

# **Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries**

Interim Condensed Consolidated  
Financial Statements for the six-month  
period ended 31 March 2014, together  
with limited review report

*Translation of a report originally issued in Spanish. In  
the event of a discrepancy, the Spanish-language  
version prevails.*

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**REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Compañía de Distribución Integral Logista, S.A.U. (the Parent) and Subsidiaries (the Group), which comprise the interim condensed consolidated balance sheet at 31 March 2014 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated cash flow statement and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on the aforementioned interim financial statements based on our limited review.

Our review was performed in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a limited review is substantially less extensive than that of an audit and, therefore, does not permit us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

As a result of our limited review, which under no circumstances may be considered an audit of financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 31 March 2014 were not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, in conformity with Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

Without affecting our conclusion, we draw attention to Note 1 to the accompanying interim condensed consolidated financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 30 September 2013.

DELOITTE, S.L.

José Luis Aller  
28 May 2014

# **Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries**

Interim Condensed Consolidated  
Financial Statements for the period  
ended 31 March 2014 and Interim  
Directors' Report

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

# COMPañÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2014 AND 30 SEPTEMBER 2013 (Thousands of Euros)

ASSETS	Note	31-03-2014	30-09-2013	EQUITY AND LIABILITIES	Note	31-03-2014	30-09-2013
<b>NON-CURRENT ASSETS:</b>				<b>EQUITY:</b>			
Property, plant and equipment	5	220,977	242,732	Share capital	9	26,550	26,550
Investment property		13,217	12,941	Share premium	9	178,814	178,814
Goodwill	4	919,190	919,190	Reserves of the Parent	9	9,925	7,172
Other intangible assets	4	735,067	756,278	Reserves at consolidated companies	9	144,043	138,882
Investments in associates		36	36	Translation differences		196	137
Other non-current financial assets	6	10,870	12,010	Reserves from first application of IFRS	9	19,950	19,950
Deferred tax assets		62,546	57,048	Consolidated profit for the period		40,512	87,605
<b>Total non-current assets</b>		<b>1,961,903</b>	<b>2,000,235</b>	Equity attributable to shareholders of the Parent		<b>419,990</b>	<b>459,110</b>
				Minority interests		<b>1,838</b>	<b>1,714</b>
				<b>Total equity</b>		<b>421,828</b>	<b>460,824</b>
<b>CURRENT ASSETS:</b>				<b>NON-CURRENT LIABILITIES:</b>			
Inventories		1,221,002	1,208,067	Other non-current financial liabilities	8	5,010	4,943
Trade and other receivables		1,580,887	1,560,090	Other non-current liabilities		358	526
Tax receivables		15,284	14,495	Long-term provisions	10	60,265	161,130
Other current financial assets		943,223	1,601,787	Deferred tax liabilities		366,157	374,711
Cash and cash equivalents		133,757	149,907	<b>Total non-current liabilities</b>		<b>431,790</b>	<b>541,360</b>
Other current assets	7	12,743	9,869				
<b>Total current assets</b>		<b>3,906,896</b>	<b>4,544,215</b>	<b>CURRENT LIABILITIES:</b>			
				Bank borrowings	8	4,200	3,729
<b>NON-CURRENT ASSETS HELD FOR SALE</b>				Other current financial liabilities	8	31,029	115,943
				Trade and other payables		908,986	1,037,598
				Tax payables		3,999,501	4,321,421
				Short-term provisions	10	21,572	10,154
				Other current liabilities		50,869	54,697
<b>TOTAL ASSETS</b>		<b>5,869,775</b>	<b>6,545,726</b>	<b>Total current liabilities</b>		<b>5,016,157</b>	<b>5,543,542</b>
				<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,869,775</b>	<b>6,545,726</b>

The accompanying Notes 1 to 17 are an integral part of the condensed consolidated balance sheets at 31 March 2014 and 30 September 2013.

**COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U.  
Y SOCIEDADES DEPENDIENTES**

**CONSOLIDATED INCOME STATEMENTS  
FOR THE YEARS ENDED  
31 MARCH 2014 AND 2013  
(Thousands of Euros)**

	Note	31-03-2014	31-03-2013
Revenue	13	4.581.800	4.739.406
Procurements		(4.065.775)	(4.240.521)
<b>Gross profit-</b>		<b>516.025</b>	<b>498.885</b>
Cost of logistics networks-			
Staff costs		(83.987)	(80.942)
Transport costs		(101.005)	(101.404)
Provincial sales office expenses		(33.951)	(37.892)
Depreciation and amortisation charge		(43.624)	(43.669)
Other operating expenses		(90.301)	(72.547)
<b>Total cost of logistics networks</b>		<b>(352.868)</b>	<b>(336.454)</b>
Commercial expenses-			
Staff costs		(21.184)	(21.895)
Other operating expenses		(14.353)	(16.473)
<b>Total commercial expenses</b>		<b>(35.537)</b>	<b>(38.368)</b>
Research expenses-		(1.378)	(1.865)
Head office expenses-			
Staff costs		(36.566)	(40.054)
Depreciation and amortisation charge		(1.760)	(2.184)
Other operating expenses		(17.348)	(18.362)
<b>Total head office expenses</b>		<b>(55.674)</b>	<b>(60.600)</b>
Share of results of companies		(508)	(266)
Net loss on disposal and impairment of non-current assets	4 and 5	(15.129)	(11.369)
Other expenses		-	(230)
<b>Profit from operations-</b>		<b>54.930</b>	<b>49.732</b>
Finance income		14.899	3.620
Finance costs		(4.054)	(6.499)
<b>Profit before tax-</b>		<b>65.775</b>	<b>46.853</b>
Income tax		(24.881)	(8.823)
<b>Profit for the period from continuing operations-</b>		<b>40.894</b>	<b>38.030</b>
Loss for the period from discontinued operations net of tax		(300)	(300)
<b>Profit for the period-</b>		<b>40.594</b>	<b>37.730</b>
Attributable to-			
Shareholder of the Parent		40.512	37.765
Minority interests		82	(35)
<b>Basic earnings per share</b>	3	<b>0,92</b>	<b>0,85</b>

The accompanying Notes 1 to 17 are an integral part of the condensed consolidated income statements for the six months periods ended as 31 March 2014 and 2013.

