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Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to Credit Suisse Securities (Europe) Limited and Goldman Sachs International (together, the "Joint Global Coordinators and Joint Bookrunners"), Morgan Stanley & Co. International plc (the "Joint Bookrunner") and Banco Bilbao Vizcaya Argentaria, S.A. and Société Générale (together, the "Joint Lead Managers and together with the Joint Global Corodinators and Joint Bookrunners, the "Managers"), the Issuer and the Selling Shareholder that (i) you are acting on behalf of, or you are an institutional investor outside the United States (as defined in Regulation S under the US Securities Act); (ii) if you are in the UK, you are a relevant person; (iii) if you are in any member state of the EEA other than the UK, you are a Qualified Investor; (iv) the securities acquired by you in the offer have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined in the Prospectus Directive); and (v) if you are outside the US, UK and EEA (and the electronic mail addresses that you gave us and to which this document has been delivered are not located in such jurisdictions) you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, Selling Shareholder, any Manager, or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. By accessing the linked or attached document, you consent to receiving it in electronic form.

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None of the Managers, or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Issuer or the offer. The Managers and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Managers or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Managers are acting exclusively for the Issuer and Selling Shareholder and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Selling Shareholder for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

This document has been sent to you or accessed by you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Issuer, the Selling Shareholder, the Managers, or any of their respective affiliates, or any of their respective directors, officers, employees or agents, accepts any liability or responsibility whatsoever, whether arising in tort, contract or otherwise which they might have in respect of this electronic transmission, the document or the contents thereof, or in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you upon request. Please ensure that your copy is complete. You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

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CONFIDENTIAL

36,204,545 ordinary shares of

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.U.

offering price of €13.00 per share

Altadis S.A.U. (the "Selling Shareholder"), an indirectly wholly-owned subsidiary of Imperial Tobacco Group PLC ("Imperial Tobacco"), is offering 36,204,545 ordinary shares with a par value of €0.20 each (the "Initial Offer Shares") of Compañía de Distribución Integral Logista Holdings, S.A.U., a *sociedad anónima unipersonal* incorporated under the laws of Spain (the "Issuer") to institutional investors (the "Offering"). The Initial Offer Shares will constitute 27.3% of the outstanding share capital of the Issuer after giving effect to the Offering. The Issuer is the sole shareholder of Compañía de Distribución Integral Logista, S.A.U. (the "Company" or "Logista" and with its subsidiaries, the "Logista Group").

This offering memorandum (the "Offering Memorandum") relates to an offering by the Selling Shareholder to certain institutional investors in various jurisdictions. The Initial Offer Shares (as defined below) are being offered: (i) within the United States, to "qualified institutional buyers" ("QIBs") as defined in Rule 144A ("Rule 144A") under the US Securities Act of 1933, as amended (the "US Securities Act"), pursuant to Rule 144A, and (ii) outside the United States, in accordance with Regulation S under the US Securities Act ("Regulation S"). In addition, a separate Spanish language prospectus ("Folleto Informativo") has been registered with the *Comisión Nacional del Mercado de Valores* ("CNMV") and published in accordance with the Prospectus Directive (as defined herein) for purposes of the listing of the Issuer's ordinary shares, with a par value of €0.20 each (the "Shares") on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the "Spanish Stock Exchanges").

The offering price is €13.00 per Offer Share.

The number of Initial Offer Shares the Selling Shareholder will sell pursuant to the Offering is 36,204,545 Shares. In addition, the Selling Shareholder will grant Credit Suisse Securities (Europe) Limited and Goldman Sachs International (the "Joint Global Coordinators and Joint Bookrunners"), Morgan Stanley & Co. International plc (the "Joint Bookrunner") and Banco Bilbao Vizcaya Argentaria, S.A. and Société Générale (the "Joint Lead Managers" and together with the Joint Global Coordinators and Joint Bookrunners and the Joint Bookrunner, the "Managers") an option to purchase additional Shares (the "Additional Shares" and together with the Initial Offer Shares, the "Offer Shares") representing up to 10% of the total number of Initial Offer Shares offered by the Selling Shareholder in the Offering to cover over-allotments, if any (the "Over-Allotment Option").

The Issuer will not receive any proceeds from the sale of the Offer Shares, if any, the net amount of which will be received by the Selling Shareholder.

Prior to this Offering, there has been no public market for the Shares. The Issuer will apply to have the Shares listed on the Spanish Stock Exchanges and to have the Shares quoted on the Automated Quotation System ("AQS") of the Spanish Stock Exchanges. We expect the Shares to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about July 14, 2014 under the symbol "LOG." The Managers expect to deliver the Shares through the book-entry facilities of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A*. ("Iberclear") on or about July 16, 2014.

Investing in the Offer Shares involves certain risks. See "Risk Factors" beginning on page 19.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Offer Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Offer Shares have not been and will not be registered under the US Securities Act. See "Transfer and Selling Restrictions" for additional information about eligible offerees and transfer restrictions.

Joint Global Coordinators and Joint Bookrunners

Credit Suisse **Goldman Sachs International**

Joint Bookrunner

Morgan Stanley

Joint Lead Managers

BBVA **Société Générale Corporate & Investment Banking**

This Offering Memorandum is dated July 10, 2014

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THIS CONFIDENTIAL OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY OFFER SHARES OFFERED HEREBY BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS OFFERING MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY OR ITS SUBSIDIARIES OR THAT THE INFORMATION SET FORTH HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

This Offering Memorandum is highly confidential and has been prepared by the Issuer solely for use in the proposed placement through the Offering of the Offer Shares. The Issuer, the Selling Shareholder and the Managers reserve the right to reject any offer to purchase the Offer Shares, in whole or in part, for any reason, or to sell less than all of the Offer Shares being offered in the proposed Offering. This Offering Memorandum is personal to the offeree to whom it has been delivered by the Managers and does not constitute an offer to any person or to the public in general to acquire the Offer Shares. Distribution of this Offering Memorandum to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited.

Each person receiving this Offering Memorandum acknowledges that (i) such person has not relied on the Managers or any person affiliated with the Managers in connection with any investigation of the accuracy of the information contained herein or its investment decision and (ii) no person has been authorized to give any information or to make any representation concerning the Issuer or the Offer Shares (other than as contained herein and information given by our duly authorized officers and employees in connection with investors' examination of the Issuer and the terms of this Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Selling Shareholder or the Managers.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE OFFER SHARES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

Investors should exclusively rely on the information contained in this Offering Memorandum. Neither the Issuer, nor the Selling Shareholder, nor any of the Managers has authorized anyone to provide potential investors with information different from that contained in this Offering Memorandum. The Managers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Managers or their affiliates or advisors. The information contained in this Offering Memorandum is accurate only as of the date of this Offering Memorandum, regardless of the time of delivery of this Offering Memorandum or any offering or sale of the Offer Shares.

In connection with the Offering, any Manager and any of its respective affiliates acting as an investor for its or their own account(s) may purchase the Offer Shares and, in that capacity, may retain, purchase, sell, offer to sell, or otherwise deal for its or their own account(s) in such securities, any other securities of the Issuer or other related investments in connection with the Offering or otherwise. Accordingly, references in this Offering Memorandum to the Offer Shares being offered, purchased or otherwise dealt with should be read as including any offer to, or purchase or dealing by, the Managers or any of them and any of their affiliates acting as an investor for its or their own account(s). The Managers do not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

The distribution of this Offering Memorandum and the Offering is restricted by law in certain jurisdictions, and this Offering Memorandum may not be used in connection with any offer or solicitation in any such jurisdiction or to any person to whom it is unlawful to make such offer or solicitation. No action has been or will be taken in any jurisdiction by us, the Issuer, the Selling Shareholder or the Managers that would permit a public offering of the Offer Shares or possession or distribution of an Offering Memorandum in any jurisdiction where action for that purpose would be required. This Offering Memorandum may not be used for, or in connection with, and does not constitute an offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this Offering Memorandum may come are required by us, the Selling Shareholder and the Managers to inform themselves about and to observe these restrictions. Neither the Issuer, nor the Selling Shareholder nor any of the Managers accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the Offer Shares, of any of these restrictions.

Each Manager that is regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Issuer, and no one else in connection with the Offering and will not be responsible to anyone other than the Issuer, for providing the protections afforded to its clients or for providing advice in connection with the Offering or any other matters referred to in this Offering Memorandum.

This Offering Memorandum has been prepared on the basis that all offers of the Offer Shares using this Offering Memorandum will be made pursuant to an exemption under the EU Directive 2003/71 EC (the "Prospectus Directive"), as amended and implemented in member states of the European Economic Area ("EEA"), from the requirements to produce a prospectus for offers of the Offer Shares. Accordingly, any person making or intending to make an offer within the EEA of the Offer Shares contemplated in this Offering Memorandum should only do so in circumstances in which no obligation arises for us, the Selling Shareholder or any of the Managers to produce a prospectus for such offer. None of the Issuer, the Selling Shareholder or the Managers has authorized, and none of them authorizes, the making of any offer of the Offer Shares through any financial intermediary, other than offers made by the Managers that constitute the final placement of the Offer Shares contemplated in this Offering Memorandum. This Offering Memorandum is an advertisement, is not a prospectus for the purposes of the Prospectus Directive and has not been registered with the CNMV. A *Folleto Informativo* in the Spanish language that complies with the requirements of the Prospectus Directive and includes certain other information required by the CNMV has been registered with the CNMV on June 26, 2014. Copies of the *Folleto Informativo* are available for inspection on the Issuer's website, at the Issuer's offices and on the CNMV's website.

STABILIZATION

CREDIT SUISSE SECURITIES (EUROPE) LIMITED, ACTING AS STABILIZATION AGENT ON BEHALF OF THE MANAGERS, OR ITS AGENT, MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, AT ITS DISCRETION, ENGAGE IN TRANSACTIONS THAT STABILIZE, SUPPORT, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE SHARES FOR A PERIOD OF 30 CALENDAR DAYS FROM THE DATE THE SHARES ARE LISTED ON THE SPANISH STOCK EXCHANGES. THE STABILIZATION PERIOD IS EXPECTED TO COMMENCE ON OR ABOUT JULY 14, 2014 AND TO END ON OR ABOUT AUGUST 12, 2014. SPECIFICALLY, THE STABILIZATION AGENT OR ITS AGENT MAY, FOR A LIMITED PERIOD, OVER-ALLOT IN CONNECTION WITH THE OFFERING OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SHARES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. HOWEVER, THERE IS NO OBLIGATION ON THE STABILIZATION AGENT OR ITS AGENT TO DO THIS, AND THERE CAN BE NO ASSURANCE THAT ANY SUCH ACTIVITIES WILL BE UNDERTAKEN. TO THE EXTENT PERMITTED BY APPLICABLE LAW, SUCH TRANSACTIONS MAY BE EFFECTED ON ANY SECURITIES MARKET, OVER-THE-COUNTER MARKET, STOCK EXCHANGE OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME OR END AFTER A LIMITED PERIOD. EXCEPT AS REQUIRED BY LAW OR REGULATION, THE STABILIZATION AGENT, ITS AGENTS OR THE MANAGERS DO NOT INTEND TO DISCLOSE THE EXTENT OF ANY STABILIZATION AND/OR OVER-ALLOTMENT TRANSACTIONS IN CONNECTION WITH THE OFFERING.

NOTICE TO US INVESTORS

The Offer Shares have not been and will not be registered under the US Securities Act, or with any securities authority of any state of the United States, and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state securities laws. The Offer Shares are being offered (i) in the United States only to qualified institutional buyers (as defined in Rule 144A) in reliance on the exemption from the registration requirements of the US Securities Act provided by Rule 144A and (ii) outside the United States only in offshore transactions (as defined in, and in accordance with, Regulation S). **Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption**

from the registration provisions of Section 5 of the US Securities Act provided by Rule 144A. For certain restrictions on resales, see "Transfer and Selling Restrictions."

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum is being distributed only to and directed only at (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) persons falling within Article 49(2)(a) to (d) of the Order, and (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum must not be acted on or relied on by any person who is not a relevant person. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

The Offer Shares may not be offered or sold to any person in the United Kingdom, other than to "qualified investors" (as defined in Section 86(7) of the Financial Services and Markets Act 2000 (as amended) ("FSMA")) or otherwise in circumstances that do not require an approved prospectus to be made available to the public, as set out in Section 86 of the FSMA.

INFORMATION FOR INVESTORS IN CERTAIN COUNTRIES

For information for investors in certain countries, see "Transfer and Selling Restrictions."

CERTAIN TERMS AND CONVENTIONS

As used in this Offering Memorandum:

"the Issuer" refers to Compañía de Distribución Integral Logista Holdings, S.A.U.

"Logista" and "the "Company" refer to Compañía de Distribución Integral Logista, S.A.U.

"the Logista Group" refers to Compañía de Distribución Integral Logista, S.A.U. and its consolidated subsidiaries.

"we," "us" and "our," refer to the Issuer and its consolidated subsidiaries, except where reference is made to events that occurred prior to the contribution of the entire share capital of Logista to the Issuer (on June 4, 2014), in which case such defined terms refer to Logista and its consolidated subsidiaries.

"the Board of Directors" and "the Board," refers to the board of directors of the Issuer, unless the context indicates otherwise.

"AAMS" refers to the Italian Special State Monopolies Administration (*L'Amministrazione autonoma dei monopoli di Stato*).

"adjusted operating profit" is a non-IFRS measure and refers to the principal indicator used by our management to assess the recurring results of operations of the business, the calculation for which is set forth in "Presentation of Financial Information—Non-IFRS Measure of the Logista Group."

"Altadis" or the "Selling Shareholder" refers to Altadis S.A.U., an indirectly wholly-owned subsidiary of Imperial Tobacco which is indirectly held through Imperial Tobacco España S.L.U.

"CAGR" refers to compound annual growth rate.

"CMT" refers to the Spanish Tobacco Market Commission (*Comisionado para el Mercado de Tabacos*).

"CNMV" refers to the *Comisión Nacional del Mercado de Valores*, the regulator of the Spanish stock exchanges in Madrid, Barcelona, Bilbao and Valencia.

"delivery points" refers to individual locations to which shipments are delivered.

"Directors" refers to the directors of the Issuer, unless the context indicates otherwise.

"Dronas" refers to Dronas 2002, S.L.U.

"e-cigarettes" refers to electronic cigarettes.

"EBITDA" is a non-IFRS measure and refers to earnings before interest, taxes, depreciation and amortization, and is calculated as follows: adjusted operating profit plus depreciation and amortization charge.

"economic free cash flow" is a non-IFRS measure and refers to cash flow available before debt repayment and distributions to shareholders.

"euro" or "€" refers to the currency of the member states of the European Union, including Spain, which participated or participate at the relevant time in the Economic and Monetary Union.

"FMCG" refers to fast-moving consumer goods.

"HORECA" refers to hotels, restaurants and cafes.

"IFRS" refers to the International Financial Reporting Standards, as adopted by the European Union.

"Imperial Tobacco" refers to Imperial Tobacco Group PLC, the ultimate parent company of the Selling Shareholder.

"Imperial Tobacco Group" refers to Imperial Tobacco and its subsidiaries.

"IT" refers to information technology.

"Joint Global Coordinators and Joint Bookrunners" refers to Credit Suisse Securities (Europe) Limited and Goldman Sachs International.

"Joint Lead Managers" refers to Banco Bilbao Vizcaya Argentaria, S.A. and Société Générale.

"Joint Bookrunner" refers to Morgan Stanley & Co. International PLC.

“Logista France” refers to Altadis Distribution France, S.A.S.

“Managers” refers to the Joint Global Coordinators and Joint Bookrunners, Joint Bookrunner and Joint Lead Managers.

“MCT” refers to minimum collectible tax.

“OFDT” refers to the French Center for Drugs and Drug Addiction (*Observatoire français des drogues et des toxicomanies*).

“OTP” refers to other tobacco products.

“Relationship Agreement” refers to the agreement between the Issuer and Imperial Tobacco, entered into on June 12, 2014, following Recommendation 2 of the Spanish Corporate Governance Code, that, conditional upon listing of the Shares on the Spanish Stock Exchanges by July 31, 2014 or such other subsequent date as to which the parties may agree, regulates their on-going relationship and which is a continuation and enhancement of long-standing arrangements.

“RYO” refers to roll-you-own tobacco products.

“SKU” refers to stock-keeping units.

“Spanish Stock Exchanges” refers to the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

“stick equivalent” refers to the combination of cigarette and RYO tobacco volumes with the latter being converted from weight into cigarettes on a 1:1 basis (1 RYO tonnes: 1 million cigarettes).

“Treasury arrangement” refers to the treasury arrangement we have had with the Selling Shareholder since 2000 to 2008 and with a subsidiary of Imperial Tobacco since 2008 (with Logista France as a party since 2013) that currently provides Logista to act as consolidator for Logista France’s and Logista Italia, S.p.A’s cash flows and permits both Imperial Tobacco (through Imperial Tobacco Enterprise Finance Limited) and Logista to act as lender or borrower, subject to available funds on the part of the lender (i.e., Logista or Imperial Tobacco Enterprise Finance Limited, as the case may be), solvency on the part of the borrower and legality. The treasury arrangement is currently set forth in the treasury agreement entered into by Imperial Tobacco Enterprise Finance Limited, the Issuer, Logista and Logista France on June 12, 2014.

“TPOS” refers to the point-of-sales terminals that are installed at certain points-of-sale that we service.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Memorandum contains financial statements that, except as provided below with respect to the Issuer's financial information, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Financial Information of the Issuer

The Issuer was formed as a *sociedad anónima unipersonal* incorporated under the laws of Spain on May 13, 2014. The Issuer is a direct, wholly-owned subsidiary of the Selling Shareholder, and prior to its contribution to the Issuer, Logista was also a direct, wholly-owned subsidiary of the Selling Shareholder. On June 4, 2014, the Selling Shareholder and the Issuer resolved to effect an increase in the share capital of the Issuer by the contribution to the Issuer of all of the shares of Logista owned by the Selling Shareholder. This contribution was registered with the Mercantile Registry of Madrid on June 10, 2014. Accordingly, as of the date of this Offering Memorandum, Logista is a direct, wholly-owned subsidiary of the Issuer.

The Issuer is a holding company, formed for the purposes of the Offering to create distributable reserves, and has no direct operations, and it conducts all of its business through the Logista Group. Given its recent incorporation, no historical financial information relating to the Issuer is available other than a standalone, interim balance sheet as at June 4, 2014, as set out in this Offering Memorandum, which has been audited by Deloitte, S.L. ("Deloitte"). The Issuer's audited balance sheet is included elsewhere herein and has been prepared in accordance with Spanish generally accepted accounting principles ("Spanish GAAP"), which differ in certain respects from IFRS. The Issuer has not engaged in any activities other than those relating to this Offering. After the Offering, the Issuer's only material asset and liabilities will be its interest in 100% of the outstanding share capital of Logista. Going forward, the Logista Group's financials will be consolidated at the level of the Issuer, and the Issuer will prepare consolidated financial statements in accordance with IFRS.

Consolidated Financial Statements of the Logista Group

The annual consolidated financial statements of the Logista Group as of and for the financial years ended September 30, 2013 and 2012 (including the comparative financial information as of and for the financial year ended September 30, 2011) have been audited by Deloitte. We refer to the consolidated financial statements for the Logista Group as of and for the financial year ended September 30, 2013 as the "2013 Audited Consolidated Financial Statements", the consolidated financial statements of the Logista Group as of and for the financial year ended September 2012 as the "2012 Audited Consolidated Financial Statements," and together, these financial statements are referred to as the "Audited Consolidated Financial Statements" in this Offering Memorandum.

This Offering Memorandum also contains the unaudited interim consolidated financial statements of the Logista Group as of and for the six months ended March 31, 2014 (including the comparative financial information for the six months ended March 31, 2013). We refer to these financial statements as the "Interim Consolidated Financial Statements" in this Offering Memorandum.

We refer to the Audited Consolidated Financial Statements and Interim Consolidated Financial Statements as the "Consolidated Financial Statements" in this Offering Memorandum.

Pursuant to Spanish regulatory requirements, the Consolidated Financial Statements are required to be accompanied by the respective consolidated directors' reports. These consolidated directors' reports are included in this Offering Memorandum only in order to comply with such regulatory requirements. Investors are strongly cautioned that the consolidated directors' reports contain information as of various historical dates and do not contain a full description of our business, affairs or results. The information contained in the consolidated directors' reports has been neither audited nor prepared for the specific purpose of the Offering. Accordingly, the consolidated directors' reports should be read together with the other portions of this Offering Memorandum, and in particular the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". Any information contained in the consolidated directors' reports shall be deemed to be modified or superseded by any information elsewhere in the Offering Memorandum that is subsequent to or inconsistent with it. Furthermore, the consolidated directors' reports include certain forward-looking statements that are subject to inherent uncertainty (see "Forward-Looking Statements"). Accordingly, investors are cautioned not to rely upon the information contained in such consolidated directors' reports.

Segment Reporting of the Logista Group

In financial periods prior to the financial year ended September 30, 2013, we presented our historical financial information on the basis of our major lines of business (Distribution and Logistics activity, Publishing Industry activity and Transport activity) with our geographic segments as secondary segments (Spain, Portugal, Italy and Other (which included France, Poland and Morocco)). As a result of the acquisition of Altadis Distribution France S.A.S. in October 2012 and in order to better reflect our present organisation, we decided to present our historical financial information on the basis of our principal geographical markets in our 2013 Audited Consolidated Financial Statements. These geographic markets are Iberia (Spain and Portugal), Italy, France and Corporate and Others (which includes Poland). See Note 32 to our 2013 Audited Consolidated Financial Statements and Note 13 to our Interim Consolidated Financial Statements for further detail.

Supplementary Combined Financial Information of the Logista Group

As described under "*Management's Discussion And Analysis Of Financial Condition And Results Of Operations—Key Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Acquisition of Altadis Distribution France*", on October 9, 2012, Logista acquired all the shares of Altadis Distribution France, S.A.S. (now Logista France) from Seita, S.A.S., whose ultimate controlling shareholder is also Imperial Tobacco. The results of operations of Logista France have been fully consolidated into our Consolidated Financial Statements for the year ended September 30, 2013 and the six months ended March 31, 2014.

The impact of the acquisition on our results of operations in the year ended September 30, 2013 is summarized below:

	Logista France	**Total Logista**	**% of Total Logista**
	(€ million, except for percentages)		
Revenues	4,543.3	9,862.8	46.1%
Gross profit	298.4	1,011.5	29.5%
Profit from operations[1]	23.7	123.2	19.2%

(1) Net of the amortization of assets relating to the acquisition of Logista France. The purchase price allocation of €920.2 million for Logista France included an allocation of €776.4 million for the distribution agreements with tobacco manufacturers which was recorded as an intangible asset in our Consolidated Financial Statements. This asset is being amortized using a straight-line method over a period of 15 years. For the six months ended March 31, 2014 and 2013 and the year ended September 30, 2013, €26.1 million, €26.1 million and €52.2 million, respectively, were recorded as "Depreciation and amortization charge—Cost of logistics networks". For more information regarding the assets acquired and liabilities assumed in relation to this acquisition, see Note 39 to our 2013 Audited Consolidated Financial Statements and Note 2 to our Interim Consolidated Financial Statements.

As a result of the foregoing, the 2013 Audited Consolidated Financial Statements may not be directly comparable with the financial information presented in this Offering Memorandum for the years ended September 30, 2012 and 2011 or earlier financial periods. For more information regarding the assets acquired and liabilities assumed in relation to this acquisition, see Note 39 to the 2013 Audited Consolidated Financial Statements and Note 2 to our Interim Consolidated Financial Statements.

To supplement the Consolidated Financial Statements presented in accordance with IFRS, this Offering Memorandum includes certain supplementary unaudited combined financial results of operations of (i) the Logista Group combined with (ii) Logista France as of and for the financial years ended September 30, 2011 and 2012. The Combined Financial Statements are the result of the aggregation of (i) and (ii) and the elimination of intra-group transactions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Supplementary Combined Financial Information." Our management believes that this information, along with comparable IFRS measures, is useful to investors because it provides financial information for the financial years ended September 30, 2012 and 2011 that is more comparable to the financial statements for the financial year ended September 30, 2013 and the six months ended March 31, 2014 than our historical consolidated financial information for such prior years. We refer to this supplementary financial information as "Combined Financial Information" in this Offering Memorandum.

Non-IFRS Measures of the Logista Group

In addition to the financial information prepared under IFRS, we have included in this Offering Memorandum certain management accounting measures, which have been extracted from our accounting records which were used to prepare the Consolidated Financial Statements. We have presented these management measures because we believe they may contribute to a better understanding of our results of operations by providing additional information on what we consider to be some of the drivers of our financial performance.

These measures are not defined under IFRS and may be presented on a different basis than the financial information included in our Consolidated Financial Statements. Accordingly, they may differ significantly from similarly titled information reported by other companies, and may not be comparable. Prospective investors are cautioned not to place undue reliance on these management accounting measures, which should be considered as supplemental to, and not a substitute for, the financial information prepared in accordance with IFRS included herein and in our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

We define these management measures as follows:

Restructuring costs are costs incurred with the purpose of increasing the operational, administrative or commercial efficiency of our organization, including costs relating to reorganization, termination of employment and closures or transfers of warehouses or other facilities.

The following restructuring costs were incurred in the periods shown allocated by respective line item under our income statement in our Consolidated Financial Statements and our Combined Financial Information:

	For the six months ended March 31,		For the year ended September 30,		
	2014	**2013**	**2013**	**2012**	**2011**
	Consolidated			Combined	
			(€ million)		
Logistics networks restructuring costs	3.6	1.8	10.2	—	6.7
Commercial restructuring costs	0.2	0.1	0.3	—	—
Head Office restructuring costs	2.7	6.1	7.7	7.1	2.2
Other expenses	—	—	2.2	3.3	0.9
Total restructuring costs	**6.5**	**8.0**	**20.5**	**10.4**	**9.8**

Adjusted operating profit or ***adjusted EBIT*** is the principal indicator used by our management to assess the recurring results of operations of the business.

The following table provides a reconciliation showing how adjusted operating profit is derived from profit from operations in our Consolidated Financial Statements and our Combined Financial Information for the periods indicated:

	For the six months ended March 31,		For the year ended September 30,		
	2014	2013	2013	2012	2011
	Consolidated			Combined	
			(€ million)		
Profit from operations	54.9	49.7	123.2	180.4	198.7
plus					
Restructuring costs	6.5	8.0	20.5	10.4	9.8
Amortization of assets related to the acquisition of Logista France[(1)]	26.1	26.1	52.2	—	—
Share of results of companies	0.5	0.3	0.5	0.4	0.9
Net loss on disposal and impairment of non-current assets	15.1	11.4	14.4	20.2	—
Other[(2)]	—	0.2	0.3	1.3	1.3
Adjusted operating profit	**103.2**	**95.7**	**211.0**	**212.8**	**210.7**

(1) Includes costs related to the amortization of the assets related to the acquisition of Logista France. The purchase price allocation of €920.2 million for Logista France included an allocation of €776.4 million for the distribution agreements with tobacco manufacturers which was recorded as an intangible asset in our Consolidated Financial Statements. This asset is being amortized using a straight-line method over a period of 15 years. For more information regarding the purchase price allocation, see Note 39 to our 2013 Audited Consolidated Financial Statements. For the six months ended March 31, 2014 and 2013 and the year ended September 30, 2013, €26.1 million, €26.1 million and €52.2 million, respectively, were recorded as "Depreciation and amortization charge—Cost of logistics networks" in our Consolidated Financial Statements.

(2) Includes certain non-operational costs not directly linked to the operating result of Logista.

Economic free cash flow refers to cash flow available before debt repayment and distributions to shareholders.

The following table provides a reconciliation showing how economic free cash flow is derived from total net cash flow from/(used in) operating activities in our Consolidated Financial Statements and our Combined Financial Information for the periods indicated:

	Six months ended March 31,		Year ended September 30,		
	2014	2013	2013	2012	2011
	Consolidated			Combined	
			(€ million)		
Total net cash flow from / (used in) operating activities	**(493.3)**	**(470.0)**	**217.1**	**164.3**	**324.3**
Investing Activities:					
Net investment in property, plant and equipment	(10.5)	(15.3)	(24.7)	(19.9)	(25.3)
Addition to intangible assets	(7.9)	(5.6)	(11.4)	(8.2)	(7.5)
Economic free cash flow	**(511.7)**	**(490.9)**	**181.0**	**136.2**	**291.5**

Rounding

The financial information contained in this Offering Memorandum has been rounded. For this reason, in some cases, the sum of the figures in a given column may not conform exactly to the total figure presented in that same column. Figures that are represented in percentages in this Offering Memorandum have not been calculated on the basis of rounded figures, but rather on those values prior to rounding.

PRESENTATION OF SHARE DATA

As of the date of this Offering Memorandum, the share capital of the Issuer is €26,550,000, represented by 132,750,000 Shares, fully subscribed and paid-up, with a par value of €0.20 each and belonging to a single class and series.

The presentation of all share data included herein assumes no exercise of the Over-Allotment Option, unless otherwise indicated. See "Plan of Distribution."

MARKET AND INDUSTRY DATA

This Offering Memorandum includes market share and industry data, which we have obtained from industry publications and surveys, industry reports prepared by governments, regulators, consultants, internal surveys and customer feedback. Market and industry data is principally based on, where available, official government or industry bodies. In particular, we have included market and industry data for the following markets from the third-party sources noted below:

- Tobacco distribution—Spain—Spanish Tobacco Market Commission (*Comisionado para el Mercado de Tabacos*)
- Tobacco distribution—France—French Center for Drugs and Drug Addiction (*Observatoire français des drogues et des toxicomanies*)
- Tobacco distribution—Italy—Italian Special State Monopolies Administration (*L'Amministrazione autonoma dei monopoli di Stato*)
- Wholesale and direct distribution in pharmaceutical products—Spain—IMS Health and Farmaindustria
- Industrial parcel delivery Spain—DBK Informa market data
- Distribution of magazines, collectibles and similar products Spain—OJD, EGM and FANDE
- Pharma sector—IMS Health and Farmaindustria (Asociación Nacional Empresarial de la Industria Farmaceútica)
- Lotteries—Dirección General de Ordenación de Juego, Annual Report 2012

As we do not have access to all of the facts and assumptions underlying such market and industry data, we are unable to verify such information and cannot guarantee its accuracy or completeness. We believe that this third-party market and industry data, to the extent quoted or referred to herein, are reliable, but we have not independently verified it and cannot guarantee its accuracy or completeness.

In addition, in cases where third-party data does not cover the market or type of service or product, third-party data is not available or when our operations constitute the majority of the market in a specific geography, we have included certain market and industry data reflecting our management's best estimates based upon information obtained from regulators, trade and business organisations and associations, consultants and other contacts within the industries in which we operate as well as our senior management team's business experience and experience in the industry. For example, we have used internal data to make estimates relating to:

- Tobacco distribution—Portugal, France, Spain, Italy and Poland
- Distribution of wholesale convenience products and smoking items in the tobacconist channel—Spain, France and Italy
- Pre-wholesaling logistics in pharmaceutical products—Spain
- Parcel and courier services—Spain
- Distribution of periodicals—Spain

We believe that these internal surveys and market and industry estimates, to the extent included in this Offering Memorandum, are reliable, but we have not independently verified this information and cannot guarantee its accuracy or completeness. We cannot assure you that any of the assumptions that we have made in compiling this data are accurate or correctly reflect our position in our markets or other matters relating to our business.

In the presentation of stick equivalents, these figures include roll-your-own stick equivalents, converted in a ratio of 1 RYO ton : 1 million cigarettes.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements that reflect our intentions, beliefs or current expectations and projections about our future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which we operate. We have tried to identify these and other forward-looking statements by using the words “may,” “could”, “will,” “would,” “should,” “expect,” “intend,” “estimate,” “anticipate,” “guidance”, “project,” “future,” “potential,” “believe,” “seek,” “plan,” “aim,” “expect”, “objective,” “goal,” “project”, “strategy,” “target,” “continue” and similar expressions or their negatives. These forward-looking statements are based on numerous assumptions regarding our present and future business and the environment in which we expect to operate in the future. Forward-looking statements may be found in the sections of this Offering Memorandum entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” and elsewhere in this Offering Memorandum.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause our actual results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- continuation or further deterioration of the challenging economic conditions in the markets in which we operate;
- competition in our businesses;
- further decline in demand for tobacco products and other adverse effects due to increases in illicit trade, taxes or regulation;
- material adverse changes in the regulatory structure governing tobacco distribution in the markets in which we operate, including as a result of the implementation of the revised EU Tobacco Products Directive;
- further declines in demand for the non-tobacco products that we distribute or for our transport services;
- our customers’ failure to comply with laws and regulation or our failure to obtain and maintain required licences;
- loss of any one or more of our major customers;
- future investigations for alleged abuse of our market position;
- pricing risk through the products we purchase from our manufacturer customers;
- adverse changes in our payment cycles that may require us to seek external sources of funding to meet our obligations;
- our reliance on third parties to provide transportation services in relation to our distribution services to our customers;
- operating in a regulated industry, resulting in exposure to potential claims or ongoing and increasing compliance costs;
- dependency on a state-of-the-art information technology (“IT”) platform and the possibility of interruption or failure of such IT platforms;
- property damage or cargo loss, theft or damage and significant increases in the number or magnitude of insurance claims;
- potential liabilities and costs from litigation;
- loss of key personnel;
- work stoppages, weather-related delays or issues or other disruptions beyond our control;
- successful execution of our strategy;
- risk of changes in tax legislation and increases in tax rates;
- future impairment losses as a result of potential declines in the fair value of our assets;
- fluctuation in interest rates;
- credit and liquidity risk as a result of our treasury arrangement with Imperial Tobacco;

- potential conflict between the interests of Imperial Tobacco and any other significant investor and the Issuer's interests; and
- the Issuer's reliance on receiving distributions from Logista.

Additional factors that could cause our actual results, financial condition, liquidity, performance, prospects, opportunities, achievements or industry results to differ include, but are not limited to, those discussed under "Risk Factors." In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Memorandum may not occur. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed in this Offering Memorandum not to occur. Except as otherwise required by Spanish, US federal and other applicable securities law and regulations and by any applicable stock exchange regulations, we undertake no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Offering Memorandum. Given the uncertainty inherent in forward-looking statements, we caution prospective investors not to place undue reliance on these statements.

The Managers assume no responsibility or liability for, and make no representation, warranty or assurance whatsoever in respect of, any of the forward-looking statements contained in this Offering Memorandum.

AVAILABLE INFORMATION

We are currently neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. For as long as this remains the case, we will furnish, upon written request, to any shareholder, any owner of any beneficial interest in any of the Offer Shares or any prospective purchaser designated by such a shareholder or such an owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act, if at the time of such request any of the Offer Shares remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act. We do not currently intend to claim an exemption under Rule 12g3-2(b) under the Exchange Act.

EXCHANGE RATES

Almost all of our operations are in countries that have adopted the euro as their currency, and our accounts are denominated in euros. The following tables set forth, for the periods indicated, the period end, period average, high and low Bloomberg Composite Rates expressed in US dollar per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates set forth below may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this Offering Memorandum. The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for a partial month, means the average of the daily Bloomberg Composite Rate during that month, or partial month, as the case may be.

	Noon Buying Rate			
Exchange rates	Period End	Average	High	Low
	(US dollars per €1.00)			
Year:				
2009	1.4326	1.3949	1.5134	1.2531
2010	1.3387	1.3266	1.4513	1.1923
2011	1.2959	1.3926	1.4830	1.2907
2012	1.3192	1.2860	1.3458	1.2061
2013	1.3743	1.3285	1.3804	1.2780
2014 (through July 8)	1.3612	1.3707	1.3932	1.3488
Month:				
February 2014	1.3802	1.3670	1.3802	1.3519
March 2014	1.3770	1.3826	1.3932	1.3733
April 2014	1.3867	1.3811	1.3886	1.3705
May 2014	1.3634	1.3733	1.3927	1.3591
June 2014	1.3692	1.3601	1.3692	1.3532
July 2014 (through July 8)	1.3612	1.3627	1.3679	1.3594

We have provided these exchange rates solely for the convenience of potential investors. The rates should not be construed as a representation that euro amounts could have been, or could be, converted into US dollars at the rates set forth herein or at any other rate.

SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum. You should read the entire Offering Memorandum carefully, including the financial statements and the notes thereto, before making an investment decision. See "Risk Factors" for factors that you should consider before investing in the Offer Shares.

Overview

We are the leading integrated tobacco distribution and logistics company in Southern Europe, with a market share exceeding 95% in Spain, Portugal, Italy and France (as a whole) in terms of tobacco volumes distributed (which represent approximately 194,578 million cigarettes and stick equivalents) in 2013 and are the trusted logistics partner in these markets for all the major tobacco manufacturers. Our core business has evolved from distributing tobacco for tobacco companies to tobacconists on a national basis (who typically operate in a retail monopoly model in our markets) to a competitive distribution and logistics business providing a broad spectrum of additional products and value-added services to different channels, including tobacco accessories, convenience goods, documents and e-transactions (such as mobile phone and transportation card top-ups), pharmaceutical products, books, publications and lottery games.

We combine our services in a flexible manner to meet diverse customer requirements. We also provide value-added and advanced customer services that are adaptable to our customers' needs, regulatory requirements and industry standards in the relevant sector. Our value proposition is premised on our ability to provide standard logistics, wholesaling, value-added and advanced customer services across the logistics value chain, resulting in synergies and economies of scale for our customers, allowing our customers to focus on their core business operations rather than dealing with multiple service providers.

In order to provide these services, we rely on a complete infrastructure network that covers the entire supply chain, from pick-up of products to the delivery to points-of-sale. As of March 31, 2014, our warehousing network consisted of 405 warehouses, including 42 central and regional warehouses and 363 local warehouses comprising, in aggregate, over 1 million square meters of warehousing space.

During the year ended September 30, 2013, we distributed to over 300,000 delivery points in Spain, Portugal, France, Italy and Poland and completed approximately 35 million deliveries. Our customers are primarily tobacco manufacturers, telecom companies, FMCG companies, pharmaceutical companies and publishing companies. We contract with these manufacturers to fill orders from points-of-sale in a variety of distribution channels, including tobacconists, kiosks, bookshops, petrol stations, hospitals and pharmacies, convenience stores and HORECA.

For the six months ended March 31, 2014 and the year ended September 30, 2013, we generated revenue of €4,581.8 million and €9,862.8 million, gross profit of €516.0 million and €1,011.5 million, adjusted operating profit of €103.2 million and €211.0 million and profits before tax of €65.8 million and €118.9 million. See "Presentation of Financial Information—Non-IFRS Measures of the Logista Group" for a reconciliation showing how adjusted operating profit is derived from the consolidated profit from operations.

Our Strengths

In our view, the following factors contribute to the strength of our integrated logistics business:

Market-leading distributor in Southern Europe operating through extensive networks

We are the leading provider of integrated distribution and logistics services to tobacco manufacturers in each of the principal markets in which we operate, with a market share of tobacco distribution exceeding 95% in Spain, Portugal, Italy and France (as a whole) in terms of tobacco volumes distributed in 2013 (which represent approximately 194,578 million cigarettes and stick equivalents), according to official data from the Spanish Tobacco Market Commission (*Comisionado para el Mercado de Tabacos*) ("CMT"), the Italian Special State Monopolies Administration (*L'Amministrazione autonoma dei monopoli di Stato*) ("AAMS"), the French Center for Drugs and Drug Addiction (*Observatoire français des drogues et des toxicomanies*) ("OFDT") and our internal estimates (in the case of Portugal). Through our national and local proximity networks, we are able to timely ship tobacco and other products to over 300,000 delivery points in Spain, Portugal, France, Italy and Poland. We completed approximately 35 million deliveries in 2013.

We have used our long-standing experience in tobacco distribution to distribute an increasingly broad range of non-tobacco products, and we have leading positions in a number of sectors, including wholesale convenience product distribution to the tobacconist channel in Spain, France and Italy and to tobacco points-of-sale in Portugal, pre-wholesaling and direct distribution for pharmaceutical products in Spain and Portugal, documents and e-transactions products in Spain and France and books and publications in Spain. We also have a top three position in transport services (industrial parcel and courier) in Spain in terms of revenues, according to DBK Informa's data (Report: Sectores: Mensajería y Paquetería, 2013). See "Business—Our Segments and Business Lines" for more information regarding market position and share.

Our operating model is designed to meet the needs of tobacco manufacturers, which are subject to stringent regulation and require well-managed and traceable distribution networks given the importance of tobacco products as a source of government revenues, particularly given the challenging economic circumstances in the principal markets in which we operate. Accordingly, we believe that our proprietary know-how as well as our well-developed network places us in an optimal position to compete in the market.

We have also developed a proprietary, integrated and scalable IT platform that allows us to efficiently manage all aspects of our operations and key processes across our customers' supply chains. The advanced functionality of our custom-designed IT system enables seamless integration with customers' and manufacturers' IT networks and allows us to provide real-time, end-to-end supply chain visibility. We currently receive online orders and e-transactions flows from approximately 45,000 point-of-sale terminals ("TPOS"). The TPOS are directly linked with our back-office SAP platforms, which provides a real-time monitoring of stock levels and inventory optimization and allows us to receive orders and analyze buying decisions based on the data received. We believe that these applications improve our operational efficiency, services and quality controls, while strengthening our relationships with our customers and enhancing our value proposition by allowing us to offer advanced customer services, especially to our manufacturer customers to whom we are able to provide highly customized business intelligence information with respect to, for example, consumer purchasing habits and point-of-sale performance.

Contracted revenue base

We operate as a distributor in a tobacco retail monopoly market in each of Spain, Italy and France. In these markets, all tobacconists operate under a retail monopoly framework and, as a result, are required to obtain a license to sell tobacco products. In addition, under national law, tobacco manufacturers are required to distribute tobacco products to all tobacconists on a national basis. See "Regulation". Retail selling prices ("RSP") for tobacco products are set by the manufacturer in all markets and may not be changed by the wholesaler or tobacconist. Tobacconists are only permitted to purchase tobacco products from wholesalers such as us. Tobacco manufacturers are legally required to supply tobacco at a similar level of service. As a result of this framework, tobacco manufacturers seek to partner with wholesalers that can satisfy these national distribution requirements and assure supply, and the major manufacturers have partnered with us for more than twenty years, since we are able to meet their needs across the entire logistics value chain as an integrated logistics provider. As a result of our roots as a state-run tobacco distribution business with national coverage in our core markets and our focus on delivering a cost-effective service at the highest levels, we have established long-standing relationships with all the major tobacco manufacturers in our markets, providing us with large economies of scale as we are able to reach the entire market and offer a full range of tobacco products and services.

We have typically worked with all the major tobacco manufacturers in our markets for over twenty years on the basis of multi-year national contracts that have been renewed regularly, including with subsidiaries of Imperial Tobacco, Philip Morris International, British American Tobacco and Japan Tobacco International and their respective legacy organizations. We have, to date, enjoyed a 100% retention rate with our main tobacco manufacturer customers. Although our agreements do not provide for minimum volumes to be sold through us, we offer our tobacco manufacturer customers a high level of service across the entire logistics value chain for the delivery of their tobacco products from their European factories to points-of-sale (typically taking 2 to 2.5 days from the manufacturer's factories to our warehouses, on average) including demand planning, contracted purchases, international transport under strict security standards and procedures, multi-modal order reception (including Internet and phone), warehousing and stock management, order preparation, picking, billing and collection, and customer service. We also collect tobacco products from manufacturers through 94 collection points in 15 European countries.

As a result, we have a market-leading end-to-end network, with 405 warehouses with over 1 million square meters, in the aggregate, of warehousing space located in close proximity to our customers as well as a subcontracted fleet of 1,670 trailers, more than 3,700 vans and approximately 9,000 fully dedicated subcontracted providers operating under the Logista brands that allows us to deliver to the points-of-sale that we service in our markets.

Highly resilient business model

During the financial years ended September 30, 2013, 2012 and 2011, the Group has been able to maintain an average adjusted operating profit of approximately €212 million (based on the consolidated adjusted operating profit in 2013 and the combined adjusted operating profit in 2012 and 2011) (see "Presentation of Financial Information—Non-IFRS Measures of the Logista Group" for a reconciliation showing how adjusted operating profit is derived from profit from operations) despite the general decline in tobacco volumes across the market and the weak economic environment in the principal markets in which we operate, with average price increases for our tobacco and related products in Iberia, France and Italy of 5.5%, 6.3% and 5.6% for 2011, 2012 and 2013, respectively. See "Presentation of Financial Information—Supplementary Combined Financial Information of the Logista Group."

We apply a common tobacco distribution fee pricing structure across manufacturers. Our tobacco distribution fees vary based on volume, with higher volumes incurring lower fees per unit distributed. These per unit fees are charged per SKU we distribute. We typically set our pricing schedule on an annual basis, based on changes in CPI, our fuel costs, the market and distribution complexity. In recent years, overall tobacco volumes have declined, and the number of SKUs distributed by manufacturers has increased. As a result of these factors, in the year ended September 30, 2013, the Group managed over 3,800 SKUs of cigarettes and RYO in Spain, France and Italy, approximately 20% more than the SKUs managed in the year ended September 30, 2011. In addition to our tobacco distribution fees, our revenues have also been supported by our increased focus on value-added services (including international transport, receipt of additional business intelligence information, promotional material management and loyalty campaign management), for which we charge separate fees.

Additionally, we have undertaken measures to increase our operational efficiency and adapt our cost structure to the level of business activity across our operations, including further integration of our operations, outsourcing of certain non-essential activities and ongoing structural changes to streamline our operations. These cost efficiency measures have resulted in an increase in our adjusted operating profit margin over gross profit from 20.5% on a combined basis in the financial year ended September 30, 2012, to 20.9% on a consolidated basis in the financial year ended September 30, 2013, before declining to 20.0% on a consolidated basis in the six months ended March 31, 2014.

We have also continued to invest in upgrades to IT and warehousing infrastructure during the downturn, with the purpose of maintaining our reputation for a high level of consumer service and ensuring that our long-standing relationships with manufacturers and points-of-sale are sustainable for the future. As a result of the combination of this loyal customer base and more efficient operations, we believe we are well-positioned to benefit from economic recovery in our core markets.

Furthermore, our geographical diversification across Spain, France, Portugal and Italy has helped offset any country-specific impact on our business.

Robust and visible economic cash flow profile

During the three financial years ended September 30, 2013, our adjusted operating profit margin (which we calculate as adjusted operating profit divided by gross profit) has increased from 19.7%, on a combined basis for the year ended September 30, 2011, to 20.9%, on a consolidated basis for the year ended September 30, 2013, and it was 20.0% on a consolidated basis for the six months ended March 31, 2014. See "Presentation of Financial Information—Non-IFRS Measures of the Logista Group" for a reconciliation showing how adjusted operating profit is derived from the profit from operations. Also see "Presentation of Financial Information—Supplementary Combined Financial Information of the Logista Group." These margins are supported by a high value-added service offering, which is differentiated from the service offerings of our competitors across the markets in which we operate, as well as our continued focus on cost efficiency and operational improvements.

We have also been able to achieve high levels of return on capital employed, which has resulted from our asset-light business model, under which we subcontract or lease a significant portion of the capital-intensive components required to operate our business, including trucks, warehouses and properties—and strong product and service offering. Finance income has also been an important component of profit before tax, constituting 6.2% of profit before tax in the year ended September 30, 2013, as a result of our significant average cash position.

