and the establishment of environmental objectives by centre to optimise the consumption of water, energy and other resources. In relation to the commitment to Ecoembes, measures for improvement were created to reduce the total amount of containers and packaging used, by modifying properties and designing different formats. In the corporate sphere, it should be noted that Logista reported for the first time in the "Carbon Disclosure Project", an international benchmark project in the fight against climate change.

2. Significant events for the Group after the balance sheet date

No significant events occurred after the reporting period.

3. Group outlook

In 2012 the Logista Group will continue its policy of organic development, concentrating its efforts on the more profitable activities and businesses and/or with the highest growth potential. The Group's development and leadership position in strategic niche industries in Southern Europe will also be consolidated through selective transactions and alliances in new businesses, bolstered by experience and service quality in the distribution channels in which the Logista Group operates on a recurrent basis.

The Group's main lines of action for 2011/2012 are as follows:

- To manage the productivity of activities relating to tobacco in an environment of shrinking volumes.
- Promotion of operations relating to the distribution and marketing business of ONCE lottery games.
- Considerable increase in commercial activity in the pharmaceutical division.
- Resource management policy in the publications business, adjusting to the difficult situation on the market and keeping opportunities for corporate transactions open.

4. Research and development

In 2011 the Parent invested EUR 3,9 million in research and development. These investments were made mainly to adapt new businesses, automate processes and develop proprietary computer software.

5. Treasury shares

At 30 September 2011, the Group did not hold any treasury shares.

6. Use of financial instruments

Neither the Parent nor the Group of consolidated companies operate with any financial instruments that might affect the correct measurement of the assets or liabilities recognised in the consolidated balance sheet.

Certificate issued to attest that the undersigned members of the Board of Directors of Compañía de Distribución Integral Logista, S.A. (Sole-Shareholder Company) are apprised of the contents of these financial statements and directors' report which were authorised for issue at the Board of Directors' meeting on 21 December 2011 and are set forth on 68 sheets, on the obverse only, all of which are signed by the Chairman and Secretary of the Board of Directors, who in witness whereof, have signed below:

Mr. Gregorio Marañón y Bertrán de Lis CEO	Mr. Luis Egido Gálvez Chairman
Mr. José Riva Francos Chairman	Mr. Miguel Ángel Barroso Ayats Chairman
Mr. Luis de Guindos Jurado Chairman	Ms. Alison Cooper Chairman
Mr. Kenneth Hill Chairman	Mr. David Ian Resnekov Chairman
Mr. Conrad Richardson Tate Chairman	Mr. Rafael de Juan López Chairman and Secretary of the Board

Madrid, 21 December 2011