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEARS ENDED 31 MARCH 2014 AND 2013**

(Thousands of Euros)

	31-03-2014	31-03-2013
<b>Profit for the year</b>	<b>40.594</b>	<b>37.730</b>
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	59	(72)
Net gain (loss) on taxes recognised directly in equity	-	-
<b>Total other comprehensive income</b>	<b>59</b>	<b>(72)</b>
<b>Total comprehensive income for the year</b>	<b>40.653</b>	<b>37.658</b>
<b>Attributable to-</b>		
Shareholders of the Parent	40.571	37.693
Minority interests	82	(35)
<b>Total attributable</b>	<b>40.653</b>	<b>37.658</b>
<b>Total effect of changes in accounting policies</b>	<b>-</b>	<b>-</b>

The accompanying Notes 1 to 17 are an integral part of the condensed consolidated statements of comprehensive income for the six months periods ended 31 March 2014 and 2013.

# COMPañÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 MARCH 2014 AND 2013 (Thousands of Euros)

	Share Capital	Share Premium	Reserves of the Parent	Reserves at Consolidated Companies	Valuation Adjustments	Translation Differences	Consolidated Profit for the Year	Equity attributable to the Shareholder of the Parent	Minority Interests	Total Equity
<b>Balance at 30 September 2012</b>	26.550	178.814	6.876	131.516	19.950	166	82.186	446.058	1.812	447.870
Net profit for the period attributable to the Parent	-	-	-	-	-	(72)	37.765	37.693	-	37.693
Loss attributable to minority interests	-	-	-	-	-	-	-	-	(35)	(35)
<b>Income and expenses recognised in the period</b>										
I. Transactions with Shareholders:										
Distribution of profit	-	-	-	-	-	(72)	37.765	37.693	(35)	37.658
To reserves	-	-	296	7.550	-	-	(7.846)	-	-	-
Dividends (Note 3)	-	-	-	-	-	-	(74.340)	(74.340)	-	(74.340)
II. Other changes	-	-	-	6	-	-	-	6	(36)	(30)
<b>Balance at 31 March 2013</b>	26.550	178.814	7.172	139.072	19.950	94	37.765	409.417	1.681	411.098

	Share Capital	Share Premium	Reserves of the Parent	Reserves at Consolidated Companies	Valuation Adjustments	Translation Differences	Consolidated Profit for the Year	Equity attributable to the Shareholder of the Parent	Minority Interests	Total Equity
<b>Balance at 30 September 2013</b>	26.550	178.814	7.172	138.882	19.950	137	87.605	459.110	1.714	460.824
Net profit for the period attributable to the Parent	-	-	-	-	-	59	40.512	40.571	-	40.571
Loss attributable to minority interests	-	-	-	-	-	-	-	-	82	82
<b>Income and expenses recognised in the period</b>										
I. Transactions with Shareholders:										
Distribution of profit	-	-	-	-	-	59	40.512	40.571	82	40.653
To reserves	-	-	2.753	5.202	-	-	(7.955)	-	-	-
Dividends (Note 3)	-	-	-	-	-	-	(79.650)	(79.650)	-	(79.650)
II. Other changes	-	-	-	(41)	-	-	-	(41)	42	1
<b>Balance at 31 March 2014</b>	26.550	178.814	9.925	144.043	19.950	196	40.512	419.990	1.838	421.828

The accompanying Notes 1 to 17 are an integral part of the condensed consolidated statements of changes in equity for the six months periods ended 31 March 2014 and 2013.

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED  
31 MARCH 2014 AND 2013  
(Thousands of Euros)**

	Note	31-03-2014	31-03-2013
<b>1. OPERATING ACTIVITIES:</b>			
Consolidated profit before tax from continuing operations		65.775	46.853
Adjustments for-			
Profit of companies accounted for using the equity method		508	286
Depreciation and amortisation charge		45.706	46.195
Impairments	4 and 5	15.100	8.676
Period provisions	7 and 10	(28.358)	13.612
Proceeds from disposal of non-current assets		29	2.693
Financial profit		(10.845)	2.879
Adjusted profit		87.915	121.174
<b>Net change in assets / liabilities-</b>			
(Increase)/Decrease in inventories		(13.606)	(71.716)
(Increase)/Decrease in trade and other receivables		(20.797)	23.987
(Increase)/Decrease in other non current assets		(3.663)	(6.912)
Increase/(Decrease) in trade payables		(128.421)	(97.389)
Increase/(Decrease) in other current liabilities		(344.959)	(407.803)
Increase (Decrease) in other non-current liabilities		(57.968)	(6.659)
Income tax paid		(22.726)	(21.703)
Finance income and costs		10.804	(2.951)
Total net cash flows from operating activities (I)		(493.321)	(469.972)
<b>2. INVESTING ACTIVITIES:</b>			
Net investment in property, plant and equipment	5	(10.451)	(15.336)
Addition to intangible assets	4	(7.883)	(5.584)
Proceeds from financial investments and other current and non-current financial assets		659.704	618.166
Sale of non-current assets held for sale		-	239
Total net cash flows from investing activities (II)		641.370	597.485
<b>3. FINANCING ACTIVITIES:</b>			
Dividends paid (-)	3	(79.650)	(74.340)
Changes in current borrowings		(84.448)	(5.382)
Changes in non-current borrowings		(101)	443
Total net cash flows from financing activities (III)		(164.199)	(79.279)
<b>4. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)</b>		(16.150)	48.234
Cash and cash equivalents at beginning of year		149.907	46.266
Cash incorporated by the additions to the scope of consolidation		-	128.528
Net change in cash and cash equivalents during the year		(16.150)	48.234
Total cash and cash equivalents at end of year		133.757	223.028

The accompanying Notes 1 to 17 are an integral part of the condensed consolidated cash flow statements for the six months periods ended 31 March 2014 and 2013.