Our asset-light business model allows us a high level of flexibility in our cost structure. We operate under a warehouse rental system in which we own only our central warehouses or those facilities which we do not expect to expand, downsize or dispose of in the long-term. We subcontract substantially all of our fleet from third parties, and we select these third parties based on strict quality and security criteria and fully monitor our subcontracted fleet. As a result, we expect that our capital expenditure requirements will remain fairly low and in the range of approximately €35-45 million per year.

The dynamics of our payments and collections cycle supports a self-funding operating working capital in our tobacco business.

In the year ended September 30, 2013, we generated €0.72 of economic free cash flow for every €1.00 of EBITDA, which we believe is representative of the cash generation ability of our business and has allowed us to pay dividends while maintaining the required level of investment to grow our business without requiring significant amounts of external funding or financing.

Attractive growth opportunities across products and geographies

We believe we have attractive opportunities for growth within our businesses.

In our tobacco and related business line, we believe we have opportunities for organic growth through increasing the number of value-added services sold to manufacturers and by increasing our distribution of wholesale convenience and e-transaction products to points-of-sale, gaining market share in our existing and other channels. We also have potential to expand into other geographies, given the strong relationships we have established with our tobacco manufacturer customers and the economies of scale and synergies offered by our integrated logistics model, especially in the context of declining volumes in the tobacco market.

We also believe we have potential to expand in our other businesses, such as increasing our pharmaceutical product distribution to pharmacies or our book product distribution through the opportunities that may arise from the outsourcing of the internal distribution operations of publishers. In our pharma business, we intend to continue growing our pre-wholesaling logistics market share through gaining additional outsourced flows from pharmaceutical companies while, at the same time, capitalizing on the expected growth of the parapharmaceutical market. We also view direct distribution to pharmacies as an attractive potential opportunity, and we intend to continue expanding our relatively low market share in this activity.

Experienced management team with public company track record

Our management team has a track record of delivering strong, profitable growth combined with corporate development expertise and is committed to our continued growth and development. Our senior management is comprised of experienced professionals with significant experience in distribution and logistics services, and related outsourcing businesses. Our senior management has extensive experience working at listed companies, including Logista during 2000 to 2008 (during which it was a listed company) and Altadis, which was previously a listed company.

Our Strategy

Our strategy is premised on applying the know-how acquired through our extensive experience in the distribution of tobacco products to the tobacconist channel to other sectors and channels in our existing and new markets, while continuing to strengthen our position in our established business lines through improvements in operational efficiency and increasing our sources of revenue.

Reinforcing our leadership position in tobacco distribution

Since our founding, we have worked to establish strong relationships with our tobacco manufacturer customers and tobacconists in all of our markets. We intend to maintain and strengthen these established relationships for the future by increasing our integration with our tobacco manufacturer customers and offering additional value-added services, among other things, which allow our manufacturer customers to concentrate on their core activities while ensuring a high service level at an agreeable cost. We intend to accomplish this by:

- Increasing the number of tobacco manufacturer customers utilizing our international transport services to transport tobacco products from their factories in Europe to our warehouses;
- Increasing our IT systems' connection with those of our tobacco manufacturer customers;
- Providing additional support for our tobacco manufacturer customers' promotional and commercial activities and gathering of business intelligence information to support their decisions; and
- Developing our relationships with tobacconists through:
    - Increasing usage of TPOS in the points-of-sale we service, allowing us to communicate in real-time with points-of-sale which increases our operational efficiency since we are able to better manage our inventory and increase our access to business intelligence information, which will expand our breadth of knowledge on consumer habits, while allowing points-of-sale to manage inventory in a more efficient manner; and
    - Modernizing and increasing the number of wholesale cash-and-carry stores for tobacconists at our local warehouses which will increase purchasing opportunities while increasing interaction between manufacturers and tobacconists that will allow manufacturers to market new products and allow us to increase cross-selling of convenience products.

Expanding our tobacco and related business line

As we are the market leader for tobacco distribution in the markets in which we operate, we intend to increase our point-of-sale coverage for wholesale convenience and e-transaction products in these channels. There is potential to expand our point-of-sale coverage with respect to wholesale convenience and e-transactions products in our markets—in France, we currently service approximately half of the tobacconists operating in the market, and in Spain, we have the potential to expand into other channels in which we operate but do not currently provide these products, including at kiosks, petrol stations and pharmacies. In Italy, we operated historically only in certain regions, but we restructured our operating model to increase the efficiency of our tobacco distribution structure and also signed an agreement with certain third-party warehouses to distribute our portfolio of wholesale convenience products on an exclusive basis to expand our coverage to the entire national territory. Moreover, wholesale convenience products share a common ordering process with the tobacco products we distribute, increasing the convenience of ordering both tobacco and wholesale convenience products from us for the tobacconists that we service.

We are also working to increase our market share in the distribution of smoking items. As a result of changes in consumer preferences due to macroeconomic conditions and increases in excise taxes in recent years, volumes of roll-your-own ("RYO") tobacco have increased, as cigarette volumes have decreased, and we intend to capitalize on the increased demand for smoking items relating to RYO tobacco consumption, including papers, tubes and filters. Although our market shares in tobacco distribution in the markets in which we operate exceed 95%, our estimated market shares in the distribution of smoking items in these markets are approximately 30%, and we believe that we are well-positioned to increase this market share in the future.

We have also adapted and will continue adapting our portfolio of wholesale convenience and e-transaction products to market trends, to ensure that we are offering a complete and appealing proposition to points-of-sale. Recently launched initiatives include lottery games and pre-paid payment instruments. We have distribution contracts in place with specialized e-cigarette manufacturers and for certain e-cigarettes and heat-not-burn cigarettes produced by tobacco manufacturers. For tobacco manufacturers, there are initial arrangements to include e-cigarettes as part of the portfolio we distribute under current tobacco distribution contracts.

Expanding our other businesses

We have successfully capitalized on our core competencies in the past to generate additional business and revenue streams (see "Business—Our Business Lines—Transport") and intend to continue capitalizing on our experience and know-how to expand our business, particularly in our pharma business line. We believe we are well-positioned to expand our pharma business line using our experience and know-how gained in our tobacco distribution business, given the similarities between the tobacco and pharma industries, as they are both highly regulated with a licensing scheme for retailers and have a similar retail network. We intend to continue growing our market share in pre-wholesaling distribution through gaining additional outsourced flows from pharmaceutical companies while concurrently capitalizing on the projected growth of the parapharmaceutical market in the near future.

We intend to continue increasing our commercial efforts, capitalizing on our experience in pre-wholesaling distribution to increase our relatively low market share in direct distribution to pharmacies, as we view this as an attractive area of growth for the future due to its profit pool potential, and increasing customer loyalty. From 2011 to 2013, we have increased the number of pharmacies to which we directly distribute from 200 in 2011 to 8,000 in 2013, and 1,400 of these pharmacies have made at least one purchase per month in the four months ended March 31, 2014. Furthermore, we intend to continue expanding our portfolio of pharmacy customers and focusing on increasing customer loyalty and the average purchase per pharmacy.

In our transport business, we also intend to focus on high-value sectors such as those that require temperature-controlled transport and track-and-trace services and to capture e-commerce clients, and in our documents and e-transactions business, we intend to focus on increasing sales in e-transactions by expanding our point-of-sale coverage for these products.

We also believe we are well-positioned to capitalize in the current state of the book market in Spain by enlarging our client base through the addition of new publishers. Although it is a mature, declining market that is experiencing a change in consumer preference to digital content, we intend to capitalize on increasing outsourcing of distribution activities by publishers in a bid to reduce costs and to become the sole independent distributor to bookshops with national coverage in Spain.

Increasing operational efficiency

We intend to continue implementing cost control measures and increasing our operational flexibility by lessening our fixed costs, while further integrating our operations to maximize synergies across our common infrastructure and increase our sales. Many of our product and service offerings use the same infrastructure to service our customers, and we aim to continue using this common infrastructure model to increase our sales.

Our past cost control measures have included reducing headcount and facilities, outsourcing non-core activities and divesting unprofitable businesses that do not support our strategy or our standard logistics, value-added or advanced customer services. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Focus on Cost Management" for further information on historical cost control measures and policies.

We also intend to continue investing in upgrading our IT infrastructure to ensure the continuing efficiency of the processes undertaken through our IT systems and to continue offering our customers the highest levels of service.

Expanding into new markets

We may, in the future, consider acquisitions or partnerships with distributors in markets in which we do not currently operate including those with a regulatory framework that is favorable to our business. We aim to be the main partner of our tobacco manufacturer customers for all logistics and distribution activities in their value chain and believe our established relationships with these customers may lead to opportunities to grow into new markets. As an integrated logistics provider, we believe we have the ability to implement our distribution model in other European markets, providing the same level of service and economies of scale to these customers, especially in a market environment of declining tobacco volumes. We would consider entering other European markets, including those that have broadly similar characteristics as the markets in which we currently operate and where our clients could benefit from the set up of a common and neutral distribution platform to all point-of-sales, in the case of regulated markets, or to the most important points-of-sale, in the case of liberalized markets. We believe that the implementation of our business model in these markets, through the consolidation of existing capabilities, could result in a transparent and reliable solution, yielding economies of scale.

Recent Developments

In our third financial quarter of 2014, the performance of our tobacco and related business has continued in line with the six months ended March 31, 2014. In particular, economic conditions continue to improve across our principal markets, and there have been no applicable increases in VAT and excise taxes on cigarettes. These conditions have had a positive impact on tobacco volumes in our markets, resulting in slower rates of volume declines.

Our transport operations have also benefitted from the improved macroeconomic situation in Iberia during our third financial quarter of 2014.

Our wholesale convenience product distribution operations and e-transactions operations have continued to perform in line with the six months ended March 31, 2014.

Our History

The Logista Group has its origins in Tabacalera S.A. ("Tabacalera"), the former Spanish state-owned tobacco company that operated under a monopoly. In September 1998, Tabacalera incorporated Compañía de Distribución Integral Logista, S.L. In 1999, Tabacalera S.A. subscribed a capital increase in Compañía Distribución Integral Logista, S.L. by contributing its tobacco and other product import and distribution business lines, including the corresponding employees, physical assets and distribution and transport contracts. In July 1999, Compañía de Distribución Integral Logista, S.L. merged with Marco Ibérica de Distribución de Ediciones, S.A. ("Midesa"), which distributed publications, to form Logista. In December 1999, Tabacalera merged with Société d'Exploitation Industrielle des Tabacs et Allumettes ("Seita"), the French tobacco monopoly to form Altadis S.A.U. On June 30, 2000, Logista launched a public offering of 15,192,771 shares of €0.60 par value each, representing approximately 30.9% of its share capital. In 2000, Logista acquired 100% of the capital stock of Unión Tabaquera de Servicios, S.A., which was renamed Logista Dis, S.A.U. In 2002, Logista began acquiring and establishing subsidiaries to diversify and grow its business and geographic coverage, including the "Group Burgal" (now, Dronas), which includes the Nacex (courier and delivery), Integra2 (industrial packaging) and Opelog (storage and distribution of medicines and health products to hospitals) networks. In 2002, Logista also incorporated Logesta (long-distance, full-load cargo operator) in collaboration with an industrial group, Corporación Gestamp, and also acquired 100% of the paid-up capital of MidSid—Sociedade Portuguesa de Distribuiçao, S.A., in which Logista's predecessor Midesa already held an 85% stake, becoming its sole shareholder.

In 2004, Logista expanded into Italy with the acquisition of Etinera, S.p.A. (currently Logista Italia S.p.A.), which distributes tobacco products in Italy. In September 2005, Logista approved the segregation of the periodicals and book distribution business lines from its operations, and in December 2005, Logista incorporated two companies with Grupo Planeta—Logista Publicaciones and Logista Libros (which is 50% owned by Grupo Planeta)—for these operations.

In 2007, Logista expanded organically into Poland, establishing its subsidiary Logista Polska which provides tobacco manufacturers in Poland with warehousing, order preparation and nationwide transportation to wholesalers. In 2008, Imperial Tobacco acquired Logista's parent company, Altadis, and Logista maintained independent management of its existing operations and began managing Imperial Tobacco's logistics operations in France. Pursuant to existing Spanish legislation, as a result of the acquisition, Logista's shares were subject to delisting from the Spanish Stock Exchanges. Logista also organically expanded Logista Pharma's operations into Portugal during this year. In 2010, Logista acquired the remaining 49% of Logesta (which was incorporated in 2002) from the minority shareholder Corporación Gestamp. In October 2012, Logista acquired all shares of Altadis Distribution France, S.A.S. from Seita, a company also owned by Imperial Tobacco. Since the merger of Tabacalera S.A. and Seita and the creation of Altadis in December 1999, Altadis Distribution France, S.A.S. and its subsidiaries (Société Allumettiere Française, S.A.S., Strator, S.A.S., Supergroup, S.A.S. and RP Diffusion, S.A.S.) have been under common management by Logista's Chairman. In 2012, Logista also acquired the remaining 25% stake of Compañía de Distribución Integral de Publicaciones Logista, S.L., becoming its sole shareholder.

On May 13, 2014, Logista's sole shareholder Altadis incorporated the Issuer, Compañía de Distribución Integral Logista Holdings, S.A.U., and all Logista Shares were contributed to the Issuer through a share capital increase which was effected on June 4, 2014. Accordingly, as of the date of this Offering Memorandum, Logista is a direct, wholly-owned subsidiary of the Issuer.

Imperial Tobacco

The Issuer is owned by Altadis, an indirectly wholly-owned subsidiary of Imperial Tobacco, a public limited liability company incorporated under the laws of England and Wales. Imperial Tobacco is a multi-national tobacco company, with a comprehensive total tobacco portfolio, and strong positions in all the main tobacco categories. Imperial's cigarette brands are among the most popular in the world and Imperial has established itself as the global leader in fine cut tobacco and papers. Imperial also has exclusive rights to sell all luxury Cuban cigars and has a dynamic range of smokeless tobacco brands. The Group has 47 manufacturing sites and around 35,000 employees and operates in over 160 markets. For more information, see "Principal and Selling Shareholder."

The Issuer's registered office and our telephone number are as follows:

Compañía de Distribución Integral Logista Holdings, S.A.U.
Calle del Trigo, 39
28914 Leganés, Madrid
Spain
Telephone: +34 914 81 98 00

The Issuer's web address is www.grupologista.com. Neither the content of our website nor the content of any website accessible from hyperlinks on our website is incorporated into, or forms part of, this Offering Memorandum.

THE OFFERING

The Issuer	Compañía de Distribución Integral Logista Holdings, S.A.U.
The Selling Shareholder	Altadis S.A.U., an indirectly wholly-owned subsidiary of Imperial Tobacco Group PLC.
The Offering	The Offer Shares will be offered (i) to QIBs in reliance on Rule 144A under the US Securities Act and (ii) outside the United States in compliance with Regulation S under the US Securities Act.
Total Number of Initial Offer Shares to be Offered in the Offering	A total of 36,204,545 Initial Offer Shares are being offered by the Selling Shareholder.
Over-Allotment Option	The Selling Shareholder has granted the Managers an option to purchase Additional Shares representing up to 10% of the total number of Initial Offer Shares offered by the Selling Shareholder in the Offering to cover over-allotments, if any.
Offering Price	The offering price is €13.00 per Offer Share.
Listing and Quotation	The Issuer will apply to have the Shares listed on the Spanish Stock Exchanges and to have the Shares quoted on the AQS of the Spanish Stock Exchanges. The Issuer expects the Shares to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about July 14, 2014 under the symbol "LOG." If the Shares are not listed on the Spanish Stock Exchanges and quoted on the AQS before August 4, 2014, the Offering could be terminated at the Joint Global Coordinators and Joint Bookrunners' discretion, in which case the Offer Shares will be returned to the Selling Shareholder and the purchase price will be returned to the purchasers, together with accrued interest. See "Plan of Distribution."
Dividends and Dividend Policy	The Offer Shares offered hereby will be eligible for any dividends paid or declared after the settlement of the Offering, including in respect of the year ending September 30, 2014 and thereafter. See "Dividends and Dividend Policy" for a summary of our dividend policy.
Voting Rights	Each Share entitles the holder to 1 vote. See "Description of Capital Stock—Shareholders' Meetings and Voting Rights."
Use of Proceeds	The Issuer will not receive any proceeds from the sale of the Offer Shares by the Selling Shareholder.
Lock-Up Agreements	Each of the Company and the Selling Shareholder has agreed to certain lock-up arrangements during the period from June 26, 2014 to 180 days after the date of the underwriting agreement, which are subject to certain exceptions. See "Plan of Distribution."
Payment, Delivery and Settlement	We expect the Offer Shares to be delivered against payment of the offering price on the date of settlement, which is anticipated to be on or about July 16, 2014, to the accounts of purchasers through the book-entry facilities of Iberclear.

Stabilization	In connection with the Offering, Credit Suisse Securities (Europe) Limited, acting as stabilization agent (or its agent) acting on behalf of the Managers, may, to the extent permitted by applicable law, at its discretion engage in transactions that stabilize, support, maintain or otherwise affect the price of the Shares for a period of 30 calendar days from the date the Shares are listed on the Spanish Stock Exchanges. The stabilization period is expected to commence on or about July 14, 2014 and end on or about August 12, 2014.

SUMMARY HISTORICAL AND OTHER FINANCIAL INFORMATION

The Issuer

Interim Balance Sheet as of June 4, 2014

The Issuer's interim balance sheet as of June 4, 2014 prepared in accordance with Spanish GAAP and presented below should be read together with the notes to the Issuer's interim balance sheet included elsewhere in this Offering Memorandum. See "Presentation of Financial Information—Financial Information of the Issuer" for further information on the Issuer's interim balance sheet.

	As of June 4, 2014
	(€ thousands)
Non-current assets	
Equity instruments	968,638
Non-current investments in Logista Group companies and associates	968,638
Total non-current assets	**968,638**
Current assets	
Current tax assets	61
Other accounts receivable from public authorities	43
Trade and other receivables	**104**
Cash	60
Cash and cash equivalents	**60**
Total current assets	**164**
Total assets	**968,802**
Equity	
Registered share capital	26,550
Share capital	**26,550**
Share premium	**942,148**
Other reserves	(142)
Total equity	**968,556**
Profit for the period	—
Current liabilities	
Sundry accounts payable	246
Trade and other payables	**246**
Total current liabilities	**246**
Total equity and liabilities	**968,802**

The Logista Group

The summary historical and other financial information as of and for the six months ended March 31, 2014 and 2013 and as of and for the years ended September 30, 2013, 2012 and 2011 prepared in accordance with IFRS and presented below has been derived from, and should be read together with, our Consolidated Financial Statements included elsewhere in this Offering Memorandum. See "Presentation of Financial Information—Consolidated Financial Statements of the Logista Group" for further information on the Consolidated Financial Statements of the Logista Group.

Consolidated Income Statement

	For the six months ended March 31, 2014	2013
	(€ million)	
Revenue	**4,581.8**	**4,739.4**
Procurements	(4,065.8)	(4,240.5)
Gross profit	**516.0**	**498.9**
Cost of logistics networks		
Staff costs	(84.0)	(80.9)
Transport costs	(101.0)	(101.4)
Provincial sales office expenses	(34.0)	(37.9)
Depreciation and amortization charge	(43.6)	(43.7)
Other operating expenses	(90.3)	(72.5)
Total cost of logistics networks	**(352.9)**	**(336.5)**
Commercial expenses		
Staff costs	(21.2)	(21.9)
Other operating expenses	(14.4)	(16.5)
Total commercial expenses	**(35.5)**	**(38.4)**
Research expenses	(1.4)	(1.9)
Head office expenses		
Staff costs	(36.6)	(40.1)
Depreciation and amortization charge	(1.8)	(2.2)
Other operating expenses	(17.3)	(18.4)
Total head office expenses	**(55.7)**	**(60.6)**
Share of results of companies	(0.5)	(0.3)
Net loss on disposal and impairment of non-current assets	(15.1)	(11.4)
Other expenses	—	(0.2)
Profit from operations	**54.9**	**49.7**
Finance income	14.9	3.6
Finance costs	(4.1)	(6.5)
Profit before tax	**65.8**	**46.9**
Income tax	(24.9)	(8.8)
Profit for the period from continuing operations	**40.9**	**38.0**
Loss for the period from discontinued operations net of tax	(0.3)	(0.3)
Profit for the period	**40.6**	**37.7**
Attributable to		
Shareholder of the Parent	40.5	37.8
Minority interests	0.1	—
Basic earnings per share	**0.92**	**0.85**

	For the year ended September 30,		
	2013	2012	2011
		(€ million)	
Revenue	**9,862.8**	**5,543.3**	**5,701.0**
Procurements	(8,851.3)	(4,802.3)	(4,943.5)
Gross profit	**1,011.5**	**741.0**	**757.5**
Cost of logistics networks			
Staff costs	(165.0)	(122.4)	(128.6)
Transport costs	(205.4)	(173.9)	(187.1)
Provincial sales office expenses	(71.3)	(79.6)	(85.0)
Depreciation and amortization charge	(87.5)	(28.8)	(29.7)
Other operating expenses	(156.0)	(122.8)	(126.1)
Total cost of logistics networks	**(685.1)**	**(527.4)**	**(556.5)**
Commercial expenses			
Staff costs	(42.3)	(7.4)	(6.3)
Other operating expenses	(25.9)	(15.3)	(15.8)
Total commercial expenses	**(68.2)**	**(22.7)**	**(22.1)**
Research expenses	(3.4)	—	—
Head office expenses			
Staff costs	(74.0)	(47.4)	(42.6)
Depreciation and amortization charge	(4.7)	(4.8)	(4.0)
Other operating expenses	(35.7)	(19.4)	(21.5)
Total head office expenses	**(114.3)**	**(71.6)**	**(68.1)**
Share of results of companies	(0.5)	(0.4)	(0.9)
Net loss on disposal and impairment of non-current assets	(14.4)	(10.9)	(0.1)
Other expenses	(2.5)	(3.7)	1.8
Profit from operations	**123.2**	**104.2**	**111.9**
Finance income	7.4	25.1	27.3
Finance costs	(11.6)	(11.8)	(10.9)
Profit before tax	**118.9**	**117.5**	**128.3**
Income tax	(30.3)	(35.4)	(36.9)
Profit for the period from continuing operations	**88.6**	**82.1**	**91.4**
Loss for the period from discontinued operations net of tax	(1.0)	(0.6)	(0.5)
Profit for the period	**87.6**	**81.5**	**90.9**
Attributable to			
Shareholder of the Parent	87.6	82.2	91.9
Minority interests	—	(0.7)	(1.0)
Basic earnings per share	**1.98**	**1.85**	**2.08**

Consolidated Balance Sheet

	As of March 31, 2014	As of September 30, 2013	2012	2011
		(€ million)		
Non-current assets				
Property, plant and equipment	221.0	242.7	210.6	219.3
Investment property	13.2	12.9	3.7	4.3
Goodwill	919.2	919.2	690.9	701.8
Other intangible assets	735.1	756.3	28.8	29.5
Investments in associates	—	—	0.5	0.2
Other non-current financial assets	10.9	12.0	11.4	11.1
Deferred tax assets	62.5	57.0	47.8	49.4
Total non-current assets	**1,961.9**	**2,000.2**	**993.8**	**1,015.5**
Current assets				
Inventories	1,221.0	1,208.1	678.0	767.0
Trade and other receivables	1,580.9	1,560.1	841.7	855.9
Tax receivables	15.3	14.5	5.2	12.1
Other current financial assets	943.2	1,601.8	1,122.5	1,108.7
Cash and cash equivalents	133.8	149.9	46.3	35.4
Other current assets	12.7	9.9	4.9	5.5
Total current assets	**3,906.9**	**4,544.2**	**2,698.5**	**2,784.5**
Non-current assets held for sale	1.0	1.3	1.9	2.5
Total assets	**5,869.8**	**6,545.7**	**3,694.2**	**3,802.6**
Equity				
Share capital	26.6	26.6	26.6	26.6
Share premium	178.8	178.8	178.8	178.8
Reserves of the Parent	9.9	7.2	6.9	6.8
Reserves at consolidated companies	144.0	138.9	131.5	83.7
Translation differences	0.2	0.1	0.2	0.2
Valuation adjustments	20.0	20.0	20.0	20.0
Consolidated profit for the period	40.5	87.6	82.2	91.9
Equity attributable to shareholders of the Parent	420.0	459.1	446.1	407.9
Minority interests	1.8	1.7	1.8	8.6
Total equity	**421.8**	**460.8**	**447.9**	**416.6**
Non-current liabilities				
Bank borrowings	—	—	—	—
Non-current obligations under finance leases	—	—	—	—
Other non-current financial liabilities	5.0	—	—	—
Other non-current liabilities	0.4	5.5	5.5	7.0
Long-term provisions	60.3	161.2	146.8	140.8
Deferred tax liabilities	366.2	374.7	103.3	101.2
Total non-current liabilities	**431.8**	**541.4**	**255.6**	**249.0**
Current liabilities				
Bank borrowings	4.2	3.7	5.3	5.8
Other current financial liabilities	31.0	115.9	32.5	46.2
Current obligations under finance leases	—	—	—	—
Trade and other payables	909.0	1,037.6	769.9	599.3
Tax payables	3,999.5	4,321.4	2,141.4	2,394.6
Short-term provisions	21.6	10.2	7.9	17.4
Other current liabilities	50.9	54.7	33.7	73.6
Total current liabilities	**5,016.2**	**5,543.5**	**2,990.7**	**3,137.0**
Total equity and liabilities	**5,869.8**	**6,545.7**	**3,694.2**	**3,802.6**

Consolidated Statement of Cash Flows

	For the six months ended March 31,		For the year ended September 30,		
	2014	2013	2013	2012	2011
			(€ million)		
Operating Activities:					
Consolidated profit before tax from continuing operations	**65.8**	**46.9**	**118.9**	**117.5**	**128.3**
Adjustments for-					
Profit of companies accounted for using the equity method	0.5	0.3	0.5	0.4	0.9
Depreciation and amortisation charge	45.7	46.2	92.2	33.6	33.6
Period provisions	15.1	8.7	41.0	31.5	11.3
Proceeds from disposal of non-current assets	(28.4)	13.6	(0.1)	0.1	0.2
Other adjustments to profit	—	2.7	9.3	10.8	(3.0)
Financial profit	(10.8)	2.9	4.2	(13.3)	(16.4)
Adjusted profit	**87.9**	**121.2**	**266.0**	**180.6**	**154.9**
Net change in assets / liabilities					
(Increase)/Decrease in inventories	(13.6)	(71.7)	(18.5)	84.4	141.1
(Increase)/Decrease in trade and other receivables	(20.8)	24.0	73.8	14.7	(183.4)
(Increase)/Decrease in other non-current assets	(3.7)	(6.9)	(0.2)	2.4	(2.4)
Increase/(Decrease) in trade payables	(128.4)	(97.4)	(22.2)	171.9	(25.3)
Increase/(Decrease) in other current liabilities	(345.0)	(407.8)	(4.9)	(318.0)	38.1
Increase (Decrease) in other non-current liabilities	(58.0)	(6.7)	(37.4)	(9.2)	10.4
Income tax paid	(22.7)	(21.7)	(35.4)	(26.8)	(14.9)
Finance income and costs	10.9	(3.0)	(4.2)	13.2	21.0
Total net cash flows from operating activities	**(493.3)**	**(470.0)**	**217.1**	**113.1**	**139.6**
Investing Activities:					
Net investment in property, plant and equipment	(10.5)	(15.3)	(24.7)	(15.5)	(21.9)
Addition to intangible assets	(7.9)	(5.6)	(11.4)	(8.1)	(7.0)
Investments and other current and non-current financial assets	659.7	618.2	(98.2)	(14.3)	101.5
Sale of non-current assets held for sale	—	0.2	0.2	—	—
Total net cash flows from investing activities	**641.4**	**597.5**	**(134.1)**	**(37.9)**	**72.5**
Financing Activities:					
Dividends paid (-)	(79.7)	(74.3)	(74.3)	(48.7)	(237.6)
Changes in current borrowings	(84.4)	(5.4)	(33.3)	(14.3)	32.2
Changes in non-current borrowings	(0.1)	0.4	(0.2)	(1.5)	(0.1)
Minority interests	—	—	—	0.1	(1.1)
Reserves and other	—	—	—	—	0.3
Total net cash flows from financing activities	**(164.2)**	**(79.3)**	**(107.9)**	**(64.3)**	**(206.3)**
Net increase/decrease in Cash and Cash Equivalents	**(16.2)**	**48.2**	**(24.9)**	**10.9**	**5.8**
Cash and cash equivalents at beginning of period	**149.9**	**46.3**	**46.3**	**35.4**	**29.6**
Cash incorporated by the additions to the scope of consolidation	—	128.5	128.5	—	—
Net change in cash and cash equivalents during the period	(16.2)	48.2	(24.9)	10.9	5.8
Total cash and cash equivalents at the end of period	**133.8**	**223.0**	**149.9**	**46.3**	**35.4**

Combined Financial Information

As described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Acquisition of Altadis Distribution France," on October 9, 2012, Logista acquired all the shares of Altadis Distribution France, S.A.S. (now, Logista France S.A.S.) from Seita, S.A.S., whose ultimate controlling shareholder is also Imperial Tobacco. The results of operations of Logista France have been fully consolidated into our 2013 Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements. In order to provide comparable financial information for the financial years ended September 30, 2012 and 2011, the table below sets forth certain supplementary Combined Financial Information. See "Presentation of Financial Information—Supplementary Combined Financial Information of the Logista Group."

Consolidated Results of Operations for the Financial Year Ended September 30, 2013 and Combined Results of Operations for the Financial Years Ended September 30, 2012 and 2011

The following table sets forth our consolidated income statement for the financial year ended September 30, 2013 and our combined income statements for the financial years ended September 30, 2012 and 2011.

	Year ended September 30,		
	2013	2012	2011
	Consolidated	Combined	
		(€ million)	
Revenue	**9,862.8**	**10,129.3**	**10,271.4**
Procurements	(8,851.3)	(9,089.0)	(9,200.3)
Gross profit	**1,011.5**	**1,040.4**	**1,071.1**
Cost of logistics networks			
Staff costs	(165.0)	(158.3)	(166.2)
Transport costs	(205.4)	(212.9)	(222.6)
Provincial sales office expenses	(71.3)	(79.6)	(85.0)
Depreciation and amortization charge	(87.5)	(33.3)	(34.7)
Other operating expenses	(156.0)	(159.1)	(170.2)
Total cost of logistics networks	**(685.1)**	**(643.1)**	**(678.7)**
Commercial expenses			
Staff costs	(42.3)	(43.5)	(45.3)
Other operating expenses	(25.9)	(28.0)	(29.0)
Total commercial expenses	**(68.2)**	**(71.5)**	**(74.3)**
Research expenses	(3.4)	(4.2)	(5.4)
Head office expenses			
Staff costs	(74.0)	(72.5)	(67.0)
Depreciation and amortization charge	(4.7)	(8.2)	(8.0)
Other operating expenses	(35.7)	(35.2)	(37.9)
Total head office expenses	**(114.3)**	**(115.8)**	**(112.9)**
Share of results of companies	(0.5)	(0.4)	(0.9)
Net loss on disposal and impairment of non-current assets	(14.4)	(20.2)	(0.1)
Other expenses	(2.5)	(4.7)	(0.2)
Profit from operations	**123.2**	**180.4**	**198.7**
Finance income	7.4	31.0	46.4
Finance costs	(11.6)	(11.9)	(11.0)
Profit before tax	**118.9**	**199.5**	**234.1**
Income tax	(30.3)	(55.2)	(51.0)
Profit for the period from continuing operations	**88.6**	**144.3**	**183.1**
Loss for the period from discontinued operations net of tax	(1.0)	(11.7)	0.7
Profit for the period	**87.6**	**132.6**	**183.9**

Consolidated Balance Sheets as of March 31, 2014 and September 30, 2013 and Combined Balance Sheets as of September 30, 2012 and 2011

The following table sets forth our consolidated balance sheets as of March 31, 2014 and September 30, 2013 and our combined balance sheets as of September 30, 2012 and 2011.

	As of March 31, 2014	As of September 30, 2013	2012	2011
	Consolidated		Combined	
	(€ million)			
Non-current assets				
Property, plant and equipment	221.0	242.7	237.5	249.9
Investment property	13.2	12.9	3.7	4.3
Goodwill	919.2	919.2	691.7	711.9
Other intangible assets	735.1	756.3	31.2	34.7
Investments in associates	—	—	0.5	0.2
Other non-current financial assets	10.9	12.0	12.9	13.1
Deferred tax assets	62.5	57.0	56.9	62.2
Total non-current assets	**1,961.9**	**2,000.2**	**1,034.4**	**1,076.2**
Current assets				
Inventories	1,221.0	1,208.1	1,191.7	1,289.1
Trade and other receivables	1,580.9	1,560.1	1,652.1	1,650.4
Tax receivables	15.3	14.5	12.0	13.7
Other current financial assets	943.2	1,601.8	2,422.3	2,442.0
Cash and cash equivalents	133.8	149.9	174.8	155.2
Other current assets	12.7	9.9	9.4	10.5
Total current assets	**3,906.9**	**4,544.2**	**5,462.3**	**5,560.9**
Non-current assets held for sale	1.0	1.3	14.2	2.5
Total assets	**5,869.8**	**6,545.7**	**6,510.8**	**6,639.6**
Equity				
Share capital	26.6	26.6	77.2	54.1
Share premium	178.8	178.8	178.8	180.1
Reserves of the Parent	9.9	7.2	26.2	22.6
Reserves at consolidated companies	144.0	138.9	184.5	140.9
Translation differences	0.2	0.1	0.2	0.2
Valuation adjustments	20.0	20.0	20.0	20.0
Consolidated profit for the period	40.5	87.6	133.4	185.4
Equity attributable to shareholders of the Parent	420.0	459.1	620.1	603.1
Minority interests	1.8	1.7	1.8	8.6
Total equity	**421.8**	**460.8**	**621.9**	**611.7**
Non-current liabilities				
Bank borrowings	—	—	—	—
Non-current obligations under finance leases	—	—	—	—
Other non-current financial liabilities	5.0	—	—	—
Other non-current liabilities	0.4	5.5	5.6	7.1
Long-term provisions	60.3	161.2	154.7	147.6
Deferred tax liabilities	366.2	374.7	104.1	101.6
Total non-current liabilities	**431.8**	**541.4**	**264.4**	**256.3**
Current liabilities				
Bank borrowings	4.2	3.7	5.3	7.4
Other current financial liabilities	31.0	115.9	32.5	46.2
Current obligations under finance leases	—	—	—	—
Trade and other payables	909.0	1,037.6	1,143.3	944.3
Tax payables	3,999.5	4,321.4	4,367.4	4,657.8
Short-term provisions	21.6	10.2	16.1	17.4
Other current liabilities	50.9	54.7	60.0	98.5
Total current liabilities	**5,016.2**	**5,543.5**	**5,624.5**	**5,771.6**
Total equity and liabilities	**5,869.8**	**6,545.7**	**6,510.8**	**6,639.6**

Consolidated Statement of Cash Flow for the Financial Year Ended September 30, 2013 and Combined Statement of Cash Flow for the Financial Years Ended September 30, 2012 and 2011

The following table sets forth our consolidated statement of cash flow for the financial year ended September 30, 2013 and our combined statements of cash flow for the financial years ended September 30, 2012 and 2011.

	For the financial year ended September 30,		
	2013	2012	2011
	Consolidated	Combined	
	(€ million)		
Operating Activities:	**118.9**	**199.5**	**234.1**
Consolidated profit before tax from continuing operations			
Adjustments for—			
Profit of companies accounted for using the equity method	0.5	0.4	0.9
Depreciation and amortisation charge	92.2	42.6	43.7
Period provisions	41.0	30.8	7.5
Proceeds from disposal of non-current assets	(0.1)	0.9	0.3
Other adjustments to profit	9.3	20.1	(3.0)
Financial profit	4.2	(19.1)	(35.4)
Adjusted profit	**266.0**	**275.3**	**248.0**
Net change in assets / liabilities—			
(Increase)/Decrease in inventories	(18.5)	90.7	97.6
(Increase)/Decrease in trade and other receivables	73.8	(12.1)	(241.5)
(Increase)/Decrease in other non-current assets	(0.2)	(3.1)	(4.1)
Increase/(Decrease) in trade payables	(22.2)	199.6	(44.5)
Increase/(Decrease) in other current liabilities	(4.9)	(351.9)	259.7
Increase (Decrease) in other non-current liabilities	(37.4)	(10.9)	8.8
Income tax paid	(35.4)	(42.4)	(39.7)
Finance income and costs	(4.2)	19.0	40.0
Total net cash flows from / (used in) operating activities	**217.1**	**164.3**	**324.3**
Investing Activities:			
Net investment in property, plant and equipment	(24.7)	(19.9)	(25.3)
Addition to intangible assets	(11.4)	(8.2)	(7.5)
Proceeds from / (Investments) and other current and non-current financial assets	(98.2)	19.3	99.3
Sale of non-current assets held for sale	0.2	—	—
Total net cash flows from / (used in) investing activities	**(134.1)**	**(8.8)**	**66.5**
Financing Activities:			
Dividends paid (−)	(74.3)	(118.7)	(417.6)
Changes in current borrowings	(33.3)	(15.8)	31.7
Changes in non-current borrowings	(0.2)	(1.5)	—
Minority interests	—	0.1	(1.1)
Reserves and other	—	—	0.3
Total net cash flows from / (used in) financing activities	**(107.9)**	**(135.9)**	**(386.8)**
Net increase/decrease in Cash and Cash Equivalents	**(24.9)**	**19.6**	**4.1**
Cash and cash equivalents at beginning of year	**46.3**	**155.2**	**151.1**
Cash incorporated by the additions to the scope of consolidation	128.5	—	—
Net change in cash and cash equivalents during the year	(24.9)	19.6	4.1
Total cash and cash equivalents at end of year	**149.9**	**174.8**	**155.2**

RISK FACTORS

An investment in the Offer Shares involves certain risks. You should carefully consider the risks described below as well as the other information contained in this Offering Memorandum before making an investment decision in respect of the Offer Shares. Any of the following risks may have a material adverse effect on our business, results of operations or financial condition, and as a result, you may lose all or part of your original investment. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also have a material adverse effect on our business, prospects, financial condition and results of operations.

Risks Relating to Macroeconomic Conditions

Our business could be adversely affected by the continuation or further deterioration of the challenging economic conditions in the markets in which we operate.

The economic cycle in the regions in which we operate, and our principal operations in Spain, Portugal, France and Italy have all been adversely impacted by economic conditions in recent years. Historically, robust economic growth in those areas where we operate has resulted in greater demand for our services, while slow economic growth or economic contraction has adversely affected demand for our services. A number of markets in which we operate have been among the weakest economies in the Eurozone since the onset of the recent financial and economic crisis, particularly Spain, Portugal and Italy. Our gross profit in Iberia and Italy declined from €527.8 million and €208.1 million, respectively, in the year ended September 30, 2012 to €520.7 million and €192.2 million in the year ended September 30, 2013, representing a decline of 1.4% and 7.6%, respectively, during 2013.

The global economy and the global financial system continue to experience a period of significant turbulence and uncertainty following the very severe dislocation of the financial markets that began in August 2007 and considerably worsened in 2008. This dislocation severely restricted general levels of liquidity and the availability of credit and the terms on which credit is available. It also increased the financial burden on our customers, degrading their credit quality, reducing their spending capacity and negatively affecting consumer demand.

This market dislocation has also been accompanied by continuing periods of recessionary conditions and trends in many economies throughout the world, including the markets in which we operate, particularly, Spain, Portugal and Italy. In addition, certain countries in the Eurozone, including the markets in which we operate, currently have large sovereign debts and/or fiscal deficits and this has led to concerns and uncertainties in the markets as to whether the governments of those countries will be able to pay in full and on time the amounts due in respect of those debts. These concerns have led to significant spikes in secondary market yields for sovereign debt of the affected countries and also to significant exchange rate volatility, especially with respect to the euro. The continued existence or deterioration of these market and economic conditions could have a material adverse effect on our business, prospects, financial condition and results of operations.

Furthermore, in addition to being subject to the adverse effects of the economic recession and downturns in business cycles, the distribution sector has historically experienced cyclical fluctuations in financial results due to, among other things, increasing costs and taxes, fluctuations in energy prices, price increases by carriers, changes in regulatory standards, license and registration fees, interest rate fluctuations, and other economic factors beyond our control. All of these factors could increase our operating costs and impact capacity levels in the markets in which we operate or result in a reduction in the volume of products supplied by our customers for distribution. For example, the carriers that we subcontract with may charge higher prices to cover higher operating expenses, and our operating income may decrease if we are unable to pass through to our customers the full amount of higher purchased transportation costs. In addition, adverse economic conditions have in the past resulted in governments looking for additional revenue and increasing taxes on tobacco products (for example, the VAT increase by the Italian government in September 2013), which has also adversely affected our business, prospects, financial condition and results of operations.

Certain markets in which we operate, such as Spain where the crisis has had a particularly strong impact, have started showing signs of recovery, with the IMF revising upwards its 2014 growth forecast for Spain compared to previous growth forecasts, according to the IMF World Economic Outlook database for October 2013. However, we cannot guarantee that any favorable forecasts will materialize or that our business, prospects, financial condition and results of operations will benefit in the short- to medium-term future, in the event any such favorable forecast materializes.

Risks Relating to Our Business

We are subject to competition in our businesses.

The distribution industry is highly competitive on the basis of both price and service. In our non-tobacco distribution business, we compete with other regional and national distribution operators. A number of factors could impair our ability to compete with other operators and maintain our current profitability, including the extent of coverage network, size of trucking fleet, availability of capital resources, ability to decrease prices, customer preferences, ability to offset increases in fuel prices and ability to react to technological changes and improvements.

Three of our four principal tobacco markets (Spain, France and Italy) operate under a retail monopoly model in which points-of-sale are licensed by the relevant government, although the distribution to these points-of-sale is not operated as a monopoly. We are currently the primary distributor of tobacco products in Spain, Portugal, France and Italy. Any future increase in competition, including as a result of the adoption of liberalization measures by governments with respect to the tobacco retail business (see "—Risks Relating to Our Tobacco Distribution Business—Material adverse changes in the regulatory structure governing tobacco distribution in the markets in which we operate could adversely affect our operations") or as a result from tobacconists purchasing tobacco products from other EU member states pursuant to the judgment of the European Court of Justice dated April 26, 2012 (Case C-456-10), may exert downward margin pressures and capture market share, among other things, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Risks Relating to Our Tobacco Distribution Business

We are highly dependent on our tobacco distribution business, and a further decline in demand for tobacco products due to increases in illicit trade, taxes or regulation could materially adversely affect our business.

A significant portion of our operating profit is derived from our tobacco distribution business. Since the 1990s, there has been a general decline in the demand for legitimate tobacco products in the markets in which we operate, as a result of, among other factors, increasing government regulation on the advertising and consumption of tobacco products, frequent and substantial increases in the excise duty on tobacco products (as well as general increases in VAT), increased alternatives to traditional tobacco products, including electronic cigarettes and increases in the illicit trade of tobacco products. In particular, the increasing availability and popularity of electronic cigarettes could lead to a further reduction in the demand for tobacco products in the future. If our customers who manufacture and wholesale tobacco products lose market share or otherwise experience significant decreases in sales volumes, their demand for our services may decrease, which could materially adversely affect our business, prospects, financial condition and results of operations.

Demand for tobacco products has declined in the markets in which we operate. The table below shows the change in retail selling price ("RSP") and change in the volumes we distributed (in stick equivalents) in the principal markets in which we distribute tobacco products for the periods indicated.

	Spain			France			Italy		
	For the year ended September 30,								
	2011	2012	2013	2011(1)	2012(1)	2013	2011	2012	2013
Change in RSP per pack or equivalent of 20 cigarettes (%)	13.8	8.9	6.2	5.6	5.6	7.7	3.4	7.6	1.1
Change in our tobacco volumes distributed (stick equivalents) (%)	(15.1)	(12.4)	(12.0)	(0.1)	(4.2)	(9.0)	(1.0)	(8.4)	(6.1)

(1) Includes tobacco volumes distributed by Logista France, which was purchased in October 2012. See "Management's Discussion And Analysis Of Financial Condition And Results Of Operations—Key Factors Affecting Our Results of Operations—Decline in demand for cigarettes" for information on the changes in RSP and volumes distributed in the six months ended March 31, 2014.

Although this decline in demand has not, in the past, significantly affected our gross profit as a result of our fee framework for our tobacco manufacturer customers (see "Business—Our Strengths—Highly resilient business model"), there can be no assurance that a substantial decline in the demand for tobacco products will not cause our customers who manufacture and wholesale tobacco products to lose market share or otherwise experience significant decreases in sales volumes, therefore, resulting in decreased demand for our services.

Increases in illicit trade of tobacco products

The demand for our services is affected by the increase of illicit trade, in the form of counterfeit products, smuggled genuine products and locally manufactured products on which applicable taxes are evaded, which is a significant and growing threat to the legitimate tobacco industry and could have an adverse effect on our customers' sales volumes and revenue, thus affecting our own business, prospects, financial condition and results of operations. For instance, illicit trade of tobacco products constituted approximately 12% of the Spanish tobacco market in 2013, according to our internal estimates, and constituted significantly more in certain areas of Spain.

A number of factors could result in a significant decline in the demand for legally purchased tobacco products, including substantial increases in excise duties. Any factor that increases the costs to consumers of tobacco products could affect demand and encourage more consumers to switch to illegal cheaper tobacco products and provide greater rewards for counterfeiters, smugglers and organized crime. Furthermore, additional significant regulatory initiatives, such as plain packaging, may contribute to an increase in illicit trade of tobacco products.

A significant reduction in the use of our services resulting from factors including increases in illicit trade in tobacco products may have a material adverse effect on our business, prospects, financial condition and results of operations, and there can be no assurance that we will be able to successfully enter into new business industries or segments to offset any reduction in our business with our major customers or our tobacco distribution business.

Increases in taxes on tobacco products in the markets in which we operate

Tobacco products are subject to various taxes in the markets in which we operate, including VAT, *ad valorem* excise taxes and specific excise taxes. When taken together, these taxes represent a substantial percentage of the RSP, and overall tax burdens have steadily increased in recent years in the markets in which we operate. Specifically, as of March 2014, the tax burden on cigarettes in Spain, France and Italy amounted to approximately 79%, 81% and 76%, respectively, of the weighted average selling price of a pack of 20 cigarettes in each market. Increasing taxes on tobacco products, including substantial, one—off increases, have encouraged consumers in affected markets to switch from higher price cigarettes to lower price cigarettes and fine cut tobacco or to purchase cigarettes or fine cut tobacco from the illicit market, and could have an adverse effect on our customers' revenue, profits and financial condition which, in turn, could have an adverse effect on our own business, prospects, financial condition and results of operations.

Manufacturers typically increase the RSP of tobacco products in response to tax increases, although there are exceptions—for example, RSP remained flat in Italy despite an increase in VAT in October 2013 (see "—Risks Relating to Our Business Model—We are subject to pricing risk through the products we purchase from our manufacturer customers"). Historically, the price elasticity of demand for tobacco products has been low, with consumers continuing to purchase tobacco products despite historical increases in the RSP. As a result of decreased consumer disposable income resulting from deteriorating macroeconomic conditions and high unemployment rates in our principal markets (see "—Risks Relating to Macroeconomic Conditions—Our business could be adversely affected by the continuation or further deterioration of the challenging economic conditions in the markets in which we operate"), the price elasticity of tobacco products has increased, resulting in increased consumer sensitivity to increases in the RSP of tobacco products. As a result, tobacco volumes have decreased in response to increases in RSP in our principal markets. If the increased price elasticity for tobacco products continues or increases further, any increase in prices could have an adverse effect on our customers' revenue, profits and financial condition which, in turn, could have an adverse effect on our own business, prospects, financial condition and results of operations.

Increases or changes in regulation of tobacco products

The advertising, sale and consumption of tobacco products have been subject to regulatory actions from governments advocated by health officials and anti-smoking groups, principally due to their conclusion that cigarette smoking and tobacco products are harmful to health. This has resulted in substantial restrictions on the manufacture, development, testing, content, sale, distribution, packaging, labelling, data reporting, display, marketing, advertising, product design and consumption of tobacco products, including limitations on where tobacco products can be consumed or smoked. These restrictions have been introduced by both regulation and voluntary agreements. In addition, anti-smoking groups continue to advocate the exclusion of the industry from consultation processes and seek to diminish the social acceptability of smoking.

Anti-smoking groups are pursuing this agenda through measures including petitioning individual governments as well as lobbying supranational institutions such as the European Union and the World Health Organization.

Regulatory initiatives affecting the tobacco industry that have been proposed, introduced or enacted include: the levying of substantial and increasing excise duty; restrictions or bans on advertising, marketing and sponsorship; the display of larger health warnings, graphic health warnings and other labelling requirements on tobacco product packaging and restrictions on packaging design, including the use of colors and plain packaging; restrictions on pack content, including minimum quantity per pack; restrictions or bans on the display of tobacco product packaging at the point of sale and restrictions or bans on cigarette vending machines; restrictions on the types of retail outlet that are permitted to sell tobacco products; requirements regarding testing, verification and limits for tar, nicotine, carbon monoxide and other smoke constituent levels; requirements regarding reporting, evaluation and possible bans of certain tobacco product ingredients; requirements that products meet safety standards for ignition propensity; increased restrictions on smoking in public and work places and, in some instances, in private places and outdoors; implementation of measures restricting the use of certain descriptive terms on tobacco product packaging and marketing; and requirements for the 'track and trace' of tobacco products to retail level.

Furthermore, the EU has recently approved the revised EU Tobacco Products Directive ("EU TPD") (which replaces Directive 2001/37/EC of the European Parliament and of the Council of June 5, 2001 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco products). The revised EU TPD sets in place more stringent rules for tobacco and related products, which cover labelling, ingredients, track-and-trace and cross-border distance sales, among other items. Among other restrictions, the EU TPD restricts usage of flavoring in an amount that gives the product a "characterizing" flavor, increases the size of health warnings on tobacco products to 65% of the front and back and 50% of the sides of the pack and allows EU member states to maintain or introduce further measures relating to standardisation of packaging (such as plain packaging) where they are justified on grounds of public health, are proportionate and do not lead to hidden barriers to trade between EU member states. Since the two main characteristics that allow manufacturers to differentiate their products from those of their competitors are the brand and the flavor of the cigarette, these new restrictions may have a material adverse effect on the manufacturers of the products that we distribute, thus adversely affecting our own business, prospects, financial condition and results of operations. The EU TPD also imposes regulations on vending machines. Although we do not expect a significant impact from these regulations on our distribution operations to vending machine operators, as we distribute largely to the primary channel of tobacconists and retailers and only distribute to vending machines directly in Portugal, we may be impacted by unforeseen effects of these regulations. See "Regulation—Regulation of Tobacco—EU Tobacco Products Directive (EU TPD)" for further detail regarding the revised EU TPD.

Further increases in the regulation of the tobacco industry resulting in a substantial decline in the demand for legal tobacco products or in an increase in the costs in complying with these regulatory requirements could have an adverse effect on tobacco manufacturers' business which may further affect our business, prospects, financial condition and results of operations, and could also contribute to an increase in the illicit trade in tobacco products.

Furthermore, the adoption of liberalization measures by governments with respect to the tobacco retail business could also have an adverse effect on our own business, prospects, financial condition and results of operations (see "—Material adverse changes in the regulatory structure governing tobacco distribution in the markets in which we operate could adversely affect our operations" below).

Material adverse changes in the regulatory structure governing tobacco distribution in the markets in which we operate could adversely affect our operations.

In three of our four principal tobacco markets (Spain, France and Italy), manufacturers are legally required to provide their products on uniform terms across a specific geography and required to use wholesalers and distributors that have been approved by the Tobacco Market Commission (*Comisionado para el Mercado de Tabacos*) in Spain, by the Directorate-General of Customs and Indirect Taxes (*Directeur Général des Douanes et Droits Indirects*) in France, and by the Administration of the State Monopoly (*L'Amministrazione dei Monopoli di Stato*) in Italy, to operate within the legal framework. See "Regulation—Regulation of Tobacco Product Distribution" for further information regarding these regulatory requirements.

These markets also require points-of-sale to obtain a license to sell tobacco products and to purchase from the approved wholesalers or distributors, without prejudice to the ability of any such point-of-sale to purchase from wholesalers and distributors in other EU member states, at regulated prices. In January 2014, the Spanish National Commission on Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*) recommended to the Spanish government to evaluate whether the current licensing regime should be maintained and, specifically, recommended the removal of certain requirements for obtaining a tobacconist license. If the current licensing regimes in these countries were to change, we may be presented with opportunities to grow, but we may also be subject to greater competition. This current model tends to favor companies such as ours that have nationwide distribution capabilities, as under this regulatory framework, both manufacturers and retailers are incentivized to utilize one wholesaler or distributor to meet their business needs.

Any material adverse change in this regulatory framework, including a broadening of the base of points-of-sale (as a result of the liberalization of the retail market) or a change in the manufacturers' legal obligations, could have a material adverse effect on our business, prospects, financial condition and results of operations.

Risks Relating to Our Non-Tobacco Businesses

Further declines in demand for the non-tobacco products that we distribute or for our transport services could adversely affect our business.

Our non-tobacco businesses are also affected by the overall level of consumer spending. In particular, our transportation, pharma and books and publications businesses have been impacted by the overall level of economic activity. In addition, our pharma business has also been negatively impacted as a result of continued efforts by the Spanish government to limit healthcare spending as a result of tight budgetary conditions.

Since the global financial crisis, economic conditions have remained challenging and have negatively impacted demand for our products and services. See "—Risks Relating to Macroeconomic Conditions—Our business could be adversely affected by the continuation or further deterioration of the challenging economic conditions in the markets in which we operate" and "Management's Discussion and Analysis—Key Factors Affecting Our Results of Operations—Macroeconomic conditions and levels of consumer spending." As a result of these conditions, consumer spending has been significantly and negatively impacted, which has reduced the demand, not only for tobacco, but also for the non-tobacco products that we distribute and our transportation business, in particular. More specifically, approximately 19.8%, 28.0% and 28.2% of our gross profit (excluding Logista France) for the years ended September 30, 2013, 2012 and 2011, respectively, are attributable to our transportation business. Further declines in demand for the non-tobacco products that we distribute or for our transport services could materially adversely affect our business, prospects, financial condition and results of operations.

The pharmaceutical industry is highly regulated and our customers' failure to comply with laws and regulation or our failure to obtain and maintain the required licenses could adversely affect our business.

All aspects of the pharmaceutical industry, including research, development, manufacturing, pricing, intellectual property rights, marketing, sales and distribution are subject to extensive legislation and regulation including, among others, health, production, safety and environmental legislation and regulations. Manufacturing facilities are subject to inspections, which may ultimately result in the temporary shutdown of such facility or the loss of that facility's license because of alleged non-compliance or a product recall or destruction of inventory. In addition, the marketing and sale of pharmaceutical products are subject to the prior authorization and registration of such products with the competent health authorities. Our pharma customers' failure to comply with laws or regulations impacting the pharmaceutical industry, or any changes to such laws or regulations which are made in Spain, may adversely impact our customers' business and, in turn, may adversely affect our business.

With respect to our pharma operations, we hold pharmaceutical distribution and warehouse authorizations to conduct these operations in Spain and a manufacturing license for our packaging value-added services. Although our applications for licenses have been granted in the past, our future applications may be subject to unanticipated and significant delays, or such renewals may ultimately not be granted at all. Our licenses may also be revoked in the event that we do not meet certain licensing requirements. We could be subject to the imposition of fines, in addition to the revocation of our pharmaceutical distribution and warehouse authorizations, if we fail to comply with the terms of such authorizations or with the relevant pharma regulations. Moreover, our warehouses are subject to inspection by health authorities. Failure to obtain or the revocation of our licenses and authorizations could have a material adverse effect on our business, prospects, financial condition and results of operations.

Risks Relating to Our Business Model

We derive a significant portion of our revenue from a few major customers, and the loss of any one or more of them as customers could have a material adverse effect on our business.

A significant portion of our revenue is generated from a limited number of major customers. Approximately 80-85% of our revenue for the year ended September 30, 2013, was attributable to our four main customers, which are tobacco manufacturers Imperial Tobacco, Philip Morris International, British American Tobacco and Japan Tobacco International. Although our contracts with our major customers have been historically renewed upon or soon after expiration, there can be no assurance that all of our contracts with our major customers will be renewed on existing or similar terms or at all. Even if our major customers choose to renew their contracts with us, we may have to accept terms that are less advantageous to us, which could lead to potential margin deterioration or otherwise have a material adverse effect on our business, prospects, financial condition and results of operations. Additionally, our contracts do not contain exclusivity clauses or minimum volume requirements, and accordingly our customers, including Imperial Tobacco, are at liberty to use alternative arrangements for distribution in existing markets and in other markets where we may seek to expand our business. Most of our contracts with tobacco manufacturers include change of control clauses which entitle the manufacturers to request an early termination of the agreement in the event of a change of control of Logista (which is defined broadly and may relate to a decrease of the Selling Shareholder's or Imperial Tobacco's stake in the share capital of Logista, a change in Logista's management or the acquisition by a competitor of a significant shareholding in the capital stock of Logista). As a result, there can be no assurance that our customers will continue to utilize our services at the same historical levels or at all.

Further, there can be no assurance that these customers will not be affected by a future downturn in demand for their products, which would result in a reduction in their operations and corresponding need for our services. See "—Risks Relating to the Tobacco Distribution Business" and "—Risks Relating to Our Non-Tobacco Businesses." Moreover, our customers may individually lose market share apart from general downward trends in their respective industries. Either of the foregoing could have a material adverse effect on our business, prospects, financial condition and results of operations.

We have been and may in the future be subject to investigation for alleged abuse of our market position.

We have a significant market position in Spain, Italy and France, which was defined by the European Commission as a "near monopoly on the market for the distribution of tobacco products" in its decision not to oppose the acquisition of Altadis by Imperial Tobacco (Case No. COMP/M.4581—Imperial Tobacco / Altadis, October 18, 2007). As a result, we have been and may, in the future, be subject to investigation for alleged abuse of our market position in these countries, although future regulatory changes may subject us to increased competition (see "—We are subject to competition in our businesses" and "—Risks Relating to Our Tobacco Distribution Business—Material adverse changes in the regulatory structure governing tobacco distribution in the markets in which we operate could adversely affect our operations"). In the event of an adverse ruling, we may be subject to monetary fines and negative publicity. Although no fines have been levied against us by a regulatory authority in the past, there can be no assurance that, in the future, any investigation to which we may be subject will not result in actions being brought or fines levied against us or that any such investigations or publicity will not have an adverse effect on our business, prospects, financial condition or results of operations.

We are subject to pricing risk through the products we purchase from our manufacturer customers.

We typically hold, at any point in time, approximately one month of stock, based on our internal estimates. After we purchase these products, the manufacturer may increase or decrease the RSP of the product, which, in turn, would increase or decrease the margins we receive from the sale of these products. Although we aim to manage our inventory in response to such price movements, there can be no assurance that we will be able to successfully mitigate the effect of any decreases in our expected margins, which may affect our business, prospects, financial condition and results of operations.

Furthermore, some of the products we distribute (see "—Risks Relating to Our Tobacco Distribution Business—We are highly dependent on our tobacco distribution business, and a further decline in demand for tobacco products due to increases in illicit trade, taxes or regulation could materially adversely affect our business—Increases in taxes on tobacco products in the markets in which we operate" with respect to tobacco products) may be subject to unexpected increases in excise duty and VAT in the markets in which we operate which may adversely affect our business, prospects, financial condition or results of operations. In the year ended September 30, 2013, Italy implemented a VAT increase which adversely affected our gross profit, due to the time lag between the implementation of the VAT increase by the Italian government and the increase by manufacturers in the RSP of the affected products that we distribute. As a result of this VAT increase, we recorded an inventory provision of €8.4 million in our 2013 Audited Consolidated Financial Statements. Any future increases in excise duty or taxes that the manufacturers are unable to immediately pass on to customers may have a material adverse effect on our business, prospects, financial condition and results of operations. In addition, such increase could result in decreased demand for the products we distribute (see "—Risks Relating to Our Tobacco Distribution Business—We are highly dependent on our tobacco distribution business, and a further decline in demand for tobacco products due to increases in illicit trade, taxes or regulation could materially adversely affect our business—Increases in taxes on tobacco products in the markets in which we operate" with respect to tobacco products), which could also have a material adverse effect on our business, prospects, financial condition and results of operations.

Adverse changes in our payment cycles may require us to seek external sources of funding to meet our obligations.

As a typical wholesale business, the payment cycles for our payments for products purchased from manufacturers and for payments received from points-of-sale are not aligned. In addition, our payments to tax authorities are also made on a different payment cycle than payments to manufacturers and from points-of-sale. For further information on these payment cycles, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Working Capital—Collection and payment cycle."

As of September 30, 2013, we had an operating working capital deficiency of €2,621.2 million. Should tax collection regulations or our payment cycles to tax authorities or, to a lesser extent, manufacturers change adversely or if we experience significant delays in receipt of payments from points-of-sale, we may be required to rely on external short-term funding, which may not be available on commercially acceptable terms or at all, to otherwise manage our operating working capital which may increase our financing costs or otherwise limit our ability to engage in our business, which may have a material adverse effect on our business, prospects, financial condition and results of operations.

Furthermore, in relation to our tax collection activities, the French and Italian governments are, pursuant to law, entitled to obtain bank guarantees from us, in the event that we are no longer perceived as financially solvent. For further detail, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Contingencies" and "Regulation." Although we have never been required to provide such guarantees, if a government authority requires us to provide such guarantees in relation to our tax collection activities, we would be required to incur substantial additional costs, and there can be no assurance we would be able to obtain such guarantees on commercially acceptable terms or at all. Any such adverse change in tax collection regulation or practice could have a material adverse effect on our business, prospects, financial condition and results of operations.

We rely on third parties to provide transportation services in relation to our distribution and transportation services to our customers, and their failure to fulfill their legal and contractual obligations, meet our and our customers' IT and quality requirements and cope with increased costs, among other things, could adversely affect our operations.

Our transportation services are provided through a fleet of Logesta-, Integra2- or Nacex-branded trucks we subcontract from other transport companies and that we manage and control, who are generally responsible for paying for their own equipment, fuel, and other operating costs, as well as for complying with all applicable legal requirements for the transportation of goods, including obtaining the requisite authorizations. Certain factors such as increases in fuel costs, insurance costs, the cost of new trucks and reduced financing sources available to such third parties for the purchase of equipment could create a difficult operating environment for them, which may affect the level or quality of service provided to us or our customers. Although the transport market is highly fragmented with an excess supply of providers and we have historically been able to procure these subcontracted services on a commodity basis, if we are unable to secure sufficient transportation services to meet our customer commitments, or if any of the third parties we rely on do not meet our or our customers' needs or expectations, we may be required to procure alternative providers at a higher cost that deliver lower quality services, which may adversely affect our business, prospects, financial condition and results of operations.

Moreover, our business depends to a large extent on our ability to provide consistent, high quality distribution and logistics solutions through technology that may be integrated with our IT systems. See "—Our business is highly dependent on a state-of-the-art IT platform, and any interruption or failure of our IT platform could disrupt our business." We rely on the third parties that provide transportation and delivery services to, among other things, report certain information to us, including information relating to delivery status. There could be delays in providing our customers with timely delivery of freight, and important service data, as well as in the financial reporting of certain events, including recognizing revenue and recording claims, if these third parties fail to provide us with the relevant information on a timely basis.

There is also the risk that we may have disputes with our third-party subcontractors, including disputes regarding the quality and timeliness of their work or relating to customer concerns about a subcontractor. Repeated failure by these third parties to perform the agreed-upon transportation and delivery services may materially impact our ability to perform our obligations. Similarly, pursuant to labor legislation in certain jurisdictions in which we operate, we may be liable for salary payments and the payment of social security contributions with respect to employees of the transport companies with which we subcontract, although we have generally obtained indemnities from our subcontractors with respect to these contingent liabilities.

Risks Relating to Our Operations

Our industry is subject to numerous laws and regulations in the jurisdictions in which we operate, exposing us to potential claims or ongoing and increasing compliance costs that could have a material adverse effect on our business.

We are subject to numerous laws and regulations and to the supervision of various regulatory bodies and competition law enforcement agencies including local, national and European Union authorities. Regulatory agencies in the markets in which we operate exercise broad powers over our business, generally governing such activities as authorization to engage in the distribution of tobacco and pharmaceutical products, motor carrier operations and safety, distribution and logistics services. Competition law enforcement agencies may monitor the commercial conditions applicable to the provision of some of our services, particularly in the distribution of tobacco products where we are the primary distributor in the markets in which we operate. Any breach of competition, anti-bribery or other applicable law or regulation may have a material adverse effect on our business. See "—Risks Relating to Our Tobacco Distribution Business—We are highly dependent on our tobacco distribution business, and a further decline in demand for tobacco products due to increases in illicit trade, taxes or regulation could materially adversely affect our business—Increases or changes in regulation of tobacco products," "—Risks Relating to Our Tobacco Distribution Business—Material adverse changes in the regulatory structure governing tobacco distribution in the markets in which we operate could adversely affect our operations," "—Risks Relating to Our Business Model—We have been and may in the future be subject to investigation for alleged abuse of our market position" and "Regulation."

Furthermore, the pharmaceutical sector is highly regulated, and certain pharmaceutical products are particularly sensitive and subject to stringent regulations, such as narcotic drugs. Any willful or negligent breach of applicable laws, regulations or practices or any adverse effects suffered by users may result in administrative proceedings or judicial claims against us which could have a material adverse effect on our business and operations. See "—Risks Relating to Our Business—Risks Relating to Our Non-Tobacco Businesses—The pharmaceutical industry is highly regulated and our customers' failure to comply with laws and regulation or our failure to obtain and maintain the required licenses could adversely affect our business" and "Regulation."

We are not able to accurately predict how new governmental laws and regulations, or changes to existing laws and regulations, will affect the distribution industry generally, or us in particular. Although new government regulation that affects our competitors and us may simply result in higher costs that can be passed to customers, there can be no assurance that this will be the case, as this could also result in the temporary or definitive loss of a license or authorization that is legally required for the provision of our services. Any additional measures that may be required by future laws and regulations or changes to existing laws and regulations may require us to make changes to our operating practices or services provided to our customers and may result in additional costs, all of which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Our business is highly dependent on a state-of-the-art IT platform, and any interruption or failure of our IT platform could disrupt our business.

The provision and application of IT is an important competitive factor in the distribution industry. Among other things, our information systems must frequently interact with those of our customers and transportation providers. We currently employ a mix of licensed and proprietary software. Moreover, we have, historically, and may, in the future, acquire new businesses that may have their own proprietary IT platforms and software, and we may not be able to successfully integrate these IT platforms and software or may incur significant costs in our integration efforts. Our future success will depend on our ability to employ, and potentially integrate, IT platforms and software that meets industry standards and customer demands. Although there are redundancy systems and procedures in place, the failure of the hardware or software that supports our IT systems could significantly disrupt client workflows and cause economic losses for which we could be held liable and which would damage our reputation.

We expect customers to continue to demand more sophisticated and fully integrated IT systems from their distribution providers that are compatible with their own IT environment. If we fail to meet the demands of our customers or protect against disruptions of both our and our customers' operations, we may lose customers, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Furthermore, our IT platforms are vulnerable to damage or interruption from power loss, telecommunications failures, data corruption, network failure, computer viruses, security breaches, natural disasters, third-party intrusions or other technical malfunctions despite, where possible, efforts to prevent such damage or interruption. Damage to or malfunction of our IT platforms may require capital expenditure to rectify, which could cause delays in our operations. Any material disruption or slowdown, including those caused by our failure to successfully upgrade our IT platforms, could cause some information to be lost or delayed which would disrupt our distribution processes. Such a loss or delay could result in delays in product delivery, customer dissatisfaction and claims, any of which could have a material adverse effect on our business.

Significant increases in the number or magnitude of insurance claims against us may result in increases to our insurance premiums or make it difficult for us to secure insurance in the future.

Our operations are subject to risks normally inherent in the distribution industry, including potential liability which could result from, among other circumstances, personal injury, property damage or cargo loss, theft or damage arising from accidents or incidents involving trucks operated by us or our agents or subcontractors, and we carry insurance to minimize this exposure. In particular, we transport high-value cargo that is at high-risk of theft or loss and is easily resalable on the illicit, secondary market. The availability of, and ability to collect on, insurance coverage is subject to factors beyond our control, and potential claims we have and claims against us may exceed the amount of our insurance coverage or any financial liability reserves. In addition, we may bear certain losses which are not covered by our insurance policies.

On average, we pay an annual insurance premium of approximately €7 million, in addition to any additional premium if actual transport losses exceed 75% of the deposit premium paid. During the past three years, we have paid, on average, an extra premium of approximately €1 million per year. In addition we may bear certain losses which are not covered by our insurance; during the last three years, such losses amounted to an average €0.9 million per year (including Logista France).While we historically have not experienced significant increases in the number or magnitude of insurance claims against us, should such claims activity increase significantly, our insurance premiums may be increased as a result, and it may be difficult for us to secure insurance in the future, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Potential liabilities and costs from litigation could adversely affect our business.

Legal claims against us totalled €67.0 million as of March 31, 2014 (which represented approximately 13.0% of our gross profit for the six months ended March 31, 2014) of which we had provisioned €36.5 million as of March 31, 2014. See "Business—Litigation."

We are involved in litigation and administrative actions as part of our ordinary course of business. For example, in December 2013, the Spanish Supreme Court affirmed the levy of a fine against us by the Spanish tax authorities relating to excise duties for the 2004 and 2005 fiscal years, for which we have paid €53 million. Also, in December 2013, we reversed a provision of €47.2 million as a result of a favorable outcome of litigation relating to excise duties for the 2006 fiscal year. There are also additional ongoing tax proceedings relating to the excise duties for the 2011 fiscal year, customs duties for the 2012 fiscal year, income tax for the fiscal years from 2009 to 2012 and VAT and personal withholding tax for the 2010, 2011 and 2012 fiscal years and other minor tax proceedings for which we have fully provisioned €17.6 million.

We also may be party to certain actions for which we have not recorded any provisions as we believe the claims against us are not meritorious. These actions include the claim by Cisa Costruzioni for damages of €15 million for alleged failure to honor a preliminary sales contract, various other claims amounting to €2.6 million and certain pending Spanish tax proceedings that may result in fines of €4.5 million which are subject to certain manufacturers' guarantees. We are also subject to certain actions or proceedings for which we have only recorded partial provisions, including a tax inspection in Italy and certain claims by local warehouses in Italy.

We also could be liable for Spanish corporate income tax and VAT resulting from the Spanish tax groups to which we were members. Under the Spanish corporate income tax consolidation regime and the Spanish VAT group regime, all the companies included in a tax group are jointly and severally liable for the corresponding tax liability of the relevant tax group, including certain penalties which may derive, exclusively, from the failure to comply with certain specific obligations imposed under the VAT group regime. We have been part of tax groups in Altadis and Imperial Tobacco, and as a result, we are jointly and severally liable for such tax groups' tax liabilities corresponding to the tax periods open to inspection during which we were members of such tax groups.

Consequently, although we would have the right to recourse against the rest of the members of the tax group, we could be liable in the event any such tax liability has been incurred, and not discharged, by any other member of our former tax groups. Moreover, we are currently undergoing an ordinary course investigation by the Spanish tax authorities in connection with the 2007, 2008 and 2009 fiscal years. Any resulting material tax liability could have an adverse effect on our results of operations.

There is no guarantee that we will be successful in defending against any lawsuits brought against us, or that we will be successful in lawsuits initiated by us against third parties, and unfavourable results of these proceedings could have a material adverse effect on our business, prospects, financial condition and results of operations. In addition, even if a claim brought against us is meritless, does not prevail or is not pursued, any negative publicity surrounding assertions against us could adversely affect our reputation. Regardless of its outcome, litigation may result in substantial costs and expenses, which may not be reimbursed through our insurance policies or other means, and divert the attention of our management. In addition to pending matters, future litigation could lead to increased costs or interruption of our normal business operations.

Loss of key personnel could harm our business, operations or financial condition.

The success of our business is dependent upon the active participation of certain management and technical personnel who have extensive experience in the industry. The loss of a member of our management would require our remaining executive officers to divert immediate and substantial attention to fulfilling the duties of the departing executive and to seeking a replacement. The inability to adequately fill vacancies in our senior executive or technical positions with qualified, experienced candidates, on a timely basis could negatively affect our ability to implement our business strategy or result in a disruption to our business, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Work stoppages, weather related issues, or other disruptions beyond our control could adversely affect our operating results.

Although we have not been materially affected by work stoppages in the past, including a recent work stoppage affecting four of our warehouses in France, future labor disputes or work stoppages involving our customers, our subcontracted transport providers or us could affect our operations. If our customers, our subcontracted transport providers or we, as the case may be, are unable to resolve these disputes or stoppages in a prompt manner, our business, prospects, financial condition and results of operations could be materially adversely affected.

In addition, a labor dispute involving another supplier to our customers that results in a slowdown or closure of our customers' plants to which we provide services could also have a material adverse effect on our business, prospects, financial condition and results of operations.

Severe weather conditions and other disruptions beyond our control, such as those due to an act of terrorism or war, can also cause a disruption in service that can affect the flow of traffic over our entire network. These network disruptions may result in terminal embargoes, disruption to equipment and freight flows, depressed volumes and revenues, increased costs, and other negative effects on our business, prospects, financial condition and results of operations.

We may have difficulty or not be successful in executing our strategy.

Our strategy includes increasing operational efficiency by divesting unprofitable businesses and also potentially growing our business through organic expansion and acquisitions. We have also, in the past, formed joint ventures to expand our business, including our joint venture with GTECH for the distribution of lottery products (see "Business—Other Businesses—Lottery Products"). We may have difficulty in growing our business organically, identifying and executing acquisitions, identifying and managing joint ventures or executing divestitures, and we may not effect such organic growth, acquisitions, joint ventures or divestures in a timely manner, on a cost-effective basis, successfully or at all.

Historically, we have engaged in acquisitions that have been complementary to our organic growth. Among other things, acquisitions require the attention of management and the diversion of other resources away from organic growth. If we are unable to secure the necessary financing, we may not be able to grow our business through acquisitions. Even if management is able to identify potential acquisition targets, it may be difficult to complete such transactions, given competition or similar laws. In the future, this could limit our ability to grow through acquisitions. In addition, when we acquire a business, we acquire all of that business' liabilities as well as its assets, and we may acquire businesses or assets which result in us assuming unforeseen liabilities.

Moreover, we are party to joint ventures and may enter into joint ventures in the future. We may not have control over the operations of the joint ventures in which we invest. Therefore, these investments may, under certain circumstances, involve risks such as the possibility that our partner in an investment may become bankrupt or have economic or business interests or goals that are inconsistent with ours, or take actions contrary to our policies or objectives. As a result, these investments may be subject to more risk than investments for which we have full operational or managerial control.

We may be subject to litigation in connection with, or as a result of, acquisitions or dispositions, including claims from terminated employees, customers or third parties, and we may be liable for future or existing litigation and claims related to acquired businesses, joint ventures or divestitures because we either are not indemnified for such claims or the indemnification is insufficient. Our reported results of operations could also be negatively affected by acquisition or disposition-related charges, amortization of expenses related to intangibles and charges for impairment of long-term assets. These effects could cause us to incur significant expenses and could adversely affect our business, prospects, financial condition and results of operations. A treasury arrangement which has been entered into by the Issuer with a subsidiary of Imperial Tobacco (See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Working Capital—Treasury arrangement with Imperial Tobacco") may also restrict the Issuer's operations.

We are exposed to risk of changes in tax legislation, as well as to increases in the tax rates.

We may be adversely affected by changes in tax laws, treaties, regulations or administrative practice, in addition to any changes in tax laws relating specifically to our tobacco and related business (see "—Risks Relating to Our Business—Risks Relating to Our Tobacco Distribution Business—We are highly dependent on our tobacco distribution business, and a further decline in demand for tobacco products due to increases in illicit trade, taxes or regulation could materially adversely affect our business—Increases in taxes on tobacco products in the markets in which we operate”). Our business activities are subject to tax laws in the markets in which we operate, and we calculate our tax liabilities in accordance with our interpretation of applicable tax laws, treaties, regulations and requirements of the tax authorities in these markets.

Our interpretation of tax laws, treaties and regulations may be found by the relevant tax authority to be incorrect, and tax laws, regulations or administrative practice and enforcement may change in the future, possibly with retroactive effect. Any changes in applicable tax laws or regulations or adverse decisions by tax authorities may impair our current or historical tax position that may result in fines or increased liabilities which could have a material adverse effect on our business, prospects, financial condition and results of operations. In addition, changes to our payment cycles to tax authorities may have a material adverse effect on our business, prospects, financial condition and results of operations (“—Risks Relating to Our Business Model—Adverse changes in our payment cycles may require us to seek external sources of funding to meet our obligations”).

We may suffer future impairment losses as a result of potential declines in the fair value of our assets.

We have a significant amount of assets, including €919.2 million goodwill, as of March 31, 2014. We evaluate these assets for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable and, in any case, annually. Goodwill is evaluated for impairment by computing the fair value of a reporting unit and comparing it with its carrying value. If the carrying value of the reporting unit exceeds its fair value, goodwill impairment is recorded. Significant judgment is involved in estimating cash flows and fair value. Management’s fair value estimates are based on historical and projected operating performance, recent market transactions and current industry trading multiples. During the years ended September 30, 2011, 2012 and 2013, we have taken an aggregate impairment of €28.8 million (including Logista France for the years ended September 30, 2011 and 2012) as a result of impairments due to weak economic conditions. Declines in demand for our services resulting from consumer preferences, regulation or economic or other factors could negatively affect our estimated fair values and could result in further impairments of goodwill. There can be no assurance that significant impairment charges will not be required in the future, and such charges may have a material adverse effect on our business, financial condition and results of operations.

Fluctuating interest rates could adversely affect our results of operations.

Under our treasury arrangement with Imperial Tobacco, we lend money to Imperial Tobacco at a variable interest rate based on the European Central Bank (ECB) official interest rate plus a spread of 0.75%. Interest on amounts lent to Imperial Tobacco represented 0.12% and 0.05% of our revenue in the six months ended March 31, 2014 and the year ended September 30, 2013, respectively. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Operating Working Capital—Treasury arrangement with Imperial Tobacco.” As a result, we are exposed to fluctuations in market interest rates and a decrease in the ECB official interest rate could have an adverse effect on our business, financial condition and results of operations.

In addition, while we currently have very limited debt with credit entities (€4.2 million as of March 31, 2014), we may incur additional debt from banks and other financial lending institutions as needed in order to help fund our future growth. Should additional financing be undertaken, this additional financing may further expose us to fluctuating interest rates. Changes in market interest rates, or in the relationships between short-term and long-term market interest rates, or between different interest rate indices, could affect the interest rates charged on interest earning assets differently than the interest rates paid on interest bearing liabilities, which could result in an increase in finance costs relative to our finance income.

We are exposed to credit and liquidity risk as a result of our treasury arrangement with Imperial Tobacco.

We collect significant amounts of VAT and excise duty on tobacco products on behalf of relevant governmental taxation authorities in our markets that we remit to such authorities on a regular basis. For the six months ended March 31, 2014 and the year ended September 30, 2013, we paid €17.5 billion and €36.8 billion, respectively, in excise duties and VAT. As a result of the difference between the average collection and payment cycles, as of March 31, 2014, we had negative operating working capital of

€2.1 billion, compared to €2.6 billion as of September 30, 2013. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Working Capital—Collection and payment cycle." As a result of our negative operating working capital, we typically have a large positive cash position. To manage our cash position, we have had a treasury arrangement in place with the Selling Shareholder from 2000 to 2008 and with a subsidiary of Imperial Tobacco since 2008, and Logista France has been included in this arrangement since 2013. The arrangement, which is currently set forth in the treasury agreement entered into on June 12, 2014, provides for Logista to act as consolidator for Logista France's and Logista Italia, S.p.A's cash flows and permits both Imperial Tobacco (through Imperial Tobacco Enterprise Finance Limited) and Logista to act as lender or borrower, subject to available funds on the part of the lender (i.e., Logista or Imperial Tobacco Enterprise Finance Limited, as the case may be), solvency on the part of the borrower and legality. In practice, Logista is typically the lender under the arrangement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Working Capital—Treasury arrangement with Imperial Tobacco." As of March 31, 2014, €0.9 billion was outstanding and payable by Imperial Tobacco to Logista, and as of September 30, 2013, €1.6 billion was outstanding and payable by Imperial Tobacco to Logista. Lending under the treasury arrangement is unsecured. As a result, we have significant credit exposure to Imperial Tobacco. If Imperial Tobacco were unable to repay the amounts that we have lent to them under the treasury arrangement, we may be unable to pay our liabilities, including tobacco taxes and duties collected by us, as they fall due, which may have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to the Issuer's Ownership Structure

The Issuer's significant shareholder will continue to control a majority of the Issuer's Shares and voting rights following completion of the Offering, and the interests of Imperial Tobacco or of any other significant investor may conflict with the Issuer's interests.

Upon completion of the Offering, Imperial Tobacco will control, through the Selling Shareholder, approximately 72.7% of the Issuer's Shares and voting rights (approximately 70.0%, if the Over-Allotment Option is exercised in full). As a result, Imperial Tobacco may be able to determine substantially all matters requiring approval by a majority of the Issuer's shareholders. They may also be able to cause or prevent a change in the Issuer's control. The interests of Imperial Tobacco may differ from our interests or those of other shareholders of the Issuer. In particular, the Issuer and Logista depend closely on and enter into numerous transactions with Imperial Tobacco and its subsidiaries, including a treasury arrangement and tobacco distribution agreements. See "Related Party Transactions" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Working Capital—Treasury arrangement with Imperial Tobacco." To govern their relationship, the Issuer and Imperial Tobacco have also entered into the Relationship Agreement (see "Related Party Transactions—Relationship Agreement") that does not govern the specific areas of activity reserved for each company.

Future distribution of reserves to shareholders will be determined by Imperial Tobacco

The contribution of the shares of Logista to the Issuer was effected through an increase in the share capital of the Issuer with a charge to non-cash contributions consisting of 100% of Logista's share capital, by virtue of which the share capital of the Issuer was set at €26,550,000, providing a share premium of €942,148,000.

The increased share premium resulting from this increase in share capital significantly increased the distributable reserves of the Issuer, which could be used in the future as dividends to the Issuer's shareholders and for other purposes (including the issuance of new shares with a charge to those reserves). Upon completion of the Offering, Imperial Tobacco will control, through the Selling Shareholder, approximately 72.7% of the Issuer's Shares and voting rights (approximately 70.0% if the Over-Allotment Option is exercised in full). As a result, Imperial Tobacco, through the Selling Shareholder, could effect the adoption of a resolution by the Issuer for the distribution of dividends to shareholders, with a charge to these reserves.

Other Risks Relating to the Issuer

The Issuer is a holding company that depends on receiving distributions from Logista and could be harmed if such distributions are not made in the future.

The Issuer is a holding company with no direct operations, and it conducts all of its business through the Logista Group. After the Offering, the Issuer's only material asset and liabilities will be its interest in 100%

of the outstanding share capital of Logista. As a result, the Issuer is dependent on the cash flow of the Logista Group and dividends and distributions from such subsidiaries to generate the funds necessary to meet any current and future financial obligations, pay its running costs or make any distributions to the Issuer's shareholders.

Risks Relating to the Offering

There can be no assurance that the offering price will correspond to the price at which trading in the Shares will develop and continue after the Offering.

If you purchase Offer Shares in the Offering, you will pay a price that was not established in the public trading markets. The offering price per Offer Share indicated on the cover of this Offering Memorandum has been discussed and agreed by the Managers and the Selling Shareholder, and no independent experts were consulted in determining the offering price. Among the factors considered in determining the offering price range were our future prospects and the prospects of our industry in general, our revenue and certain other financial and operating information in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to ours. There can be no assurance that the prices at which the Issuer's Shares will trade in the public market after the Offering will not be lower than the offering price or that an active trading market in the Issuer's Shares will develop and continue after the Offering.

The market price of the Shares may be volatile and may decline regardless of our actual operating performance.

The market price of the Shares may be volatile and significantly affected by the following factors, amongst others:

- investor perception of the success and impact of the Offering and the strategy described in the Offering Memorandum;
- our actual or anticipated financial condition and results of operations;
- new services or products offered by us or our competitors;
- negative publicity;
- the results of operations of our competitors;
- changes in the market valuations of our competitors, customers or service providers;
- changes in securities analysts' recommendations regarding us, the sector in which we operate;
- announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- developments affecting the regulation of one or more of the various sectors of the distribution industry in the countries in which we operate or may in the future operate;
- capital commitments;
- changes among our key personnel;
- sales of a substantial percentage of the Issuer's Shares (or the perception by the market that any such sale may occur imminently), including sales of the Issuer's Shares by our Selling Shareholder, directors and senior management;
- short-selling or other similar trading activities in respect of the Issuer's Shares or securities or other instruments linked to the Shares; and
- conditions in the financial and securities markets generally, country risk and other factors beyond our control.

During recent years, the securities markets in Spain and worldwide have experienced significant volatility in prices and trading volumes. This volatility could have a material adverse effect on the market price of the Shares, irrespective of our financial condition and results of operations and the other factors referred to above.

The market price of the Shares may be adversely affected if the Selling Shareholder sells substantial amounts of the Shares, or if the Issuer issues additional Shares (or other securities convertible into Shares), or by the perception that such sales or issuances could occur.

Sales of a substantial number of the Issuer's Shares (or other securities convertible into Shares) in the public market following the Offering, or the perception that such sales will or might occur, could adversely affect the market price of the Shares and the Issuer's ability to raise capital through a future public offering of its Shares (or other securities convertible into Shares).

Shareholders in countries with currencies other than the euro may face additional investment risk from exchange rate fluctuations in connection with their holdings of the Shares.

Shareholders in countries with currencies other than the euro face additional investment risk from currency exchange rate fluctuations in connection with their holdings of the Shares. The Shares will be quoted only in euro, and any future payments of dividends on the Shares will be denominated in euro. Accordingly, any dividends paid on the Issuer's Shares or received in connection with any sale of the Shares could be adversely affected by the fluctuation of the euro against the US dollar or other currencies.

There is no established trading market for the Shares, and there can be no assurance that any active trading market will develop.

No public market for the Shares currently exists. The Issuer will apply to list the Shares on the Spanish Stock Exchanges, and we expect the Shares to be quoted on the AQS of the Spanish Stock Exchanges. The Issuer expects the Shares to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about July 14, 2014, subject to completion of customary procedures in Spain. Any delay in the commencement of trading of the Shares would impair the liquidity of the market for the Shares and make it more difficult for holders to sell the Shares.

There can be no assurance that an active trading market for the Shares will develop or be sustained if the Shares are listed on the Spanish Stock Exchanges. Moreover, the Offer Shares to be sold in the United States have not been listed on a US exchange or registered under the US Securities Act. Accordingly, there will not be a trading market for the Shares in the United States and resales of the Offer Shares in the United States will be restricted.

Shareholders in certain jurisdictions other than Spain may not be able to exercise their preemptive rights to acquire further Shares.

Under Spanish corporate law, holders of the Shares generally have the right to subscribe and pay for a sufficient number of shares (or other securities convertible into shares) to maintain their relative ownership percentages prior to the issuance of any new shares (or other securities convertible into shares) against monetary contributions.

Holders of the Shares in certain jurisdictions other than Spain may not be able to exercise preemptive rights to acquire further shares or convertible shares unless applicable securities law requirements are complied with or exemptions are available. Holders of the Shares resident in the United States may not be able to exercise any future preferential subscription rights in respect of the Shares unless a registration statement under the US Securities Act is effective or an exemption from the registration requirements thereunder is otherwise available. We may determine it is not in our best interests to comply with such formalities, and there can be no assurance that such exemptions will be available. Accordingly, the preemptive rights of any such affected shareholders may lapse and their proportionate interests may be reduced. In particular, holders of the Shares resident in the United States may not be able to exercise any future preferential subscription rights in respect of the Shares they hold unless a registration statement under the US Securities Act is effective or an exemption from the registration requirements is available. No assurance can be given that we would file or have declared effective any such registration statement or that any exemption from such registration requirements would be available to allow for the exercise of the preferential rights of US holders, or that we would utilize an exemption if one were available.

The Offering may be terminated.

The Offering may be terminated at the Joint Global Coordinators and Joint Bookrunners' discretion if the Shares are not listed on the Spanish Stock Exchanges before August 4, 2014 and in certain other limited circumstances. In the event of any such termination, the Offer Shares will be returned to the Selling Shareholder and the purchase price will be returned to the purchasers.

Neither the Issuer, the Selling Shareholder nor the Managers shall be in any way responsible for, or liable to purchasers as a result of, any such termination of the Offering.

USE OF PROCEEDS

The Issuer will not receive any proceeds from the sale of the Offer Shares by the Selling Shareholder in the Offering.

DIVIDENDS AND DIVIDEND POLICY

Dividend Policy

The Issuer's dividend policy will be proposed by its board of directors, submitted to its general shareholders' meeting and approved by the general shareholders' meeting in accordance with the proposal for the allocation of profits for each financial year.

Historically, Logista has maintained a dividend distribution policy based on changes in our consolidated earnings and has distributed substantially all of its profits as a dividend. For the year ended September 30, 2014, the Directors of the Issuer currently expect to propose a final distribution of €74 million to be paid in February 2015, subject as provided below. The amount of €74 million is approximately two-thirds of the notional full-year distribution of €111 million that the Directors believe they would have proposed if the Shares of the Issuer had been listed throughout the year ended September 30, 2014. An interim dividend is not expected.

On May 27, 2014, Logista resolved to distribute and distributed in favor of Altadis a dividend on account of the current financial year corresponding to the profits obtained during the first half of the financial year (from October 1, 2013 to March 31, 2014) of €39,825,000 (€0.90 per Share).

In subsequent financial years, the Directors intend to distribute at least 90% of our reported net income to shareholders with the aim of further developing the dividend payout in line with the Issuer's net income growth, adjusted for non-recurring items, each year. The Directors also expect to pay, with the exception of the year ended September 30, 2014, an interim dividend each year equal to approximately one-third of the previous financial year's total dividend (the interim dividend for the financial year ended September 30, 2015 is expected to be calculated on the basis of the notional full-year dividend described above) and to set the final dividend for each financial year on the basis of the full-year profits. Accordingly, the ratio of interim and final dividends may vary over time. It is expected that interim dividends will be paid each August of the relevant financial year, and final dividends will be paid each February of the following financial year. The Issuer's ability to pay dividends or make other contributions to its shareholders is dependent on a number of factors, including the availability of sufficient distributable reserves, and there can be no assurance that the Issuer will pay dividends or, if a dividend is paid, what the amount of such dividend will be. The Board may revise the Issuer's dividend policy from time-to-time, including with respect to the year ended September 30, 2014.

Any dividends paid in the future will be subject to tax under Spanish law. See "Taxation—Spanish Tax Considerations—Taxations of Dividends."

Limitations on Dividends and Other Distributions

The conditions under which we may declare dividends based on Spanish law and our bylaws are described under "Description of Capital Stock—Dividend and Liquidation Rights."

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth Logista's capitalization and indebtedness as at March 31, 2014. This table should be read together with "Selected Financial Information and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and has been extracted without material adjustment from "Selected Financial Information and Other Data".

We believe that the financial resources that are currently available, together with the financial resources that we expect to generate over the next twelve months, are sufficient to meet our business needs.

	As of March 31, 2014
	(€ million)
Liquidity	
Other current financial assets	943.2
Cash and cash equivalents	133.8
Total liquidity	**1,077.0**
Debt	
Bank borrowings	4.2
Other current financial liabilities	31.0
Total financial debt	**35.2**
Equity	
Share capital	26.6
Share premium	178.8
Reserves of Logista	9.9
Reserves at consolidated companies	144.0
Valuation adjustments	20.0
Translation differences	0.2
Consolidated profit for the period	40.5
Minority interests	1.8
Total equity	**421.8**
Total capitalization(1)	**457.0**

Note: Since March 31, 2014, apart from the distribution of an interim dividend amounting to €39.9 million to the Selling Shareholder (see "Dividends and Dividends Policy"), there have been no material changes to our capitalization.

(1) Total capitalization is equal to the sum of total financial debt and total equity.

SELECTED FINANCIAL INFORMATION AND OTHER DATA

Compañía de Distribución Integral Logista Holdings, S.A.U.

Interim Balance Sheet as of June 4, 2014

The Issuer's interim balance sheet as of June 4, 2014 prepared in accordance with Spanish GAAP and presented below should be read together with the notes to the Issuer's interim balance sheet included elsewhere in this Offering Memorandum. See "Presentation of Financial Information—Financial Information of the Issuer" for further information on the Issuer's interim balance sheet.

	As of June 4, 2014
	(€ thousands)
Non-current assets	
Equity instruments	968,638
Non-current investments in Logista Group companies and associates	968,638
Total non-current assets	**968,638**
Current assets	
Current tax assets	61
Other accounts receivable from public authorities	43
Trade and other receivables	**104**
Cash	60
Cash and cash equivalents	**60**
Total current assets	**164**
Total assets	**968,802**
Equity	
Registered share capital	26,550
Share capital	**26,550**
Share premium	**942,148**
Other reserves	(142)
Total equity	**968,556**
Profit for the period	—
Current liabilities	
Sundry accounts payable	246
Trade and other payables	**246**
Total current liabilities	**246**
Total equity and liabilities	**968,802**

The Logista Group

The summary historical and other financial information as of and for the six months ended March 31, 2014 and 2013 and as of and for the years ended September 30, 2013, 2012 and 2011 prepared in accordance with IFRS and presented below has been derived from, and should be read together with, our Consolidated Financial Statements included elsewhere in this Offering Memorandum. See "Presentation of Financial Information—Consolidated Financial Statements of the Logista Group" for further information on the Consolidated Financial Statements of the Logista Group.