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

## **Compañía de Distribución Integral Logista, S.A.U. y Sociedades Dependientes**

Notes to the Interim Condensed Consolidated Financial Statements  
for the period ended 31 March 2014

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

#### **a) Introduction**

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

In 1999 Tabacalera, S.A. (currently Altadis, S.A.U.) 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, telephone cards and 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 13 August 2008 the Parent Company inscribed in the Mercantile Registry its condition as a Sole-Shareholder company, being the Sole-Shareholder Altadis, S.A.U. (see Note 9).

In addition to the operations carried on directly by it, Logista, S.A.U. 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.U., the Logista Group ("the Group"). In addition to its own individual financial statements, Logista, S.A.U. also prepares consolidated financial statements for the Group, including its interests in joint ventures and investments in associates.

The consolidated financial statements of the Logista Group for 2013 were formally approved by the Group's sole-shareholder on 25 February 2014.

In turn, Altadis, S.A.U., the Company's parent, belongs to the Imperial Tobacco Limited Group, which is governed by the corporate legislation in force in the United Kingdom, and whose registered office is at 121 Winterstoke Road, Bristol, BS3 2LL (United Kingdom). The consolidated financial statements of the Imperial Tobacco Limited Group for 2013 were formally prepared by its directors at the Board of Directors meeting held on 5 November 2013.

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

The Group's consolidated financial statements for the year 2013 were formally prepared by the Parent's Board of Directors in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and using the accounting policies and principles and the measurement bases described in the Note 4 to the aforementioned Group's consolidated financial statements and, accordingly, present fairly the Group's equity, financial position, consolidated results of operations, changes in the consolidated equity and consolidated cash flows for the year ended 30 September 2013.

The accompanying interim condensed consolidated financial statements are presented in accordance with the International Accounting Standard (IAS) 34 Interim Financial Reporting, and have been prepared by the Parent's Board of Directors on 27 May 2014 in conformity with Article 12 of the Spanish "Real Decreto 1362/2007".

In accordance with the statements of IAS 34 the interim financial information is prepared with the single purpose of updating the content of the latest consolidated financial statements issued by the Group, with an emphasis on the new activities, events and circumstances taken place during the semester and not duplicating the information previously provided in the consolidated financial statements for the year 2013. Therefore, for an accurate comprehension of the information included in the accompanying interim condensed consolidated financial statements, these should be read along with the consolidated financial statements for the year 2013.

The accounting policies and methods used in the preparation of the accompanying interim condensed consolidated financial statements are the same as the ones used in the preparation of the consolidated financial statements for the year 2013, and additionally the standards and interpretations which have an obligatory application for the Group since 1 October 2013 have been also considered. In this regards, the main applicable standards are as follows:

Standards and modifications thereof:	Contents:	Obligatory Application in Annual Reporting Periods Beginning On or After:
IFRS 13, Fair Value Measurement	Sets out a framework for measuring fair value.	1 January 2013
Amendments to IAS 19, Employee Benefits	The amendments affect mainly defined benefit plans since one of the major changes is the elimination of the "corridor".	1 January 2013
Amendments to IFRS 7, Disclosures: Offsetting Financial Assets and Financial Liabilities	Introduction of new disclosure requirements regarding the financial assets and liabilities described in IAS 32.	1 January 2013
Amendments to IAS 12, Income Taxes – Deferred Taxes Arising from Investment Property	On the measurement of deferred taxes arising from investment property using the fair value model in IAS 40.	1 January 2013
Improvements to IFRS 2009-2011	Minor modifications in a series of rules	1 January 2013

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

At the date of preparation of these interim condensed consolidated financial statements, the following standards and interpretations with a potential impact for the Group had been published by the IASB and

adopted by the European Union for their application in annual reporting periods beginning on or after 1 January 2014:

Standards and modifications thereof:	Contents:	Obligatory Application in Annual Reporting Periods Beginning On or After:
IFRS 10, Consolidated Financial Statements	Supersedes the requirements relating to consolidated financial statements in IAS 27.	1 January 2014
IFRS 11, Joint Arrangements	Supersedes IAS 31 on joint ventures.	1 January 2014
IFRS 12, Disclosure of Interests in Other Entities	Single IFRS presenting the disclosure requirements for interests in subsidiaries, associates, joint arrangements and unconsolidated entities.	1 January 2014
IAS 28 (Revised), Investments in Associates and Joint Ventures	Revision in conjunction with the issue of IFRS 11, Joint Arrangements.	1 January 2014

The application of these new standards is not deemed to have a significant impact on the accompanying interim condensed consolidated financial statements.

**c) Use of estimates**

The consolidated profit and equity are sensitive to the accounting principles and policies, the measurement bases and the estimates used by the Parent's Directors in the preparation of the interim condensed consolidated financial statements. The main accounting principles and policies and measurement bases are described in the Note 4 to the consolidated financial statements for the year 2013.

In preparing the accompanying interim condensed consolidated financial statements, 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:

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

Although these estimates were made on the basis of the best information available at the present date, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) at the end of year 2014 or in coming years.

During the six month period ended as of 31 March 2014, the main changes in the estimates since 2013 are the ones related to the provisions for Excise duties (Note 10-b).

**d) Contingent assets and liabilities**

The Note 30 to the consolidated financial statements for the year ended 30 September 2013 provide information regarding the contingent assets and liabilities as of such date. During the first six months of 2014 there has been no significant changes in the Group's contingent assets and liabilities.

**e) Comparability of the information**

The information relating to the first semester of 2013 contained in these notes to the interim condensed consolidated financial statements is presented with the information relating to the period ended 31 March 2014 for comparison purposes only.

**f) Seasonality of the Group's transactions**

In view of the business activities in which the Group companies engage, their transactions are not cyclical or seasonal in nature.

**g) Materiality**

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

**h) Condensed consolidated statements of cash flows**

The following terms are used in the interim condensed 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.