Consolidated Income Statement

	For the six months ended March 31,	
	2014	2013
	(€ million)	
Revenue	**4,581.8**	**4,739.4**
Procurements	(4,065.8)	(4,240.5)
Gross profit	**516.0**	**498.9**
Cost of logistics networks		
Staff costs	(84.0)	(80.9)
Transport costs	(101.0)	(101.4)
Provincial sales office expenses	(34.0)	(37.9)
Depreciation and amortization charge	(43.6)	(43.7)
Other operating expenses	(90.3)	(72.5)
Total cost of logistics networks	**(352.9)**	**(336.5)**
Commercial expenses		
Staff costs	(21.2)	(21.9)
Other operating expenses	(14.4)	(16.5)
Total commercial expenses	**(35.5)**	**(38.4)**
Research expenses	(1.4)	(1.9)
Head office expenses		
Staff costs	(36.6)	(40.1)
Depreciation and amortization charge	(1.8)	(2.2)
Other operating expenses	(17.3)	(18.4)
Total head office expenses	**(55.7)**	**(60.6)**
Share of results of companies	(0.5)	(0.3)
Net loss on disposal and impairment of non-current assets	(15.1)	(11.4)
Other expenses	—	(0.2)
Profit from operations	**54.9**	**49.7**
Finance income	14.9	3.6
Finance costs	(4.1)	(6.5)
Profit before tax	**65.8**	**46.9**
Income tax	(24.9)	(8.8)
Profit for the period from continuing operations	**40.9**	**38.0**
Loss for the period from discontinued operations net of tax	(0.3)	(0.3)
Profit for the period	**40.6**	**37.7**
Attributable to		
Shareholder of the Parent	40.5	37.8
Minority interests	0.1	—
Basic earnings per share	**0.92**	**0.85**

	For the year ended September 30,		
	2013	2012	2011
		(€ million)	
Revenue	**9,862.8**	**5,543.3**	**5,701.0**
Procurements	(8,851.3)	(4,802.3)	(4,943.5)
Gross profit	**1,011.5**	**741.0**	**757.5**
Cost of logistics networks			
Staff costs	(165.0)	(122.4)	(128.6)
Transport costs	(205.4)	(173.9)	(187.1)
Provincial sales office expenses	(71.3)	(79.6)	(85.0)
Depreciation and amortization charge	(87.5)	(28.8)	(29.7)
Other operating expenses	(156.0)	(122.8)	(126.1)
Total cost of logistics networks	**(685.1)**	**(527.4)**	**(556.5)**
Commercial expenses			
Staff costs	(42.3)	(7.4)	(6.3)
Other operating expenses	(25.9)	(15.3)	(15.8)
Total commercial expenses	**(68.2)**	**(22.7)**	**(22.1)**
Research expenses	(3.4)	—	—
Head office expenses			
Staff costs	(74.0)	(47.4)	(42.6)
Depreciation and amortization charge	(4.7)	(4.8)	(4.0)
Other operating expenses	(35.7)	(19.4)	(21.5)
Total head office expenses	**(114.3)**	**(71.6)**	**(68.1)**
Share of results of companies	(0.5)	(0.4)	(0.9)
Net loss on disposal and impairment of non-current assets	(14.4)	(10.9)	(0.1)
Other expenses	(2.5)	(3.7)	1.8
Profit from operations	**123.2**	**104.2**	**111.9**
Finance income	7.4	25.1	27.3
Finance costs	(11.6)	(11.8)	(10.9)
Profit before tax	**118.9**	**117.5**	**128.3**
Income tax	(30.3)	(35.4)	(36.9)
Profit for the period from continuing operations	**88.6**	**82.1**	**91.4**
Loss for the period from discontinued operations net of tax	(1.0)	(0.6)	(0.5)
Profit for the period	**87.6**	**81.5**	**90.9**
Attributable to			
Shareholder of the Parent	87.6	82.2	91.9
Minority interests	—	(0.7)	(1.0)
Basic earnings per share	**1.98**	**1.85**	**2.08**

Consolidated Balance Sheet

	As of March 31, 2014	As of September 30, 2013	2012	2011
	(€ million)			
Non-current assets				
Property, plant and equipment	221.0	242.7	210.6	219.3
Investment property	13.2	12.9	3.7	4.3
Goodwill	919.2	919.2	690.9	701.8
Other intangible assets	735.1	756.3	28.8	29.5
Investments in associates	—	—	0.5	0.2
Other non-current financial assets	10.9	12.0	11.4	11.1
Deferred tax assets	62.5	57.0	47.8	49.4
Total non-current assets	**1,961.9**	**2,000.2**	**993.8**	**1,015.5**
Current assets				
Inventories	1,221.0	1,208.1	678.0	767.0
Trade and other receivables	1,580.9	1,560.1	841.7	855.9
Tax receivables	15.3	14.5	5.2	12.1
Other current financial assets	943.2	1,601.8	1,122.5	1,108.7
Cash and cash equivalents	133.8	149.9	46.3	35.4
Other current assets	12.7	9.9	4.9	5.5
Total current assets	**3,906.9**	**4,544.2**	**2,698.5**	**2,784.5**
Non-current assets held for sale	1.0	1.3	1.9	2.5
Total assets	**5,869.8**	**6,545.7**	**3,694.2**	**3,802.6**
Equity				
Share capital	26.6	26.6	26.6	26.6
Share premium	178.8	178.8	178.8	178.8
Reserves of the Parent	9.9	7.2	6.9	6.8
Reserves at consolidated companies	144.0	138.9	131.5	83.7
Translation differences	0.2	0.1	0.2	0.2
Valuation adjustments	20.0	20.0	20.0	20.0
Consolidated profit for the period	40.5	87.6	82.2	91.9
Equity attributable to shareholders of the Parent	420.0	459.1	446.1	407.9
Minority interests	1.8	1.7	1.8	8.6
Total equity	**421.8**	**460.8**	**447.9**	**416.6**
Non-current liabilities				
Bank borrowings	—	—	—	—
Non-current obligations under finance leases	—	—	—	—
Other non-current financial liabilities	5.0	—	—	—
Other non-current liabilities	0.4	5.5	5.5	7.0
Long-term provisions	60.3	161.2	146.8	140.8
Deferred tax liabilities	366.2	374.7	103.3	101.2
Total non-current liabilities	**431.8**	**541.4**	**255.6**	**249.0**
Current liabilities				
Bank borrowings	4.2	3.7	5.3	5.8
Other current financial liabilities	31.0	115.9	32.5	46.2
Current obligations under finance leases	—	—	—	—
Trade and other payables	909.0	1,037.6	769.9	599.3
Tax payables	3,999.5	4,321.4	2,141.4	2,394.6
Short-term provisions	21.6	10.2	7.9	17.4
Other current liabilities	50.9	54.7	33.7	73.6
Total current liabilities	**5,016.2**	**5,543.5**	**2,990.7**	**3,137.0**
Total equity and liabilities	**5,869.8**	**6,545.7**	**3,694.2**	**3,802.6**

Consolidated Statement of Cash Flows

	For the six months ended March 31,		For the year ended September 30,		
	2014	2013	2013	2012	2011
			(€ million)		
Operating Activities:					
Consolidated profit before tax from continuing operations	**65.8**	**46.9**	**118.9**	**117.5**	**128.3**
Adjustments for—					
Profit of companies accounted for using the equity method	0.5	0.3	0.5	0.4	0.9
Depreciation and amortisation charge	45.7	46.2	92.2	33.6	33.6
Period provisions	15.1	8.7	41.0	31.5	11.3
Proceeds from disposal of non-current assets	(28.4)	13.6	(0.1)	0.1	0.2
Other adjustments to profit	—	2.7	9.3	10.8	(3.0)
Financial profit	(10.8)	2.9	4.2	(13.3)	(16.4)
Adjusted profit	**87.9**	**121.2**	**266.0**	**180.6**	**154.9**
Net change in assets / liabilities—					
(Increase)/Decrease in inventories	(13.6)	(71.7)	(18.5)	84.4	141.1
(Increase)/Decrease in trade and other receivables	(20.8)	24.0	73.8	14.7	(183.4)
(Increase)/Decrease in other non-current assets	(3.7)	(6.9)	(0.2)	2.4	(2.4)
Increase/(Decrease) in trade payables	(128.4)	(97.4)	(22.2)	171.9	(25.3)
Increase/(Decrease) in other current liabilities	(345.0)	(407.8)	(4.9)	(318.0)	38.1
Increase (Decrease) in other non-current liabilities	(58.0)	(6.7)	(37.4)	(9.2)	10.4
Income tax paid	(22.7)	(21.7)	(35.4)	(26.8)	(14.9)
Finance income and costs	10.9	(3.0)	(4.2)	13.2	21.0
Total net cash flows from operating activities	**(493.3)**	**(470.0)**	**217.1**	**113.1**	**139.6**
Investing Activities:					
Net investment in property, plant and equipment	(10.5)	(15.3)	(24.7)	(15.5)	(21.9)
Addition to intangible assets	(7.9)	(5.6)	(11.4)	(8.1)	(7.0)
Investments and other current and non-current financial assets	659.7	618.2	(98.2)	(14.3)	101.5
Sale of non-current assets held for sale	—	0.2	0.2	—	—
Total net cash flows from investing activities	**641.4**	**597.5**	**(134.1)**	**(37.9)**	**72.5**
Financing Activities:					
Dividends paid (-)	(79.7)	(74.3)	(74.3)	(48.7)	(237.6)
Changes in current borrowings	(84.4)	(5.4)	(33.3)	(14.3)	32.2
Changes in non-current borrowings	(0.1)	0.4	(0.2)	(1.5)	(0.1)
Minority interests	—	—	—	0.1	(1.1)
Reserves and other	—	—	—	—	0.3
Total net cash flows from financing activities	**(164.2)**	**(79.3)**	**(107.9)**	**(64.3)**	**(206.3)**
Net increase/decrease in Cash and Cash Equivalents	**(16.2)**	**48.2**	**(24.9)**	**10.9**	**5.8**
Cash and cash equivalents at beginning of period	**149.9**	**46.3**	**46.3**	**35.4**	**29.6**
Cash incorporated by the additions to the scope of consolidation	—	128.5	128.5	—	—
Net change in cash and cash equivalents during the period	(16.2)	48.2	(24.9)	10.9	5.8
Total cash and cash equivalents at the end of period	**133.8**	**223.0**	**149.9**	**46.3**	**35.4**

Combined Financial Information

As described under "Key Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Acquisition of Altadis Distribution France," on October 9, 2012, Logista acquired all the shares of Altadis Distribution France, S.A.S. (now, Logista France S.A.S.) from Seita, S.A.S., whose ultimate controlling shareholder is also Imperial Tobacco. The results of operations of Logista France have been fully consolidated into our 2013 Audited Consolidated Financial Statements and our Interim Consolidated Financial Statements. In order to provide comparable financial information for the financial years ended September 30, 2012 and 2011, the table below sets forth certain supplementary Combined Financial Information. See "Presentation of Financial Information—Supplementary Combined Financial Information of the Logista Group."

Consolidated Results of Operations for the Financial Year Ended September 30, 2013 and Combined Results of Operations for the Financial Years Ended September 30, 2012 and 2011

The following table sets forth our consolidated income statements for the financial year ended September 30, 2013 and our combined income statements for the financial years ended September 30, 2012 and 2011.

	Year ended September 30,		
	2013	**2012**	**2011**
	Consolidated	**Combined**	
		(€ million)	
Revenue	**9,862.8**	**10,129.3**	**10,271.4**
Procurements	(8,851.3)	(9,089.0)	(9,200.3)
Gross profit	**1,011.5**	**1,040.4**	**1,071.1**
Cost of logistics networks			
Staff costs	(165.0)	(158.3)	(166.2)
Transport costs	(205.4)	(212.9)	(222.6)
Provincial sales office expenses	(71.3)	(79.6)	(85.0)
Depreciation and amortization charge	(87.5)	(33.3)	(34.7)
Other operating expenses	(156.0)	(159.1)	(170.2)
Total cost of logistics networks	**(685.1)**	**(643.1)**	**(678.7)**
Commercial expenses			
Staff costs	(42.3)	(43.5)	(45.3)
Other operating expenses	(25.9)	(28.0)	(29.0)
Total commercial expenses	**(68.2)**	**(71.5)**	**(74.3)**
Research expenses	(3.4)	(4.2)	(5.4)
Head office expenses			
Staff costs	(74.0)	(72.5)	(67.0)
Depreciation and amortization charge	(4.7)	(8.2)	(8.0)
Other operating expenses	(35.7)	(35.2)	(37.9)
Total head office expenses	**(114.3)**	**(115.8)**	**(112.9)**
Share of results of companies	(0.5)	(0.4)	(0.9)
Net loss on disposal and impairment of non-current assets	(14.4)	(20.2)	(0.1)
Other expenses	(2.5)	(4.7)	(0.2)
Profit from operations	**123.2**	**180.4**	**198.7**
Finance income	7.4	31.0	46.4
Finance costs	(11.6)	(11.9)	(11.0)
Profit before tax	**118.9**	**199.5**	**234.1**
Income tax	(30.3)	(55.2)	(51.0)
Profit for the period from continuing operations	**88.6**	**144.3**	**183.1**
Loss for the period from discontinued operations net of tax	(1.0)	(11.7)	0.7
Profit for the period	**87.6**	**132.6**	**183.9**

Consolidated Balance Sheets as of March 31, 2014 and September 30, 2013 and Combined Balance Sheets as of September 30, 2012 and 2011

The following table sets forth our consolidated balance sheets as of March 31, 2014 and September 30, 2013 and our combined balance sheets as of September 30, 2012 and 2011.

	As of March 31, 2014	As of September 30, 2013	2012	2011
	Consolidated		Combined	
	(€ million)			
Non-current assets				
Property, plant and equipment	221.0	242.7	237.5	249.9
Investment property	13.2	12.9	3.7	4.3
Goodwill	919.2	919.2	691.7	711.9
Other intangible assets	735.1	756.3	31.2	34.7
Investments in associates	—	—	0.5	0.2
Other non-current financial assets	10.9	12.0	12.9	13.1
Deferred tax assets	62.5	57.0	56.9	62.2
Total non-current assets	**1,961.9**	**2,000.2**	**1,034.4**	**1,076.2**
Current assets				
Inventories	1,221.0	1,208.1	1,191.7	1,289.1
Trade and other receivables	1,580.9	1,560.1	1,652.1	1,650.4
Tax receivables	15.3	14.5	12.0	13.7
Other current financial assets	943.2	1,601.8	2,422.3	2,442.0
Cash and cash equivalents	133.8	149.9	174.8	155.2
Other current assets	12.7	9.9	9.4	10.5
Total current assets	**3,906.9**	**4,544.2**	**5,462.3**	**5,560.9**
Non-current assets held for sale	1.0	1.3	14.2	2.5
Total assets	**5,869.8**	**6,545.7**	**6,510.8**	**6,639.6**
Equity				
Share capital	26.6	26.6	77.2	54.1
Share premium	178.8	178.8	178.8	180.1
Reserves of the Parent	9.9	7.2	26.2	22.6
Reserves at consolidated companies	144.0	138.9	184.5	140.9
Translation differences	0.2	0.1	0.2	0.2
Valuation adjustments	20.0	20.0	20.0	20.0
Consolidated profit for the period	40.5	87.6	133.4	185.4
Equity attributable to shareholders of the Parent	420.0	459.1	620.1	603.1
Minority interests	1.8	1.7	1.8	8.6
Total equity	**421.8**	**460.8**	**621.9**	**611.7**
Non-current liabilities				
Bank borrowings	—	—	—	—
Non-current obligations under finance leases	—	—	—	—
Other non-current financial liabilities	5.0	—	—	—
Other non-current liabilities	0.4	5.5	5.6	7.1
Long-term provisions	60.3	161.2	154.7	147.6
Deferred tax liabilities	366.2	374.7	104.1	101.6
Total non-current liabilities	**431.8**	**541.4**	**264.4**	**256.3**
Current liabilities				
Bank borrowings	4.2	3.7	5.3	7.4
Other current financial liabilities	31.0	115.9	32.5	46.2
Current obligations under finance leases	—	—	—	—
Trade and other payables	909.0	1,037.6	1,143.3	944.3
Tax payables	3,999.5	4,321.4	4,367.4	4,657.8
Short-term provisions	21.6	10.2	16.1	17.4
Other current liabilities	50.9	54.7	60.0	98.5
Total current liabilities	**5,016.2**	**5,543.5**	**5,624.5**	**5,771.6**
Total equity and liabilities	**5,869.8**	**6,545.7**	**6,510.8**	**6,639.6**

Consolidated Statement of Cash Flow for the Financial Year Ended September 30, 2013 and Combined Statement of Cash Flow for the Financial Years Ended September 30, 2012 and 2011

The following table sets forth our consolidated statement of cash flow for the financial year ended September 30, 2013 and our combined statements of cash flow for the financial years ended September 30, 2012 and 2011.

	Year ended September 30,		
	2013	2012	2011
	Consolidated	Combined	
	(€ million)		
Operating Activities:	**118.9**	**199.5**	**234.1**
Consolidated profit before tax from continuing operations			
Adjustments for—			
Profit of companies accounted for using the equity method	0.5	0.4	0.9
Depreciation and amortisation charge	92.2	42.6	43.7
Period provisions	41.0	30.8	7.5
Proceeds from disposal of non-current assets	(0.1)	0.9	0.3
Other adjustments to profit	9.3	20.1	(3.0)
Financial profit	4.2	(19.1)	(35.4)
Adjusted profit	**266.0**	**275.3**	**248.0**
Net change in assets / liabilities—			
(Increase)/Decrease in inventories	(18.5)	90.7	97.6
(Increase)/Decrease in trade and other receivables	73.8	(12.1)	(241.5)
(Increase)/Decrease in other non-current assets	(0.2)	(3.1)	(4.1)
Increase/(Decrease) in trade payables	(22.2)	199.6	(44.5)
Increase/(Decrease) in other current liabilities	(4.9)	(351.9)	259.7
Increase (Decrease) in other non-current liabilities	(37.4)	(10.9)	8.8
Income tax paid	(35.4)	(42.4)	(39.7)
Finance income and costs	(4.2)	19.0	40.0
Total net cash flows from / (used in) operating activities	**217.1**	**164.3**	**324.3**
Investing Activities:			
Net investment in property, plant and equipment	(24.7)	(19.9)	(25.3)
Addition to intangible assets	(11.4)	(8.2)	(7.5)
Proceeds from / (Investments) and other current and non-current financial assets	(98.2)	19.3	99.3
Sale of non-current assets held for sale	0.2	—	—
Total net cash flows from / (used in) investing activities	**(134.1)**	**(8.8)**	**66.5**
Financing Activities:			
Dividends paid (−)	(74.3)	(118.7)	(417.6)
Changes in current borrowings	(33.3)	(15.8)	31.7
Changes in non-current borrowings	(0.2)	(1.5)	—
Minority interests	—	0.1	(1.1)
Reserves and other	—	—	0.3
Total net cash flows from / (used in) financing activities	**(107.9)**	**(135.9)**	**(386.8)**
Net increase/decrease in Cash and Cash Equivalents	**(24.9)**	**19.6**	**4.1**
Cash and cash equivalents at beginning of year	**46.3**	**155.2**	**151.1**
Cash incorporated by the additions to the scope of consolidation	128.5	—	—
Net change in cash and cash equivalents during the year	(24.9)	19.6	4.1
Total cash and cash equivalents at end of year	**149.9**	**174.8**	**155.2**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information set forth in "Selected Financial Information" and the Consolidated Financial Statements and accompanying notes included elsewhere in this Offering Memorandum. The following discussion contains certain forward-looking statements that involve risks and uncertainties. Our future results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections entitled "Presentation of Financial Information", "Risk Factors," "Forward-Looking Statements", and "Business" and elsewhere in this Offering Memorandum.

Unless otherwise indicated below, all financial information in the following discussion has been extracted from the Consolidated Financial Statements.

Overview

We are the leading integrated tobacco distribution and logistics company in Southern Europe, with a market share exceeding 95% in Spain, Portugal, Italy and France (as a whole) in terms of tobacco volumes distributed (which represent approximately 194,578 million cigarettes and stick equivalents) in 2013 and are the trusted logistics partner in these markets for all the major tobacco manufacturers. Our core business has evolved from distributing tobacco for tobacco companies to tobacconists on a national basis (who typically operate in a retail monopoly model in our markets) to a competitive distribution and logistics business providing a broad spectrum of additional products and value-added services to different channels, including tobacco accessories, convenience goods, documents and e-transactions (such as mobile phone and transportation card top-ups), pharmaceutical products, books, publications and lottery games.

We combine our services in a flexible manner to meet diverse customer requirements. We also provide value-added and advanced customer services that are adaptable to our customers' needs, regulatory requirements and industry standards in the relevant sector. Our value proposition is premised on our ability to provide standard logistics, wholesaling, value-added and advanced customer services across the logistics value chain, resulting in synergies and economies of scale for our customers, allowing our customers to focus on their core business operations rather than dealing with multiple service providers.

In order to provide these services, we rely on a complete infrastructure network that covers the entire supply chain, from pick-up of products to the delivery to points-of-sale. As of March 31, 2014, our warehousing network consisted of 405 warehouses, including 42 central and regional warehouses and 363 local warehouses comprising, in aggregate, over 1 million square meters of warehousing space.

During the year ended September 30, 2013, we distributed to over 300,000 delivery points in Spain, Portugal, France, Italy and Poland and completed approximately 35 million deliveries.Our customers are primarily tobacco manufacturers, telecom companies, FMCG companies, pharmaceutical companies and publishing companies. We contract with these manufacturers to fill orders from points-of-sale in a variety of distribution channels, including tobacconists, kiosks, bookshops, petrol stations, hospitals and pharmacies, convenience stores and HORECA.

For the six months ended March 31, 2014 and the year ended September 30, 2013, we generated revenue of €4,581.8 million and €9,862.8 million, gross profit of €516.0 million and €1,011.5 million, adjusted operating profit of €103.2 million and €211.0 million and profits before tax of €65.8 million and €118.9 million. See "Presentation of Financial Information—Non-IFRS Measures of the Logista Group" for a reconciliation showing how adjusted operating profit is derived from the consolidated profit from operations.

Given the recent incorporation of the Issuer, this section discusses the financial condition and results of operations of the Logista Group. After the Offering, the Issuer's only material asset and liabilities will be its interest in 100% of the outstanding share capital of Logista.

Recent Developments

In our third financial quarter of 2014, the performance of our tobacco and related business has continued in line with the six months ended March 31, 2014. In particular, economic conditions continue to improve across our principal markets, and there have been no applicable increases in VAT and excise taxes on cigarettes. These conditions have had a positive impact on tobacco volumes in our markets, resulting in slower rates of volume declines.

Our transport operations have also benefitted from the improved macroeconomic situation in Iberia during our third financial quarter of 2014.

Our wholesale convenience product distribution operations and e-transactions operations have continued to perform in line with the six months ended March 31, 2014.

Key Factors Affecting the Comparability of Our Financial Condition and Results of Operations

Acquisition of Altadis Distribution France

On October 9, 2012, Logista acquired all the shares of Altadis Distribution France, S.A.S. (now Logista France) from Seita, S.A.S., whose ultimate controlling shareholder is also Imperial Tobacco. For a description of Logista France, see "Business—Our Segments and Business Lines". We have managed the operations of Logista France since 2000. The results of operations of Logista France have been consolidated into the 2013 Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements.

The purchase price was €920.2 million, which was paid through an intergroup transfer of accounts receivable at the Imperial Tobacco level.

The impact of the acquisition on our results of operations in the year ended September 30, 2013 is summarized below:

	Logista France	Total Logista	% of Total Logista
	(€ million, except for percentages)		
Revenues	4,543.3	9,862.8	46.1%
Gross profit	298.4	1,011.5	29.5%
Profit from operations(1)	23.7	123.2	19.2%

(1) Net of the amortization of assets relating to the acquisition of Logista France. The purchase price allocation of €920.2 million for Logista France included an allocation of €776.4 million for the distribution agreements with tobacco manufacturers which was recorded as an intangible asset in our Consolidated Financial Statements. This asset is being amortized using a straight-line method over a period of 15 years. For the six months ended March 31, 2014 and 2013 and the year ended September 30, 2013, €26.1 million, €26.1 million and €52.2 million, respectively, were recorded as "Depreciation and amortization charge—Cost of logistics networks". For more information regarding the assets acquired and liabilities assumed in relation to this acquisition, see Note 39 to our 2013 Audited Consolidated Financial Statements and Note 2 to our Interim Consolidated Financial Statements.

As a result of the acquisition of Logista France, the 2012 Audited Consolidated Financial Statements (and the consolidated financial statements for earlier financial periods) may not be necessarily indicative of our current or future results of operations and such audited consolidated financial statements may not be directly comparable to the 2013 Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements.

To supplement the Consolidated Financial Statements presented in accordance with IFRS, this Offering Memorandum includes certain supplementary unaudited combined financial results of operations of (i) the Logista Group combined with (ii) Logista France as of and for the financial years ended September 30, 2011 and 2012. Our management believes that this information, along with comparable IFRS measures, is useful to investors because it provides financial information for the financial years ended September 30, 2012 and 2011 that is more comparable to the financial statements for the financial year ended September 30, 2013 and the six months ended March 31, 2014 than our historical consolidated financial information for such prior years. See "—Results of Operations—Supplementary Combined Financial Information" for a discussion of our Combined Financial Information.

Key Factors Affecting Our Results of Operations

Macroeconomic conditions and levels of consumer spending

We primarily operate in the Southern European markets of Spain, France, Italy and Portugal. Our business lines, including tobacco distribution as well as other activities, are all influenced to a significant extent by the overall level of economic activity. As a consumer good, tobacco consumption is influenced by the overall level of consumer spending. Our other business lines are also similarly affected. In particular, our transportation business is impacted by the overall level of economic activity. In addition, the pharmaceutical product distribution business has also been negatively impacted as a result of continued efforts by government to limit health care spending as a result of tight budgetary conditions. See "Risk Factors—Risks Relating to Macroeconomic Conditions—Our business could be adversely affected by the continuation or further deterioration of the challenging economic conditions in the markets in which we operate."

Since the global financial crisis, economic conditions in each of the markets where we operate have remained challenging and have negatively impacted demand for our products and services. Although a number of our markets experienced positive growth rates in 2011, GDP was flat or declined in 2012 and 2013, unemployment rates have remained persistently high and private consumption has generally declined, in many cases, in excess of the decline in GDP. Management believes that prospects for a recovery remain fragile, although the outlook has shifted modestly positive for 2014 (including a forecast of GDP growth for Spain of 0.6% and 0.8% for 2014 and 2015 according to the IMF World Economic Outlook database (October 2013)) which is expected to have a beneficial impact on the volumes of our products and services.

As a result of these conditions, consumer spending has been significantly and negatively impacted, which has reduced the demand for tobacco and our other products and services.

Summarized below are key indicators in percentage terms for our primary markets since 2011, according to the OECD:

	Spain							
	Annual			Quarterly				
	2011	2012	2013	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1
Change in real GDP	0.1	(1.6)	(1.2)	(0.3)	(0.1)	0.1	0.2	0.4
Unemployment Rate	21.6	25.1	26.4	26.5	26.4	26.5	26.2	N/A
Change in GDP private final consumption expenditure (constant prices)	(1.2)	(2.8)	(2.6)	(0.4)	0.1	0.5	0.5	(0.4)

	Portugal							
	Annual			Quarterly				
	2011	2012	2013	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1
Change in real GDP	(1.3)	(3.2)	(1.4)	(0.3)	1.1	0.3	0.5	(0.7)
Unemployment Rate	12.9	15.9	16.5	17.5	16.9	16.1	15.4	N/A
Change in GDP private final consumption expenditure (constant prices)	(3.3)	(5.3)	(2.3)	(0.7)	0.7	1.1	(0.5)	N/A

	France							
	Annual			Quarterly				
	2011	2012	2013	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1
Change in real GDP	2.0	0.0	0.2	0.0	0.6	(0.1)	0.2	0.0
Unemployment Rate	9.6	10.2	10.8	10.8	10.8	10.9	9.9	N/A
Change in GDP private final consumption expenditure (constant prices)	0.6	(0.3)	(0.5)	0.1	0.3	0.0	0.4	N/A

	Italy							
	Annual			Quarterly				
	2011	2012	2013	2013Q1	2013Q2	2013Q3	2013Q4	2014Q1
Change in real GDP	0.4	(2.4)	(1.9)	(0.6)	(0.3)	(0.1)	0.1	(0.1)
Unemployment Rate	8.4	10.7	12.2	11.9	12.1	12.3	12.4	N/A
Change in GDP private final consumption expenditure (constant prices)	(1.2)	(2.8)	(2.1)	(0.6)	(0.6)	(0.2)	(0.1)	N/A

Decline in demand for cigarettes

Our revenue is driven in large part by the volume of tobacco products that we distribute, of which cigarettes form the most substantial part. Distribution of tobacco products typically account for two-thirds of our revenue. In recent years, cigarette volumes have significantly declined across our principal markets due to a number of factors, of which the most significant include:

- the impact of weak economic conditions;
- increased regulation of tobacco products due to health and other concerns;

- significantly higher prices in a fairly short period of time due to increases in excise duties and VAT that far exceeded inflation rates as governments sought additional sources of revenue; and
- increase in illicit trade of tobacco products.

See "—Macroeconomic conditions and levels of consumer spending", "Risk Factors—Risks Relating to our Tobacco Distribution Business" and "Business" for further discussion of these factors.

Although historically demand for cigarettes was generally considered as relatively inelastic to price, the confluence of negative factors in recent years has resulted in sharp volume reductions in our key markets. Cigarette volumes sold by Logista decreased by 8.6% from 2011 to 2013 (including Logista France). Management expects, however, the sharp declines seen in the past few years to become relatively more moderated as economic conditions become less severe in our key markets. Management also believes that since public smoking bans and other restrictive measures have already been implemented in all of our key markets (such as the public smoking ban introduced in Spain in 2011), the future impact of regulation could be more moderated. Furthermore, the Report of the Committee of Experts designated by the Spanish Government to analyze the Spanish Tax System released on March 14, 2014, which is not binding on regulators, recommended to maintain the taxation component of cigarette prices through periodic updates of two components of cigarette taxes (the minimum collectible tax and the specific component of duty).

The following table summarizes the increase in RSP by amount and percentage per pack (assuming full pass through of tobacco tax increases) and change in volumes of cigarettes (stick equivalents) in our principal markets from the year ended September 30, 2011 to the six months ended March 31, 2014.

	Spain				Portugal			
	Year ended September 30,			Six months ended March 31,	Year ended September 30,			Six months ended March 31,
	2011	2012	2013	2014	2011	2012	2013	2014
Typical increase in retail selling price per pack (€)	0.45	0.23	0.25	—	0.10	0.10	0.10	0.10
Increase in average retail selling price per pack or equivalent of 20 cigarettes (%)	13.8	8.9	6.2	4.4	5.7	2.7	2.6	2.6
Change in Logista volumes (%)	(15.1)	(12.4)	(12.0)	(6.3)	(11.0)	(10.1)	(2.6)	(3.8)

	Italy				France			
	Year ended September 30,			Six months ended March 31,	Year ended September 30,			Six months ended March 31,
	2011	2012	2013	2014	2011	2012	2013	2014
Typical increase in retail selling price per pack(€)	0.40	0.10	—	—	0.30	0.30	0.60	0.20
Increase in average retail selling price per pack or equivalent of 20 cigarettes(%)	3.4	7.6	1.1	(0.5)	5.6	5.6	7.7	4.6
Change in Logista volumes (%)	(1.0)	(8.4)	(6.1)	(2.0)	(0.1)	(4.2)	(9.0)	(5.0)

(1) As a result of the increases in RSP, the evolution of the overall market value of cigarette volumes has been more stable than cigarette volumes. While cigarette volumes sold by Logista totaled €208.2 billion in 2011 (including Logista France), €190.7 billion (including Logista France) in 2012 and €174.4 billion in 2013, the market value of such volumes totaled €47.8 billion in 2011, €47.9 billion in 2012 and €46.6 billion in 2013.

In the year ended September 30, 2013, in our principal geographic markets, approximately 76% of RSP constituted taxes (VAT and excise duties), approximately 13% constituted the selling price by manufacturers, approximately 9% constituted commissions charged by tobacconists and less than 2% of RSP was contributed to our gross profit.

In contrast to cigarettes, volumes of RYO tobacco products and cigars have remained steady or even increased as these products have lower price points and/or have attracted lower levels of taxation, although accounting for a much smaller proportion of overall tobacco volumes and revenues. RYO volumes sold by Logista increased by 11.0% from 2011 to 2013 (including Logista France).

On an aggregate basis, tobacco product volumes sold by Logista decreased by 6.9% from 2011 to 2013 (including Logista France). The impact of declining volumes on our profit from operations has been offset to some extent by higher margins per SKU, an increased number of SKUs distributed as a result of new product introduction by tobacco manufacturers as well as our focus on cost management (as discussed below under "—*Focus on Cost Management*"). See "Business—Our Strengths—Highly resilient business model" for a discussion of tobacco distribution pricing structure.

Focus on Cost Management

Given the decrease in overall tobacco volumes, a key strategy of our tobacco distribution business has been reducing our fixed cost base and to generally adapt our cost base to current market conditions through a variety of strategies, including cost savings policies, restructuring, divestment and operational efficiency initiatives. These policies have generally included:

- resizing our distribution networks both in terms of headcount and facilities (including closing unnecessary facilities),
- redesigning distribution routes in line with changing volumes to reduce costs,
- improving and automating stock picking in our warehouses to improve inventory flow and to reduce headcount,
- consolidation of administrative and commercial functions where feasible,
- outsourcing of non-core activities,
- restructuring certain operations, such as Strator,
- upgrading our IT infrastructure and
- divestment of non-profitable business segments.

The overall strategic goal of these policies has been to shift a greater proportion of our costs from fixed to variable.

Specific examples of these initiatives include the following:

- Between 2011 and the first quarter of 2014, we have restructured our distribution networks by reducing our total headcount by more than 500 employees in comparable terms (not including France), principally through restructuring plans to downsize distribution networks. In the same period, Logista France and its subsidiaries reduced its headcount by approximately 400 people, principally as a result of outsourcing of non-core services, transport of wholesale food (leading to a reduction in the number of trucks in France and increased flexibility), continuous re-routing to adapt to volumes and the reorganization of Strator operations (point-of-sale terminals). We also divested non-core businesses, specifically our wholesale stationery business in France and publications business in Portugal, and renegotiated our lottery joint venture in Spain.
- In Italy, in the year ended September 30, 2013, in consultation with our customers, we changed our distribution model in Italy, closed 45 local warehouses and transformed 75 local warehouses into smaller transit points with cross-docking platforms and cash-and-carry stores, in order to efficiently reorganize our distribution model.

  In Iberia, two regional warehouses in Spain were moved to smaller facilities and four warehouses in Portugal were closed. In France, we closed a regional warehouse in the North East of France (in Nancy) due to reduced volumes in the region.
- We have also sought to link certain of our costs to financial performance. For example, we renewed our Collective Agreement in Spain in October 2013, in which, among other changes, salary increases have been linked in part to Logista's performance as well as macroeconomic factors such as GDP rather than inflation. In Italy, certain local delivery contracts have also been linked to performance and quality indicators.
- We divested our wholesale stationery business in France and our publications business in Portugal.

Related Party Transactions

We engage in commercial and financial transactions with Imperial Tobacco in the ordinary course of our business. These services are provided on an arm's-length basis based on the same pricing structure applicable to other manufacturers.

Our transactions with Imperial Tobacco have accounted for the following on a consolidated basis (see Note 34 to our Audited Consolidated Financial Statements and Note 11 to our Interim Consolidated Financial Statements):

	For the six months ended March 31,		For the year ended September 30,		
	2014	2013	2013	2012	2011
			(€ million)		
Operating income	20.1	17.4	28.9	18.9	18.2
Finance results	5.5	2.1	4.5	21.1	24.5
Purchases	486.8	516.6	1,043.2	599.7	576.5
Operating expenses	0.4	0.1	7.2	0.4	0.8

We also engage in intercompany financing transactions. Logista held an intercompany financing agreement with a subsidiary of Imperial Tobacco, which was terminated in May 2014. Interest on this financing was payable quarterly and was calculated based on the European Central Bank (ECB) official interest rate plus a spread of 0.75%.

The Issuer currently has a treasury arrangement with Imperial Tobacco as described below under "—Liquidity and Capital Resources—Operating Working Capital—Treasury arrangement with Imperial Tobacco".

We also have certain shared services with Imperial Tobacco where we benefit from group purchasing power, such as insurance. See "Related Party Transactions—Other Related Party Transactions."

The Issuer and Imperial Tobacco have also entered into the Relationship Agreement that, conditional upon listing of the Shares on the Spanish Stock Exchanges by July 31, 2014 or such other subsequent date as to which the parties may agree, regulates their on-going relationship. See "Related Party Transactions—Relationship Agreement."

Seasonality

Our business experiences a degree of seasonality, with higher sales of tobacco and other products in the second half of our fiscal year compared to the first half. In particular, tobacco distribution volumes and corresponding revenues are stronger in the summer months, due to the positive impact of tourism and warmer weather conditions across our principal markets. Broadly speaking, in the past several years, 54% of our volumes are distributed between April and September, with our fourth fiscal quarter typically the strongest.

Principal Income Statement Line Items

The following is a brief description of our principal income statement line items.

Revenue. We principally generate revenue from distribution of products from manufacturers to points-of-sale through our extensive distribution networks, principally located in Spain, Italy, France and Portugal and the provision of other services to manufacturers and points-of-sale. Distribution fees generated from tobacco products (principally cigarettes) are the key driver of our revenues. To a lesser extent, we generate revenue from our transportation services as well as distribution of other products (including convenience, pharma, documents and telephony and other products). We also generate a limited amount of commission income on sales of certain products such as stamps, certain books and publications, tobacco accessories and logistics activities.

Our revenues reflect the selling price of our products to points-of-sale, net of discounts (other than in France due to the legal structure of tobacco distribution arrangements), VAT, excise duty on tobacco products and other sales taxes. We do not recognize as revenue (or a corresponding expense) any amounts relating to VAT and excise duty that we remit to relevant taxation authorities, which amounted to €17,543 million and €17,550 million for the six months ended March 31, 2014 and 2013 and €36,750 million, €23,446 million and €23,774 million for the years ended September 30, 2013, 2012 and 2011.

We recognize revenue and expenses on an accrual basis. Other than the limited number of products we sell on a commission basis, we either take title to products upon arrival at our warehouses or upon departure from the manufacturer's premises. For our distribution business (including our tobacco distribution business), we recognize revenues and corresponding expenses on transactions at the date of sale to points-of-sale.

Procurements. Under this line item, we record the purchase cost from manufacturers of distributed products. As noted above under "—Revenue", we recognize revenue and expenses on an accrual basis and record the procurement (cost of goods sold) cost on the date of sale to points-of-sale.

Gross profit. Our gross profit is calculated as revenue less procurements. We refer to gross profit as economic sales in our management accounts. Management believes that gross profit is a meaningful measure of the fee revenue we generate from performing our distribution services and provides a useful comparative measure to investors to assess our financial performance on an on-going basis.

Cost of logistics networks. The principal expenses of our logistics network include transport costs, staff costs, other operating expenses (including security costs (principally incurred due to the high-value tobacco products we distribute) and information technology expenses), provincial sales office expenses and depreciation and amortization charges of our distribution network.

Commercial expenses. Our commercial expenses are principally comprised of staff costs and other operating expenses (including leases and depreciation and amortization) relating to our sales and marketing activities.

Head office expenses. Our head office expenses are principally comprised of our staff costs (including head office and business line management costs), other operating expenses (including office leases) and depreciation and amortization relating to our head offices.

Finance income. Our finance income is principally generated from our treasury arrangement with Imperial Tobacco. See "—Operating Working Capital—Treasury arrangement with Imperial Tobacco".

Finance costs. Our finance costs principally relate to accrued interest costs for carrying provisions in respect of Spanish customs tax assessments as well as costs relating to our borrowings and other financial costs.

Results of Operations

The Issuer is a holding company, formed for the purposes of the Offering, with no direct operations, and it conducts all of its business through the Logista Group. The following sections discuss the historical results of operations of the Logista Group.

Consolidated Results of Operations for the Six Months Ended March 31, 2014 and 2013

The following table sets forth our consolidated income statements for the six months ended March 31, 2014 and 2013.

	Six months ended March 31, 2014	Six months ended March 31, 2013	% Change
	(€ million)		
Revenue	**4,581.8**	**4,739.4**	**(3.3)**
Procurements	(4,065.8)	(4,240.5)	(4.1)
Gross profit	**516.0**	**498.9**	**3.4**
Cost of logistics networks			
Staff costs	(84.0)	(80.9)	3.8
Transport costs	(101.0)	(101.4)	(0.4)
Provincial sales office expenses	(34.0)	(37.9)	(10.4)
Depreciation and amortization charge	(43.6)	(43.7)	(0.1)
Other operating expenses	(90.3)	(72.5)	24.5
Total cost of logistics networks	**(352.9)**	**(336.5)**	**4.9**
Commercial expenses			
Staff costs	(21.2)	(21.9)	(3.2)
Other operating expenses	(14.4)	(16.5)	(12.9)
Total commercial expenses	**(35.5)**	**(38.4)**	**(7.4)**
Research expenses	(1.4)	(1.9)	(26.1)
Head office expenses			
Staff costs	(36.6)	(40.1)	(8.7)
Depreciation and amortization charge	(1.8)	(2.2)	(19.4)
Other operating expenses	(17.3)	(18.4)	(5.5)
Total head office expenses	**(55.7)**	**(60.6)**	**(8.1)**
Share of results of companies	(0.5)	(0.3)	91.0
Net loss on disposal and impairment of non-current assets	(15.1)	(11.4)	33.1
Other expenses	—	(0.2)	(100.0)
Profit from operations	**54.9**	**49.7**	**10.5**
Finance income	14.9	3.6	311.6
Finance costs	(4.1)	(6.5)	(37.6)
Profit before tax	**65.8**	**46.9**	**40.4**
Income tax	(24.9)	(8.8)	182.0
Profit for the period from continuing operations	**40.9**	**38.0**	**7.5**
Loss for the period from discontinued operations net of tax	(0.3)	(0.3)	0.0
Profit for the period	**40.6**	**37.7**	**7.6**

Revenue

Revenue decreased 3.3% to €4,581.8 million in the six months ended March 31, 2014 from €4,739.4 million in the six months ended March 31, 2013, mainly as a result of reduced tobacco volumes distributed with flat cigarette RSP across the markets in which we operate (with the exception of France), which more than offset the increased activity in convenience product distribution and in our transport and pharma businesses.

Our revenues by geographic segment and business line are set forth below:

	Six months ended March 31, 2014	% of Revenue	Six months ended March 31, 2013	% of Revenue	% Change
	(€ million)		(€ million)		
Iberia	1,211.2	26.4%	1,221.4	25.8%	(0.8)%
Tobacco and Related[(1)]	1,021.4	22.3%	1,041.5	22.0%	(1.9)%
Transport	159.7	3.5%	157.6	3.3%	1.3%
Other Businesses[(2)]	55.1	1.2%	38.6	0.8%	42.7%
Other & Adjustments	(25.0)	(0.5)%	(16.3)	(0.3)%	(53.4)%
Italy—Tobacco and Related[(1)]	1,222.1	26.7%	1,320.9	27.9%	(7.5)%
France	2,165.1	47.3%	2,211.6	46.7%	(2.1)%
Tobacco & Related[(1)]	2,046.3	44.7%	2,121.2	44.8%	(3.5)%
Other Businesses[(3)]	124.4	2.7%	95.9	2.0%	29.7%
Other & Adjustments	(5.6)	(0.1)%	(5.5)	(0.1)%	(1.8)%
Corporate & Others	(16.6)	(0.4)%	(14.5)	(0.3)%	(14.5)%
Total revenue	**4,581.8**	**100.0%**	**4,739.4**	**100.0%**	**(3.3)%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

(3) Principally includes foods and other convenience products sold to a variety of convenience stores and retailers.

Iberia. Revenues in Iberia decreased 0.8% to €1,211.2 million in the six months ended March 31, 2014 from €1,221.4 million in the six months ended March 31, 2013, as a result of a decrease of 6.3% and 2.0% in volumes of cigarettes distributed in Spain and Portugal, respectively, compared to the six months ended March 31, 2014, with no increase in cigarette RSP in Iberia during this period, which more than offset the increased activity in the transport business and increased sales in the pharma business. The rate of cigarette volume reduction in the six months ended March 31, 2014 slowed, compared to previous periods, which management believes is indicative of improving economic conditions.

Italy. Revenues in Italy decreased 7.5% to €1,222.1 million in the six months ended March 31, 2014 from €1,320.9 million in the six months ended March 31, 2013, mainly as a result of a period-on-period decrease of 2.0% in the volumes of cigarettes distributed combined with the adverse impact of an increase in VAT in October 2013 from 21% to 22% (which was not followed by an increase in RSP) and a reduction in RSP of certain brands (and the lack of increase in the RSP of other brands) in the Italian market, which more than offset the increase in sales of convenience products and other services. As with Iberia, the rate of cigarette volume reduction slowed in the six months ended March 31, 2014, compared to previous periods, which management believes is indicative of improving economic conditions in Italy.

France. Revenues in France decreased 2.1% to €2,165.1 million in the six months ended March 31, 2014 from €2,211.6 million in the six months ended March 31, 2013, mainly as a result of a 5.0% reduction in the volume of cigarettes distributed and, to a lesser extent, a decrease in sales in our telephony products, which more than offset the increase in RSP of cigarettes in France resulting from an increase in VAT from 19.6% to 20.0% as of January 1, 2014.

Gross Profit (or Economic Sales)

Gross profit increased by 3.4% to €516.0 million in the six months ended March 31, 2014 from €498.9 million in the six months ended March 31, 2013, as a result of an improvement in tobacco and related distribution margins, despite decreases in volumes and the lack of increases in RSP of cigarettes across our markets (except in France). The pace of such declines moderated as economic conditions showed signs of improvement. These volume declines were offset somewhat by increased activity in convenience product distribution and also in our transport and pharma businesses. Tobacco and related distribution margins improved primarily as a result of the increase in margin per unit distributed as well as the reversal of some provisions relating to certain litigation, that more than offset the decline in volumes.

Our gross profit by geographic segment and business line are set forth below:

	Six months ended March 31, 2014	% of Gross Profit	Six months ended March 31, 2013	% of Gross Profit	% Change
			(€ million)		
Iberia	271.4	52.6%	256.3	51.4%	5.9%
Tobacco and Related[1]	146.9	28.5%	130.3	26.1%	12.7%
Transport	105.0	20.3%	100.9	20.2%	4.1%
Other Businesses[2]	25.4	4.9%	23.5	4.7%	8.1%
Other & Adjustments	(5.9)	(1.1)%	1.6	0.3%	n.m.
Italy—Tobacco and Related[1]	98.3	19.1%	93.9	18.8%	4.7%
France	145.6	28.2%	147.1	29.5%	(1.0)%
Tobacco & Related[1]	120.1	23.3%	125.8	25.2%	(4.5)%
Other Businesses[3]	29.4	5.7%	24.7	5.0%	19.0%
Other & Adjustments	(3.9)	(0.8)%	(3.4)	(0.7)%	(14.7)%
Corporate & Others	0.7	0.1%	1.6	0.3%	(56.3)%
Total gross profit	**516.0**	**100.0%**	**498.9**	**100.0%**	**3.4%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

(3) Principally includes foods and other convenience products sold to a variety of convenience stores and retailers.

Iberia. Gross profit in Iberia increased 5.9% to €271.4 million in the six months ended March 31, 2014 from €256.3 million in the six months ended March 31, 2013, despite a 0.8% decrease in revenue, as a result of higher margins per unit in our tobacco and related business due, in part, to the broadening of the range of tobacco and convenience products distributed and services offered and to continuing cost initiatives. Increased activity in the transport business and increased sales in the pharma business also contributed to increased gross profit for the six months ended March 31, 2014.

Italy. Gross profit in Italy increased 4.7% to €98.3 million in the six months ended March 31, 2014 from €93.9 million in the six months ended March 31, 2013, despite a 7.5% decrease in revenue and a 2.0% decrease in volumes distributed, which was more than offset by the annual update of the fee framework which resulted in an increase in margin per unit for tobacco products and was negotiated with customers and updated on the basis of CPI, fuel costs and distribution complexity, and increased sales of convenience products.

France. Gross profit in France decreased 1.0% to €145.6 million in the six months ended March 31, 2014 from €147.1 million in the six months ended March 31, 2013, as a result of a 4.6% decrease in volumes of tobacco products distributed, in addition to a decrease in sales of our telephony products, which was partially offset by the annual update of the fee framework which resulted in increased margin per unit for tobacco products. We typically set our pricing schedule on an annual basis, based on changes in CPI, fuel costs, the market and complexity of distribution.

Cost of logistics networks

Cost of logistics networks increased 4.9% to €352.9 million in the six months ended March 31, 2014 from €336.5 million in the six months ended March 31, 2013, as a result of the increase in operational activity as evidenced by an increase in gross profit and an increase in certain services performed on a customer's behalf that are invoiced to the customer, such as eco-packaging, all of which was slightly offset by a decrease in provincial sales office expenses due to restructuring in our Italian operations.

Commercial expenses

Commercial expenses decreased 7.4% to €35.5 million in the six months ended March 31, 2014 from €38.4 million in the six months ended March 31, 2013, as a result of the rationalization of the distribution network and customer contribution to marketing efforts for certain products that we distribute.

Research expenses

Research expenses decreased 26.1% to €1.4 million in the six months ended March 31, 2014 from €1.9 million in the six months ended March 31, 2013, as a result of a decrease in spending on our TPOS system as a result of outsourcing certain services relating to our TPOS system, in connection with our ongoing outsourcing of non-core activities to reduce operating costs.

Head office expenses

Head office expenses decreased 8.1% to €55.7 million in the six months ended March 31, 2014 from €60.6 million in the six months ended March 31, 2013, as a result of decreases in both staff costs and other operating expenses due to continuing restructuring effects.

Net loss on disposal and impairment of non-current assets

Net loss on disposal and impairment of non-current assets increased to €15.1 million in the six months ended March 31, 2014 from €11.4 million in the six months ended March 31, 2013, as a result of impairments taken relating to certain property, plant and equipment and other intangible assets relating primarily to the lottery business in the six months ended March 31, 2014.

Profit from operations

Profit from operations increased 10.5% to €54.9 million in the six months ended March 31, 2014 from €49.7 million in the six months ended March 31, 2013, as a result of the factors noted above.

Finance income

Finance income increased to €14.9 million in the six months ended March 31, 2014 from €3.6 million in the six months ended March 31, 2013, as we generated more income from our treasury arrangement with Imperial Tobacco due to higher applicable interest rates on our cash balances (following the adoption by Logista France of the same base rate benchmarking as the rest of the Logista Group) and the release of interest that had been provisioned in connection with certain provisions relating to certain Spanish tax proceedings that were released.

Finance costs

Finance costs decreased 37.6% to €4.1 million in the six months ended March 31, 2014 from €6.5 million in the six months ended March 31, 2013, as a result of decreased interest charges as a result of a decrease in provisions due to the release of provisions relating to certain Spanish tax proceedings.

Profit before tax

Profit before tax increased 40.4% to €65.8 million in the six months ended March 31, 2014 from €46.9 million in the six months ended March 31, 2013.

Income tax

Income tax increased to €24.9 million in the six months ended March 31, 2014 from €8.8 million in the six months ended March 31, 2013, as a result of an increase in profit before tax and an increase in the corporate income tax rate as a result of Logista France's departure from its previous tax group. In addition, income tax for the six months ended March 31, 2014 includes an amount of €1.5 million related to a provision made for corporate income tax litigation in Italy.

Consolidated Results of Operations for the Financial Years Ended September 30, 2013 and 2012

The following table sets forth our consolidated income statements for the financial years ended September 30, 2013 and 2012.

	Year ended September 30, 2013	Year ended September 30, 2012	% Change 2012 - 13
	(€ million)		
Revenue	**9,862.8**	**5,543.3**	**77.9%**
Procurements	(8,851.3)	(4,802.3)	84.3%
Gross profit	**1,011.5**	**741.0**	36.5%
Cost of logistics networks			
Staff costs	(165.0)	(122.4)	34.8%
Transport costs	(205.4)	(173.9)	18.1%
Provincial sales office expenses	(71.3)	(79.6)	(10.4)%
Depreciation and amortization charge	(87.5)	(28.8)	203.8%
Other operating expenses	(156.0)	(122.8)	27.0%
Total cost of logistics networks	**(685.1)**	**(527.4)**	29.9%
Commercial expenses			
Staff costs	(42.3)	(7.4)	467.8%
Other operating expenses	(25.9)	(15.3)	69.2%
Total commercial expenses	**(68.2)**	**(22.7)**	199.7%
Research expenses	(3.4)	—	
Head office expenses			
Staff costs	(74.0)	(47.4)	56.0%
Depreciation and amortization charge	(4.7)	(4.8)	(2.0)%
Other operating expenses	(35.7)	(19.4)	83.7%
Total head office expenses	**(114.3)**	**(71.6)**	59.7%
Share of results of companies	(0.5)	(0.4)	15.3%
Net loss on disposal and impairment of non-current assets	(14.4)	(10.9)	32.5%
Other expenses	(2.5)	(3.7)	(32.5)%
Profit from operations	**123.2**	**104.2**	18.1%
Finance income	7.4	25.1	(70.6)%
Finance costs	(11.6)	(11.8)	(2.0)%
Profit before tax	**118.9**	**117.5**	1.2%
Income tax	(30.3)	(35.4)	(14.4)%
Profit for the period from continuing operations	**88.6**	**82.1**	8.0%
Loss for the period from discontinued operations net of tax	(1.0)	(0.6)	70.3%
Profit for the period	**87.6**	**81.5**	7.5%

Revenue

Revenue increased by 77.9% to €9,862.8 million in the year ended September 30, 2013 from €5,543.3 million in the year ended September 30, 2012 primarily driven by the acquisition of Logista France and full consolidation into our results of operations.

Our revenues by geographic segment and business line are set forth below:

	Year ended September 30, 2013	% of 2013 Revenue	Year ended September 30, 2012	% of 2012 Revenue	% Change
			(€ million)		
Iberia	2,608.3	26.4%	2,666.5	48.1%	(2.2)%
Tobacco and Related[(1)]	2,242.2	22.7%	2,303.7	41.6%	(2.7)%
Transport	315.6	3.2%	324.6	5.9%	(2.8)%
Other Businesses[(2)]	84.9	0.9%	64.4	1.2%	31.7%
Other & Adjustments	(34.4)	(0.3)%	(26.2)	(0.5)%	(31.1)%
Italy—Tobacco and Related[(1)]	2,749.3	27.9%	2,901.4	52.3%	(5.2)%
France	4,543.3	46.1%	—	—	—
Tobacco & Related[(1)]	4,347.6	44.1%	—	—	—
Other Businesses[(3)]	206.0	2.1%	—	—	—
Other & Adjustments	(10.3)	(0.1)%	—	—	—
Corporate & Others	(38.1)	(0.4)%	(24.6)	(0.4)%	(54.9)%
Total revenue	**9,862.8**	**100.0%**	**5,543.3**	**100.0%**	**77.9%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

(3) Principally includes foods and other convenience products sold to a variety of convenience stores and retailers.

Iberia. Revenue in Iberia decreased 2.2% to €2,608.3 million in the year ended September 30, 2013 from €2,666.5 million in the year ended September 30, 2012, principally driven by decreasing cigarette stick equivalent volumes, which decreased by 12.0% in Spain and remained flat in Portugal, and the weak performance of our transport business. Economic conditions in both Spain and Portugal remained weak in 2013 compared to 2012. Although the decline in GDP slowed in both markets, consumption levels continued to decrease, particularly in Spain, which drove down demand for cigarettes as well as our other products and services. Retail selling prices for cigarettes continued to increase in 2013, growing at a rate of 6.2% in Spain and 2.6% in Portugal as governments continued to increase excise duties at a rate well in excess of inflation. The decline in revenue from declining cigarette volumes was partially offset by better performance in other business lines, including pharma and distribution of convenience goods. Our revenues were also positively impacted by favourable cigar and RYO performance in the year ended September 30, 2013 compared to the year ended September 30, 2012 due to more limited adverse changes in taxation as well as lower price points for RYO products. Over this period, cigar volumes increased by 7.4% and RYO volumes increased by 11.3%.

Italy. Revenue in Italy decreased 5.2% to €2,749.3 million in the year ended September 30, 2013 from €2,901.4 million in the year ended September 30, 2012, principally driven by a 6.1% reduction in cigarette stick equivalent volumes. Real GDP continued to shrink in Italy in 2013 and unemployment rates increased significantly from 10.7% to 12.5%, both of which had negative impacts on demand for cigarettes and other tobacco products. However, between these two years, cigar and RYO volumes remained almost stable, with cigar revenues remaining relatively stable in the year ended September 30, 2013 compared to the year ended September 30, 2012 and cigar volumes declining by 2.4%. During the same period, RYO volumes declined by 1.2%, with an increase in revenue as a result of an improved product mix.

France. For the year ended September 30, 2013, our results of operations included revenue from Logista France of €4,543.3 million compared to nil in the prior period as a result of our acquisition of Logista France and consolidation into our results of operations.

Gross Profit (or Economic Sales)

Gross profit increased 36.5% to € 1,011.5 million in the year ended September 30, 2013 from €741.0 million in the year ended September 30, 2012, principally due to the acquisition of Logista France, which accounted for approximately €298.4 million on the increase.

Our gross profit by geographic segment and business line are set forth below:

	Year ended September 30, 2013	% of 2013 Gross profit	Year ended September 30, 2012	% of 2012 Gross profit	% Change 2012 - 13
			(€ million)		
Iberia	520.7	51.5%	527.8	71.2%	(1.4)%
Tobacco and Related[(1)]	273.7	27.1%	264.1	35.6%	3.6%
Transport	200.7	19.8%	207.7	28.0%	(3.4)%
Other Businesses[(2)]	46.5	4.6%	47.3	6.4%	(1.8)%
Other & Adjustments	(0.2)	0.0%	8.7	1.2%	(101.8)%
Italy—Tobacco and Related[(1)]	192.2	19.0%	208.1	28.1%	(7.6)%
France	298.4	29.5%	—	—	—
Tobacco & Related[(1)]	252.7	25.0%	—	—	—
Other Businesses[(3)]	52.4	5.2%	—	—	—
Other & Adjustments	(6.7)	(0.7)%	—	—	—
Corporate & Others	0.2	0.0%	5.1	0.7%	(96.4)%
Total gross profit	**1,011.5**	**100.0%**	**741.0**	**100.0%**	**36.5%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

(3) Principally includes foods and other convenience products sold to a variety of convenience stores and retailers.

Iberia. Gross profit in Iberia decreased 1.4% to €520.7 million in the year ended September 30, 2013 from €527.8 million in the year ended September 30, 2012, primarily due to the weak performance of our transport business due to continued weak economic conditions. Although sales volumes (stick equivalents) to tobacconists decreased by 12.0%, gross profits generated by sales to tobacconists increased by 3.6% as the volume decrease was significantly mitigated by a higher gross margin per unit as well as a broader range of products distributed (including both tobacco and convenience goods) and services provided. The balance of our business lines (excluding our transport business) remained flat as increased sales to pharmacies were offset by a decline in books and publications and other segments. Gross profit in our transport business decreased 3.4% to €200.7 million in the year ended September 30, 2013 from €207.7 million in the year ended September 30, 2012 as a result of a decrease in transport services provided, due to the deteriorating economic climate.

Italy. Gross profit in Italy decreased by 7.6% to €192.2 million in the year ended September 30, 2013 from €208.1 million in the year ended September 30, 2012 principally due to a 6.1% volume reduction and the one-off effect of the VAT increase in Italy that was effective of October 1, 2013 that resulted in a write-down of inventories by €8.4 million during that period.

France. Gross profit in France increased to €298.4 million in the year ended September 30, 2013 from nil in the prior period as a result of our acquisition of Logista France and consolidation into our results of operations.

Cost of logistics networks

Cost of logistics networks increased 29.9% to €685.1 million in year ended September 30, 2013 from €527.4 million in the year ended September 30, 2012, principally as a result of the inclusion of the cost of logistics networks from the acquisition of Logista France, which amounted to €122.1 million and the amortization of assets of Logista France, which amounted to €52.2 million.

Commercial expenses

Commercial expenses increased by 199.7% to €68.2 million in the year ended September 30, 2013 from €22.7 million in the year ended September 30, 2012, principally due to the acquisition of Logista France, which had a proportionally larger sales network compared to our other regions.

Research expenses

Research expenses increased to €3.4 million in the year ended September 30, 2013 from nil in the year ended September 30, 2012 due to research expenses incurred related to development of our TPOS systems at Logista France.

Head office expenses

Head office expenses increased 59.7% to €114.3 million in the year ended September 30, 2013 from €71.6 million in the year ended September 30, 2012, as a result of the acquisition of Logista France. As a percentage of our revenues, however, head office expenses declined given our focus on cost savings efforts.

Net loss on disposal and impairment of non-current assets

Net loss on disposal and impairment of non-current assets increased 32.5% to €14.4 million in the year ended September 30, 2013 from €10.9 million in the year ended September 30, 2012, as a result of net losses charged on the disposals of Logista Portugal Distribuçao de Publicaçoes S.A. (amounting to €3.5 million) and impairment of certain assets (amounting to €2.2 million). In addition, as a result of goodwill impairment tests, we took an impairment of €8.4 million in the year ended September 30, 2013 related to the transport subsidiary Dronas 2002, S.L.U.

Profit from operations

Profit from operations increased 18.1% to €123.2 million in the year ended September 30, 2013 from €104.2 million in the year ended September 30, 2012 due to factors noted above.

Finance income

Finance income decreased 70.6% to €7.4 million in the year ended September 30, 2013 from €25.1 million in the year ended September 30, 2012 as we generated less income from our treasury arrangement with Imperial Tobacco due to lower available cash balances due to the acquisition of Logista France and corresponding transfer of cash from Logista as well as lower interest rates obtained, on average, from our treasury arrangement with Imperial Tobacco (as Logista France treasury was remunerated at a lower rate than the treasury from the rest of the Logista Group).

Finance costs

Finance costs decreased slightly by 2.0% to €11.6 million in the year ended September 30, 2013 from €11.8 million in the year ended September 30, 2012.

Profit before tax

Profit before tax increased 1.2% to €118.9 million in the year ended September 30, 2013 from €117.5 million in the year ended September 30, 2012.

Income tax

Income tax decreased 14.4% to €30.3 million in the year ended September 30, 2013 from €35.4 million in the year ended September 30, 2012, principally due to the net effect of the inclusion of Logista France, which accounted for €20.6 million of this change and tax savings from the amortization of intangible assets related to Logista France. Our effective tax rate decreased to 25.5% from 30.1% as a result of the foregoing. For further information on taxation, see "—*Taxation*" below.

Consolidated Results of Operations for the Financial Years Ended September 30, 2012 and 2011

The following table sets forth our consolidated income statements for the financial years ended September 30, 2012 and 2011.

	Year ended September 30, 2012	Year ended September 30, 2011	% Change 2011 - 12
	(€ million)		
Revenue	**5,543.3**	**5,701.0**	**(2.8)%**
Procurements	(4,802.3)	(4,943.5)	(2.9)%
Gross profit	**741.0**	**757.5**	**(2.2)%**
Cost of logistics networks			
Staff costs	(122.4)	(128.6)	(4.9)%
Transport costs	(173.9)	(187.1)	(7.0)%
Provincial sales office expenses	(79.6)	(85.0)	(6.4)%
Depreciation and amortization charge	(28.8)	(29.7)	(2.9)%
Other operating expenses	(122.8)	(126.1)	(2.6)%
Total cost of logistics networks	**(527.4)**	**(556.5)**	**(5.2)%**
Commercial expenses			
Staff costs	(7.4)	(6.3)	19.0%
Other operating expenses	(15.3)	(15.8)	(3.2)%
Total commercial expenses	**(22.7)**	**(22.1)**	**3.1%**
Research expenses	—	—	—
Head office expenses			
Staff costs	(47.4)	(42.6)	11.3%
Depreciation and amortization charge	(4.8)	(4.0)	19.5%
Other operating expenses	(19.4)	(21.5)	(9.6)%
Total head office expenses	**(71.6)**	**(68.1)**	**5.2%**
Share of results of companies	(0.4)	(0.9)	(49.2)%
Net loss on disposal and impairment of non-current assets	(10.9)	(0.1)	9,607.1%
Other expenses	(3.7)	1.8	(301.3)%
Profit from operations	**104.2**	**111.9**	**(6.8)%**
Finance income	25.1	27.3	(8.2)%
Finance costs	(11.8)	(10.9)	8.6%
Profit before tax	**117.5**	**128.3**	**(8.4)%**
Income tax	(35.4)	(36.9)	(4.1)%
Profit for the period from continuing operations	**82.1**	**91.4**	**(10.2)%**
Loss for the period from discontinued operations net of tax	(0.6)	(0.5)	20.0%
Profit for the period	**81.5**	**90.9**	**(10.3)%**

Revenue

Revenue decreased 2.8% to €5,543.3 million in the year ended September 30, 2012 from €5,701.0 million in the year ended September 30, 2011. The principal factor driving the decrease in revenue from 2011 to 2012 was a decrease in tobacco volumes as economic conditions remained flat or materially worsened in 2012 across our markets after some growth in 2011 as well as increases in VAT and excise duties on cigarettes. The revenue impact of the overall volume decline in cigarettes was offset to a limited extent by an increase in the number of products (SKUs) we distributed as well as an increase in the value-added logistic services provided by us.

Our revenues by geographic segment and business line are set forth below:

	Year ended September 30, 2012	% of 2012 Revenue	Year ended September 30, 2011	% of 2011 Revenue	% Change 2011 - 12
			(€ million)		
Iberia	2,666.5	48.1%	2,723.9	47.8%	(2.1)%
Tobacco and Related(1)	2,303.7	41.6%	2,362.3	41.4%	(2.5)%
Transport	324.6	5.9%	336.2	5.9%	(3.4)%
Other Businesses(2)	64.4	1.2%	52.9	0.9%	21.7%
Other & Adjustments	(26.2)	(0.5)%	(27.5)	(0.5)%	4.6%
Italy—Tobacco and Related(1)	2,901.4	52.3%	2,994.9	52.5%	(3.1)%
Corporate & Others	(24.6)	(0.4)%	(17.8)	(0.3)%	(38.1)%
Total revenue	**5,543.3**	**100.0%**	**5,701.0**	**100.0%**	**(2.8)%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

Iberia. Revenue in Iberia decreased 2.1% to €2,666.5 million in the year ended September 30, 2012 from €2,723.9 million in the year ended September 30, 2011, principally driven by decreasing cigarette stick equivalent volumes, which decreased by 12.4% in Spain and 4.7% in Portugal . Economic conditions in both Spain and Portugal were significantly weaker in 2012 compared to 2011, with Spain falling back into recession after remaining stagnant in 2011 and GDP in Portugal further declining by 3.2% in 2012 compared to a decline of 1.3% in 2011. These declines in GDP were reflected in sharp declines in consumption, with GDP private final consumption expenditure in constant prices declining 2.8% in Spain and 5.3% in Portugal. Against this weak economic backdrop, retail selling prices for cigarettes continued to increase in 2012 following increases in 2011, growing at a rate of 8.9% and 13.8% in Spain in 2012 and 2011, respectively and 2.7% and 5.7%in Portugal in 2012 and 2011, respectively. The decline in revenue from declining cigarette volumes was somewhat offset by favourable performance in cigar and RYO products. Between the years ended September 30, 2012 and 2011, cigar volumes increased by 21.6% with a slightly smaller increase in revenue and RYO volumes increased by 14.9% and revenue increased by a somewhat larger amount due to improved product mix. Revenues of transport services decreased by 3.4% due to a reduction of transport volumes as well as continued weak economic conditions. Revenues in the balance of our business lines increased by 21.7%, primarily driven by development of our pharma direct delivery business.

Italy. Revenue in Italy decreased 3.1% to €2,901.4 million in the year ended September 30, 2012 from €2,994.9 million in the year ended September 30, 2011, principally as a result of a decline in tobacco market volumes by 8.4% in stick equivalents. Economic conditions significantly worsened in Italy in 2012, with GDP shrinking by 2.4% after slight growth of 0.4% in 2011. The unemployment rate increased to 10.7% in 2012 after remaining stable at 8.4% in the prior two years. These factors had a significant negative impact on consumption, with GDP private final consumption expenditure declining by 4.1% in 2012 after declining by 0.3% in 2011. 2012 and 2011 also saw large increases in the retail selling price of cigarettes as a result of VAT increase, with an increase of 7.6% in 2012 and 3.4% in 2011. However, cigar volumes remained resilient between the years ended September 30, 2012 and 2011, with cigar revenues slightly increasing and volumes only declining by 1.4%. RYO volumes showed a large improvement, increasing by 64.4% with revenues increasing at a greater rate as consumer increasingly shifted to relatively lower cost RYO products.

Gross profit (or Economic Sales)

Gross profit decreased 2.2% to €741.0 million in the year ended September 30, 2012 from €757.5 million in the September 30, 2011, due to a decline in volumes of tobacco products and in our transport business, offset to some extent by the development of our pharma business and the increased volumes of non-tobacco product sold in our distribution networks, largely convenience and lottery products. Our gross profit by geographic segment and business line are set forth below:

	Year ended September 30, 2012	% of 2012 Gross profit	Year ended September 30, 2011	% of 2012 Gross profit	% Change 2011 - 12
			(€ million)		
Iberia	527.8	71.2%	540.5	71.4%	(2.3)%
Tobacco and Related(1)	264.1	35.6%	264.7	34.9%	(0.2)%
Transport	207.7	28.0%	213.9	28.2%	(2.9)%
Other Businesses(2)	47.3	6.4%	48.0	6.3%	(1.3)%
Other & Adjustments	8.7	1.2%	14.0	1.8%	(37.7)%
Italy—Tobacco and Related(1)	208.1	28.1%	209.3	27.6%	(0.6)%
Corporate & Others	5.1	0.7%	7.7	1.0%	(33.8)%
Total gross profit	**741.0**	**100.0%**	**757.5**	**100.0%**	**(2.2)%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

Iberia. Gross profit in Iberia decreased 2.3% to €527.8 million in the year ended 30, 2012 from €540.5 million in the year ended September 30, 2011, primarily due to weakness in the transport business which decreased its activity due to the severe economic conditions with GDP dropping in Spain, Portugal and Italy by 1.6%, 3.2% and 2.4%, respectively, in 2012. Gross profits generated from sales to tobacconists decreased by 0.2% as volumes dropped by 12.4%, largely offsetting a higher per unit gross margin and the introduction of new products and services in the tobacconist network. Gross profit from other businesses decreased by 1.3% as growth in the pharma business was not enough to offset the impact of poor economic conditions in other business lines.

Italy. Gross profit in Italy decreased by 0.6% as the 8.4% reduction in stick equivalent tobacco volumes were largely offset by higher per unit gross margins as well as the introduction of convenience and other products into the tobacconist network.

Cost of logistics networks

Cost of logistics networks decreased 5.2% in the year ended September 30, 2012 to €527.4 million from €556.5 million in the year ended September 30, 2011, as a result of our continued focus on reducing costs to rationalize distribution structures in line with reduced volumes, including headcount reduction by approximately 100 employees, renegotiation of fees paid to local warehouses in Italy, and the reduction of logistical operations in Barcelona and Valencia, as well as reduction of transport routes.

Commercial expenses

Commercial expenses increased 3.1% to €22.7 million in the year ended September 30, 2012 from €22.1 million in the year ended September 30, 2011, as a result of introduction of new convenience and lottery products in the distribution network.

Head office expenses

Head office expenses increased by 5.2% to €71.6 million in the year ended September 30, 2012 from €68.1 million in the year ended September 30, 2011 principally due to an increase in restructuring costs as support functions were rationalized in line with resized distribution networks as well restructuring costs resulting from the adoption of additional cost savings measures.

Net loss on disposal and impairment of non-current assets

Net loss on disposal and impairment of non-current assets increased to €10.9 million in the year ended September 30, 2012 from €0.1 million in the year ended September 30, 2011 as a result of impairment on goodwill related to the transport subsidiary Dronas 2002, S.L.U.

Profit from operations

Profit from operations decreased 6.8% to €104.2 million in the year ended September 30, 2012 from €111.9 million in the year ended September 30, 2011, principally as a result of the increase in impairments (of €10.8 million) and restructuring costs (which increased by €1.5 million). Net of these effects, profit from operations increased by €4.7 million as the decline in tobacco volumes and revenues was more than offset by our pricing structure, introduction of new products into our distribution networks and cost-savings measures.

Finance income

Finance income decreased 8.2% in the year ended September 30, 2012 to €25.1 million from €27.3 million in the year ended September 30, 2011, due to lower interest rates generated on our treasury arrangement with Imperial Tobacco due a reduction in the ECM base rate by 25 basis points.

Finance costs

Finance costs increased 8.6% in the year ended September 30, 2012 to €11.8 million from €10.9 million in the year ended September 30, 2011, as a result of increased costs relating to pension plan commitments due to updated actuarial calculations principally as result of lower prevailing market interest rates.

Profit before tax

Profit before tax decreased 8.4% in the year ended September 30, 2012 to €117.5 million from €128.3 million in the year ended September 30, 2011, principally driven by asset impairments, a decrease in finance income and restructuring costs.

Income tax

Income tax decreased 4.1% to €35.4 million in the year ended September 30, 2012 from €36.9 million in the year ended September 30, 2012 due to the reduction in profit before tax. Our effective tax rate increased to 30.1% from 28.8% as a result of lower deductions available in 2012 compared to 2011. For further information on taxation, see "—Taxation" below.

Liquidity and Capital Resources

Liquidity

Logista's principal sources of liquidity are cash flow generated from operations and the negative operating working capital generated by the cycle of collections and payments of its distribution business. The principal uses of cash are to meet Logista's liabilities, which are principally tax payments, to pay dividends and for investments in operational improvements and business expansion. As of March 31, 2014, Logista's financing needs were supported by a positive cash and cash equivalents balance of €133.8 million and credit with Imperial Tobacco of €0.9 billion principally under our treasury arrangement with Imperial Tobacco.

Consolidated Statement of Cash Flow for the Six Months ended March 31, 2014 and 2013 and the Financial Years Ended September 30, 2013, 2012 and 2011

	For the six months ended March 31,		For the year ended September 30,		
	2014	2013	2013	2012	2011
			(€ million)		
Operating Activities:					
Consolidated profit before tax from continuing operations	**65.8**	**46.9**	**118.9**	**117.5**	**128.3**
Adjustments for—					
Profit of companies accounted for using the equity method	0.5	0.3	0.5	0.4	0.9
Depreciation and amortisation charge	45.7	46.2	92.2	33.6	33.6
Period provisions	15.1	8.7	41.0	31.5	11.3
Proceeds from disposal of non-current assets	(28.4)	13.6	(0.1)	0.1	0.2
Other adjustments to profit	—	2.7	9.3	10.8	(3.0)
Financial profit	(10.8)	2.9	4.2	(13.3)	(16.4)
Adjusted profit	**87.9**	**121.2**	**266.0**	**180.6**	**154.9**
Net change in assets / liabilities—					
(Increase)/Decrease in inventories	(13.6)	(71.7)	(18.5)	84.4	141.1
(Increase)/Decrease in trade and other receivables	(20.8)	24.0	73.8	14.7	(183.4)
(Increase)/Decrease in other non-current assets	(3.7)	(6.9)	(0.2)	2.4	(2.4)
Increase/(Decrease) in trade payables	(128.4)	(97.4)	(22.2)	171.9	(25.3)
Increase/(Decrease) in other current liabilities	(345.0)	(407.8)	(4.9)	(318.0)	38.1
Increase (Decrease) in other non-current liabilities	(58.0)	(6.7)	(37.4)	(9.2)	10.4
Income tax paid	(22.7)	(21.7)	(35.4)	(26.8)	(14.9)
Finance income and costs	10.9	(3.0)	(4.2)	13.2	21.0
Total net cash flows from / (used in) operating activities	**(493.3)**	**(470.0)**	**217.1**	**113.1**	**139.6**
Investing Activities:					
Net investment in property, plant and equipment	(10.5)	(15.3)	(24.7)	(15.5)	(21.9)
Addition to intangible assets	(7.9)	(5.6)	(11.4)	(8.1)	(7.0)
Investments and other current and non-current financial assets	659.7	618.2	(98.2)	(14.3)	101.5
Sale of non-current assets held for sale	—	0.2	0.2	—	—
Total net cash flows from / (used in) investing activities	**641.4**	**597.5**	**(134.1)**	**(37.9)**	**72.5**
Financing Activities:					
Dividends paid (-)	(79.7)	(74.3)	(74.3)	(48.7)	(237.6)
Changes in current borrowings	(84.4)	(5.4)	(33.3)	(14.3)	32.2
Changes in non-current borrowings	(0.1)	0.4	(0.2)	(1.5)	(0.1)
Minority interests	—	—	—	0.1	(1.1)
Reserves and other	—	—	—	—	0.3
Total net cash flows from / (used in) financing activities	**(164.2)**	**(79.3)**	**(107.9)**	**(64.3)**	**(206.3)**
Net increase/decrease in Cash and Cash Equivalents	**(16.2)**	**48.2**	**(24.9)**	**10.9**	**5.8**
Cash and cash equivalents at beginning of year	**149.9**	**46.3**	**46.3**	**35.4**	**29.6**
Cash incorporated by the additions to the scope of consolidation	—	128.5	128.5	—	—
Net change in cash and cash equivalents during the year	(16.2)	48.2	(24.9)	10.9	5.8
Total cash and cash equivalents at the end of period	**133.8**	**223.0**	**149.9**	**46.3**	**35.4**

Total net cash from (used in) operating activities

Our total net cash flows used in operating activities totalled €493.3 million in the six months ended March 31, 2014, compared to €470.0 million in the six months ended March 31, 2013. The increase in net cash used in operating activities was attributable principally to payments made in the six months ended March 31, 2014 as a result of unfavorable outcomes relating to excise duties proceedings (see Note 10 to the Interim Consolidated Financial Statements). Our total net cash flow is usually negative in the first half of each financial year as a result of the seasonality of tobacco volumes distributed, which are typically lower in March than in September. As a result, the evolution of cash flow is generally negative in the first half of the financial year and positive in the second half of the financial year.

Our total net cash flows from operating activities totalled €217.1 million in the year ended September 30, 2013, compared to €113.1 million in the year ended September 30, 2012. The increase in net cash from operating activities was attributable principally to the inclusion of the activities of Logista France, and to a lesser extent, improvements in operating working capital management.

Our total net cash flows from operating activities totalled €113.1 million in the year ended September 30, 2012, compared to €139.6 million in the year ended September 30, 2011. Our cash flows were negatively impacted by adverse changes in operating working capital management due to economic conditions as well as an increase in income tax paid.

Total net cash from (used in) investing activities

Our total net cash flows from investing activities totalled €641.4 million in the six months ended March 31, 2014, compared to €597.5 million in the six months ended March 31, 2013. The increase in net cash from investing activities was attributable principally to the variation in cash pooling positions under the treasury arrangement with Imperial Tobacco (€41.5 million) resulting from our operations in the ordinary course of business and dividend payments.

Our total net cash flows used in investing activities totalled €134.1 million in the year ended September 30, 2013, compared to €37.9 million used in investing activities in the year ended September 30, 2012. The increase in net cash used in investing activities was attributable principally to the acquisition of Logista France (which reduced the cash available for the treasury arrangement with Imperial Tobacco) as well investments in improvements in warehouses in Italy.

Our total net cash flows used in investing activities totalled €37.9 million in the year ended September 30, 2012, compared to total net cash flows from investing activities totalling €72.5 million in the year ended September 30, 2011. The change was attributable principally to variation in the intercompany accounts receivable with Imperial Tobacco as well as investments in IT undertaken in 2011.

Total net cash from (used in) financing activities

Our total net cash flows used in financing activities totalled €164.2 million in the six months ended March 31, 2014, compared to €79.3 million in the six months ended March 31, 2013. The decrease in net cash used in financing activities was attributable principally to the decrease in loans to the Imperial Tobacco Group under the treasury arrangement.

Our total net cash flows used in financing activities in the years ended September 30, 2013, 2012 and 2011 corresponded mainly to the dividends we paid to our shareholder, which amounted to €74.3 million, €48.7 million and €237.6 million for each of these periods, respectively, and loans to the Imperial Tobacco Group under the treasury arrangement.

Operating Working Capital

The table below, which is derived from our consolidated balance sheet, presents our operating working capital as of March 31, 2014 and September 30, 2013, 2012 and 2011.

	As of March 31,	As of September 30,		
	2014	2013	2012	2011
		(€ million)		
Inventories	1,221.0	1,208.1	678.0	767.0
Tax receivables, trade and other receivables, and other current assets	1,608.9	1,584.5	851.7	873.4
Trade and other payables	(909.0)	(1,037.6)	(769.9)	(599.3)
Tax payable and other current liabilities	(4,050.4)	(4,376.1)	(2,175.1)	(2,468.2)
Operating working capital	**(2,129.4)**	**(2,621.2)**	**(1,415.3)**	**(1,427.1)**

As of March 31, 2014 and September 30, 2013, 2012 and 2011, we had negative operating working capital of €2,129.4 million, €2,621.2 million, €1,415.3 million and €1,427.1 million, respectively. This is a consequence of our intermediary logistics and wholesale business, particularly due to the tobacco and tax payment cycle as further described below.

Operating working capital decreased by €491.8 million in the six months ended March 31, 2014 compared to September 30, 2013, principally as a result of lower volumes in the first half of the financial year. As a result of such change, there was a decrease in cash and cash equivalents of €16.2 million and a decrease of €572.3 million in credit with Imperial Tobacco subsidiaries at March 31, 2014 due to the seasonality in the volumes of tobacco products distributed.

Our negative operating working capital increased by €1,205.9 million in the year ended September 30, 2013 compared to September 30, 2012, principally due to the consolidation of Logista France. Our negative operating working capital decreased by €11.8 million in the year ended September 30, 2012, principally driven by a decrease in tobacco volumes in Spain and Italy.

Collection and payment cycle

A significant factor influencing our operating working capital are the tax and trade payment cycles in our tobacco distribution business, which accounts for the most substantial portion of our cash flow.

We collect significant amounts of VAT and excise duty on tobacco products (collectively, "Tobacco taxes") on behalf of relevant governmental taxation authorities in our markets that we remit to such authorities on a regular basis. These Tobacco taxes are not included in our revenues. The frequency of our remittances of Tobacco taxes varies across our markets and is subject to change. Tobacco taxes are payable on an average of 35 days, although there are variations across our markets, with one to three tax payment cycles per month.

The following table summarizes our current Tobacco taxes payment cycles in Spain, Italy and France:

Spain	• VAT is payable on the 20th day of the month immediately following the month in which the relevant sales were made and excise tax is payable on the 20th day of the month immediately following the month in which stocks were moved from the "fiscal" warehouse (where stock is held free of excise duty) to the "consumption" warehouse (where stock includes excise duty). Stock is generally moved to the "consumption" warehouse shortly before the time of sale.
Italy	• Excise tax is payable on the 15th and 30th day of the month immediately following the month in which the relevant sales were made
	• VAT is payable on the 15th day of the month immediately following the month in which the sales were made.
France	• 45% of excise tax and VAT related to nationally manufactured products is payable on the 25th of the month immediately following the month in which the relevant sales were made
	• 10% of excise tax and VAT related to nationally manufactured products and 100% of excise tax for all other products is payable on the 5th day of the second month immediately following the month in which the relevant sales were made
	• The balance of excise tax and VAT is payable on the 15th day of the second month immediately following the month in which the relevant sales were made

The amount of Tobacco taxes we collect exceed our revenues by a substantial margin and amounted to approximately €17,543 million and €17,550 million for the six months ended March 31, 2014 and 2013 and €23,774 million, €23,446 million and €36,750 million for the years ended September 30, 2011, 2012 and 2013 (excluding Logista France). As of March 31, 2014 and September 30, 2013, the amounts we owed to tax authorities for VAT and excise duties in Spain, France and Italy amounted to €3,901 million and €4,244 million, respectively.

Our principal receivable is trade and other receivables from tobacconists, which is typically paid between six and 16 days, with an average of 11 days. Our payables operate on a different cycle, with manufacturers typically being paid on a monthly billing cycle of approximately 33 days, which approximately coincides with the average time we hold inventory in stock.

We experience substantial variations in our monthly cash balances with the lowest average position typically at the end of the first half of the financial year and the highest average position at the end of the financial year, as a result of the seasonality of tobacco volumes and, to a lesser extent, differences in inventory levels. In the year ended September 30, 2013, the maximum, average and minimum cash and cash equivalents and other current financial assets of the Logista Group amounted to €2,204 million, €1,243 million and €211 million, respectively.

Treasury arrangement with Imperial Tobacco

As a result of our negative operating working capital, we typically have a large positive cash position. To manage our cash position, we have had a treasury arrangement in place with the Selling Shareholder from 2000 to 2008 and with a subsidiary of Imperial Tobacco since 2008, and Logista France has been included in this arrangement since 2013. The arrangement, which is currently set forth in the treasury agreement entered on June 12, 2014, provides for Logista to act as consolidator for Logista France's and Logista Italia, S.p.A's cash flows and permits both Imperial Tobacco (through Imperial Tobacco Enterprise Finance Limited) and Logista to act as lender or borrower, subject to available funds on the part of the lender (i.e., Logista or Imperial Tobacco Enterprise Finance Limited, as the case may be), solvency on the part of the borrower and legality. In practice, Logista is typically the lender under the arrangement. Pursuant to this arrangement, the Issuer may obtain third-party financing or create a security interest on its assets only with the approval of 70% of the Issuer's Board (see "Management and Board of Directors—Board of Directors of the Issuer").

The arrangement provides for a maximum credit line of €2 billion and carries an interest rate of ECB base rate plus 75 basis points per annum. The treasury arrangement has an initial term of five years, with that term being automatically renewed thereafter by one year periods unless a party has given one year's prior written notice to the other party that the term will not be automatically renewed.

The arrangement may be terminated on the insolvency of either party or insolvency proceedings being commenced in respect of either party (an "insolvency event"), on breach by either party of its payment obligations (a "payment breach"), a breach by either party or the Issuer of its undertakings (a "material breach"), if Logista ceases to be a wholly-owned subsidiary of the Issuer (a "Logista change of control"), if Imperial Tobacco ceases to directly or indirectly beneficially own more than 50% of the issued share capital of the Issuer (a "change of control") or if Logista ceases to be the only member of the Logista Group into which surplus cash of the Logista Group is pooled or ceases to have a power of direction in respect of such cash (a "cash pool change event"). The party not in breach may terminate the arrangements in the case of a payment breach or a material breach and the party that is not the subject of an insolvency event may terminate the arrangements in the case of an insolvency event in respect of the other party. Either party may terminate the arrangements in the case of a change of control. Imperial Tobacco may terminate the arrangements in the case of a Logista change of control or a cash pool change event.

Following termination, any outstanding amounts must be repaid within 30 days of notification in the case of a payment breach, material breach, change of control, Logista change of control or a cash pool change event or at a date specified by the terminating party in the case of an insolvency event. Lending under the treasury arrangement is unsecured. As a result of this arrangement, the lending entity is subject to counterparty risk. As of March 31, 2014, €912.8 million was outstanding and payable by Imperial Tobacco to Logista, and as of September 30, 2013, €1.6 billion was outstanding and payable by Imperial Tobacco to Logista.

Prior to entering Logista's treasury arrangement, Logista France had a separate treasury arrangement with Imperial Tobacco that had been in effect since October 1, 2011. Such arrangement provided for an interest rate of EONIA plus 12.5 basis points. Prior to that date, the rate under Logista France's arrangement was ECB base rate plus 75 basis points.

Indebtedness

As of March 31, 2014, our outstanding current bank borrowings totalled €4.2 million. For the six months ended March 31, 2014, the average interest rate on our borrowings was 2.4% and the average interest rate on our borrowings for the financial year ended September 30, 2013 was 2.22%.

The following table sets forth our indebtedness as of the dates indicated.

	As of March 31, 2014	As of September 30, 2013	2012	2011
	(€ million)			
Current liabilities—bank borrowings	4.2	3.7	5.3	5.8
Non-current liabilities—bank borrowings	—	—	—	—
Total financial debt	**4.2**	**3.7**	**5.3**	**5.8**

Capital Expenditures, Investments and Divestments

Capital Expenditures

Our capital expenditures are primarily for new investments in developing our logistics infrastructure, enhancing our IT platform which is fundamental to our logistics and distribution network and increasing integration with retailers with the goal of improving our distribution capability and providing hard-to-duplicate value-added services. A relatively smaller portion of our capital expenditure is for on-going maintenance and our warehouse facilities. As a result of our focus on reducing our fixed distribution assets in order to maintain a flexible business model, we expect that our future capital expenditures will be in line with recent years.

The table below sets forth certain information in relation to our capital expenditures in the six months ended March 31, 2014 and 2013 and the years ended September 30, 2013, 2012 and 2011.

	Six months ended March 31,		Year ended September 30,		
	2014	2013	2013	2012	2011
	(€ million)				
Maintenance	2.6	2.4	4.8	2.3	2.4
Warehouses and operational improvements	6.7	11.7	18.7	10.1	9.8
Information technology	9.1	6.8	15.6	11.4	17.2
Total	**18.4**	**20.9**	**36.1**	**23.6**	**28.9**

During the six months ended March 31, 2014, our total capital expenditure amounted to €18.4 million. Significant items of capital expenditure during these six months included: warehouse security systems, improvements in automatic picking systems and software development.

During the six months ended March 31, 2013, our total capital expenditure amounted to €20.9 million. Significant items of capital expenditure during these six months included: improvements in automatic picking machinery in Italy, acquisition of semi-trailers and implementation of SAP software for wholesale convenience products distribution.

During the year ended September 30, 2013, our total capital expenditure amounted to €36.1 million. Significant items of capital expenditure during the year included: purchasing automated picking equipment and improving warehousing facilities in Italy, acquisition of semi-trailers and improvements in IT ERP systems.

During the year ended September 30, 2012, our total capital expenditure amounted to €23.6 million. Significant items of capital expenditure during the year included: purchasing automated picking equipment in Italy, reorganizing warehousing facilities in Barcelona to rationalize the regional distribution network and improving security systems in warehouses and IT development.

During the year ended September 30, 2011, our total capital expenditure amounted to €28.9 million. Significant items of capital expenditure during the year included: installing TPOS systems and vending machines at points-of-sale, IT infrastructure redevelopment, reorganizing warehousing facilities in Valencia to rationalize the regional distribution network and IT development.

Contractual Obligations

The table below sets forth the amount of our contractual and contingent obligations, as of March 31, 2014, based on contractual and undiscounted payments.

	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
			(€ million)		
Borrowings	4.2	4.2	—	—	—
Leases	—	—	—	—	—

Quantitative and Qualitative Disclosures about Market Risk

We are exposed, as a result of the normal course of our business activities, to a number of risks, the most significant of which are noted below. We do not enter into hedging activities with derivatives and non-derivative instruments.

Liquidity Risk

We are required to meet payments arising from our ordinary business activities, including significant amounts relating to excise duties and VAT. For the six months ended March 31, 2014 and the year ended September 30, 2013, we paid €17.5 billion and €36.8 billion, respectively, in excise duties and VAT. As a result of the difference between the average collection and payment cycles, as of March 31, 2014, we had a negative operating working capital of €2.1 billion, compared to €2.6 billion as of September 30, 2013. See "—Operating Working Capital—Collection and payment cycle." The amount of cash and cash and equivalents, including financial accounts receivable from the Imperial Tobacco Group, as of March 31, 2014 was €0.9 billion. Under the current payment cycle, Logista has never historically had a negative cash position. However, material and adverse changes in market conditions could result in our cash position being reduced to zero or negative. To address changes in our operating working capital position, we have entered into a treasury arrangement with Imperial Tobacco that provides us and Imperial Tobacco, reciprocally, with a credit line of up to €2 billion. See "—Liquidity and Capital Resources—Operating Working Capital—Treasury arrangement with Imperial Tobacco" above and "Risk Factors—Risks Relating to Our Operations—We are exposed to credit and liquidity risk as a result of our treasury arrangement with Imperial Tobacco."

Credit Risk

Our principal financial assets are cash and cash equivalents and trade and other receivables, with the latter two assets with the highest concentration of risk with respect to doubtful debts and past-due amounts. Generally, we have our excess cash and cash equivalents pooled with Imperial Tobacco as part of our treasury arrangement. Most of this cash is restricted, as it relates to Tobacco taxes that we collect on behalf of relevant government authorities. As of March 31, 2014, €0.9 billion was outstanding and payable by Imperial Tobacco to Logista, and as of September 30, 2013, €1.6 billion was outstanding and payable by Imperial Tobacco to Logista. Lending under the treasury arrangement is unsecured. See "—Liquidity and Capital Resources—Operating Working Capital—Treasury arrangement with Imperial Tobacco" above. Any other cash or cash equivalents we have is deposited at financial institutions with a high level of solvency.

In terms of our trade and other receivables, we seek to mitigate the default and delinquency risks by setting credit limits, monitoring daily credit performance and establishing performance criteria, including stringent conditions in relation to collection periods. Our commercial risk is spread out over a large number of customers that have shorter collection periods and extremely low historical default rates, even during the challenging economic conditions of the global economic crisis, and, as a result, we believe our exposure to third-party credit risk (other than to Imperial Tobacco as noted above) is limited. See "Risk Factors—Risks Relating to Our Operations—We are exposed to credit and liquidity risk as a result of our treasury arrangement with Imperial Tobacco."

Interest Rate Risk

In relation to our cash and cash equivalents and borrowings, we are exposed to interest rate fluctuations which might affect our profit and cash flows. Due to our low borrowing level, we are of the view that this is not currently a material risk to our business in relation to our borrowings. Our average cash position during 2013 was €1.3 billion, which means that a 1% change in interest rates would have a pre-tax effect of €13 million in our results of operations. See "Risk Factors—Risks Relating to Our Operations—Fluctuating interest rates could adversely affect our results of operations."