For the purpose of the accompanying interim condensed consolidated statement of cash flows, the cash and bank deposits, as well as those non-current investments with a high liquidity and which are easily converted in cash and have a low risk of changes in their value, are considered as Cash and cash equivalents.

**2. Changes in the Group's composition**

**a) Acquisitions, sales and other corporate transactions in the six-month period ended 31 March 2014**

On 10 December 2013 the subsidiary Logista France, S.A.S. acquired the remaining 15% of the shares of Strator, S.A.S. for EUR 1. As a result, Logista France, S.A.S. owns all the share capital of the former.

**b) Acquisitions, sales and other corporate transactions in the six-month period ended 31 March 2013**

On 9 October 2012, the Parent acquired all the shares of Altadis Distribution France, S.A.S. from Seita, S.A.S., a company also belonging to the Imperial Tobacco Limited Group. The transaction price was EUR 920,162 thousand, which were paid through the transfer of the same amount from the Parent's account receivable from Altadis, S.A.U.

On 8 March 2013, the subsidiary Compañía de Distribución Integral de Publicaciones Logista, S.L.U. entered into an agreement to sell all the shares it held in Logista Portugal Distribuição de Publicações, S.A. to Distrinews, S.A., which does not form part of the Imperial Tobacco Limited Group, for an amount of EUR 1. Also, Compañía de Distribución Integral de Publicaciones Logista, S.L.U. contributed to the buyer an amount of EUR 2,242 thousand, to offset the equity deficit of the company disposed of, and a non-refundable loan of EUR 3,000 thousand. The net loss on the transaction for consolidation purposes as of 31 March 2013 amounted to EUR 3,000 thousand, which were recognised under "Net loss on disposal and impairment of non-current assets" in the accompanying interim condensed consolidated income statement for the period ended 31 March 2013.

The shareholders of Logista Libros, S.L. at the Annual General Meeting held on 19 July 2013 approved the merger by absorption of Librodís Promotora y Comercializadora del Libro, S.A.U. (absorbed company) into Logista Libros, S.L. (absorbing company). Accordingly, Logista Libros, S.L. absorbed Librodís Promotora y Comercializadora del Libro, S.A.U., which was dissolved without liquidation, acquiring all its assets and liabilities by way of universal succession and becoming subrogated to all the rights and obligations thereof, pursuant to the regime provided for in Article 49 of Law 3/2009, of 3 April, on structural changes to companies formed under the Spanish Commercial Code.

On 9 January 2013, the subsidiary Société Allumettlière Française, S.A.S., a subsidiary of Logista France, S.A.S., entered into an agreement to sell all its shares in RP Diffusion, S.A.S. for EUR 293 thousand. The net loss incurred by RP Diffusion, S.A.S. in 2013 until its sale amounts to EUR 422 thousand, which have been recognized under "Loss for the Year from Discontinued Operations Net of Tax" in the accompanying interim condensed consolidated income statement for the period ended 31 March 2013.

**c) Changes in the scope of consolidation during the six month period ended as of 31 March 2014**

The aforementioned transactions did not give place to any changes in the scope of consolidation in relation to the one existing as of 30 September 2013.

**d) Changes in the scope of consolidation during the six month period ended as of 31 March 2013:**

The aforementioned transactions gave place to the following changes in the scope of consolidation in relation to the one existing as of 30 September 2012:

- The entities Logista France, S.A.S., Société Allumettiére Française, S.A.S., Supergroup, S.A.S. and Strator, S.A.S. entered the scope of consolidation.
- The entities Logista Portugal Distribuição de Publicações, S.A., Jornal Matinal, L.D.A. and Marco Postal Entrega Personalizada de Publicações, L.D.A. and Librodís Promotora y Comercializadora del Libro, S.A.U. exited the scope of consolidation.

**3. Dividends paid by the Parent**

**a) Dividends paid by the Parent**

The Parent company has paid to its sole-shareholder a dividend of EUR 79,650 thousand, on behalf of the dividend approved on the profit for 2013.

**b) Earnings per share**

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

Earnings per share are calculated as follows:

	31-03-2014	31-03-2013
Net profit for the year (thousands of euros)	40,512	37,765
Weighted average number of shares issued (thousands of shares)	44,250	44,250
Earnings per share (euros)	0.92	0.85

At 31 March 2014 and 2013, there were no dilutive effects on basic earnings per share.

**4. Intangible fixed assets**

**a) Goodwill**

The disclosure of this caption as of 31 March 2014 and 30 September 2013 is the following:

	Thousands of Euros	
	31-03-14	30-09-13
Logista Italia, S.p.A,	660,620	660,620
Logista France, S.A.S.	236,184	236,184
Dronas 2002, S.L.U.	17,361	17,361
Others	5,025	5,025
<b>Total</b>	<b>919,190</b>	<b>919,190</b>

The impairment tests policies applied by the Group to its intangible assets and goodwill are described in the Note 4.3 of the consolidated financial statements for the year ended as of 30 September 2013.

Based on the methodology used and considering the estimates, projections and valuations available to the Parent Company's management, during the first six months of 2014 the Group has not recorded any impairment on these assets.

During the first semester of 2013 the Group recorded an impairment on the Goodwill generated by its subsidiary Dronas 2002, S.L.U. for a total amount of EUR 8,362 based on the impairment test performed by the Group. This impairment has been classified in the caption "Net loss on disposal and impairment of non-current assets" in the accompanying interim condensed consolidated income statement.

**b) Other intangible assets**

During the first six months of 2014 and 2013 the Group has recorded additions to this caption by EUR 7,883 and EUR 5,584 thousand respectively, which are mainly related to projects for the development of functionalities in the applications implemented by the Group and are mainly incurred by the Parent.

During the first six months of 2014 the Group has recorded an impairment on elements classified as "Other intangible assets" by EUR 2,000 thousand, which correspond to the applications owned by "Compañía de Distribución Integral Logista, S.A.U. y GTECH Global Lottery, S.L.U., Unión Temporal de Empresas" (Note 5-b). During the first six months of 2013 no impairment was recorded on these elements.