Exchange Rate Risk

The reporting currency in our Consolidated Financial Statements is the euro, and Logista and our subsidiaries prepare their financial statements in euro, with the exception of two Polish subsidiaries and a Moroccan subsidiary, although their activities are not significant in relation to the Group's business taken as a whole. Most of our revenue is denominated in euro, and the volume of our transactions in currencies other than the euro is not material. We also do not have significant investments in foreign entities that operate in currencies other than the euro, and we do not carry out significant transactions in countries that do not use the euro as their currency. As a result, the level of exposure to the effects of future changes in foreign currency exchange rates is limited.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Contingencies

As noted above, we collect significant amounts of Tobacco taxes on behalf of relevant governmental authorities in connection with our tobacco distribution business, with a typical payment cycle of 35 days. As of March 31, 2014 and September 30, 2013, the amount of Tobacco taxes payable was €3.9 billion and €4.2 billion, respectively. These amounts are unsecured. Pursuant to law, however, the French and Italian governments are entitled to obtain bank guarantees from us in the event that we are no longer perceived as financially solvent. The guarantee amounts that may be required are based on a formula based on the sales generated in any relevant period. The maximum guarantee that we could be required to provide based on our sales would have amounted to €4.0 billion and €8.3 billion as of March 31, 2014 and September 30, 2013, respectively, with the largest portion of such amount attributable to Italy. Although we have never been required to provide such guarantees, if a relevant governmental authority requires us to provide such guarantees in relation to our tax collection activities, we would be required to incur substantial additional costs or may not be able to obtain such guarantees on commercially acceptable terms or at all.

Taxation

Our effective tax rate was 37.8%, 18.8%, 25.5%, 30.1% and 28.8% for the six months ended March 31, 2014 and 2013 and the years ended September 30, 2013, 2012 and 2011. The table below sets forth our effective tax rate for the periods indicated.

	For the six months ended March 31,		For the year ended September 30,		
	2014	**2013**	**2013**	**2012**	**2011**
			(%)		
Iberia and Corporate and Others	31.9	30.6	30.0	26.4	25.7
France	40.7	17.6	26.1	—	—
Logista France acquisition's assets amortization	36.1	36.1	36.1	—	—
Italy	39.3	32.6	31.7	32.5	31.4
Total Logista Group	**37.8**	**18.8**	**25.5**	**30.1**	**28.8**

For the six months ended March 31, 2014, our effective tax rate was higher compared to the six months ended March 31, 2013, as a result of the deconsolidation of Logista France from Imperial Tobacco's French fiscal consolidation group. In addition, income tax for the six months ended March 31, 2014 included an amount of €1.5 million relating to a provision made for corporate income tax litigation in Italy.

For the year ended September 30, 2013, several key factors impacted our effective tax rate, including:

- an €11.6 million credit applicable to Logista France as a result of being part of Imperial Tobacco fiscal group in France until September 30, 2012;
- an additional deduction of €52.2 million relating to the portion of the purchase price of Logista France that was allocated to the French distribution agreements with tobacco manufacturers which

was recorded as an intangible asset in the Consolidated Financial Statements and is being amortized using a straight-line method over a period of 15 years; and

- a reduction in the tax deduction rate of consolidation goodwill amortization in Spain from 5% to 1% in 2011, which impacted the deduction applicable to the purchase of certain businesses in Italy and in our transport business line, resulting in a higher effective tax rate in the 2012 and 2013 financial years.

The increase in the effective tax rate for Iberia and Corporate and Others from 2011 to 2013 was principally due to lower deductions applied in each year, decreasing from €2.9 million in 2011 to €2.1 million in 2012 and €0.9 million in 2013.

The variation in the effective tax rate among the years for Italy relates mainly to the origin of transactions, as different provinces of Italy have different tax rates.

For the years ended September 30, 2011 and 2012, Logista France formed part of Seita's fiscal group, and its effective tax rate, at 13.3% and 24.1%, respectively, was lower than the official tax rate, at 36.1%, due to tax savings realized from its consolidation in the Seita fiscal group. For the year ended September 30, 2014 and future financial years, our effective tax rate will increase as a result of the deconsolidation of Logista France from Imperial Tobacco's French fiscal consolidation group.

The table below sets forth our tax assets, receivables, liabilities and payables for the periods indicated.

	As of March 31, 2014	As of September 30,		
		2013	2012	2011
		(€ million)		
Deferred tax assets	**62.5**	**57.0**	**47.8**	**49.4**
Provision for restructuring costs	7.4	7.0	4.3	7.5
Tax loss and tax credit carry forwards	42.8	39.1	29.7	23.2
Provision for third-party liability	3.1	3.0	3.3	4.3
Other deferred tax assets	9.2	7.9	10.5	14.5
Tax receivables (current)	15.3	14.5	5.2	12.1
VAT refundable	13.2	11.9	3.7	10.7
Income tax refundable	1.8	1.7	1.4	1.1
Other	0.3	0.9	0.1	0.2
Deferred tax liabilities	366.2	374.7	103.3	101.2
Assets contributed	0.9	0.9	1.0	1.0
Revaluation of land owned by Logista	8.6	8.6	8.6	8.6
Goodwill	95.0	94.1	92.3	89.5
Business combination	259.7	269.1	—	—
Other	2.2	2.0	1.4	2.3
Tax payables (current)	**3,999.5**	**4,321.4**	**2,141.4**	**2,394.6**
Excise duty on tobacco products	3,158.0	3,431.4	1,664.4	1,861.5
VAT payable	742.6	812.7	443.9	502.8
Customs duty settlements	13.0	5.7	5.6	6.6
Income tax, net of prepayments	28.5	15.2	16.9	13.7
Personal income tax withholdings	2.9	2.4	2.6	2.0
Social security taxes payable	21.2	18.1	5.4	6.3
Tax retention to tobacconists (France)	27.8	28.0	—	—
Other	5.5	7.9	2.6	1.7

Supplementary Combined Financial Information

As described above under "Key Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Acquisition of Altadis Distribution France", on October 9, 2012, Logista acquired all the shares of Altadis Distribution France, S.A.S. (now Logista France S.A.S.) from Seita, S.A.S., whose ultimate controlling shareholder is also Imperial Tobacco. The results of operations of Logista France have been fully consolidated into the 2013 Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements.

In order to provide comparable financial information for the financial years ended September 30, 2012 and 2011, set forth below is certain supplementary Combined Financial Information. See "Presentation of Financial Information—Supplementary Combined Financial Information of the Logista Group."

Consolidated Results of Operations for the Financial Year Ended September 30, 2013 and Combined Results of Operations for the Financial Years Ended September 30, 2012 and 2011

The following table sets forth our consolidated income statements for the financial year ended September 30, 2013 and our combined income statements for the financial years ended September 30, 2012 and 2011.

	Year ended September 30,		
	2013	2012	2011
	Consolidated	Combined	
	(€ million)		
Revenue	**9,862.8**	**10,129.3**	**10,271.4**
Procurements	(8,851.3)	(9,089.0)	(9,200.3)
Gross profit	**1,011.5**	**1,040.4**	**1,071.1**
Cost of logistics networks			
Staff costs	(165.0)	(158.3)	(166.2)
Transport costs	(205.4)	(212.9)	(222.6)
Provincial sales office expenses	(71.3)	(79.6)	(85.0)
Depreciation and amortization charge	(87.5)	(33.3)	(34.7)
Other operating expenses	(156.0)	(159.1)	(170.2)
Total cost of logistics networks	**(685.1)**	**(643.1)**	**(678.7)**
Commercial expenses			
Staff costs	(42.3)	(43.5)	(45.3)
Other operating expenses	(25.9)	(28.0)	(29.0)
Total commercial expenses	**(68.2)**	**(71.5)**	**(74.3)**
Research expenses	(3.4)	(4.2)	(5.4)
Head office expenses			
Staff costs	(74.0)	(72.5)	(67.0)
Depreciation and amortization charge	(4.7)	(8.2)	(8.0)
Other operating expenses	(35.7)	(35.2)	(37.9)
Total head office expenses	**(114.3)**	**(115.8)**	**(112.9)**
Share of results of companies	(0.5)	(0.4)	(0.9)
Net loss on disposal and impairment of non-current assets	(14.4)	(20.2)	(0.1)
Other expenses	(2.5)	(4.7)	(0.2)
Profit from operations	**123.2**	**180.4**	**198.7**
Finance income	7.4	31.0	46.4
Finance costs	(11.6)	(11.9)	(11.0)
Profit before tax	**118.9**	**199.5**	**234.1**
Income tax	(30.3)	(55.2)	(51.0)
Profit for the period from continuing operations	**88.6**	**144.3**	**183.1**
Loss for the period from discontinued operations net of tax	(1.0)	(11.7)	0.7
Profit for the period	**87.6**	**132.6**	**183.9**

Consolidated Results of Operations for the Financial Year Ended September 30, 2013 and Combined Results of Operations for the Financial Year Ended September 30, 2012

Revenue

The following table sets forth our consolidated revenues by geography and business line for the financial year ended September 30, 2013 and our combined revenues by geography and business line for the financial year ended September 30, 2012.

	Year ended September 30, 2013	% of 2013 Revenue	Year ended September 30, 2012	% of 2012 Revenue	% Change 2012 - 13
	Consolidated		Combined		
	(€ million)		(€ million)		
Iberia	2,608.3	26.4%	2,666.5	26.3%	(2.2)%
Tobacco and Related(1)	2,242.2	22.7%	2,303.7	22.7%	(2.7)%
Transport	315.6	3.2%	324.6	3.2%	(2.8)%
Other Businesses(2)	84.9	0.9%	64.4	0.6%	31.7%
Other & Adjustments	(34.4)	(0.3)%	(26.2)	(0.3)%	(31.1)%
Italy—Tobacco and Related(1)	2,749.3	27.9%	2,901.4	28.6%	(5.2)%
France	4,543.3	46.1%	4,596.0	45.4%	(1.1)%
Tobacco & Related(1)	4,347.6	44.1%	4,412.9	43.6%	(1.5)%
Other Businesses(3)	206.0	2.1%	195.9	1.9%	5.2%
Other & Adjustments	(10.3)	(0.1)%	(12.7)	(0.1)%	19.1%
Corporate & Others	(38.1)	(0.4)%	(34.6)	(0.3)%	(10.2)%
Total revenue	**9,862.8**	**100.0%**	**10,129.3**	**100.0%**	**(2.6)%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

(3) Principally includes foods and other convenience products sold to a variety of convenience stores and retailers (non-tobacconists).

On a combined basis, revenue decreased by 2.6% to €9,862.8 million in the year ended September 30, 2013 from €10,129.3 million in the year ended September 30, 2012. The principal factor driving the decrease in revenue from 2012 to 2013 was a decrease in tobacco volumes due to continued weak economic conditions across our markets as well as further increases in VAT and excise duties on cigarettes. The revenue impact of the overall volume decline in cigarettes was offset to a limited extent by an increase in the number of products we distributed as well as revenue generated from value-added services.

Iberia. Revenue in Iberia decreased 2.2% to €2,608.3 million in the year ended September 30, 2013 from €2,666.5 million in the year ended September 30, 2012, principally driven by decreasing cigarette stick equivalent volumes, which decreased by 12.0% in Spain and remained flat in Portugal, and the weak performance of our transport business. Economic conditions in both Spain and Portugal remained weak in 2013 compared to 2012. Although the decline in GDP slowed in both markets, consumption levels continued to decrease, particularly in Spain, which drove down demand for cigarettes as well as our other products and services. Retail selling prices for cigarettes continued to increase in 2013, growing at a rate of 6.2% in Spain and 2.6% in Portugal as governments continued to increase excise duties at a rate well in excess of inflation. The decline in revenue from declining cigarette volumes was offset by better performance in other business lines, including pharma and distribution of convenience goods. Our revenues were also positively impacted by favorable cigar and RYO performance in the year ended September 30, 2013 compared to the year ended September 30, 2012 due to more limited adverse changes in taxation as well as lower price points for RYO products. Over this period, cigar volumes increased by 7.4% and RYO volumes increased by 11.3%.

Italy. Revenue in Italy decreased 5.2% to €2,749.3 million in the year ended September 30, 2013 from €2,901.4 million in the year ended September 30, 2012, principally driven by a 6.1% reduction in cigarette stick equivalent volumes. Real GDP continued to shrink in Italy in 2013 and unemployment rates increased significantly from 10.7% to 12.5%, both of which had negative impacts on demand for cigarettes and other tobacco products. However, between these two years, cigar and RYO volumes remained resilient, with cigar revenues remaining relatively stable in the year ended September 30, 2013 compared to the year ended September 30, 2012 and cigar volumes declining by 2.4%. During the same period, RYO volumes declined by 1.2%, with an increase in revenue as a result of an improved product mix.

France. Revenue in France decreased 1.1% to €4,543.3 million in the year ended September 30, 2013 from €4,596.0 million in the year ended September 30, 2012 principally also driven by a 9.0% reduction in cigarette stick equivalent volumes. Economic conditions in France remained flat, with minimal growth in 2013 and increases in the unemployment rate. The French market saw a particularly high increase in excise duties, with excise duties increasing by €0.60 per pack, which was double the rate of prior years, resulting in an increase in the RSP per pack of cigarettes by 7.7% (on average), following on from a 5.6% increase (on average) in the RSP in the prior year. Our revenues benefitted from improved RYO performance and relatively stable cigar performance in France in the year ended September 30, 2013 compared to the year ended September 30, 2012 due to more limited adverse changes in taxation as well as lower price points for RYO products. Over this period, cigar volumes decreased slightly by 4.3% and revenue decreased slightly. RYO volumes increased by 2.2% and revenue increased by a proportionality greater amount. However, the continued weak economic conditions negatively impacted other products, particularly telephony, which also negatively impacted our revenues.

Gross profit (or Economic sales)

The following table sets forth our consolidated gross profit by geography and business line for the financial year ended September 30, 2013 and our combined gross profit by geography and business line for the financial year ended September 30, 2012.

	Year ended September 30, 2013	% of 2013 Gross profit	Year ended September 30, 2012	% of 2012 Gross profit	% Change 2012 - 13
	Consolidated		Combined		
	(€ million)		(€ million)		
Iberia	520.7	51.5%	527.8	50.7%	(1.4)%
Tobacco and Related[(1)]	273.7	27.1%	264.1	25.4%	3.6%
Transport	200.7	19.8%	207.7	20.0%	(3.4)%
Other Businesses[(2)]	46.5	4.6%	47.3	4.5%	(1.8)%
Other & Adjustments	(0.2)	0.0%	8.7	0.8%	(101.8)%
Italy—Tobacco and Related[(1)]	192.2	19.0%	208.1	20.0%	(7.6)%
France	298.4	29.5%	302.0	29.0%	(1.2)%
Tobacco & Related[(1)]	252.7	25.0%	258.8	24.9%	(2.4)%
Other Businesses[(3)]	52.4	5.2%	50.0	4.8%	4.9%
Other & Adjustments	(6.7)	(0.7)%	(6.7)	(0.6)%	0.1%
Corporate & Others	0.2	0.0%	2.4	0.2%	(92.3)%
Total gross profit	**1,011.5**	**100.0%**	**1,040.4**	**100.0%**	**(2.8)%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

(3) Principally includes foods and other convenience products sold to a variety of convenience stores and retailers.

On a combined basis, gross profit decreased by 2.8% to €1,011.5 million in the year ended September 30, 2013 from €1,040.4 million in the year ended September 30, 2012, principally as a result of reduction in sales volumes to tobacconists.

Iberia. Gross profit in Iberia decreased 1.4% to €520.7 million in the year ended September 30, 2013 from €527.8 million in the year ended September 30, 2012, primarily due to the weak performance of our transport business due to continued weak economic conditions. Although sales volumes (stick equivalents) to tobacconists decreased by 12.0%, gross profits generated by sales to tobacconists increased by 3.6% as the volume decrease was significantly mitigated by a higher gross margin per unit as well as a broader range of products and services distributed (including both tobacco and convenience goods). The balance of our business lines (excluding our transport business) remained flat as increased sales to pharmacies were offset by a decline in books and publications and other segments. Gross profit in our transport business decreased 3.4% to €200.7 million in the year ended September 30, 2013 from €207.7 million in the year ended September 30, 2012 as a result of a decrease in transport services provided, due to the deteriorating economic climate.

Italy. Gross profit in Italy decreased by 7.6% to €192.2 million in the year ended September 30, 2013 from €208.1 million in the year ended September 30, 2012 principally due to a 6.1% volume reduction and the one-off effect of the VAT increase in Italy that was effective of October 1, 2013 that resulted in a write-down of inventories by €8.4 million during that period.

France. Gross profit in France decreased 1.2% to € 298.4 million in the year ended September 30, 2013 from €302.0 million in the year ended September 30, 2012. Similar to our performance in Iberia, although sales volumes (stick equivalents) to tobacconists decreased by 9.0%, gross profits generated by sales to tobacconists only decreased by 2.4% as the volume decrease was significantly mitigated by a higher gross margin per unit distributed as well as an increase in gross profits generated by our other business lines, principally convenience products.

Profit from operations

On a combined basis, profit from operations decreased 31.7% to €123.2 million in the year ended September 30, 2013 from €180.4 million in the year ended September 30, 2012, principally due to our increased amortization charges related to Logista France, increased restructuring expenses, asset impairments and the inventory provision taken in Italy. The reductions in our profit from operations were partially offset by a number of cost-reduction measures, including overall rationalization of the commercial sales force, headcount reductions in Spain, resizing of distribution networks in Portugal and France, reduction of local warehouses in Italy from 211 to 175, reduction of rental fees due to the restructuring of the logistics operations in Barcelona, the general reorganization of transport routes, increased marketing contribution by our partners in the lottery business (which reduced our expenses) and lower spending on development of the TPOS system as a result of cost-effective outsourcing of non-core activities. See "—Key Factors Affecting Our Results of Operations—Focus on Cost Management".

Combined Results of Operations for the Financial Years Ended September 30, 2012 and 2011

Revenue

The following table sets forth our combined revenues by geography and business line for the financial years ended September 30, 2012 and 2011.

	Year ended September 30, 2012	% of 2012 Revenue	Year ended September 30, 2011	% of 2011 Revenue	% Change 2011 - 12
	Combined		Combined		
	(€ million)		(€ million)		
Iberia	2,666.5	26.3%	2,723.9	26.5%	(2.1)%
Tobacco and Related[(1)]	2,303.7	22.7%	2,362.3	23.0%	(2.5)%
Transport	324.6	3.2%	336.2	3.3%	(3.4)%
Other Businesses[(2)]	64.4	0.6%	52.9	0.5%	21.7%
Other & Adjustments	(26.2)	(0.3)%	(27.5)	(0.3)%	4.6%
Italy—Tobacco and Related[(1)]	2,901.4	28.6%	2,994.9	29.2%	(3.1)%
France	4,596.0	45.4%	4,579.1	44.6%	0.4%
Tobacco & Related[(1)]	4,412.9	43.6%	4,347.5	42.3%	1.5%
Other Businesses[(3)]	195.9	1.9%	192.8	1.9%	1.6%
Other & Adjustments	(12.7)	(0.1)%	38.8	0.4%	(132.9)%
Corporate & Others	(34.6)	(0.3)%	(26.5)	(0.3)%	(30.4)%
Total revenue	**10,129.3**	**100.0%**	**10,271.4**	**100.0%**	**(1.4)%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

(3) Principally includes foods and other convenience products sold to a variety of convenience stores and retailers.

On a combined basis, revenue decreased by 1.4% to €10,129.3 million in the year ended September 30, 2012 from €10,271.4 million in the year ended September 30, 2011. The principal factor driving the decrease in revenue from 2011 to 2012 was a decrease in tobacco volumes due to continued weak economic conditions across our markets as well as further increases in VAT and excise duties on cigarettes.

The revenue impact of the overall volume decline in cigarettes was offset to a limited extent by an increase in the number of products we distributed as well as revenue generated from value-added services.

Iberia. Revenue in Iberia decreased 2.1% to €2,666.5 million in the year ended September 30, 2012 from €2,723.9 million in the year ended September 30, 2011, principally driven by decreasing cigarette stick equivalent volumes, which decreased by 12.4% in Spain and 4.7% in Portugal. Economic conditions in both Spain and Portugal were significantly weaker in 2012 compared to 2011, with Spain falling back into recession after remaining stagnant in 2011 and GDP in Portugal further declining by 3.2% in 2012 compared to a decline of 0.2% in 2011. These declines in GDP were reflected in sharp declines in consumption, with GDP private final consumption expenditure in constant prices declining 2.8% in Spain and 5.3% in Portugal. Against this weak economic backdrop, retail selling prices for cigarettes continued to increase in 2012 following increases in 2011, growing at a rate of 8.9% and 13.8% in Spain in 2012 and 2011, respectively and 2.7% and 5.7%in Portugal in 2012 and 2011, respectively. The decline in revenue from declining cigarette volumes was somewhat offset by favourable performance in cigar and RYO products. Between the years ended September 30, 2012 and 2011, cigar volumes increased by 21.6% with a slightly smaller increase in revenue and RYO volumes increased by 14.9% and revenue increased by a somewhat larger amount due to improved product mix . Revenues of transport services decreased by 3.4% due to a reduction of transport volumes as well as continued weak economic conditions. Revenues in the balance of our business lines increased by 21.7%, primarily driven by the development of our pharma direct delivery business.

Italy. Revenue in Italy decreased 3.1% to €2,901.4 million in the year ended September 30, 2012 from €2,994.9 million in the year ended September 30, 2011, principally as a result of a decline in tobacco market volumes by 8.4% in stick equivalents. Economic conditions significantly worsened in Italy in 2012, with GDP shrinking by 2.4% after slight growth of 0.4% in 2011. The unemployment rate increased to 10.7% in 2012 after remaining stable at 8.4% in the prior two years. These factors had a significant negative impact on consumption, with GDP private final consumption expenditure declining by 4.1% in 2012 after declining by 0.3% in 2011. 2012 and 2011 also saw large increases in the retail selling price of cigarettes as a result of VAT increase, with an increase of 7.6% in 2012 and 3.4% in 2011. However, cigar volumes remained resilient between the years ended September 30, 2012 and 2011, with cigar revenues slightly increasing and volumes only declining by 1.4%. RYO volumes showed a large improvement, increasing by 64.4% with revenues increasing at a greater rate as consumer increasingly shifted to relatively lower cost RYO products.

France. Revenue in France increased by 0.4% to €4,596.0 million in the year ended September 30, 2013, compared to €4,579.1 million in the year ended September 30, 2012 as the decline in tobacco market volumes by 4.2% was offset by increases in RSP. Economic conditions deteriorated in France but were less severe than in Spain and Italy, as GDP growth remained stagnant in France in 2012. GDP private final consumption expenditure at constant prices declined by 0.3% and cigarette retail selling prices increased by 5.6%, both of which had a negative impact on tobacco volumes. Cigar volumes remained relatively flat between the years ended September 30, 2012 and 2011, with a decrease of 2.1%, with cigar revenues slightly increasing. RYO volumes increased by 5.6% with revenues increasing at a greater rate.

Gross profit (or Economic sales)

The following table sets forth our combined gross profit by geography and business line for the financial years ended September 30, 2012 and 2011.

	Year ended September 30, 2012	% of 2012 Gross profit	Year ended September 30, 2011	% of 2011 Gross profit	% Change
	Combined		Combined		
	(€ million)		(€ million)		
Iberia	527.8	50.7%	540.5	50.5%	(2.3)%
Tobacco and Related(1)	264.1	25.4%	264.7	24.7%	(0.2)%
Transport	207.7	20.0%	213.9	20.0%	(2.9)%
Other Businesses(2)	47.3	4.5%	48.0	4.5%	(1.3)%
Other & Adjustments	8.7	0.8%	14.0	1.3%	(37.7)%
Italy—Tobacco and Related(1)	208.1	20.0%	209.3	19.5%	(0.6)%
France	302.0	29.0%	316.0	29.5%	(4.4)%
Tobacco & Related(1)	258.8	24.9%	253.5	23.7%	2.1%
Other Businesses(3)	50.0	4.8%	49.5	4.6%	1.0%
Other & Adjustments	(6.7)	(0.6)%	13.1	1.2%	(151.5)%
Corporate & Others	2.4	0.2%	5.3	0.5%	(54.5)%
Total gross profit	**1,040.4**	**100.0%**	**1,071.1**	**100.0%**	**(2.9)%**

(1) Includes tobacco, convenience and related products and services sold to tobacconists and other points-of-sale (including convenience channels).

(2) Includes distribution of books and pharma products

(3) Principally includes foods and other convenience products sold to a variety of convenience stores and retailers.

Gross profit decreased 2.9% to €1,040.4 million in the year ended September 30, 2012 from €1,071.1 million in the year ended September 30, 2011, principally due to decreased sales volumes to tobacconists and weakness in the transport business in Iberia.

Iberia. Gross profit in Iberia decreased 2.3% to €527.8 million in the year ended September 30, 2012 from €540.5 million in the year ended September 30, 2011, primarily due to weakness in the transport business which decreased its activity due to the severe economic conditions with GDP dropping in Spain and Portugal by 1.6% and 3.2% respectively in 2012. Gross profits generated from sales to tobacconists decreased by 0.2% as volumes dropped by 12.4%, largely offsetting a higher per unit gross margins and the introduction of new products and services in the tobacconist network. Gross profit from other businesses decreased by 1.3% as growth in the pharma business was not enough to offset the impact of poor economic conditions in other business lines, including books and publications.

Italy. Gross profit in Italy decreased by 0.6% to €208.1 million in the year ended September 30, 2012 from €209.3 million in the year ended September 30, 2011, as the 8.4% reduction in stick equivalent tobacco volumes was largely offset by higher per unit gross margins as well as the introduction of products into the tobacconist network.

France. Gross profit in France decreased 4.4% to € 302.0 million in the year ended September 30, 2012 from €316.0 million in the year ended September 30, 2011, principally as a result of divestment of our French stationery business, as well as due to continuing weak economic conditions, offset to some extent by a higher gross margin per unit distributed given lower volumes.

Profit from operations

On a combined basis, profit from operations decreased 9.2% to €180.4 million in the year ended September 30, 2012 from €198.7 million in the year ended September 30, 2011, principally due to increased restructuring expenses and asset impairments due to weak economic conditions. The reductions in our profit from operations were partially offset by a number of cost-reduction measures across each of our geographies. See "—Key Factors Affecting Our Results of Operations—Focus on Cost Management".

Consolidated Statement of Cash Flow for the Financial Year Ended September 30, 2013 and Combined Statement of Cash Flow for the Financial Years Ended September 30, 2012 and 2011

The following table sets forth our consolidated statement of cash flow for the financial year ended September 30, 2013 and our combined statements of cash flow for the financial years ended September 30, 2012 and 2011.

	Year ended September 30,		
	2013	2012	2011
	Consolidated	Combined	
	(€ million)		
Operating Activities:			
Consolidated profit before tax from continuing operations	**118.9**	**199.5**	**234.1**
Adjustments for—			
Profit of companies accounted for using the equity method	0.5	0.4	0.9
Depreciation and amortisation charge	92.2	42.6	43.7
Period provisions	41.0	30.8	7.5
Proceeds from disposal of non-current assets	(0.1)	0.9	0.3
Other adjustments to profit	9.3	20.1	(3.0)
Financial profit	4.2	(19.1)	(35.4)
Adjusted profit	**266.0**	**275.3**	**248.0**
Net change in assets / liabilities—			
(Increase)/Decrease in inventories	(18.5)	90.7	97.6
(Increase)/Decrease in trade and other receivables	73.8	(12.1)	(241.5)
(Increase)/Decrease in other non-current assets	(0.2)	(3.1)	(4.1)
Increase/(Decrease) in trade payables	(22.2)	199.6	(44.5)
Increase/(Decrease) in other current liabilities	(4.9)	(351.9)	259.7
Increase/(Decrease) in other non-current liabilities	(37.4)	(10.9)	8.8
Income tax paid	(35.4)	(42.4)	(39.7)
Finance income and costs	(4.2)	19.0	40.0
Total net cash flows from / (used in) operating activities	**217.1**	**164.3**	**324.3**
Investing Activities:			
Net investment in property, plant and equipment	(24.7)	(19.9)	(25.3)
Addition to intangible assets	(11.4)	(8.2)	(7.5)
Proceeds from / (Investments) and other current and non-current financial assets	(98.2)	19.3	99.3
Sale of non-current assets held for sale	0.2	—	—
Total net cash flows from / (used in) investing activities	**(134.1)**	**(8.8)**	**66.5**
Financing Activities:			
Dividends paid (−)	(74.3)	(118.7)	(417.6)
Changes in current borrowings	(33.3)	(15.8)	31.7
Changes in non-current borrowings	(0.2)	(1.5)	—
Minority interests	—	0.1	(1.1)
Reserves and other	—	—	0.3
Total net cash flows from / (used in) financing activities	**(107.9)**	**(135.9)**	**(386.8)**
Net increase/decrease in Cash and Cash Equivalents	**(24.9)**	**19.6**	**4.1**
Cash and cash equivalents at beginning of year	**46.3**	**155.2**	**151.1**
Cash incorporated by the additions to the scope of consolidation	128.5	—	—
Net change in cash and cash equivalents during the year	(24.9)	19.6	4.1
Total cash and cash equivalents at end of year	**149.9**	**174.8**	**155.2**

Total net cash from (used in) operating activities

Our total consolidated net cash flows from operating activities totalled €217.1 million in the year ended September 30, 2013, compared to €164.3 million on a combined basis in the year ended September 30, 2012. Our total net cash flow from operating activities is substantially affected by tobacco volumes and prices (which drive our profit), as well as the payment cycle for our products. See "Management's

Discussion and Analysis of Financial Condition and Results of Operations—Operating Working Capital—Collection and payment cycle." As a result of these factors, our net cash flow from operations can materially fluctuate on a day-to-day basis (depending upon a number of a factors, including build-up/sell-down of inventories, tax collections and payments), even when our average working position remains relatively stable. The increase in net cash from operating activities was attributable principally to end of period movements in our operating working capital position reflecting the particular timing of the collection and payment cycle, which more than offset the decrease in our adjusted profit in the year.

On a combined basis, our total net cash flows from operating activities totalled €164.3 million in the year ended September 30, 2012, compared to €324.3 million in the year ended September 30, 2011. Although adjusted combined profit improved principally as a result of certain non-cash items, our cash flows were negatively impacted by end of period movements in our operating working capital position.

Total net cash from (used in) investing activities

Our total consolidated net cash flows used in investing activities totalled €134.1 million in the year ended September 30, 2013, compared to €8.8 million used in investing activities on a combined basis in the year ended September 30, 2012. The increase in net cash used in investing activities was attributable principally to the variation in the intercompany accounts receivable with Imperial Tobacco (a difference of €117.5 million in current and non-current financial assets in the year ended September 30, 2013).

Our total combined net cash flows used in investing activities totalled €8.8 million in the year ended September 30, 2012, compared to total combined net cash flows from investing activities totalling €66.5 million in the year ended September 30, 2011. This change was attributable principally variation in the intercompany accounts receivable with Imperial Tobacco (a difference of €80.0 million in current and non-current financial assets in the year ended September 30, 2012), as well as certain investments in IT undertaken in 2011 that were not taken in 2012.

Total net cash from (used in) financing activities

On a combined basis, our total net cash flows used in financing activities in the years ended September 30, 2013, 2012 and 2011 corresponded to the dividends we paid to our shareholder, which amounted to €74.3 million, €118.7 million and €417.6 million for each of these periods, respectively, and movements in the intercompany accounts receivable with Imperial Tobacco.

Operating Working Capital

The table below, which is derived from our 2013 Audited Consolidated Financial Statements and our Combined Financial Statements, presents our operating working capital as of September 30, 2013 on a consolidated basis and as of September 30, 2012 and 2011 on a combined basis.

	As at September 30,		
	2013	2012	2011
	Consolidated	Combined	
	(€ million)		
Inventories	1,208.1	1,191.7	1,289.1
Trade and other receivables	1,560.1	1,652.1	1,650.4
Tax receivables	14.5	12.0	13.7
Other current assets	9.9	9.4	10.5
Trade and other payables	(1,037.6)	(1,143.3)	(944.3)
Tax payables	(4,321.4)	(4,367.4)	(4,657.8)
Other current liabilities	(54.7)	(60.0)	(98.5)
Operating working capital	**(2,621.2)**	**(2,705.4)**	**(2,736.9)**

Our operating working capital deficiency as at September 30, 2013 on a consolidated basis and as of September 30, 2012 and 2011 on a combined basis remained relatively stable as a result of the lack of changes in our collection and payment cycles. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Working Capital—Collection and payment cycle." Over these periods the impact of volume reductions was offset to some extent by price increases, which resulted in a limited impact on our overall operating working capital position. The reduction in our deficiency at September 30, 2013 (on a consolidated basis) compared to September 30, 2012 (on a combined basis) by

€84.2 million was due to a reduction in volumes due mainly to strikes in certain warehouses in France. The slight decrease on a combined basis of €31.5 million in the year ended September 30, 2012 compared to 2011 was due to the closing date of the period falling on a non-business day, which led to a delay in receipt of payments.

Tax Assets, Receivables, Liabilities and Payables

The table below sets forth our consolidated and combined tax assets, receivables, liabilities and payables for the periods indicated.

	As of March 31	As of September 30		
	2014	2013	2012	2011
	Consolidated		Combined	
	(€ million)			
Deferred tax assets	62.5	57.0	56.9	62.2
Tax receivables (current)	15.3	14.5	12.0	13.7
Deferred tax liabilities	366.2	374.7	104.1	101.6
Tax payables (current)	3,999.5	4,321.4	4,367.4	4,657.8

BUSINESS

Overview

We are the leading integrated tobacco distribution and logistics company in Southern Europe, with a market share exceeding 95% in Spain, Portugal, Italy and France (as a whole) in terms of tobacco volumes distributed (which represent approximately 194,578 million cigarettes and stick equivalents) in 2013 and are the trusted logistics partner in these markets for all the major tobacco manufacturers. Our core business has evolved from distributing tobacco for tobacco companies to tobacconists on a national basis (who typically operate in a retail monopoly model in our markets) to a competitive distribution and logistics business providing a broad spectrum of additional products and value-added services to different channels, including tobacco accessories, convenience goods, documents and e-transactions (such as mobile phone and transportation card top-ups), pharmaceutical products, books, publications and lottery games.

We combine our services in a flexible manner to meet diverse customer requirements. We also provide value-added and advanced customer services that are adaptable to our customers' needs, regulatory requirements and industry standards in the relevant sector. Our value proposition is premised on our ability to provide standard logistics, wholesaling, value-added and advanced customer services across the logistics value chain, resulting in synergies and economies of scale for our customers, allowing our customers to focus on their core business operations rather than dealing with multiple service providers.

In order to provide these services, we rely on a complete infrastructure network that covers the entire supply chain, from pick-up of products to the delivery to points-of-sale. As of March 31, 2014, our warehousing network consisted of 405 warehouses, including 42 central and regional warehouses and 363 local warehouses comprising, in aggregate, over 1 million square meters of warehousing space.

During the year ended September 30, 2013, we distributed to over 300,000 delivery points in Spain, Portugal, France, Italy and Poland and completed approximately 35 million deliveries. Our customers are primarily tobacco manufacturers, telecom companies, FMCG companies, pharmaceutical companies and publishing companies. We contract with these manufacturers to fill orders from points-of-sale in a variety of distribution channels, including tobacconists, kiosks, bookshops, petrol stations, hospitals and pharmacies, convenience stores and HORECA.

For the six months ended March 31, 2014 and the year ended September 30, 2013, we generated revenue of €4,581.8 million and €9,862.8 million, gross profit of €516.0 million and €1,011.5 million, adjusted operating profit of €103.2 million and €211.0 million and profits before tax of €65.8 million and €118.9 million. See "Presentation of Financial Information—Non-IFRS Measures of the Logista Group" for a reconciliation showing how adjusted operating profit is derived from the consolidated profit from operations.

Our Strengths

In our view, the following factors contribute to the strength of our integrated logistics business:

Market-leading distributor in Southern Europe operating through extensive networks

We are the leading provider of integrated distribution and logistics services to tobacco manufacturers in each of the principal markets in which we operate, with a market share of tobacco distribution exceeding 95% in Spain, Portugal, Italy and France (as a whole) in terms of tobacco volumes distributed in 2013 (which represent approximately 194,578 million cigarettes and stick equivalents), according to official data from the Spanish Tobacco Market Commission (*Comisionado para el Mercado de Tabacos*) ("CMT"), the Italian Special State Monopolies Administration (*L'Amministrazione autonoma dei monopoli di Stato*) ("AAMS"), the French Center for Drugs and Drug Addiction (*Observatoire français des drogues et des toxicomanies*) ("OFDT") and our internal estimates (in the case of Portugal). Through our national and local proximity networks, we are able to timely ship tobacco and other products to over 300,000 delivery points in Spain, Portugal, France, Italy and Poland. We completed approximately 35 million deliveries in 2013.

We have used our long-standing experience in tobacco distribution to distribute an increasingly broad range of non-tobacco products, and we have leading positions in a number of sectors, including wholesale convenience product distribution to the tobacconist channel in Spain, France and Italy and to tobacco points-of-sale in Portugal, pre-wholesaling and direct distribution for pharmaceutical products in Spain and Portugal, documents and e-transactions products in Spain and France and books and publications in

Spain. We also have a top three position in transport services (industrial parcel and courier) in Spain in terms of revenues, according to DBK Informa's data (Report: Sectores: Mensajería y Paquetería, 2013). See "Business—Our Segments and Business Lines" for more information regarding market position and share.

Our operating model is designed to meet the needs of tobacco manufacturers, which are subject to stringent regulation and require well-managed and traceable distribution networks given the importance of tobacco products as a source of government revenues, particularly given the challenging economic circumstances in the principal markets in which we operate. Accordingly, we believe that our proprietary know-how as well as our well-developed network places us in an optimal position to compete in the market.

We have also developed a proprietary, integrated and scalable IT platform that allows us to efficiently manage all aspects of our operations and key processes across our customers' supply chains. The advanced functionality of our custom-designed IT system enables seamless integration with customers' and manufacturers' IT networks and allows us to provide real-time, end-to-end supply chain visibility. We currently receive online orders and e-transactions flows from approximately 45,000 TPOS. The TPOS are directly linked with our back-office SAP platforms, which provides a real-time monitoring of stock levels and inventory optimization and allows us to receive orders and analyze buying decisions based on the data received. We believe that these applications improve our operational efficiency, services and quality controls, while strengthening our relationships with our customers and enhancing our value proposition by allowing us to offer advanced customer services, especially to our manufacturer customers to whom we are able to provide highly customized business intelligence information with respect to, for example, consumer purchasing habits and point-of-sale performance.

Contracted revenue base

We operate as a distributor in a tobacco retail monopoly market in each of Spain, Italy and France. In these markets, all tobacconists operate under a retail monopoly framework and, as a result, are required to obtain a license to sell tobacco products. In addition, under national law, tobacco manufacturers are required to distribute tobacco products to all tobacconists on a national basis. See "Regulation". Retail selling prices ("RSP") for tobacco products are set by the manufacturer in all markets and may not be changed by the wholesaler or tobacconist. Tobacconists are only permitted to purchase tobacco products from wholesalers such as us. Tobacco manufacturers are legally required to supply tobacco at a similar level of service. As a result of this framework, tobacco manufacturers seek to partner with wholesalers that can satisfy these national distribution requirements and assure supply, and the major manufacturers have partnered with us for more than twenty years, since we are able to meet their needs across the entire logistics value chain as an integrated logistics provider. As a result of our roots as a state-run tobacco distribution business with national coverage in our core markets and our focus on delivering a cost-effective service at the highest levels, we have established long-standing relationships with all the major tobacco manufacturers in our markets, providing us with large economies of scale as we are able to reach the entire market and offer a full range of tobacco products and services.

We have typically worked with all the major tobacco manufacturers in our markets for over twenty years on the basis of multi-year national contracts that have been renewed regularly, including with subsidiaries of Imperial Tobacco, Philip Morris International, British American Tobacco and Japan Tobacco International and their respective legacy organizations. We have, to date, enjoyed a 100% retention rate with our main tobacco manufacturer customers. Although our agreements do not provide for minimum volumes to be sold through us, we offer our tobacco manufacturer customers a high level of service across the entire logistics value chain for the delivery of their tobacco products from their European factories to points-of-sale (typically taking 2 to 2.5 days from the manufacturer's factories to our warehouses, on average) including demand planning, contracted purchases, international transport under strict security standards and procedures, multi-modal order reception (including Internet and phone), warehousing and stock management, order preparation, picking, billing and collection and customer service. We also collect tobacco products from manufacturers through 94 collection points in 15 European countries.

As a result, we have a market-leading end-to-end network, with 405 warehouses with over 1 million square meters, in the aggregate, of warehousing space located in close proximity to our customers as well as a subcontracted fleet of 1,670 trailers, more than 3,700 vans and approximately 9,000 fully dedicated subcontracted providers operating under the Logista brands that allows us to deliver to the points-of-sale that we service in our markets.

Highly resilient business model

During the financial years ended September 30, 2013, 2012 and 2011, the Group has been able to maintain an average adjusted operating profit of approximately €212 million (based on the consolidated adjusted operating profit in 2013 and the combined adjusted operating profit in 2012 and 2011) (see "Presentation of Financial Information—Non-IFRS Measures of the Logista Group" for a reconciliation showing how adjusted operating profit is derived from profit from operations) despite the general decline in tobacco volumes across the market and the weak economic environment in the principal markets in which we operate, with average price increases for our tobacco and related products in Iberia, France and Italy of 5.5%, 6.3% and 5.6% for 2011, 2012 and 2013, respectively. See "Presentation of Financial Information—Supplementary Combined Financial Information of the Logista Group."

We apply a common tobacco distribution fee pricing structure across manufacturers. Our tobacco distribution fees vary based on volume, with higher volumes incurring lower fees per unit distributed. These per unit fees are charged per SKU we distribute. We typically set our pricing schedule on an annual basis, based on changes in CPI, our fuel costs, the market and distribution complexity. In recent years, overall tobacco volumes have declined, and the number of SKUs distributed by manufacturers has increased. As a result of these factors, in the year ended September 30, 2013, the Group managed over 3,800 SKUs of cigarettes and RYO in Spain, France and Italy, approximately 20% more than the SKUs managed in the year ended September 30, 2011. In addition to our tobacco distribution fees, our revenues have also been supported by our increased focus on value-added services (including international transport, receipt of additional business intelligence information, promotional material management and loyalty campaign management), for which we charge separate fees.

Additionally, we have undertaken measures to increase our operational efficiency and adapt our cost structure to the level of business activity across our operations, including further integration of our operations, outsourcing of certain non-essential activities and ongoing structural changes to streamline our operations. These cost efficiency measures have resulted in an increase in our adjusted operating profit margin over gross profit from 20.5% on a combined basis in the financial year ended September 30, 2012, to 20.9% on a consolidated basis in the financial year ended September 30, 2013, before declining to 20.0% on a consolidated basis in the six months ended March 31, 2014.

We have also continued to invest in upgrades to IT and warehousing infrastructure during the downturn, with the purpose of maintaining our reputation for a high level of consumer service and ensuring that our long-standing relationships with manufacturers and points-of-sale are sustainable for the future. As a result of the combination of this loyal customer base and more efficient operations, we believe we are well-positioned to benefit from economic recovery in our core markets.

Furthermore, our geographical diversification across Spain, France, Portugal and Italy has helped offset any country-specific impact on our business.

Robust and visible economic cash flow profile

During the three financial years ended September 30, 2013, our adjusted operating profit margin (which we calculate as adjusted operating profit divided by gross profit) has increased from 19.7%, on a combined basis for the year ended September 30, 2011, to 20.9%, on a consolidated basis for the year ended September 30, 2013, and it was 20.0% on a consolidated basis for the six months ended March 31, 2014. See "Presentation of Financial Information—Non-IFRS Measures of the Logista Group" for a reconciliation showing how adjusted operating profit is derived from the profit from operations. Also see "Presentation of Financial Information—Supplementary Combined Financial Information of the Logista Group." These margins are supported by a high value-added service offering, which is differentiated from the service offerings of our competitors across the markets in which we operate, as well as our continued focus on cost efficiency and operational improvements.

We have also been able to achieve high levels of return on capital employed, which has resulted from our asset-light business model, under which we subcontract or lease a significant portion of the capital-intensive components required to operate our business, including trucks, warehouses and properties—and strong product and service offering. Finance income has also been an important component of profit before tax, constituting 6.2% of profit before tax in the year ended September 30, 2013, as a result of our significant average cash position.

Our asset-light business model allows us a high level of flexibility in our cost structure. We operate under a warehouse rental system in which we own only our central warehouses or those facilities which we do not expect to expand, downsize or dispose of in the long-term. We subcontract substantially all of our fleet from third parties, and we select these third parties based on strict quality and security criteria and fully monitor our subcontracted fleet. As a result, we expect that our capital expenditure requirements will remain fairly low and in the range of approximately €35-45 million per year.

The dynamics of our payments and collections cycle supports a self-funding operating working capital in our tobacco business.

In the year ended September 30, 2013, we generated €0.72 of economic free cash flow for every €1.00 of EBITDA, which we believe is representative of the cash generation ability of our business and has allowed us to pay dividends while maintaining the required level of investment to grow our business without requiring significant amounts of external funding or financing.

Attractive growth opportunities across products and geographies

We believe we have attractive opportunities for growth within our businesses.

In our tobacco and related business line, we believe we have opportunities for organic growth through increasing the number of value-added services sold to manufacturers and by increasing our distribution of wholesale convenience and e-transaction products to points-of-sale, gaining market share in our existing and other channels. We also have potential to expand into other geographies, given the strong relationships we have established with our tobacco manufacturer customers and the economies of scale and synergies offered by our integrated logistics model, especially in the context of declining volumes in the tobacco market.

We also believe we have potential to expand in our other businesses, such as increasing our pharmaceutical product distribution to pharmacies or our book product distribution through the opportunities that may arise from the outsourcing of the internal distribution operations of publishers. In our pharma business, we intend to continue growing our pre-wholesaling logistics market share through gaining additional outsourced flows from pharmaceutical companies while, at the same time, capitalizing on the expected growth of the parapharmaceutical market. We also view direct distribution to pharmacies as an attractive potential opportunity, and we intend to continue expanding our relatively low market share in this activity.

Experienced management team with public company track record

Our management team has a track record of delivering strong, profitable growth combined with corporate development expertise and is committed to our continued growth and development. Our senior management is comprised of experienced professionals with significant experience in distribution and logistics services, and related outsourcing businesses. Our senior management has extensive experience working at listed companies, including Logista during 2000 to 2008 (during which it was a listed company) and Altadis, which was previously a listed company.

Our Strategy

Our strategy is premised on applying the know-how acquired through our extensive experience in the distribution of tobacco products to the tobacconist channel to other sectors and channels in our existing and new markets, while continuing to strengthen our position in our established business lines through improvements in operational efficiency and increasing our sources of revenue.