**5. Property, plant and equipment**

**a) Movement in the period**

During the first six months of 2014 and 2013 the Group acquired elements of Property, plant and equipment for EUR 10,451 and EUR 15,336 thousand, respectively. In addition, during the first six months of 2014 and 2013 the Group wrote off elements of Property, plant and equipment with a net booked value of EUR 138 and EUR 858 thousand, respectively, which did not generate a significant impact on the accompanying interim condensed consolidated income statements.

**b) Impairment losses**

During the first six months of 2014 the Parent recorded an impairment on its attributable portion of the net booked value of the Property, plant and equipment owned by "Compañía de Distribución Integral Logista, S.A.U. y GTECH Global Lottery, S.L.U., Unión Temporal de Empresas", for a total amount of EUR 8,100 thousand (Note 4-b). This impact has been recorded under the caption "Net loss on disposal and impairment of non-current assets" of the accompanying interim condensed consolidated income statement.

In addition, during the first semester of 2014 the Group has recorded an impairment on certain elements of Property, plant and equipment operated by subsidiaries of the SECTOR EDITORIAL for an amount of EUR 5,000 thousand. This amount has been recorded under the caption "Net loss on disposal and impairment of non-current assets" of the accompanying interim condensed consolidated income statement.

During the first semester of 2013 the Group did not record any impairment on elements classified under this caption.

**c) Property, plant and equipment purchase commitments**

As of 31 March 2014 and 2013 the Group did not have significant Property, plant and equipment purchase commitments.

**6. Financial assets**

**a) Detail and disclosure**

The disclosure of the Group's financial assets as of 31 March 2014 and 30 September 2013, attending to their nature and category for the purposes of their valuation, is as follows:

Financial assets: Nature/ Category	Thousands of Euro				
	31-03-2014				
	Loans to third parties	Loans to related parties (Note 11)	Guarantees and deposits	Financial assets held for sale	Total
Equity instruments	-	-	-	3,466	3,466
Financial debt	3,737	-	-	-	3,737
Other financial assets	-	-	3,667	-	3,667
<b>Non-current</b>	<b>3,737</b>	<b>-</b>	<b>3,667</b>	<b>3,466</b>	<b>10,870</b>
Financial debt	30,454	912,769	-	-	943,223
<b>Current</b>	<b>30,454</b>	<b>912,769</b>	<b>-</b>	<b>-</b>	<b>943,223</b>
<b>Total</b>	<b>34,191</b>	<b>912,769</b>	<b>3,667</b>	<b>3,466</b>	<b>954,093</b>

Financial assets: Nature / Category	Thousands of Euro				
	30-09-2013				
	Loans to third parties	Loans to related parties (Note 11)	Guarantees and deposits	Financial assets held for sale	Total
Equity instruments	-	-	-	3,109	3,109
Financial debt	5,325	-	-	-	5,325
Other financial assets	-	-	3,576	-	3,576
<b>Non-current</b>	<b>5,325</b>	<b>-</b>	<b>3,576</b>	<b>3,109</b>	<b>12,010</b>
Financial debt	29,056	1,572,207	-	-	1,601,263
Other financial assets	-	-	524	-	524
<b>Current</b>	<b>29,056</b>	<b>1,572,207</b>	<b>524</b>	<b>-</b>	<b>1,601,787</b>
<b>Total</b>	<b>34,381</b>	<b>1,572,207</b>	<b>4,100</b>	<b>3,109</b>	<b>1,613,797</b>

On 1 October 2013 the Logista Group terminated the agreements in force at 2013 year-end regarding cash-pooling among Group companies and entered into a new agreement that modifies the aforementioned structure by making Logista France, S.A.S. the consolidating entity of the Logista Group's cash flows. In turn, Logista France, S.A.S. has entered into a current account agreement with Imperial Tobacco Enterprise Finance Ltd, an Imperial Tobacco Group subsidiary (see Note 11).

**b) Impairments**

During the first six months of 2014 and 2013 the Group has not recorded any significant impairment on its financial assets.

**7. Inventories**

The changes in the write-downs relating to "Inventories" in the accompanying interim condensed consolidated balance sheets as of 31 March 2014 and 2013 were as follows

	Thousands of Euro	
	31-03-14	31-03-13
Opening balance	8,119	8,383
Additions to the scope of consolidation	-	6,005
Charge for the year	5,118	372
Utilization	(2,549)	(5,820)
<b>Closing balance</b>	<b>10,688</b>	<b>8,940</b>

**8. Financial liabilities**

**a) Detail and disclosure**

The disclosure of the Group's financial liabilities as of 31 March 2014 and 30 September 2013, attending to their nature and category for the purposes of their valuation, is as follows:

Financial liabilities: Nature / Category	Thousands of Euro		
	31-03-14		
	Debts and Accounts payable to third parties	Guarantees and deposits received	Total
Other financial liabilities	-	5,010	5,010
<b>Non-current financial liabilities</b>	<b>-</b>	<b>5,010</b>	<b>5,010</b>
Debts with credit entities	4,200	-	4,200
Other financial liabilities	31,029	-	31,029
<b>Current financial liabilities</b>	<b>35,229</b>	<b>-</b>	<b>35,229</b>
<b>Total</b>	<b>35,229</b>	<b>5,010</b>	<b>40,239</b>

Financial liabilities: Nature / Category	Thousands of Euro			
	30-09-13			
	Debts and Accounts payable to third parties	Debts and account payable to related parties (Note 11)	Guarantees and deposits received	Total
Other financial liabilities	-	-	4,943	4,943
<b>Non-current financial liabilities</b>	-	-	<b>4,943</b>	<b>4,943</b>
Debts with credit entities	3,729	-	-	3,729
Other financial liabilities	28,799	87,144	-	115,943
<b>Current financial liabilities</b>	<b>32,528</b>	<b>87,144</b>	<b>-</b>	<b>119,672</b>
<b>Total</b>	<b>35,528</b>	<b>87,144</b>	<b>4,943</b>	<b>124,615</b>

## 9. Equity

### a) Share capital

On 31 March 2014 and 30 September 2013 the Parent's share capital was represented by 44,250,000 fully subscribed and paid shares of EUR 0.6 par value each, all of the same class.

At 31 March 2014 and 30 September 2013, the Parent's Sole-Shareholder was Altadis, S.A.U.

### b) 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 31 March 2014 and 30 September 2013, the Parent's legal reserve has reached the stipulated level, for a total amount of EUR 5,902 thousand.

#### Reserves from first application of IFRS

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 the transition to IFRS. The impact in reserves of the aforementioned revaluation amounted to EUR 19,950 thousand.

### c) Reserves at consolidated companies

The detail of the balance of this heading in the interim condensed consolidated balance sheets at 31 March 2014 and 30 September 2013 is as follows:

	Thousand of Euros	
	2014	2013
Reserves in subsidiaries and joint control entities	145,885	140,227
Reserves in associates	(1,842)	(1,345)
<b>Total</b>	<b>144,043</b>	<b>138,882</b>

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.



## 10. Provisions and contingent liabilities

### a) Detail

The detail of the balance of short- and long-term provisions in the accompanying consolidated balance sheets at 31 March 2014 and 2013 and of the main changes therein in the periods is as follows:

	Thousands of Euro					
	30-09-13	Additions	Reversion	Use	Transfers	31-03-14
Customs and excise duty assessments	109,755	9,043	(47,249)	(53,926)	-	17,623
Obligations to employees	14,209	752	-	(442)	-	14,519
Provision for restructuring costs	12,925	-	(8)	(3,041)	(8,943)	933
Provision for contingencies and charges	15,134	6,858	-	(51)	(700)	21,241
Other	9,157	212	(997)	(508)	(1,915)	5,949
<b>Non-current provisions</b>	<b>161,180</b>	<b>16,865</b>	<b>(48,254)</b>	<b>(57,968)</b>	<b>(11,558)</b>	<b>60,265</b>
Provision for restructuring costs	5,277	3,747	-	(3,343)	8,943	14,624
Customer refunds	4,187	141	(87)	-	-	4,241
Other	690	146	(137)	(1,115)	3,123	2,707
<b>Current provisions</b>	<b>10,154</b>	<b>4,034</b>	<b>(224)</b>	<b>(4,458)</b>	<b>12,066</b>	<b>21,572</b>

	Thousands of Euro						
	30-09-12	Additions to the scope of consolidation	Additions	Reversion	Use	Transfers	31-03-13
Customs and excise duty assessments	107,283	-	2,271	-	(2,758)	-	106,796
Obligations to employees	7,170	3,992	850	(290)	(444)	-	11,278
Provision for restructuring costs	9,433	-	6,571	-	(235)	(3,221)	12,548
Provision for contingencies and charges	14,981	752	312	(1,539)	(745)	(948)	12,813
Other	7,962	3,119	697	(502)	(581)	991	11,686
<b>Non-current provisions</b>	<b>146,829</b>	<b>7,863</b>	<b>10,071</b>	<b>(2,331)</b>	<b>(4,763)</b>	<b>(3,178)</b>	<b>155,121</b>
Provision for restructuring costs	2,842	-	2,707	-	(4,346)	3,221	4,424
Customer refunds	4,015	-	131	(8)	-	33	4,171
Other	1,002	8,243	108	(136)	(8,449)	190	958
<b>Current provisions</b>	<b>7,859</b>	<b>8,243</b>	<b>2,946</b>	<b>(144)</b>	<b>(12,795)</b>	<b>3,444</b>	<b>9,553</b>

### b) Provisions for tobacco excise duties and customs duty assessments

The Parent has recognised provisions for tax assessments resulting from the reviews conducted by the Spanish customs inspection authorities of the tobacco excise duty settlements for 2007 to 2010 and 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 Parent signed these assessments on a contested basis 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.

In the first six months of 2014 the Central Economic-Administrative Tribunal handed down favourable judgments to the Parent regarding the settlement of 2006 excise tax. Since none of the parties involved filed an appeal against the aforementioned judgment within the statutory deadline, the Parent's directors considered these judgments to be final and, accordingly, reversed the provision related thereto amounting to approximately EUR 47,249 thousand, of which EUR 39,123 thousand related to the amount initially claimed by the public authorities and the remaining EUR 8,126 thousand to the late-payment interest accrued since the tax assessment commenced.

In addition, during the period the Supreme Court has dismissed several appeals lodged by the Parent in relation to certain of the aforementioned excise duty assessments for the years 2004 and 2005. Consequently, the Company paid the amount of these assessments, which totalled EUR 53,926 thousand, and this amount was debited to the related provision.

On the basis of the most recent judgments received, the Parent's directors re-estimated the level of provision related to the tax assessments currently under appeal and recognised an additional amount of EUR 9,043 thousand in view of their revised estimate of the related risk., of which EUR 8,201 thousand relate to the principal and initial claim and interest related to the excise duty settlements for 2007, 2008 and 2009 and have been charged to "Procurements" in the accompanying interim condensed consolidated

income statement. The remaining EUR 842 thousand relate to the late-payment interests accrued by the opened litigations as of 31 March 2014, and have been charged to "Finance costs" of the accompanying interim condensed consolidated income statement.

During the first semester of 2013 the Supreme Court dismissed several appeals lodged by the Parent in relation to certain of the aforementioned customs duty assessments. Consequently, the Company paid the amount of these assessments, which totalled EUR 2,758 thousand including late-payment interest.

In addition, in the aforementioned period the Parent recognised an amount of EUR 2,271 thousand in relation to the necessary late-payment interest accrued by these assessments, which was charged to the caption "Finance costs" of the accompanying interim condensed consolidated income statement for 2013.

**c) *Provision for obligations to employees***

This account includes the present value of the Parent's obligations in terms of long-service bonuses and the "free tobacco" benefit, as well as the provisions recorded by the subsidiaries in order to cover the retirement benefits.