Reinforcing our leadership position in tobacco distribution

Since our founding, we have worked to establish strong relationships with our tobacco manufacturer customers and tobacconists in all of our markets. We intend to maintain and strengthen these established relationships for the future by increasing our integration with our tobacco manufacturer customers and offering additional value-added services, among other things, which allow our manufacturer customers to concentrate on their core activities while ensuring a high service level at an agreeable cost. We intend to accomplish this by:

- Increasing the number of tobacco manufacturer customers utilizing our international transport services to transport tobacco products from their factories in Europe to our warehouses;
- Increasing our IT systems' connection with those of our tobacco manufacturer customers;

- Providing additional support for our tobacco manufacturer customers' promotional and commercial activities and gathering of business intelligence information to support their decisions; and
- Developing our relationships with tobacconists through:
    - Increasing usage of TPOS in the points-of-sale we service, allowing us to communicate in real-time with points-of-sale which increases our operational efficiency since we are able to better manage our inventory and increase our access to business intelligence information, which will expand our breadth of knowledge on consumer habits, while allowing points-of-sale to manage inventory in a more efficient manner; and
    - Modernizing and increasing the number of wholesale cash-and-carry stores for tobacconists at our local warehouses which will increase purchasing opportunities while increasing interaction between manufacturers and tobacconists that will allow manufacturers to market new products and allow us to increase cross-selling of convenience products.

Expanding our tobacco and related business line

As we are the market leader for tobacco distribution in the markets in which we operate, we intend to increase our point-of-sale coverage for wholesale convenience and e-transaction products in these channels. There is potential to expand our point-of-sale coverage with respect to wholesale convenience and e-transactions products in our markets—in France, we currently service approximately half of the tobacconists operating in the market, and in Spain, we have the potential to expand into other channels in which we operate but do not currently provide these products, including at kiosks, petrol stations and pharmacies. In Italy, we operated historically only in certain regions, but we restructured our operating model to increase the efficiency of our tobacco distribution structure and also signed an agreement with certain third-party warehouses to distribute our portfolio of wholesale convenience products on an exclusive basis to expand our coverage to the entire national territory. Moreover, wholesale convenience products share a common ordering process with the tobacco products we distribute, increasing the convenience of ordering both tobacco and wholesale convenience products from us for the tobacconists that we service.

We are also working to increase our market share in the distribution of smoking items. As a result of changes in consumer preferences due to macroeconomic conditions and increases in excise taxes in recent years, volumes of RYO tobacco have increased, as cigarette volumes have decreased, and we intend to capitalize on the increased demand for smoking items relating to RYO tobacco consumption, including papers, tubes and filters. Although our market shares in tobacco distribution in the markets in which we operate exceed 95%, our estimated market shares in the distribution of smoking items in these markets are approximately 30%, and we believe that we are well-positioned to increase this market share in the future.

We have also adapted and will continue adapting our portfolio of wholesale convenience and e-transaction products to market trends, to ensure that we are offering a complete and appealing proposition to points-of-sale. Recently launched initiatives include lottery games and pre-paid payment instruments. We have distribution contracts in place with specialized e-cigarette manufacturers and for certain e-cigarettes and heat-not-burn cigarettes produced by tobacco manufacturers. For tobacco manufacturers, there are initial arrangements to include e-cigarettes as part of the portfolio we distribute under current tobacco distribution contracts.

Expanding our other businesses

We have successfully capitalized on our core competencies in the past to generate additional business and revenue streams (see "—Our Business Lines—Transport") and intend to continue capitalizing on our experience and know-how to expand our business, particularly in our pharma business line. We believe we are well-positioned to expand our pharma business line using our experience and know-how gained in our tobacco distribution business, given the similarities between the tobacco and pharma industries, as they are both highly regulated with a licensing scheme for retailers and have a similar retail network. We intend to continue growing our market share in pre-wholesaling distribution through gaining additional outsourced flows from pharmaceutical companies while concurrently capitalizing on the projected growth of the parapharmaceutical market in the near future.

We intend to continue increasing our commercial efforts, capitalizing on our experience in pre-wholesaling distribution to increase our relatively low market share in direct distribution to pharmacies, as we view this as an attractive area of growth for the future due to its profit pool potential, and increasing customer loyalty. From 2011 to 2013, we have increased the number of pharmacies to which we directly distribute from 200 in 2011 to 8,000 in 2013, and 1,400 of these pharmacies have made at least one purchase per month in the four months ended March 31, 2014. Furthermore, we intend to continue expanding our portfolio of pharmacy customers and focusing on increasing customer loyalty and the average purchase per pharmacy.

In our transport business, we also intend to focus on high-value sectors such as those that require temperature-controlled transport and track-and-trace services and to capture e-commerce clients, and in our documents and e-transactions business, we intend to focus on increasing sales in e-transactions by expanding our point-of-sale coverage for these products.

We also believe we are well-positioned to capitalize in the current state of the book market in Spain by enlarging our client base through the addition of new publishers. Although it is a mature, declining market that is experiencing a change in consumer preference to digital content, we intend to capitalize on increasing outsourcing of distribution activities by publishers in a bid to reduce costs and to become the sole independent distributor to bookshops with national coverage in Spain.

Increasing operational efficiency

We intend to continue implementing cost control measures and increasing our operational flexibility by lessening our fixed costs, while further integrating our operations to maximize synergies across our common infrastructure and increase our sales. Many of our product and service offerings use the same infrastructure to service our customers, and we aim to continue using this common infrastructure model to increase our sales.

Our past cost control measures have included reducing headcount and facilities, outsourcing non-core activities and divesting unprofitable businesses that do not support our strategy or our standard logistics, value-added or advanced customer services. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Focus on Cost Management" for further information on historical cost control measures and policies.

We also intend to continue investing in upgrading our IT infrastructure to ensure the continuing efficiency of the processes undertaken through our IT systems and to continue offering our customers the highest levels of service.

Expanding into new markets

We may, in the future, consider acquisitions or partnerships with distributors in markets in which we do not currently operate including those with a regulatory framework that is favorable to our business. We aim to be the main partner of our tobacco manufacturer customers for all logistics and distribution activities in their value chain and believe our established relationships with these customers may lead to opportunities to grow into new markets. As an integrated logistics provider, we believe we have the ability to implement our distribution model in other European markets, providing the same level of service and economies of scale to these customers, especially in a market environment of declining tobacco volumes. We would consider entering other European markets, including those that have broadly similar characteristics as the markets in which we currently operate and where our clients could benefit from the set up of a common and neutral distribution platform to all point-of-sales, in the case of regulated markets, or to the most important points-of-sale, in the case of liberalized markets. We believe that the implementation of our business model in these markets, through the consolidation of existing capabilities, could result in a transparent and reliable solution, yielding economies of scale.

Our History

The Logista Group has its origins in Tabacalera S.A., the former Spanish state-owned tobacco company that operated under a monopoly. In September 1998, Tabacalera incorporated Compañía de Distribución Integral Logista, S.L. In 1999, Tabacalera S.A. ("Tabacalera") subscribed a capital increase in Compañía Distribución Integral Logista, S.L. by contributing its tobacco and other product import and distribution business lines, including the corresponding employees, physical assets and distribution and transport contracts. In July 1999, Compañía de Distribución Integral Logista, S.L. merged with Marco Ibérica de

Distribución de Ediciones, S.A. ("Midesa"), which distributed publications, to form Logista. In December 1999, Tabacalera merged with Société d'Exploitation Industrielle des Tabacs et Allumettes ("Seita"), the French tobacco monopoly to form Altadis S.A.U. On June 30, 2000, Logista launched a public offering of 15,192,771 shares of €0.60 par value each, representing approximately 30.9% of its share capital. In 2000, Logista acquired 100% of the capital stock of Unión Tabaquera de Servicios, S.A., which was renamed Logista Dis, S.A.U. In 2002, Logista began acquiring and establishing subsidiaries to diversify and grow its business and geographic coverage, including the "Group Burgal" (now, Dronas), which includes the Nacex (courier and delivery), Integra2 (industrial packaging) and Opelog (storage and distribution of medicines and health products to hospitals) networks. In 2002, Logista also incorporated Logesta (long-distance, full-load cargo operator) in collaboration with an industrial group, Corporación Gestamp, and also acquired 100% of the paid-up capital of MidSid—Sociedade Portuguesa de Distribuiçao, S.A., in which Logista's predecessor Midesa already held an 85% stake, becoming its sole shareholder.

In 2004, Logista expanded into Italy with the acquisition of Etinera, S.p.A. (currently Logista Italia S.p.A.), which distributes tobacco products in Italy. In September 2005, Logista approved the segregation of the periodicals and book distribution business lines from its operations, and in December 2005, Logista incorporated two companies with Grupo Planeta—Logista Publicaciones and Logista Libros (which is 50% owned by Grupo Planeta)—for these operations.

In 2007, Logista expanded organically into Poland, establishing its subsidiary Logista Polska which provides tobacco manufacturers in Poland with warehousing, order preparation and nationwide transportation to wholesalers. In 2008, Imperial Tobacco acquired Logista's parent company, Altadis, and Logista maintained independent management of its existing operations and began managing Imperial Tobacco's logistics operations in France. Pursuant to existing Spanish legislation, as a result of the acquisition, Logista's shares were subject to delisting from the Spanish Stock Exchanges. Logista also organically expanded Logista Pharma's operations into Portugal during this year. In 2010, Logista acquired the remaining 49% of Logesta (which was incorporated in 2002) from the minority shareholder Corporación Gestamp. In October 2012, Logista acquired all shares of Altadis Distribution France, S.A.S. from Seita, a company also owned by Imperial Tobacco. Since the merger of Tabacalera S.A. and Seita and the creation of Altadis in December 1999, Altadis Distribution France, S.A.S. and its subsidiaries (Société Allumettiere Française, S.A.S., Strator, S.A.S., Supergroup, S.A.S. and RP Diffusion, S.A.S.) have been under common management by Logista's Chairman. In 2012, Logista also acquired the remaining 25% stake of Compañía de Distribución Integral de Publicaciones Logista, S.L., becoming its sole shareholder.

On May 13, 2014, Logista's sole shareholder Altadis incorporated the Issuer, Compañía de Distribución Integral Logista Holdings, S.A.U., and all Logista Shares were contributed to the Issuer through a share capital increase which was effected on June 4, 2014. Accordingly, as of the date of this Offering Memorandum, Logista is a direct, wholly-owned subsidiary of the Issuer.

Enumerated below are some of the highlights of our development:

2014	•	Incorporation of the Issuer and contribution of 100% of Logista's shares to the Issuer by Altadis
2012	•	Acquired Logista France from Altadis
	•	Acquired the remaining 25% stake of Compañía de Distribución Integral de Publicaciones Logista, S.L.
2010	•	Acquired remaining 49% of Logesta from Corporación Gestamp
2008	•	Acquired by Imperial Tobacco
	•	Delisted from the Spanish Stock Exchanges
2007	•	Incorporated Logista Polska
2005	•	Incorporated Logista Libros and Logista Publicaciones
2004	•	Acquired Logista Italia
2002	•	Acquired Dronas (Nacex and Integra2 networks)
	•	Incorporated Logesta, initially holding a 51% stake
	•	Acquired 100% of the paid-up capital of MidSid—Sociedade Portuguesa de Distribuiçao, S.A.
1999-2001	•	Public offering of Logista's shares
	•	Acquired 100% of the share capital of Logistadis
1999	•	Tabacalera S.A. merged with Seita to form Altadis
	•	Incorporated Logista

Our Organizational Structure

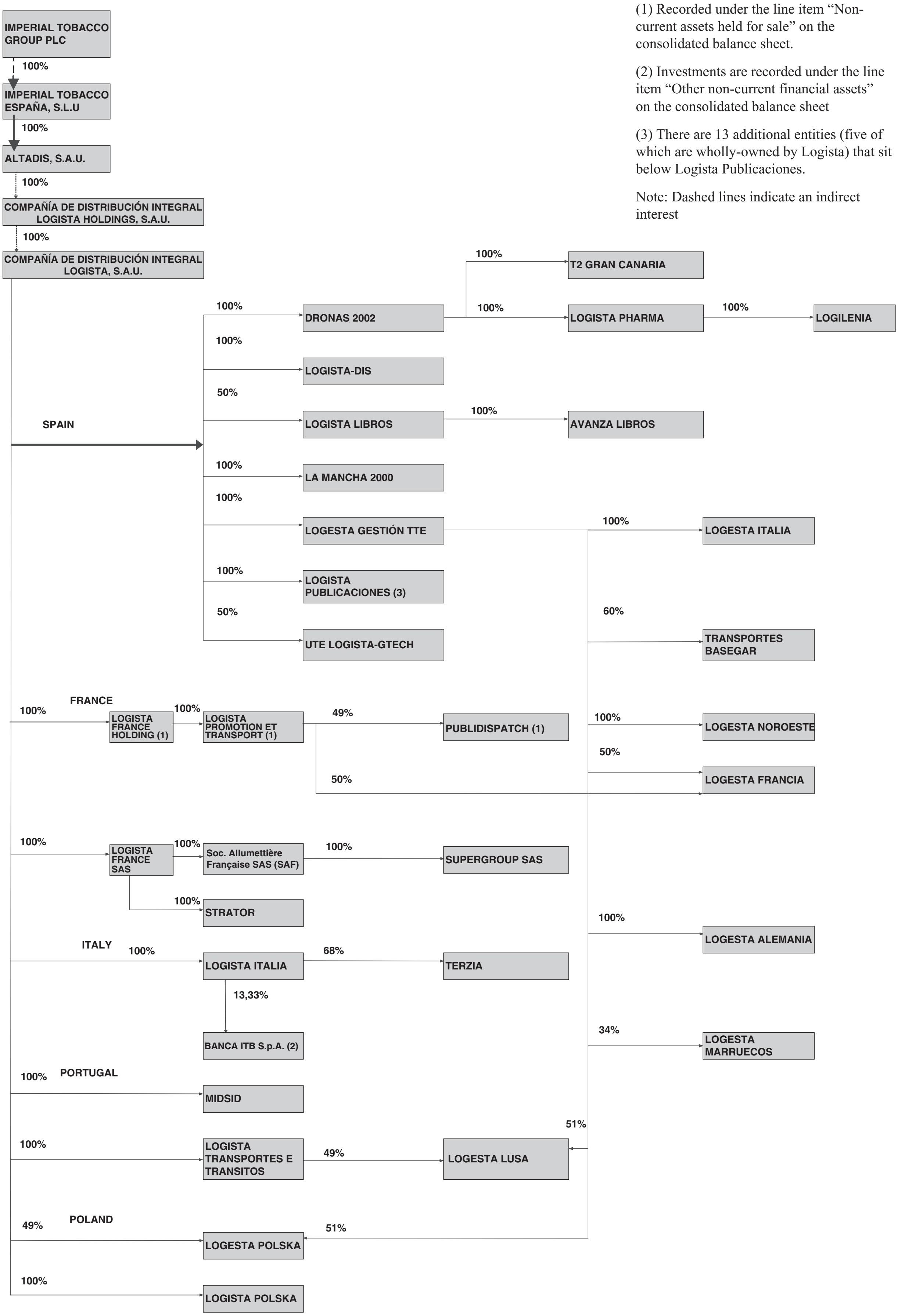
We conduct our operations through various direct or indirect wholly-owned operating subsidiaries and a joint venture with GTECH, UTE Logista-Gtech. The chart below shows our organizational structure.

(1) Recorded under the line item "Non-current assets held for sale" on the consolidated balance sheet.

(2) Investments are recorded under the line item "Other non-current financial assets" on the consolidated balance sheet

(3) There are 13 additional entities (five of which are wholly-owned by Logista) that sit below Logista Publicaciones.

Note: Dashed lines indicate an indirect interest



Our Segments and Business Lines

Through the Logista Group, we provide our services through four operating segments, principally divided along geographic lines—Iberia (which includes operations in Spain and Portugal), Italy and France and Corporate and Others. Within each of the Iberia, Italy and France segments, we offer our services through one or more of the following business lines which are described below—tobacco and related, transport, other businesses and others and adjustments. The Corporate and Others segment includes our operations in Poland and head office.

- In the Iberia segment, we offer services under four business lines—tobacco and related (which includes distribution of tobacco and wholesale convenience products, documents and e-transactions), transport (which provides transport and delivery services, including in our markets outside of Iberia, to our other businesses and third parties), other businesses (which includes distribution of pharmaceutical products and books) and others and adjustments (which includes lottery products distribution, publications distribution and adjustments). In the Spanish market, we are the leading distributor of tobacco products, with a market share exceeding 98% in terms of tobacco volumes distributed according to the CMT, and in the Portuguese market, we are the leading pre-wholesaling distributor of tobacco products, with a market share of approximately 98% and the leading tobacco wholesaler with an estimated market share of approximately 19%, in terms of tobacco volumes distributed, according to our internal estimates.

  Iberia accounted for 52.6% and 51.5% of our gross profit in the six months ended March 31, 2014 and the year ended September 30, 2013, respectively, and for 55.0% and 45.0% of our adjusted operating profit in the six months ended March 31, 2014 and the year ended September 30, 2013, respectively.

- In the French segment, we offer services through three business lines—tobacco and related (which includes tobacco distribution, wholesale convenience product distribution to tobacconists and e-transactions), other businesses (which includes wholesale convenience product distribution to non-tobacconists) and others and adjustments. We are the leading distributor of tobacco products, with a market share of approximately 99% in terms of tobacco volumes distributed according to official data from the OFDT, and also offer distribution and logistics services for documents and e-transactions. We also have a strong presence in wholesale convenience product distribution through our subsidiaries Supergroup, which serves petrol stations, independent shops and vending machine operators, and SAF, which serves the tobacconist channel.

  France accounted for 28.2% and 29.5% of our gross profit in the six months ended March 31, 2014 and the year ended September 30, 2013, respectively, and for 33.6% and 43.1% of our adjusted operating profit in the six months ended March 31, 2014 and the year ended September 30, 2013, respectively.

- In the Italian segment, we offer services through our tobacco and related business line, through which we distribute tobacco and wholesale convenience products to tobacconists. We are the leading distributor of tobacco products in Italy, with a market share of approximately 99% in terms of tobacco volumes distributed according to official data from the AAMS.

  Italy accounted for 19.1% and 19.0% of our gross profit in the six months ended March 31, 2014 and the year ended September 30, 2013, respectively, and for 16.8% and 18.0% of our adjusted operating profit in the six months ended March 31, 2014 and the year ended September 30, 2013, respectively.

- In the Corporate and Others segment, we offer pre-wholesaling distribution services for tobacco products in Poland and includes our head office. Corporate and Others accounted for 0.1% and approximately nil of our gross profit in the six months ended March 31, 2014 and the year ended September 30, 2013, respectively.

Our Business Lines

We provide our services through four business lines—tobacco and related, transport, other businesses and others and adjustments.

Tobacco and Related

In our tobacco and related business line, we provide distribution and logistics services for tobacco products, wholesale convenience products, documents and e-transactions in Iberia, tobacco products, wholesale convenience products and telephony and e-transactions to tobacconists in France and tobacco and wholesale convenience products in Italy. For the six months ended March 31, 2014 and the year ended September 30, 2013, our tobacco and convenience channels represented 93.7% and 94.7% of our revenues and 70.9% and 71.0% of our gross profit, respectively.

Tobacco Distribution

Under this business line, we distribute tobacco products in Spain, France, Italy and Portugal. For the six months ended March 31, 2014 and the year ended September 30, 2013, our tobacco distribution business was the most significant contributor to our gross profit.

Iberia, France and Italy

We are the leading distributor of tobacco products in Iberia, France and Italy (as a whole), with a market share exceeding 95% in terms of tobacco volumes distributed, according to official data from the CMT, AAMS, OFDT and our internal estimates (in the case of Portugal). The table below shows the growth in the volumes of cigarettes and RYO tobacco products (in stick equivalents) and in the volumes of cigars distributed by us.

	Six months ended March 31,		%	For the year ended September 30,			2011 - 2013
Cigarette volumes (million units)	**2014**	**2013**	**Change**	**2013**	**2012(1)**	**2011(1)**	**CAGR**
Spain	21,456	22,888	(6.3)%	48,342	54,952	62,742	(12.2)%
Portugal	811	860	(5.7)%	1,845	1,928	2,470	(13.6)%
France	22,299	23,477	(5.0)%	48,487	53,266	55,629	(6.6)%
Italy	35,112	35,828	(2.0)%	74,675	79,538	86,797	(7.2)%
Total	79,678	83,053	(4.1)%	173,349	189,684	207,638	(8.6)%

	Six months ended March 31,		%	For the year ended September 30,			2011 - 2013
RYO volumes (tons)	**2014**	**2013**	**Change**	**2013**	**2012(1)**	**2011(1)**	**CAGR**
Spain	3,162	3,634	(13.0)%	7,611	6,840	5,955	13.1%
Portugal	95	124	(23.4)%	247	283	181	16.8%
France	4,450	4,568	(2.6)%	9,353	9,148	8,665	3.9%
Italy	2,002	1,940	3.2%	4,018	4,068	2,474	27.4%
Total	9,709	10,266	(5.4)%	21,229	20,339	17,275	10.9%
Stick equivalents (1 RYO ton : 1 million cigarettes)	**89,387**	**93,319**	**(4.2)%**	**194,578**	**210,023**	**226,913**	**(7.0)%**

	Six months ended March 31,		%	For the year ended September 30,			2011 - 2013
Cigars (million units)	**2014**	**2013**	**Change**	**2013**	**2012(1)**	**2011(1)**	**CAGR**
Spain	1,073	1,072	0.1%	2,205	2,053	1,688	14.3%
Portugal	—	—	—	—	—	—	—
France	686	712	4.8%	1,442	1,507	1,540	(3.2)%
Italy	233	233	—	487	499	506	(1.9)%
Total	1,991	2,017	(1.3)%	4,134	4,059	3,734	5.2%

(1) Includes Logista France, which was acquired in October 2012.

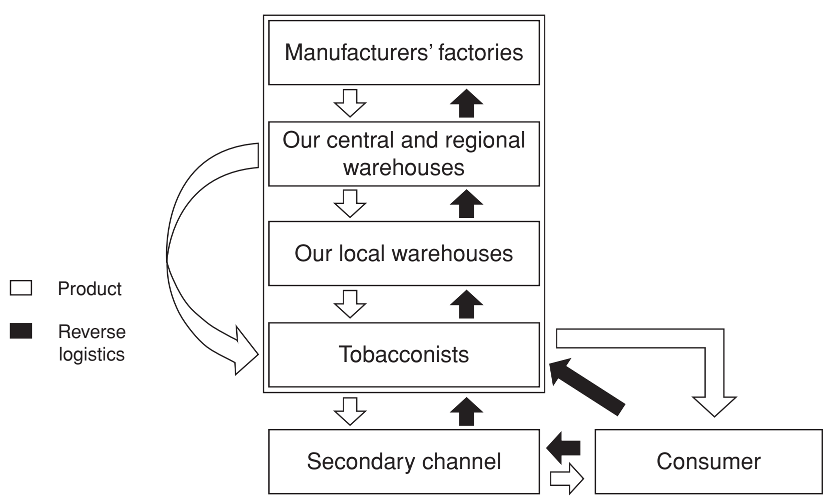
We have non-exclusive tobacco distribution agreements with all the main tobacco manufacturers in Iberia, France and Italy, and we have had an ongoing business relationship with some of these manufacturers for over twenty years. Our agreements with our tobacco manufacturer customers typically have an initial term of three years (although certain distribution agreements have an initial term of one year) and provide for an automatic extension of one to two years, unless the agreement is canceled by either us or the customer. Approximately half of our existing contracts with our tobacco manufacturer customers have extended past their initial term, but historically, they have been automatically renewed on an annual basis. Certain of these contracts also contain change of control clauses, which provide for the right of our tobacco manufacturer customers to request an early termination of the contract in the event of certain changes in the direct or indirect ownership or control of the contracting member of the Logista Group (or of its distribution business) but do not allow the tobacco manufacturer the right to any penalties from Logista, in the event of the exercise of this right. Historically, manufacturers have not exercised their right to terminate in the event of a change of control (for example, when the Imperial Tobacco Group acquired the entire share capital of Logista through the acquisition of the entire share capital of our parent company Altadis), and we do not expect the Offering to trigger this right, as the Imperial Tobacco Group will continue to hold the majority of the share capital of the Issuer and, as a result, in Logista.

In Spain, we currently have 82 contracts with 53 tobacco manufacturers, with four of these tobacco manufacturers representing 96% of the volumes of cigarettes we distributed in Spain in the year ended September 30, 2013. In France, we currently have 32 contracts with 32 tobacco manufacturers, with four of these tobacco manufacturers representing 98% of the volumes of cigarettes we distributed in France during the year ended September 30, 2013. In Italy, we currently have 50 contracts with 40 tobacco manufacturers, with four of these tobacco manufacturers representing 98% of the volume of cigarettes we distributed in Italy during the year ended September 30, 2013. Our contracts with four tobacco manufacturers (namely, Imperial Tobacco, Philip Morris International, British American Tobacco and Japan Tobacco) represented between 80% and 85% of the Logista Group's revenue during each of the six months ended March 31, 2014 and the years ended September 30, 2013, 2012 and 2011.

In the six months ended March 31, 2014 and the years ended September 30, 2013, 2012 and 2011, approximately 35% of our revenue related to sales of Philip Morris International products, approximately 17% to sales of Japan Tobacco International products, approximately 14% to sales of British American Tobacco products and approximately 14% to sales of Imperial Tobacco products.

We apply a common tobacco distribution fee pricing structure across manufacturers. Our tobacco distribution fees vary based on volume, with higher volumes incurring lower fees per unit distributed. These per unit fees are charged per SKU we distribute. We typically set our pricing schedule on an annual basis, based on changes in CPI, our fuel costs, the market and distribution complexity. In recent years, overall tobacco volumes have declined, and the number of SKUs distributed by manufacturers has increased. As a result of these factors, our average distribution fee per unit has increased, as we are distributing a greater variety of products, but in smaller quantities, which has increased the operational complexity of our business. In addition to our tobacco distribution fee, our revenues have also been supported by our increased focus on value-added services, for which we assess separate fees. Logista managed over 3,800 SKUs in Spain, France and Italy in the year ended September 30, 2013, which was an increase of approximately 20% in SKUs distributed since the year ended September 30, 2011.

Although our tobacco distribution agreements do not require minimum volumes to be sold through us, we offer our tobacco manufacturers customers services across the entire logistics value chain for the delivery of their tobacco products from their European factories to the point-of-sale including demand planning, contracted purchases, international transport under strict security standards and procedures, multi-modal order collection (including Internet and phone), warehousing and stock management, order preparation, billing and collection, and customer service. The graphic below shows the flow of products and reverse logistics (including returns) between manufacturers, our distribution chain and tobacconists. We perform the activities in the boxed area.



We use an extensive, specialized infrastructure network and powerful IT systems to provide a high level of service to our customers. For the international transport of tobacco products from our European manufacturer customers' factories to our warehouses, we use our long-haul, full-load shipping specialist subsidiary Logesta whose subcontracted fleet is equipped with security systems of the highest standard. For the distribution and delivery of tobacco products to points-of-sale in Spain, we use our industrial package services network Integra2, managed by our subsidiary Dronas, which uses a subcontracted fleet to transport products. In France and Italy, we use third-party transport and delivery service providers.

We distribute to more than 95,000 tobacconists in Spain, France and Italy, as of March 31, 2014. The table below sets forth the number of tobacconists to which we distributed in Spain, France and Italy as of September 30, 2013, 2012 and 2011.

Number of tobacconists	As of September 30, 2013	2012	2011
Spain	13,438	13,564	13,702
France	26,770	27,249	27,689
Italy	55,343	55,562	55,733

In these markets, the tobacconist network is regulated and, as a result, serves as the primary channel. Consumers may purchase these products directly from tobacconists at RSP or through the secondary channel, which includes vending machines, at RSP (plus a surcharge in the case of Spain). By law, establishments that are authorized to sell tobacco through the secondary channel must source their product from the primary channel of tobacconists. See "Regulation."

The tobacco RSP is set by the manufacturer and includes tax. The table below sets forth the average weighted RSP per pack of 20 cigarettes in 2013, 2012 and 2011 in Spain, France and Italy, according to the European Commission.

	2013	2012	2011	2011 - 2013 CAGR
		(in €)		
Spain	4.30	4.03	3.76	6.9%
France	6.50	6.10	5.70	6.8%
Italy	4.58	4.56	4.28	3.4%

As of March 31, 2014, tax comprised 79.2% in Spain, 81.4% in France and 76.2% in Italy of the weighted average price of a pack of 20 cigarettes. We sell tobacco products to tobacconists at RSP less the commission for tobacconists which is set by law. The table below sets out the current *ad valorem* excise tax rates (based on the value of the tobacco product), specific excise tax rates (based on the quantity or weight of the tobacco product), minimum collectible tax ("MCT") and VAT rates for cigarettes, RYO and cigars for these markets as of March 31, 2014.

	Cigarette	RYO	Cigars
Spain(1)			
Ad valorem excise (% on RSP)	51.0%	41.5%	15.8%
Specific excise (€/000 sticks)	24.10	22.00	—
MCT (€/000 sticks)	128.65	96.50	41.50
VAT(2)	21.0%	21.0%	21.0%
France(3)			
Ad valorem excise (% on RSP)	49.7%	32.0%	23.0%
Specific excise (€/000 sticks)	48.75	67.50	18.00
MCT (€/000 sticks)	210	143	92
VAT(2)	20.0%	20.0%	20.0%
Italy(4)			
Ad valorem excise (% on RSP)	52.4%	58.5%	23.0%
Specific excise (€/000 sticks)	13.095	—	—
MCT (€/000 sticks)	144.65	114.78	22.54
VAT(2)	22.0%	22.0%	22.0%

(1) The weighted average price of a pack of 20 cigarettes in Spain was €4.30 in 2013.

(2) VAT is calculated over the tobacconist's selling price.

(3) The weighted average price of a pack of 20 cigarettes in France was €6.50 in 2013.

(4) The weighted average price of a pack of 20 cigarettes in Italy was €4.58 in 2013.

We have developed strong business relationships with the tobacconists we service, due to our leading role in the distribution of tobacco in Spain, France and Italy. In addition to a broad portfolio of products and services and a variety of methods for ordering, we also offer tobacconists a wide range of aftersales services, which complete the chain of distribution between the manufacturer and tobacconists, including replacement and restocking or handling of product recalls.

Portugal

In Portugal, we are the market leader in the pre-wholesaling of tobacco products, with an estimated market share of approximately 98% in terms of tobacco volumes distributed according to our internal estimates, which involves warehousing and transport from the European countries in which they are manufactured to the warehouses of the wholesalers. We are also the leading tobacco wholesaler, with an estimated market share of approximately 19%, in terms of tobacco volumes distributed, according to our internal estimates.

Retail sales of tobacco products in Portugal are deregulated, and as a consequence of the liberalized retail market in Portugal, tobacco products are sold through sales channels that differ from the regulated sales channels in Spain, France and Italy, broadening the universe of tobacco retailers to petrol stations, vending machines, kiosks and HORECA.

Wholesale Convenience Product Distribution

In Spain, Portugal, France and Italy, our wholesale convenience product portfolio consists principally of smoking items, including papers, tubes and filters, other smoking accessories, convenience goods (such as FMCG) and stationery. We purchase these products from manufacturers and offer them to points-of-sale in the widespread proximity networks in which we operate, particularly kiosks, newsstands and pharmacies and principally the tobacconist channel in Spain, to petrol stations and HORECA in Portugal, to the tobacconist channel in France through our subsidiary SAF and to the tobacconist channel through our subsidiary Terzia in Italy. In the year ended September 30, 2013, we served approximately 300,000 points-of-sales. In Spain, France and Italy, we have estimated market shares of approximately 60%, 30% and 15%, respectively, in smoking items, in terms of sales at wholesale prices, according to our internal estimates.

Gross profit from our wholesaling activities is equal to the retail price set by us less the purchase price (which is negotiated with the manufacturers either at a central purchasing or local level). Our wholesale convenience product distribution is either effected simultaneously with the main products for the channel, such as with tobacco products, or independently.

In addition to our own wholesale operations, since March 1999, we have also acted as third-party distribution provider to Repsol petrol stations in Spain, servicing over 2,500 points-of-sale during the year ended September 30, 2013. We handle all distribution services relating to the transport of products selected and negotiated with suppliers by Repsol and distribute these products through our Integra2 network.

Documents and e-Transactions

In Spain and France, we manage e-transactions involving, mobile phone top-ups and recharges for the principal mobile phone operators, in addition to transport ticket sales and recharges for a number of Spanish transport companies and e-money and pre-paid card recharges. In Spain and France, we are a market leader in mobile telephony top-ups. Although telephony e-transactions have declined over the last three years due to aggressive commercial offers for post-paid mobile service contracts from telecom operators, this decline has been offset by an increase in other e-transaction products, including transport cards, gift cards and pre-paid internet cards. During the year ended September 30, 2013, we provided e-transaction products to more than 25,000 points-of-sales that sell SIM cards and mobile devices, transport tickets, phone cards and gift cards. We believe our documents and e-transactions business is an important component of our strategy to expand our portfolio and services that are offered at points-of-sales that we service.

Gross profit from our documents and e-transactions business is equal to the commission over the retail price (which is negotiated with, among others, mobile phone service providers and transport companies), less the commission negotiated with points-of-sale.

Transport

Our transport business consists of (i) Logesta, our long-haul high-value goods business, (ii) Integra2, our industrial transport business, principally for temperature-controlled services, and (iii) Nacex, a parcel and courier service. Through Logesta and our Integra2 and Nacex networks, we provide transport services to our own businesses in addition to third parties. For the year ended September 30, 2013, internal customers accounted for approximately 60% of Logesta's revenues, 20% of Integra2's revenues and 5% of Nacex's revenues. Historically, we had used our Logesta infrastructure to provide transport services exclusively to our other businesses, although we began offering our international transport services to third parties after identifying this area as a business opportunity.

Our transport IT systems allow for track-and-trace capability of delivery of our products. Our subcontracted trucks are equipped with certain features to meet our customers' needs, including GPS capabilities and radiofrequency systems which allow our customers not only to trace the delivery's journey but also to track the temperature of the truck's interior, to ensure that product quality is maintained. Our subcontracted international transport trucks and industrial transport trucks used for tobacco distribution are also equipped with security systems of the highest standard to prevent thefts and attacks.

Although our fleet is entirely subcontracted, we maintain full control of the design and management of the delivery routes and fleet, particularly through an online connection with load, unload and transport centers. In this way, we are able to maintain full control over and manage any incidents during the delivery process, to ensure that orders are successfully delivered to delivery points through our proprietary and licensed software (see "—Information Technology").

For the six months ended March 31, 2014 and the year ended September 30, 2013, our transport business line represented 3.5% and 3.2% of our revenues and 20.3% and 19.8% of our gross profit, respectively.

Long-haul and Full-load Transportation

Logesta is our long-haul, full-load transportation company, specializing in the shipping of high value goods across Europe for our other businesses and also for external customers. The foundations of Logesta's activity are its security measures and procedures and its transport management system TeseoWeb, which is our proprietary IT system that allows Logesta to monitor shipments in real-time. See "—Information Technology" for further detail.

Logesta's fleet consists of more than 1,600 subcontracted vehicles (with the exception of 400 semi-trailers that we own) as of March 31, 2014. We subcontract through a closed network of contractors that have been selected based on quality and experience in the sector. Logesta's activity in the shipping of high-value goods is based on an integral security management system (which is monitored by its Security and Systems Department) that allows Logesta to maintain security and track the goods that are being transported and that is unique in its markets.

Gross profit from our long-haul and full-load transportation operations is derived from the tariff negotiated by Logesta with customers for each shipment, less the tariff negotiated with transport subcontractors.

Industrial Parcel Transport

Logista, through the Integra2 network, provides industrial transport for loads ranging from five to 5,000 kilograms in Iberia and is the third largest provider in the industrial parcel market in Spain, in terms of revenues, according to DBK Informa market data. Integra2 is a benchmark company in temperature-controlled transport in Spain and Portugal for the pharmaceutical and gourmet food industries.

The Integra2 network also provides package delivery services to our other businesses, including Logista Pharma, Logista Libros and our tobacco distribution business, which accounted for 20.0% of the transport services provided by the Integra2 network, as of March 31, 2014, which contributes to the synergies within our business.

Integra2's long-haul transport fleet consists of more than 180 subcontracted trailers, as of March 31, 2014 and is managed by our subsidiary, Logesta. The local distribution fleet is entirely subcontracted and comprised 1,000 vehicles, as of March 31, 2014.

Gross profit from our industrial parcel transport operations is derived from the tariffs set by Integra2 for each of its services.

Courier Services

Logista, through the Nacex network, provides courier or express delivery services for parcels weighing less than 20 kilograms in Iberia. The Nacex network is franchised with more than 300 franchise outlets and had a subcontracted fleet of more than 1,500 vehicles, as of March 31, 2014. The relationship between Logista as franchisor and the franchisee is regulated by a franchise agreement which sets out the parties' rights and obligations. The main rights of the franchisee include: exclusive use of the registered Nacex trademark (in a region or territory that is contractually assigned by the franchisor) for the duration of the contract; technical assistance, technological adaptation and continuous training provided by the franchisor to the franchisee; and transfer of the franchisor's "know-how". The main obligations of the franchisee include: payment of set tariffs, uniformity as set forth in the franchise agreement; and strict compliance by the franchisee with regulations governing transportation.

In addition to providing services to our other businesses, including distribution services undertaken for Repsol and Logista Pharma, the Nacex network serves individual customers and traditional and e-commerce business customers. At the end of 2011, we established Nacex Shop which is a network of parcel pick-up and drop-off points for customers to broaden the reach of the Nacex network. As of March 31, 2014, Nacex Shop comprised 750 pick-up and drop-off points.

Nacex is a franchisor and offers infrastructure and information systems services to its franchisees to facilitate their operations and the use of the Nacex brand. The final customer pays a fee to Nacex's franchisee for the contracted service, and in turn, the francisee pays a tariff to Nacex for the use of their infrastructure and information systems. As a result, gross profit from our courier operations is derived from the tariff paid by franchisees to Nacex, and these tariffs depend primarily on delivery service and volumes.

Other Businesses

Under this business line, we provide distribution and logistics services for wholesale convenience products distribution to points-of-sale (other than tobacconists) in France, pharmaceutical products and books in Iberia. For the six months ended March 31, 2014 and the year ended September 30, 2013, our other businesses represented 3.9% and 2.9% of our revenues and 10.6% and 9.8% of our gross profit, respectively.

Wholesale Convenience Product Distribution to Points-of-Sale (Other Than Tobacconists) in France

In France, our wholesale convenience product distribution consists of distribution of principally convenience goods, such as FMCG, smoking items and stationery goods. We purchase these products from manufacturers and offer them to points-of-sale, in particular, petrol stations, independent shops and vending machine operators through our subsidiary Supergroup.

Pharma

Our subsidiary Logista Pharma distributes pharmaceutical and health products from pharmaceutical companies and manufacturers to a diverse array of medical channels, including hospitals, pharmacies, wholesalers, health centers, doctors and veterinarians in Spain and Portugal.

Pharmaceutical activities are highly regulated in Spain by the Ministry of Health (*Ministerio de Sanidad, Servicios Sociales e Igualdad*). Wholesale distributors must hold a pharmaceutical distribution license, are permitted to distribute to pharmacies and hospitals and are required to provide batch-traceability for their shipments. Warehouses must obtain authorization to distribute, warehouse and handle pharmaceutical products and must also provide batch-traceability services. To be granted a pharmaceutical distribution license, applicants must have certain facilities and equipment to ensure preservation of the pharmaceutical products during distribution. Logista Pharma holds a pharmaceutical distribution license, in addition to a warehousing license. See "Regulation."

Logista Pharma has six automated, pharmaceutical warehouses (validated under EU good distribution practices) for the performance of its activities (five in Spain and one in Portugal) and utilizes the refrigeration and transport capabilities of our Integra2 and Nacex networks and our Logesta subsidiary to distribute product from the pharmaceutical companies to the pharmacies.

Logista Pharma also has in place advanced information technology architecture, designed to offer maximum data security, integrity and visibility throughout the supply chain, including warehouses, platforms and vehicles.

Our pharmaceutical products distribution business constitutes two main lines of activity—pre-wholesaling and distribution to pharmacies.

Pre-Wholesaling

Pre-wholesaling services are offered through our subsidiary Logista Pharma, as a third-party service provider, to the pharmaceutical sector (pharmaceutical companies or manufacturers) in Spain and Portugal. We are a leading pre-wholesaling logistics operator with an estimated market share of approximately 40%, in terms of pre-wholesaling logistics fees, according to our internal estimates. We also contract with nine out of the top 10 pharmaceutical companies in Spain (in terms of sales at laboratory price according to IMS Health and Farmaindustria). Pre-wholesaling includes finished product storage, order preparation and shipping to delivery points for dispensation or consumption by hospitals. Logista Pharma does not take title to the products that it distributes.

Logista Pharma uses our industrial parcel and courier delivery (Integra2 and Nacex) networks to distribute product to points-of-sale or delivery points, utilizing Integra2 and Nacex's refrigeration and climate control transport capabilities. Logista Pharma also offers complementary services, including packaging services, labelling, ensuring traceability in relation to delivery of products for clinical trials, customer service, billing and invoicing, marketing and management services, full-load, long-haul shipping between production plants and warehouses through our subsidiary Logesta, in addition to its standard logistics services.

In its pre-wholesaling activities, Logista Pharma must comply with specific manufacturing and distribution standards and good distribution practices required by EU and local regulations, as well as by the main global pharmaceutical companies. See "Regulation" for more information.

Gross profit from our pharmaceutical operations is derived from the tariffs set by Logista Pharma for each of its services.

Distribution to Pharmacies

Logista Pharma also distributes pharmaceutical products to pharmacies in Spain and Portugal under two models—direct distribution from pharmaceutical companies to pharmacies and wholesale distribution by Logista Pharma to pharmacies.

Logista Pharma pioneered direct partial deliveries for multiple pharmaceutical companies, which combines the advantages of traditional direct distribution with that of wholesale distribution. This system allows laboratories to control its distribution and maximize their marketing efforts while minimizing costs and provides flexibility for pharmacies to purchase only the product they require at a direct purchase price agreed with the pharmaceutical companies, with no minimum purchase requirement. Pharmacies are able to place orders and update their inventory through an automatic interface with the Logista Pharma sales office. Logista Pharma also has a network of specialized sales representatives to serve pharmacies.

We are working to increase the pharmacies to which we distribute and customer loyalty, in addition to increasing the average purchase per pharmacy. From 2011 to 2013, we have increased the number of pharmacies to which we directly distribute from 200 in 2011 to 8,000 in 2013, and 1,400 of these pharmacies have made at least one purchase per month in the four months ended March 31, 2014.

Books

Our subsidiary Logista Libros, which is 50% owned by Grupo Planeta (a leading Spanish publishing and communications group), provides book distribution services in Spain and offers publishers and e-commerce and remote sales businesses a broad portfolio of services to deliver its books to bookshops and large retailers, in addition to home delivery. Logista Libros' clients include Grupo Planeta, which includes Círculo de Lectores and Casa del Libro, in addition to other smaller publishers. Logista Libros agrees a logistics fee with publishers based on volume, the recommended retail price of a book and an estimated percentage of return, and this fee is subject to revision.

Logista Libros uses the Integra2 network to transport and deliver books to points-of-sale, including bookshops and large retailers, and the Nacex network to make home deliveries directly to consumers. For the year ended September 30, 2013, Logista Libros made deliveries to approximately 6,500 points-of-sale and 300,000 delivery points for orders received by our e-commerce customers through the Integra2 and Nacex networks, respectively.

Others and Adjustments

Under this business line, we provide distribution and logistics services for lottery products and publications in Spain. It also includes consolidation adjustments in Spain and France. The lottery products and publications businesses constituted 0.1% and 0.4% of the Logista Group's revenues, respectively, for the year ended September 30, 2013.

Lottery Products

In October 2009, we entered into a joint venture with GTECH Global Lottery S.L.U. to manage the extension of the lottery business of the Spanish national organization for the blind ONCE, beyond its traditional selling channels to points-of-sale, specifically tobacconists, petrol stations, kiosks and HORECA channels in Spain.

In this joint venture, we managed the commercialization and promotion of the lottery products to points-of-sale as well as logistics, while GTECH managed the technological development of the lottery products, technical support and marketing.

In December 2013, due to the deteriorating conditions of the lottery sector in Spain, Logista and GTECH renegotiated the agreement with ONCE. The new contract became effective on January 1, 2014, and under this new agreement, ONCE is in charge of marketing (including advertising) and commercialization of the lottery products, while under the joint venture, we manage the logistics and administration of the points-of-sale, and GTECH provides technical support and software development.

Gross profit from our lottery operations is derived from the tariffs set by Logista with ONCE for each of its services.

Publications

Our subsidiary Logista Publicaciones distributes periodicals in Spain and is one of the largest distributors of periodicals in that market, with an estimated 36.5% market share in the distribution of magazines, collectibles and similar products, according to our estimates based on data from OJD, EGM and FANDE. Logista Publicaciones distributes publications and magazines to more than 20,000 points of sale in Spain. We disposed of our Portuguese publications distribution operations in March 2013.

Logista Publicaciones offers publishers the full range of services for the distribution of publications and magazines and charges the publishers an agreed percentage of the product selling price, which varies depending on the type of product, the volume published and the level of returns, under distribution agreements which it holds with more than 100 publishers.

Corporate and Others

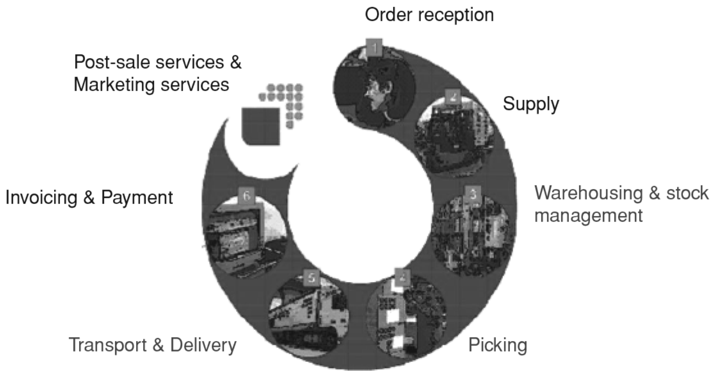
Corporate and Others includes general and administrative operations, consolidation adjustments and tobacco distribution in Poland.

Tobacco Distribution in Poland

In Poland, we provide pre-wholesaling distribution services, such as transport and warehousing to tobacco manufacturers, facilitating the delivery of tobacco products to approximately 300 delivery points from the manufacturers to wholesalers for two tobacco manufacturers. Our tobacco distribution operations in Poland represented 0.1% of the Logista Group's revenues in the year ended September 30, 2013.

Our Services Across the Logistics Value Chain

Our standard logistics operations consist of warehousing and stock management, picking and transport and delivery, which are complemented by our value-added and advanced customer services. The diagram below shows our operations along the entire logistics value chain.



Standard logistics services

The following describes the standard logistics services that we offer to our manufacturer and point-of-sale customers.

- ***Warehousing and stock management.*** We store the products obtained from our manufacturer customers in a network of 405 warehouses, comprising 42 central and regional warehouses and 363 local warehouses and over 1 million square meters of warehousing surface, as of March 31, 2014.

  Our central and regional warehouses oversee the regional delivery network, our regional warehouses fill orders, and our local warehouses serve as local service points and service customers directly, providing customer service and incident management and also usually maintaining a local wholesale cash-and-carry store where points-of-sale and tobacconists are able to purchase tobacco and wholesale convenience products on an urgent basis.

  The security of our products is a high priority, and we have implemented a sophisticated security system in our warehouses and transport fleet which allows for prompt reaction to incidents and also theft prevention.