During the first semesters of 2014 and 2013 there was no significant movement in relation to these provisions. The payments performed during these periods amounted to EUR 442 thousand and EUR 444 thousand, respectively.

**d) *Provision for restructuring costs***

This provision includes the Parent's Directors estimate regarding the ongoing restructuring programmes, which are mainly the following:

- Logista Italia, S.p.A. is restructuring its logistics warehousing network which gives rise to termination benefits as the main cost. During the first semesters of 2014 and 2013, the Group has paid termination benefits of EUR 1,484 thousand and EUR 2,666 thousand respectively, and this amount was debited to the related provision.
- Logista France, S.A.S. initiated a restructuring plan at its subsidiary Strator, S.A.S. with the aim of improving its competitiveness. The main cost of this plan is the payment of termination benefits. In addition, at the end of 2013 the company announced a new restructuring plan for its logistics network which involves the closure of its warehouse in Nancy (France).

During the first semesters of 2014 and 2013 the company has paid severances for a total amount of EUR 3,041 thousand and EUR 235 thousand in relation to these restructuring programmes. In addition, during these periods the company has increased the provision by EUR 1,780 thousand and EUR 6,000 thousand, based on the Director's best estimate of the costs in relation to both programmes. This impact was recorded as a current provision and has been recognised in the captions "Cost of logistics networks – Staff costs" and "Head office expenses – Staff costs" in the accompanying interim condensed consolidated income statements.

Logista France, S.A.S. Directors estimate that both programmes will be completed in the short term and hence during the first semester of 2014 the provision has been reclassified to the non-current liabilities in the accompanying interim condensed consolidated balance sheet.

- Lastly, the Parent is restructuring its employees. During the first semesters of 2014 and 2013 the company has recognised additions of EUR 1,967 thousand and EUR 1,327 thousand under "Short-term provisions" of the accompanying interim condensed consolidated balance sheets. In addition, during these periods termination benefits by EUR 1,859 thousand and EUR 1,680 thousand were paid in this connection.

**e) *Provision for contingencies and charges***

During the first semester of 2014 the Parent has recognised a provision amounting to EUR 5,000 thousand in relation to the potential disbursements that might be necessary as a consequence of a disfavorable first instance ruling in relation to a litigation with a service provider. However, the Parent has appealed this ruling. The impact has been charged to the caption "Cost of logistics networks – Other operating expenses" in the accompanying interim condensed consolidated income statement for 2014.

In addition, the Italian Tax Authorities have finalised their inspection of the Corporate Income Tax for the years 2007 to 2011, and have raised tax assessments on the years 2008 and 2009. The company has appealed these assessments, and has recorded a provision of EUR 1,858 thousand, which covers the payment of deficiency (EUR 1,458 thousand) and the late-payment interests (EUR 400 thousand), but not the penalties. This impacts have been recognised in the captions "Income Tax" and "Finance costs" in the accompanying interim condensed consolidated financial statements for 2014.

During the first semester of 2013 the Group reversed certain litigation provisions based on a reestimation by the Group Directors, for a total amount of EUR 1,539 thousand.

**f) Provision for 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. During the first semesters of 2014 and 2013 there were no significant variations in this provision.

**11. Related parties**

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

The Group's transactions with related parties during the first semesters of 2014 and 2013, as well as the balances at the end of both periods, are detailed in the table below. Related party transactions are carried out on an arm's length basis and any compensation in kind was duly recognised.

**Transactions**

Expenses and income	Thousand of Euro		
	31-03-2014		
	Sole-Shareholder	Group persons, companies or entities	Total
<b>Expenses:</b>			
Services received	-	410	410
Procurements	194,553	292,218	486,771
	194,553	292,628	487,181
<b>Income:</b>			
Financial income	1,358	4,092	5,450
Services rendered	5,100	14,986	20,086
	6,458	19,078	25,536

Expenses and income	Thousand of Euro		
	31-03-2013		
	Sole-Shareholder	Group persons, companies or entities	Total
<b>Expenses:</b>			
Financial expenses	579	-	579
Services received	105	-	105
Procurements	210,826	305,729	516,555
	211,510	305,729	517,239
<b>Income:</b>			
Financial income	1,646	1,070	2,716
Services rendered	5,967	11,435	17,402
	7,613	12,505	20,118

## Balances

Balances	Thousand of Euro		
	31-03-2014		
	Sole-Shareholder	Group persons, companies or entities	Total
<b>Debitors:</b>			
Credits	253,715	659,054	912,769
Accounts receivable	2,844	6,336	9,180
	256,559	665,390	921,949
<b>Creditors:</b>			
Accounts payable	37,913	135,478	173,391
	37,913	135,478	173,391

Balances	Thousand of Euro		
	30-09-2013		
	Sole-Shareholder	Group persons, companies or entities	Total
<b>Debitors:</b>			
Credits	253,244	1,318,963	1,572,207
Accounts receivable	1,320	8,928	10,248
	254,564	1,327,891	1,582,455
<b>Creditors:</b>			
Loans	-	87,144	87,144
Accounts payable	42,314	146,528	188,842
	42,314	233,672	275,986

The Parent holds since 1 October 2009 an agreement of treasury cessions with Altadis, S.A.U., which bears interest tied to the European Central Bank official rate plus a spread of 0.75% and which is renewed on an annual basis.

On 1 October 2013 the subsidiary Logista France, S.A.S, has entered into a current account agreement with Imperial Tobacco Enterprise Finance Ltd, subsidiary of Imperial Tobacco Group plc.(Note 6). This current account bears interests tied to the European Central Bank official rate plus a spread of 0.75%, both for debtor and creditor balances, which are payable on a quarterly basis. The agreement considers a maximum credit in both directions of EUR 2,000 million. The agreement will be effective until 1 October 2014, and will be automatically renewed on a yearly basis since that date except for explicit communication by either party.

During the first semester of 2013 the Parent held a current account with Imperial Tobacco Enterprise Finance Limited, on which interest was paid by the latter at the European Central Bank interest rate, plus a 0.75% spread, both for debtor and creditor balances, pursuant to the agreement entered into by the two parties. The interest was payable on a quarterly basis. In addition, the subsidiary Logista France, S.A.S. held an agreement of treasury cessions with IFL French Branch, which beared interests tied to EONIA rate plus a spread of 0.125%. Both agreements have been terminated on 1 October 2013 in the context of the restructuring of the intercompany treasury cessions agreements (Note 6).

## 12. Remuneration of Directors and Management

The Notes 35 and 31b) of the Group's consolidated financial statements for the year ended 30 September 2013 detail the existing agreements regarding the remuneration and other retributions to the Board of Directors and the Group's management.

The summary of the most relevant remunerations of Directors and management in the six months periods ended 31 March 2014 and 2013 is as follows:

	Thousand of Euro	
	31-03-2014	31-03-2013
<b>Members of the Board of Directors</b>		
Remuneration nature- Expenses	147	124
	<b>147</b>	<b>124</b>
<b>Management:</b>		
Total remunerations	3,440	3,032
	<b>3,440</b>	<b>3,032</b>

### 13. Segmented information

The Note 32 to the Group's consolidated financial statements for the year ended 30 September 2013 include the criteria followed by the Group in order to define its operating segments. There has been no change in the segmentation criteria.

The disclosure of revenues by geographical area as of 31 March 2014 and 2013 is as follows:

Revenues by Geographical area	Thousand of Euro	
	31-03-2014	31-03-2013
Iberia	1,211,247	1,221,349
Italy	1,222,088	1,320,917
France	2,165,051	2,211,593
Corporate and others	3,012	4,741
Inter-segment sales	(19,598)	(19,194)
<b>Total</b>	<b>4,581,800</b>	<b>4,739,406</b>

The reconciliation of the segmented profit before tax with the consolidated profit before tax as of 31 March 2014 and 2013 is as follows:

Profit before tax	Thousand of Euro	
	31-03-2014	31-03-2013
<b>Segments</b>		
Iberia	42,569	28,288
Italy	16,696	19,281
France	6,767	8,572
Corporate and others	(8,332)	(3,004)
Elimination of inter-segment results	(2,262)	(3,139)
Share of results of companies	(508)	(266)
Financial result	10,845	(2,879)
<b>PROFIT BEFORE TAX</b>	<b>66,775</b>	<b>46,853</b>

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

	31-03-2014				
	Iberia	Italy	France	Corporate and others	Total Group
<b>Balance sheet</b>					
Assets-					
Property, plant and equipment, Investment property and Non-current assets held for sale	156,251	32,147	46,384	389	235,171
Other non-current assets	94,773	677,942	954,874	118	1,727,707
Inventories	480,705	235,853	504,444	-	1,221,002
Trade receivables	468,397	305,865	806,020	606	1,580,888
Other current assets					1,105,007
<b>Total consolidated assets</b>					<b>5,869,775</b>
Liabilities-					
Non-current liabilities	122,590	41,815	267,385	-	431,790
Current liabilities	1,191,195	1,390,212	2,433,137	1,613	5,016,157
Equity					421,828
<b>Total consolidated liabilities</b>					<b>5,869,775</b>

	30-09-2013				
	Iberia	Italy	France	Corporate and others	Total Group
<b>Balance sheet</b>					
Assets-					
Property, plant and equipment, Investment property and Non-current assets held for sale	175,308	34,741	46,551	349	256,949
Other non-current assets	86,859	680,247	977,289	167	1,744,562
Inventories	384,310	265,698	558,059	-	1,208,067
Trade receivables	415,136	320,665	823,553	736	1,560,090
Other current assets					1,776,058
<b>Total consolidated assets</b>					<b>6,545,726</b>
Liabilities-					
Non-current liabilities	209,966	40,932	290,462	-	541,360
Current liabilities	1,423,118	1,583,448	2,535,305	1,671	5,543,542
Equity					460,824
<b>Total consolidated liabilities</b>					<b>6,545,726</b>

#### 14. Average number of employees

The average number of employees at the Group as of 31 March 2014 and 2013 is as follows:

	31-03-2014	31-03-2013
Men	3,659	3,642
Women	2,196	2,161
<b>Total</b>	<b>5,855</b>	<b>5,803</b>

#### 15. Tax matters

The Logista Group companies calculated the provision for income tax at 31 March 2014 in accordance with current legislation in the countries in which they carry on their business activities and, with regard to the companies that are resident in Spain in particular, with the regulations contained in the Consolidated Spanish Corporation Tax Law, approved by Legislative Royal Decree 4/2004, of 5 March.

Also, the tax effects arising from specific events or individual transactions performed in the reporting period were considered. In this connection, it should be noted that in the first six months of 2013 the tax subgroup to

which Logista France belonged granted certain tax benefits to the aforementioned company that reduced its effective tax rate to 17.6%.

#### **16. Subsequent events**

On the date of preparation of the accompanying interim condensed consolidated financial statements the Board of the Parent has approved an interim dividend on the year 2014 profit for EUR 39,825 thousand.

#### **17. Explanation added for translation to English**

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

## Certificate on the issuance of the interim condensed consolidated financial statements

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 interim condensed consolidated financial statements, which were authorised for issue at the Board of Directors' meeting on 27 May 2014 and are set forth on 20 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:

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D, Gregorio Marañón y Bertrán de Lis  
Chairman

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D, Luis Egido Gálvez  
Chief Executive

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D, Stéphane Lissner  
Director

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D, Miguel Barroso Ayats  
Director

---

D, Eduardo Zaplana  
Director

---

Ms, Alison Jane Cooper  
Director

---

Mr, Kenneth Hill  
Director

---

Mr, David Ian Resnekov  
Director

---

D, Conrad Richardson Tate  
Director

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D, Rafael de Juan López  
Director and Secretary of the Board

Madrid, 27 May 2014