- ***Picking.*** When we receive orders from points-of-sale, we must fill these orders by "picking" inventory from our warehouses which is accomplished through automated silos and picking lines that are installed in our main warehouses. The process is fully automated and guides vehicles to collect pallets from the automated silos and deliver them directly to the corresponding order preparation stations, without any human intervention.

- ***Transport and Delivery.*** Once we have prepared and consolidated orders, we use subcontracted transportation companies that are managed and controlled through our transport subsidiaries to move the orders from our warehouses to the delivery points through multiple modes of transportation, including trucks and vans. See "—Our Business Lines—Transport" for a further description of our transport operations.

Value-Added Services

In addition to our basic services, we also offer additional value-added services, and we, thereby, are able to generate additional revenue along the entire logistics value chain.

- ***Order Reception.*** Tobacconists and other points-of-sale are able to place their orders through a variety of means—TPOS, the internet portal on the Logista website, fax or telephone or our cash-and-carry stores.

- ***Supply.*** We engage in stock and safety stock management to ensure that we are able to fulfill our point-of-sale customers' orders in a timely manner but also to optimize our cost of goods sold and other costs related to maintaining our inventory.

- ***Invoicing and Payment.*** We provide invoicing and payment collection services, along with administrative logistics, through our licensed SAP software.

- ***Post-Sale Services and Marketing Services.*** We offer various post-sale services to complement our main service offerings, including "reverse logistics" for returns management and post-sale customer service. We also offer marketing services such as promotional campaigns and materials management, using data gathered from TPOS to provide these points-of-sale with data and information on the campaign's diffusion and success, and this offering capitalizes on our experience and relationships with various sales channels.

Advanced Customer Services

We also offer advanced customer services which comprise the real-time services offered through our TPOS. TPOS facilitate ordering, automatic pricing updates, communication of promotions, organization of supply, stock management, quality control, gathering and dissemination of business intelligence information. We also support institutional initiatives raised by our stakeholders (including tobacco manufacturers and tobacconists) and agreements and collaborations with sectoral organizations.

Sales and Marketing

As of March 31, 2014, we had over 650 direct sales and customer services representatives in our principal markets that sell and support our portfolio of products and services.

Our sales representatives are directly responsible for managing our business relationships with our customers. They seek to expand our business base by offering our portfolio of products and services to our current and future customers and also collaborate with our customer service groups in an effort to provide business solutions, order and product tracking services, reporting and efficient processing of orders and inquiries.

Information Technology

We utilize a mix of proprietary and licensed third-party software to manage our business. Our IT systems and infrastructure are designed to support further organic growth and integrate the operations across our businesses and with our customers.

We license and use SAP software throughout our operations for order reception, supply and stock management, order preparation and picking (in conjunction with certain proprietary IT solutions), distribution through our high-coverage network, invoicing and collection, after-sales services and general business management. To manage and track our deliveries, we use our proprietary in-house software TeseoWeb, which provides a comprehensive system that allows Logesta to continually optimize transportation flows and maximize resource utilization, ensuring that shipping is organized efficiently. It is an open platform that connects all the agents involved in the transport chain in real-time, so that they can share information about the status of each shipment.

Certain points-of-sale we service use TPOS and integrated web platforms to place orders, manage inventory and offer value-added services, such as account updates, electronic invoicing and call center integration. Through approximately 45,000 TPOS, we are also able to gather information on sales per ticket to identify consumption patterns, undertake benchmarking across points-of-sale and introduce new products in these retail channels. TPOS allow points-of-sale to optimize their ordering process using template orders or based on their order history and other factors including seasonality, actual consumption and stock levels, or forecasted demand. When products are delivered to and received by a point-of-sale, inventory records are automatically updated in the TPOS, and this integrated ordering and delivery cycle allows for online stock control, demand forecasting and transport optimization. Our TPOS network is highly integrated into our SAP customer relationship management and back-office management functions.

Our SAP systems are compliant with internal controls which are based on the COBIT IT governance framework established by the Information Systems Audit and Control Associate (ISACA), and our information security protocols are compliant with ISO27000/1 internationally recognized standards.

Properties

The table below show the historical evolution of the properties across our network for the six months ended March 31, 2014 and the years ended September 30, 2013, 2012 and 2011.

	As at March 31,	As at September 30,		
	2014	2011	2012	2013
Spain				
Warehousing surface (m^2)	590,000	630,000	590,000	590,000
Central / regional warehouses	16	17	16	16
Local warehouses	141	146	141	141
Portugal				
Warehousing surface (m^2)	60,000	78,000	78,000	60,000
Central / regional warehouses	1	1	1	1
Local warehouses	18	19	19	18
France				
Warehousing surface (m^2)	190,000	12,000	12,000	200,000
Central / regional warehouses	16	1	1	17
Local warehouses	26	—	—	26
Italy				
Warehousing surface (m^2)	200,000	221,000	218,000	210,000
Central / regional warehouses	8	9	9	9
Local warehouses	175	218	211	175
Poland				
Warehousing surface (m^2)	23,000	23,000	23,000	23,000
Central / regional warehouses	1	1	1	1
Local warehouses	3	3	3	3
Total				
Warehousing surface (m^2)	1,063,000	964,000	1,133,000	1,083,000
Central / regional warehouses	42	29	46	44
Local warehouses	363	386	403	363

We lease a substantial portion of our warehouses and storage facilities and generally seek to limit our ownership to central warehouses or those facilities in which we expect no major changes of scale or scope in the long term. We either own or lease these properties on a long-term basis. We believe our warehouses and storage facilities are adequate for their purposes and are, at present, substantially utilized in line with their nature and function. The table below provides details regarding our principal warehouses and properties.

	Location	Approximate building size (square meters)	Owner/lessee
Owned			
Spain	Leganés (Madrid)	90,516	Logista
	Dos Barrios	30,500	Logista Publicaciones
	Logroño	22,905	Logista
	Andújar	14,703	Logista
	Oviedo	10,720	Logista
	Seville	8,639	Logista
	Barcelona	6,700	Logista Publicaciones
	Palma de Mallorca	5,649	Logista
	Coslada (Madrid)	4,742	Dronas 2002
	Santa Perpetua	3,719	Logista Publicaciones
	Vizcaya	2,571	Logista
	Villaviciosa	2,046	Logista
	Dos Hermanas	1,800	Logista Publicaciones
	Málaga	1,500	Logista
	Vigo	1,300	Logista Publicaciones
	Oviedo	1,100	Logista Publicaciones
	Ibiza	1,059	Logista
	La Coruña	678	Logista Publicaciones
	Villanueva Cañada	330	Dronas 2002
	Madrid	244	Dronas 2002
	Puzol (Valencia)	128	Dronas 2002
Portugal	Sintra	9,450	Logista, S.A. Sucursal en Portugal
France	Le Mans	29,063	Logista France
	Lyon-Mions	20,000	Logista France
	París-Este	19,055	Logista France
	Marseille-Vitrolles	18,000	Logista France
	Toulouse-Colomiers	16,290	Logista France
	Nancy-Vandoeuvre	16,200	Logista France
	Auby	12,320	Logista France Holding
	Montaigu	9,700	Logista France—Supergroup
	Saint-Raphaël	4,887	Logista France—Supergroup
	Créteil	2,160	Logista France—Strator
Italy	DFT Roma	12,920	Logista
	Crotone	4,496	Logista
	Lecce	1,278	Logista
	Trapani	400	Logista
Leased			
Spain	Cabanillas	70,134	Logista
	Sant Andreu	33,991	Dronas 2002
	Getafe	20,954	Dronas 2002
	Málaga	10,096	Logista
	Barcelona	8,300	Logista
	Valencia	7,942	Logista
	Hospitalet	6,992	Dronas 2002
Portugal	Alcochete	34,955	Logista S.A. Suc. Em Portugal
Poland	Piotrków	12,071	Logista Polska
Italy	Anagni	25,276	Logista Italia
	Tortona	24,794	Logista Italia
	Napoli	23,654	Logista Italia
	Bologna	21,000	Logista Italia
	Catania	8,500	Logista Italia
	Bari	6,805	Logista Italia
	Roma—Head office	3,495	Logista Italia
	Cagliari	3,195	Logista Italia
France	Bourgoin	9,850	Supergroup
	Bondoufle	9.493	Supergroup
	Boulogne	7,280	Supergroup
	Pontivy	6,456	Supergroup
	Toulouse	6,248	Supergroup
	Grondeville	6,072	Supergroup
	Croissy	5,702	SAF
	Paris—Head office	5,149	Logista France
	Liverdun	3,900	Supergroup
	Sain-Genis	3,362	SAF
	Poitiers	3,283	SAF

In addition, we use certain other premises that are owned or leased by third parties and that are managed by these third parties on our behalf, specifically delegations or local tax warehouses:

- Delegations in Spain: 38 premises

- Delegations of Integra2 in Spain and Portugal: 48 premises
- Tax warehouses in Italy: 175 premises

Additionally, through our subsidiary Dronas, we are able to use the facilities of Nacex's franchise network in Spain and Portugal.

Market Environment and Competition

Tobacco Distribution

In Iberia and France, consumption and consumer spending has decreased as a result of decreased individual disposable income due to macroeconomic conditions and income tax increases, as governments seek additional sources of revenue. Excise tax and VAT increases between 2010 and 2013 have exceeded the average consumer price index. Although demand for tobacco has been historically inelastic, the confluence of these factors, along with the introduction of a ban on smoking in public places in Spain in January 2011 and in Portugal and France in January 2008, has resulted in a decrease in the volumes of legally sold tobacco and an increase in downtrading (whereby a consumer purchases a tobacco product in a lower price segment than the one in which the consumer had previously purchased, either by purchasing the same type of product in a lower price segment or changing the type of tobacco product) and increased sales of illicit trade tobacco products. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Decline in demand for cigarettes."

In Italy, the economic environment from 2011 to 2013 has been more difficult than in our other main markets, with Italy experiencing negative GDP growth in 2012, and its historically high level of public debt compounded the effects of the Eurozone crisis which began in 2009. Italy has experienced similar decreases in consumption and consumer spending as our other markets, due to decreased economic activity, increasing unemployment and increases in VAT.

The table below shows the year-on-year changes in final consumption expenditure of households under constant prices in these countries (Source: OECD, November 2013).

	2009	2010	2011	2012	2013
Spain	(3.7)%	0.2%	(1.2)%	(2.8)%	(2.6)%
Portugal	(2.3)%	2.5%	(3.3)%	(5.3)%	(2.3)%
France	0.3%	1.6%	0.6%	(0.3)%	0.5%
Italy	(1.6)%	1.5%	(0.3)%	(4.1)%	(2.4)%

Note: Figures for 2013 are estimates.

In April 2014, however, the IMF revised its previous forecasts to a more positive outlook for each of these countries for 2014, 2015 and 2016. The table below shows the year-on-year growth in GDP in constant prices for 2011, 2012 and 2013 and the expected year-on-year growth in GDP in constant prices in 2014, 2015 and 2016 (source: IMF World Economic Outlook database, April 2014).

	2011	2012	2013	2014	2015	2016
Spain	0.1%	(1.6)%	(1.2)%	0.9%	1.0%	1.1%
Portugal	(1.3)%	(3.2)%	(1.4)%	1.2%	1.5%	1.7%
France	2.0%	0.0%	0.3%	1.0%	1.5%	1.7%
Italy	0.5%	(2.4)%	(1.9)%	0.6%	1.1%	1.2%

In Spain, we are the market leader in tobacco distribution, with a market share of 99.2% in cigarette distribution, 94.7% in cigar distribution, 99.7% in RYO distribution and 69.1% in pipe tobacco distribution, as of December 31, 2013, according to the CMT.

In Portugal, we are the market leader in the pre-wholesaling distribution segment, in terms of tobacco volumes distributed, according to our internal estimates and the leading tobacco wholesaler with an estimated 19% market share, in terms of tobacco volumes distributed, according to our internal estimates. The Portuguese tobacco distribution market is fragmented, with the top 10 distributors holding an estimated 47% market share, in terms of tobacco volumes distributed, according to our internal estimates.

In France, we are the market leader in tobacco distribution, with estimated market shares of 99.9% in cigarettes, 99.0% in cigars and 99.9% in RYO, in terms of tobacco volumes distributed, according to OFDT and our internal estimates.

In Italy, we are the market leader in tobacco products distribution, with a market share of 99.9% in cigarettes, 98.6% in cigars, 99.8% in RYO and 98.7% in pipe tobacco, according to AAMS.

Wholesale Convenience Product Distribution

The wholesale convenience products market is affected by similar macroeconomic and government fiscal policies as the tobacco products market. There is no official source of data for the market size for wholesale convenience products in the tobacconist channel, but generally, the market is very fragmented and is comprised mostly of regional and local wholesalers.

In Spain, we are the leading wholesale convenience products distributor in the tobacconist channel with an estimated market share of approximately 60% in the smoking items category, in terms of sales at the wholesale price, according to our internal estimates. The market for wholesale convenience products distribution in the tobacconist channel is very fragmented, and our main competitors are local and regional distributors and wholesalers.

In France, we are the leading wholesale convenience product distributor in the tobacconist channel with an estimated market share of 30% in smoking items, in terms of sales at the wholesale price, according to our internal estimates. We are the leader in ambient-temperature food distribution in France according to our internal estimates.

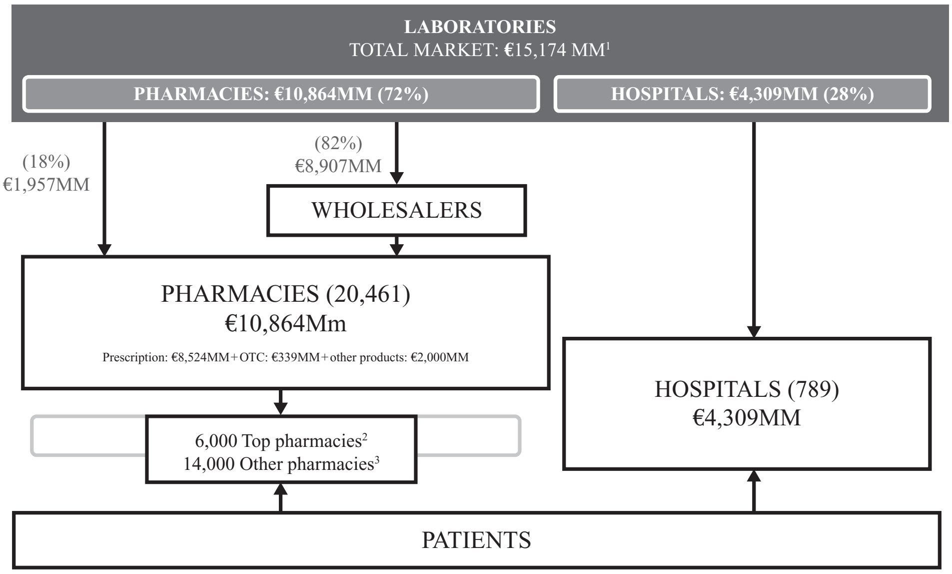
In Italy, we are a leading wholesale convenience product distributor with an estimated market share of 15% in smoking items, in terms of sales at wholesale prices, according to our internal estimates.

Pharma Distribution

In Spain, the pharmaceutical industry has been affected by the negative evolution in over-the-counter and pharmaceutical products that are not purchased (and as a result, subsidized) by the Spanish National Health System. Adverse macroeconomic conditions since 2010 have resulted in higher levels of unemployment, resulting in decreased contributions to social security funds in addition to increased unemployment compensation claims, which have ultimately resulted in a high public deficit during this period. To manage the public deficit, the Spanish government, among other measures, has reduced public health spending in the Spanish national healthcare system by 22.6% between 2010 and 2013 (source: Farmaindustria) and also increased individual income tax rates.

Furthermore, the Spanish government has introduced various changes in legislation which has changed RSP for pharmaceutical products and affected the use of generic and branded pharmaceutical products in the financed sectors (generally promoting the use of generic pharmaceutical products).

As a result of these macroeconomic conditions and governmental fiscal measures and changes in pharmaceutical product policy, the Spanish pharmaceutical market decreased from €17.2 billion in 2010 to €15.2 billion in 2012, a decrease of 11.5% (Source: Farmaindustria, IMS Health and our internal estimates). The graphic below shows the breakdown of the various types of distribution flows within the pharmaceutical products market for 2012.



Source: Farmaindustria—IMS: € of Sales at Laboratory Price, 2012

(1) Addressable market for distribution services market represents approximately €500 million.

(2) "Top pharmacies" are defined as pharmacies having €600,000 or more in annual sales.

(3) "Other pharmacies" are defined as pharmacies having less than €600,000 in annual sales.

We operate in the pre-wholesaling (which involves purchasing from laboratories and distributing to wholesalers) and wholesale and direct distribution to pharmacies segments of the market. In pre-wholesaling, we are the market leader with a market share of approximately 40%, in terms of pre-wholesaling logistics fees, according to our internal estimates. In the wholesale and direct distribution market, we hold a relatively low market share, in terms of wholesale and logistics fees, according to our internal estimates. The wholesale distribution market is relatively concentrated with the top five operators accounting for approximately 60% of the market in terms of sales at laboratory price, according to IMS Health. Our main competitors are pharmacy cooperatives.

Transport

We are the market leader in transport services in our markets, in terms of revenues, according to our internal estimates and the third-largest player in the industrial parcel market with our Integra2 network, with a 10% market share in Spain, in terms of revenues, according to DBK Informa. Our main competitors are national and multi-national transport companies.

We are the third-largest player in the courier market with our Nacex network, in terms of revenues, according to DBK Informa.

Our long-haul and full-load transport provider Logesta has been adversely affected by the decrease in tobacco volumes in recent years, since it carries out the long-distance tobacco transport for our tobacco distribution operations.

Intellectual Property

We have 231 trademarks—we have 26 community trademarks registered, 21 of which are registered in class 39 that corresponds to transport, packaging and storage of goods. The principal trademarks are the trademarks of Logista, Logista Pharma, Logesta, Integra2 and Nacex.

Our community trademarks are registered with the EU Office for Harmonization in the Internal Market, our international trademarks, with the World Intellectual Property Organization, our Spanish trademarks, with the Spanish Patent and Trademark Office (*Oficina Española de Patentes y Marcas*) and our other national trademarks, with the relevant national trademarks authority.

Litigation

We are involved from time to time in various claims and lawsuits, most of which arise in the ordinary course of business. The main judicial, arbitration and regulatory proceedings against us, as of the date of this Offering Memorandum, are set forth below.

Spain

The settlement of our tobacco excise duties from 2004 to 2010 has been subject to review by the Spanish Customs Inspection Authorities. We have agreed to the assessments made by the Spanish Customs Inspection Authorities, although on a contested basis, and have filed an appeal against them in the corresponding economic-administrative and contentious-administrative courts.

In December 2013, the Spanish Supreme Court affirmed the levy of a fine against us by the Spanish tax authorities relating to excise duties for the 2004 and 2005 fiscal years, for which we have paid €53 million. Also, in December 2013, we reversed a provision of €47.2 million as a result of a favorable outcome of litigation relating to excise duties for the 2006 fiscal year. There are also additional ongoing tax proceedings relating to the 2007, 2008 and 2009 fiscal years and other minor tax proceedings for which we have fully provisioned €17.6 million.

We have also been assessed by the Customs Inspection Authorities in relation to adjustments in the figure for unpaid amounts relating to tariffs and VAT on imports for 2000, 2002 and the first half of 2003, amounting to €4.2 million. We have filed two separate appeals against portions of these assessments at the Central Economic Administrative Tribunal, National Court and Supreme Court and the Catalonia High Court which are pending the Courts' judgments.

Italy

On March 27, 2007, Cisa Costruzioni brought a claim against Logista Italia seeking specific performance of a preliminary sales contract and €15 million in damages and losses relating to the purchase of a warehouse in Portonaccio (Rome). On January 19, 2010, the court of first instance dismissed the claim and ruled in Logista's favor, and on October 15, 2010, Cisa Costruzioni appealed the judgment to the Court of Rome. The appeals judge has scheduled a hearing for February 27, 2015.

On February 27, 2007, Agostino Petrucci brought a claim against Logista Italia for breach of contract, alleging wrongful cessation of their commercial and contractual relationship, and is seeking damages of €4.3 million. This proceeding is now pending before the court of first instance, and we have provisioned €2.8 million for this claim.

Portugal

The Portuguese Tax Authorities have contested our tax settlement for 2002 through two independent proceedings before the Tribunal Administrativo Fiscal de Almada and the Tribunal Central Administrativo del Sur, in both cases for an amount of approximately €0.9 million. In the first proceeding, the court has imposed a penalty of €0.3 million on MidSid, which MidSid has appealed. The second proceeding is still pending. MidSid has provisioned €0.2 million for these two claims, as of March 31, 2014.

France

The French National Committee Against Tobacco has initiated six claims against Logista France and others over the course of April 2009 to March 2012 and imposed fines of almost €3 million. The Paris Court of Appeal and the Tribunal Correctionnel have rendered a ruling relating to some of these claims, levying a fine of €130,000. Logista France has not provisioned for this fine.

Insurance

We maintain the types and amounts of insurance that are customary for business in the sectors and geographic regions in which we operate, including for the following items.

- *Damages and lost profits.* We hold polices insuring against damages to goods in our warehouses and also damage to our buildings and facilities. These policies also cover lost profits resulting from an incident that prevents the normal operation of our business.
- *Transport.* We hold policies insuring loss of or damage to all goods for which we are responsible while they are being transported.
- *Civil liability.* We hold policies covering damages to third parties.
- *Other policies.* We hold other policies covering various risks, including compliance with the Spanish Data Protection Act (*Ley Orgánica de Protección de Datos*), director's liability, travel insurance and work accidents.

We believe that our insurance coverage is adequate both as to risk and amounts for the operations conducted by us.

On average, we pay an annual insurance premium of approximately €7 million, in addition to any additional premium if actual transport losses exceed 75% of the deposit premium paid. During the past three years, we have paid, on average, an extra premium of approximately €1 million per year.

Employees

From October 1, 2012 to September 30, 2013, we had an average of 5,924 employees (including Logista France). The following table sets out the average number of persons employed by us for each of the periods indicated, by type of employee (which includes Logista France employees in 2012 and 2011):

	Six months ended March 31, 2014		Year ended September 30,					
			2013		2012		2011	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Management	29	—	28	—	29	—	29	—
Clerical staff	2,138	322	2,218	262	2,338	285	2,429	317
Warehouse staff	2,963	422	3,073	343	3,239	373	3,366	416
Total	**5,130**	**744**	**5,319**	**605**	**5,605**	**659**	**5,824**	**733**

Incentive Plans

Logista 2008 Medium-Term Incentive Plan and 2008 Special Medium-Term Incentive Plan

In June 2008, the Board of Directors of Logista approved a medium-term incentive plan (the "MTIP") and a special medium-term incentive plan (the "SMTIP") to retain and motivate key persons.

The plans were approved for implementation in the financial years ended September 30, 2008, 2009 and 2010 and consisted of three phases (October 2008 to September 2011; October 2009 to September 2012; and October 2010 to September 2013) that have already been settled. The table below sets forth the number of beneficiaries under the MTIP and SMTIP and the cost of liquidation of each such plan.

	MTIP		
	First phase (October 2008—September 2011)	Second phase (October 2009—September 2012)	Third phase (October 2010—September 2013)
Executive directors	1	2	2
CEO	0	91,057	202,391
Secretary of the Board	46,301	167,406	169,356
Cost of liquidation (€)	**46,301**	**258,464**	**371,748**
Senior management	7	7	8
Other beneficiaries*	50	53	2
Cost of liquidation (€)	**753,529**	**1,465,849**	**749,950**
Total beneficiaries	58	62	12
Total cost of liquidation (€)	**799,830**	**1,724,313**	**1,121,698**

* Beneficiaries who are not Board members or senior management

	SMTIP		
	First phase (October 2008—September 2011)	Second phase (October 2009—September 2012)	Third phase (October 2010—September 2013)
Executive directors	1	2	2
CEO	0	102,010	204,638
Secretary of the Board	48,671	50,131	51,635
Cost of liquidation (€)	**48,671**	**152,141**	**256,273**
Senior management	7	7	7
Other beneficiaries*	0	0	0
Cost of liquidation (€)	**246,236**	**255,066**	**247,071**
Total beneficiaries	8	9	9
Total cost of liquidation (€)	**294,907**	**407,207**	**503,344**

* Beneficiaries who are not Board members or senior management

Logista 2011 Long-Term Incentive Plan

In January 2012, the Board of Directors of Logista approved a long-term incentive plan to retain and motivate key persons, including directors, certain members of management and other key personnel. Each person who is a member of the incentive plan is eligible to receive a cash amount, which is calculated by the Board of Directors of Logista. To be a member of the plan, the individual must remain an employee or director for a minimum of three years. The long-term incentive plan was in effect for the financial years ended September 30, 2011, 2012 and 2013 and is comprised of three phases, each lasting three years, with the first phase extending from October 1, 2011 to September 30, 2014; the second phase extending from October 1, 2012 to September 30, 2015; and the third phase extending from October 1, 2013 to September 30, 2016. The table below sets forth the number of beneficiaries under the long-term incentive plan and the cost to liquidate the plan.

	First phase (October 2011—September 2014)	Second phase (October 2012—September 2015)	Third phase (October 2013—September 2016)
Executive directors	2	2	2
CEO	372,218	461,700	359,074
Secretary of the Board	206,333	211,285	217,624
Cost of liquidation (€)	**578,552**	**672,985**	**576,698**
Senior management	12	14	14
Other beneficiaries	35	39	34
Cost of liquidation (€)	**1,639,276**	**1,711,034**	**1,600,660**
Total Beneficiaries	**49**	**55**	**50**
Total cost of liquidation (€)*	**2,217,828**	**2,384,020**	**2,177,358**

* The cost has been calculated considering the maximum amount that could be received by a beneficiary.

Under this plan, each beneficiary has the right to receive, in cash, a specified percentage of the bonus accrued (which cannot exceed 100% of such bonus accrued), subject to and based on the following conditions: (i) the beneficiary must remain an employee or director of Logista, (ii) the vesting period of the incentive must have elapsed and (iii) the degree of achievement of the targets fixed for the consolidation of the incentive, which are linked to the Logista Group's operating profit in each of the phases of the plan.

Logista 2011 Special Long-Term Incentive Plan

In January 2012, the Board of Directors of Logista approved an additional special long-term incentive plan to retain and motivate key persons, including executive directors and certain members of management. Each member of the incentive plan is eligible to receive a payment that is equal to a percentage of his or her fixed salary. The percentage is determined by either Logista's Board of Directors or its CEO. To be a member, the individual must remain an employee or director for a minimum of three years. The special long-term incentive plan was in effect during the financial years ended September 30, 2011, 2012 and 2013 and is comprised of three phases, each lasting three years, with the first phase extending from October 1, 2011 to September 30, 2014; the second phase extending from October 1, 2012 to September 30, 2015 and the third phase extending from October 1, 2013 to September 30, 2016. The table below sets forth the number of beneficiaries under the long-term incentive plan and the cost to liquidate the plan.

	First phase (October 2011— September 2014)	Second phase (October 2012— September 2015)	Third phase (October 2013— September 2016)
Executive directors	2	2	2
CEO	437,903	448,875	459,199
Secretary of the Board	257,530	263,710	271,622
Cost of liquidation (€)	**695,432**	**712,585**	**730,821**
Senior management	9	10	10
Cost of liquidation (€)	**510,976**	**571,301**	**612,575**
Total Beneficiaries	**11**	**12**	**12**
Total cost of liquidation (€)*	**1,206,408**	**1,283,886**	**1,343,396**

* The cost has been calculated considering the maximum amount to be received by a beneficiary.

Under this plan, each beneficiary has the right to receive, in cash, a specified percentage of his or her fixed salary (capped at 75% of the beneficiary's fixed salary, in the case of Executive Directors, and 50% of the beneficiary's fixed salary, for other beneficiaries), subject to and based on the following conditions: (i) the beneficiary must remain an employee or director of Logista, (ii) the vesting period of the incentive must have elapsed and (iii) the degree of achievement of the targets fixed for the consolidation of the incentive, which are linked to the Logista Group's operating profit in each phase of the plan.

2014 General and Special Long Term Incentive Plans of the Issuer

On June 4, 2014, the Issuer's Board of Directors initially approved the basic content of two long-term incentive plans (the "General Plan" and the "Special Plan") for the period lasting between the 2014 and 2019 financial years. These plans aim to retain and motivate key persons, including Directors. Each person who is eligible to participate in the incentive plans may be entitled to receive Shares of the Issuer. The Issuer's Board of Directors, upon request by the Appointments and Remuneration Committee, must set the regulations for the application, execution, development and interpretation of these incentive plans. The grant of incentives under the plans is discretionary.

The sole shareholder of the Issuer at the meeting on June 4, 2014 issued a resolution approving the contents of both the General Plan and the Special Plan and agreed upon the inclusion of the Executive Directors in these plans, pursuant to the requirements under article 219 of the Refunded Text of the Companies Law, passed by Royal Decree law 1/2010, of July 2.

The general terms of these incentive plans are set forth below.

Duration. Each plan has a term of five years. The plan will begin on October 1, 2014 (beginning of the first cycle) and end on September 30, 2019 (end of the third cycle) and is divided into three cycles, each lasting three years, with grants of three years for each cycle in the years 2014, 2015 and 2016, with liquidation in fiscal years 2017, 2018 and 2019, respectively. Invitation to participate in one cycle of the plan does not presuppose, or create a right to, participate in other cycles.

Eligible persons. Executive Directors, certain other Directors and other key employees who exhibit high performance and future potential are eligible for the General Plan, while Executive Directors and certain Directors who have made a significant contribution to the Logista Group are eligible for the Special Plan.

Initial recognized incentive. Incentives granted under the General Plan will not exceed the annual variable remuneration accrued by each beneficiary during the year immediately preceding the date of concession of the incentive (October 1, 2014, 2015 or 2016). Incentives granted under the Special Plan will be equivalent to a certain percentage of the fixed annual salary of each beneficiary (determined during each cycle) and will not exceed 75% of fixed annual salary for Executive Directors and 50% of fixed annual salary for other beneficiaries.

Materialization of the incentive. The right to acquire a number of Shares of the Issuer, at no cost, is conditional on compliance with the requirements and terms of the incentive plan. The beneficiary must also achieve the targets set by the Board of Directors. The number of Shares to be acquired will be equivalent to 100% of the initial recognized incentive to a beneficiary under the General Plan and the Special Plan.

Requirements for receiving the incentive. Both incentive plans require the corresponding vesting period to have elapsed. In addition, the beneficiary must keep his or her employment or commercial relationship with the Logista Group and must have satisfied the targets set by the Issuer's Board of Directors under the incentive plan.

Targets for the consolidation of the incentive. The Issuer's Board of Directors, at the proposal of the Appointments and Remunerations Committee and in accordance with the criteria approved at the general shareholders' meeting, will fix the targets as well as the percentages for the consolidation of the incentive in Shares for each cycle of the plan.

The initial criteria for each consolidation target in both incentive plans are the following:

- The target for the granting of 50% or 67% (under the General Plan or the Special Plan, respectively) of the number of Shares that could be granted, will be based on the Total Shareholders' Return ("TSR") and Relative Comparative Profitability with other Companies ("RCP"). The RCP compares the TSR of the Logista Group against the TSR of other companies that operate in the same or similar sector of activity.
- The target for the granting of the remaining 50% or 33% (under the General Plan or the Special Plan, respectively), of the Shares that could be granted will be based on one or several internal criteria that measure financial or operating performance, which will be compared against the degree of achievement of the target (set by the Board) during the consolidation period and the forecasted target set out in the Logista Group's business plan.

Capital associated with the General and Special Plans. During the terms of the General and Special Plans, the Issuer may not commit more than 2% of its share capital to these plans as determined at the time of the plans' approval.

Costs. The table below sets forth the estimated cost for the first cycle of the General and Special Plans.

	General Plan		Special Plan	
	Number of Beneficiaries	Cost of Liquidation (€)	Number of Beneficiaries	Cost of Liquidation (€)
Executive Officers	2	641,703	2	549,489
CEO	1	460,350		345,263
Secretary of the Board	1	181,353		204,227
Directors of the Logista Group	19	1,653,695	10	460,583
Business Managers of the Logista Group	19	526,810		—
Logista Group employees	12	135,533	—	—
Total cost of liquidation (€)	**52**	**2,957,740**	**12**	**1,010,072**

Note: The criteria for the granting of the initial acknowledged incentive is the same (i.e., a given percentage of the beneficiary's remuneration) as applied to the 2011 Long-Term Incentive Plan and the 2011 Special Long-Term Incentive Plan.

REGULATION

Regulation of Tobacco Product Distribution

The manufacturing, distribution and sale of tobacco products is extensively regulated across each of our jurisdictions of operation, which has both a direct impact on our business as well as indirectly through our arrangements with manufacturers and retailers.

In each of Spain, France and Italy, the government holds a monopoly over the tobacco retail business, which is regulated as a public service on customs, tax and health grounds. In Spain, licenses to individual retailers ("tobacconists") are granted by the Spanish Ministry of Finance and Public Administration pursuant to a proposal by the CMT and are valid for 25 years. In France, authorizations are granted by the Directorate-General of Customs and Indirect Taxes (*Directeur Général des Douanes et Droits Indirects*) and are valid for three years. On the expiration date, the license is automatically renewed for an additional three years, except in cases where the holder has failed to fulfill its obligations during the term of the license. In Italy, authorizations are granted by the AAMS and are valid for nine years, and the authorization is renewable at the expiration date upon request by the licensee. In Portugal and Poland, retail vendors who sell tobacco products are not required to obtain any authorizations or licenses, as they operate within a liberalized market.

In general, the wholesale distribution of tobacco in Spain, France and Italy is subject to the following regulatory principles:

- Distribution is liberalized and only subject to administrative review of technological and economic adequacy. More specifically, administrative review in each country seeks to verify that the particular wholesaler has facilities and warehouses that are secure and permit the relevant authorities to verify the nature, origin and provenance of the products to be stored and processed therein. As of January 30, 2013, six tobacco wholesalers (including Logista) in Spain and 34 tobacco wholesalers in France had been approved by their respective regulatory bodies. As of December 31, 2011, ten tobacco wholesalers (including Logista) in Italy had been so approved.
- The importer or tobacco manufacturer is free to choose from among any of the officially-approved wholesalers.
- The wholesaler must comply with all tax and customs regulations to be able to distribute tobacco products.
- Wholesalers are free to agree on distribution fees and logistics with manufacturers or importers, which are usually set depending on the volume and number of distributed or imported items.
- Tobacco RSP are set by the manufacturers and published in official bulletins promulgated by the regulatory authority (which is also the case in Poland and Portugal). Wholesalers and retailers are required to comply with this pricing.
- Wholesalers are required to buy tobacco products from manufacturers and sell to tobacconists at the RSP, less a tobacconist commission that is set by applicable regulation (and which typically has not been subject to much variation).
- Wholesalers are free to agree on a distribution and logistics fee with manufacturers.

In addition, a "neutrality principle" governs the relationship between tobacconists and wholesalers and manufacturers, which is regulated by the respective tobacco market regulator in Spain, France and Italy. Specifically, the wholesalers are not legally allowed to act as tobacconists. Reciprocally, tobacconists are not legally allowed to act as manufacturers or wholesalers. The wholesalers must treat the tobacconists on equal footing, and the tobacconists, as the primary retail channel, must receive their supply from the wholesalers. The secondary channel, which exists in Spain and Italy and includes vending machines, is limited to licensed retailers. Wholesalers are prohibited from promoting tobacco products.

Regulation indirectly extends the prohibition of tobacconists' financing from wholesalers and manufacturers to the financing of any tobacconist association. Manufacturers are required to guarantee the distribution of the tobacco products to the whole national territory (subject to the existence of demand), and in turn, manufacturers typically require wholesalers to cover the territory in which they are entitled to distribute.

Spain

Spain is a retail monopoly market. The government body responsible for regulation of tobacco distribution and administering the distribution license regime is the Tobacco Market Commission (CMT), which is part of the Ministry of Finance and Public Administration. The principle governing regulations include:

- Ley 13/1998, de 4 de marzo, del Mercado de Tabaco (Tobacco Market Law), last amended under the Disposición Final Primera de la Ley 14/2013, de 27 de septiembre, de apoyo a los emprendedores y su internacionalización (Support to entrepreneurship and its internationalization);
- Reglamento de la Ley del Mercado de Tabaco (Tobacco Market Law Regulation), as approved by R.D. 1199/1999 on July 9, 1999. The elaboration and approval of a royal decree which will update and amend the Tobacco Market Law Regulation is currently pending. The amendments are expected to affect the regulation applicable to tobacconists (for example, allowing tobacconists to undertake secondary channel activities, removing restrictions on the operating hours of tobacconists and providing more flexibility to the transfer regime applicable to points-of-sale) and are not expected to affect the Logista Group's operations; and
- Ley 28/2005, de 26 de diciembre, de Medidas de sanitarias, which regulates the sale, supply, consumption and advertising of tobacco products.

Wholesale Distribution

The Tobacco Market Law liberalized the wholesale commercialization of tobacco in Spain (with the exception of the Canary Islands) while maintaining the retail monopoly of the government. In the Canary Islands, the retail sale of tobacco remains unregulated.

On June 15, 2010, R.D. 36/2010 abolished the previous license regime for the import and/or distribution of tobacco products and established that, in order to import and distribute tobacco products in Spain, the applicant wholesaler need only submit a statement to the Tobacco Market Commission declaring its intention to comply with applicable laws. If the Tobacco Market Commission does not deny the application within 15 days of submission of the statement, the applicant wholesaler is entitled to continue its import and/or distribution activity indefinitely. Logista, as the operating company of the Logista Group, holds an indefinite permit issued by the CMT for the import and wholesale distribution of tobacco products.

As of the date of this Offering Memorandum, Logista owns 13 tax warehouses throughout Spain.

Tobacconists

The key aspects of the regulations governing the retail sale of tobacco are as follows:

- Retailers must be physical persons, with no labor or professional relationship with importers, manufacturers or wholesale distributors of tobacco products, with the exception of labor or professional relationships that exist solely to introduce tobacco products in Spain that are considered community goods, as described below.
- Retailers are granted the tobacconist's administrative concession for a period of 25 years. After the concession term expires, an auction is called to issue concessions to new retailers. Until that time, the former licensee may continue to provide the service, provided they have received an authorization from the CMT.
- The retailer's commission is established at 8.5% of the RSP for cigarettes and 9% of the RSP for cigars. These commissions have remained constant since the Tobacco Market Law 13/1998 of March 4 came into effect.

In addition, there have been several changes in retailers' legal status as a consequence of the recent promulgation of Law 14/2013 (Support to Entrepreneurship and its Internationalization):

- Tobacconists may have a labor or professional relationship with any other tobacco market operator, provided this relationship exists solely to introduce tobacco products in Spain that are considered community goods according to article 4.7 of Council Regulation (EEC) No. 2913/92 (implemented by Commission Regulation (EEC) No. 2454/93) ("Community Customs Code").
- Tobacconists are entitled to introduce tobacco products in Spain, as long as such products qualify as "community goods" under Article 4.7 of the Community Customs Code; and

- Tobacconists are entitled to sell at distance to residents in other EU countries if such products qualify as "community goods" under Article 4.7 of the Community Customs Code.

In each of these three cases, tobacconists must comply with the applicable tax regulations.

Portugal

Portugal is a liberalized market, whereby wholesale distribution of tobacco is not regulated and consequently does not require the obtainment of a license. Accordingly, there is no government body responsible for regulation of tobacco distribution. Tobacco advertising, promotion and packaging is monitored by the Portuguese Food and Economic Authority (*Autoridade de Segurança Alimentar e Económica*) and the Consumer's Directorate. The principle governing regulations include:

- Law No. 37/2007, the Portuguese Tobacco Act, published in the *Official Gazette* on August 14, 2007, and effective from January 1, 2008, incorporating Directives 2001/37/EC (The Tobacco Products Directive) and 2003/33/EC (The Tobacco Advertising Directive) into Portuguese Law.
- Decree-Law No. 73/2010 (dated June 21, 2010), as amended (Decree 73/2010), establishing the Portuguese Excise Tax applicable to tobacco products, as well as the legal framework for the production, storage and distribution of tobacco products.

France

France is a retail monopoly market. The government body responsible for regulation of tobacco distribution is the Directorate-General of Customs and Indirect Taxes. The principle governing regulation is:

- *Code des Douanes, Chapitre IV,* articles 565 à 573 (Customs Code). These articles set the legal regime for wholesale tobacco product distribution in France and retail sales of tobacco products (which are effected exclusively by the French state monopoly through a network of retail outlets known as "*débitants*") and prohibit distance and electronic selling of tobacco products.
- *Decree 2010/720, 28 June*, regulates the retail monopoly sale of tobacco products.
- Law 1991/32 of January 10, on the fight against smoking and alcoholism, developed by Decree 2006/1386 of November 15, setting the rules prohibiting tobacco consumption in public places.

Wholesale Distribution

The import, introduction and wholesale distribution in France of tobacco products requires the obtainment of a license granted by the Directorate-General of Customs and Indirect Taxes. Licensed wholesalers (*fournisseurs*) can only supply tobacco products to licensed points of sales (*débitants*). Current regulation also establishes the conditions for selling and storing tobacco products by wholesale distributors.

Logista France owns 38 tax warehouses in France.

Tobacconists

The retail sale of tobacco products is carried out through *débitants*, or licensed points-of-sale. The *débitants* are bound to the regulations by a Management Contract signed with the *Directeur Général des Douanes* et Droits Indirects, which is the body responsible for monitoring and controlling the compliance of the *débitants* with their obligations. In case of non-compliance, the *Directeur Général des Douanes et Droits Indirects* is entitled to terminate the Management Contract in advance with three months' notice or not to renew the *débitants'* license for retail sale of tobacco products. The retailer's commission is established at 8.74% of the RSP for tobacco products (excluding cigars and cigarillos). From 2011 to 2014, the commission has increased by 0.1% annually.

In addition to the *débitants*, there is a second retail channel of tobacco products (*revendeurs*), which includes, among others, coffee shops and petrol stations. Each of these *revendeurs* must be supplied by the *débitant* to which they have been assigned.

Italy

Italy is a retail monopoly market. The government body responsible for regulation of tobacco distribution is the AAMS.

The principal governing regulations include:

- Legge 17 luglio 1942, n° 907, Legge sul monopolio dei sali e dei tabacchi (Establishment of the Administration of the State Monopoly);
- Legge 22 dicembre 1957, n° 1293, Organizzazione dei servizi di distribuzione e vendita dei generi di monopolio (Monopoly Distribution and Sale);
- Decreto del Presidente della Repubblica 14 ottobre 1958, n° 1074, Approvazione del regolamento di esecuzione della legge 22 dicembre 1957, n° 1293 (Organization of the Distribution of Tobacco Products carried by the Administration of the State Monopoly through Warehouses and Establishment and Regulation of Retailers);
- *Legge10 dicembre 1975, n° 724 (*Liberalization of the Import and Wholesale Distribution of Tobacco from the European Community);
- *Decreto Legistlativo 26 ottobre 1995, n° 504* (Excise Consolidation Law Regulating the Movement of Excise Goods), as amended in 2013;
- *Dlgs 9 luglio 1998 n°283, Istituzione dell'Ente Tabacchi Italiani* (Privatization of the Administration of the State Monopoly), which included the assignment of production and commercial activities to a public institution that, in 2000, was transitioned into a limited company known as ETI SpA; and
- *DM 22 febbraio 1999 n° 67* (Transformation of Warehouses in Fiscal Depots and Regulation of the Management and Control of the Activities).
- *Legge 3/2003* banning tobacco consumption in public places.

Wholesale Distribution

Under the 67/1999 Decree, in order to create wholesale distribution warehouses for processed tobacco products, the applicant wholesaler must meet certain enumerated qualifications and be granted authorization by the Administration of the State Monopoly.

There are no limitations under Italian law regarding the line of business of the applicant. For example, both cigarette manufacturers or other owners of warehouses or other infrastructures for tobacco products distribution may qualify for wholesale distribution under the law. In addition, there are no limitations on the number of authorizations that the Administration of the State Monopoly is allowed to grant in a particular time period.

A fiscal depositary is required to comply with the following obligations:

- To commercialise the products exclusively through the retailers in accordance with Law 1293/1975; and
- To pay excise tax for the processed tobacco products.

The Administration of the State Monopoly is directly in charge of controlling and collecting excise payments.

As of the date of this Offering Memorandum, Logista owns 175 fiscal warehouses throughout Italy that are managed by independent third parties on behalf of Logista Italia, as a result of its acquisition of Italian wholesaler Etinera S.p.A. in 2004.

Tobacconists

Italian legislation provides that retailers of tobacco products must be subject to the government control (Article 1 and 16 of Law n.1293/1957 and Article 1 of Law n. 724/1975)

Retailer activity can only be carried out by those retailers who have been granted the appropriate license by the Administration of the State Monopoly (*patentini*). As of the date of this Offering Memorandum, there are approximately 58,000 licensed retailers in Italy. The *patentini* must sell their tobacco products in accordance with the rates published by the Administration of the State Monopoly, and they receive a commission (*aggio*) over the final price paid by their customers. The commission is fixed by law and is presently calculated as 10% of the final price of the processed tobacco product. In addition, wholesalers are required to supply the *patentini* with the quantity of tobacco products they request.

Generally, retail network participants are required to operate in accordance with a neutrality principle.

Poland

As a Member State of the EU, the tobacco market in Poland is subject to the system established by Directive 2001/37/EC and recent Directive 2014/40/UE (which will replace Directive 2001/37/EC and which transposition by Member States is required by May 20, 2016). In Poland, we provide transport and storage services to tobacco manufacturers, and these activities do not fall within these Directives.

Regulation of Tobacco

The advertising, sale and consumption of tobacco products have been subject to regulatory controls by governments and health officials and influence from tobacco control groups, principally due to their conclusion that smoking and the consumption of tobacco products in general is harmful to health. This has resulted in substantial restrictions on the manufacture, development, sale, distribution, marketing, advertising, product design and consumption of tobacco products, introduced by regulation. In addition, tobacco control groups continue to advocate the exclusion of the industry from consultation processes and seek to diminish the social acceptability of smoking. Tobacco control groups are pursuing this agenda through petitioning individual governments as well as organizations such as the EU and the WHO.

The increased regulation of tobacco, in confluence with increased excise taxes and VAT and adverse economic conditions resulting in lower consumer spending, has resulted, ultimately, in a decreased demand for the tobacco products that we distribute. See "*Risk Factors—Risks Relating to Our Business—Risks Relating to our Tobacco Distribution Business*." The following sections outline the principal EU regulations that have affected consumer demand for the tobacco products that we distribute and, as a result, our operations.

World Health Organization's Framework Convention on Tobacco Control

The Framework Convention on Tobacco Control ("FCTC") is an all-encompassing instrument for regulating tobacco products on a global level that came into force in February 2005 which has been signed by the countries in which we operate. The FCTC provides all ratifying countries with a framework within which national authorities may decide on the most appropriate tobacco control regulation for their national circumstances. It contains wide-ranging provisions, including provisions relating to advertising, ingredients, product testing, taxation and illicit trade.

The FCTC itself is legally binding but is supplemented by non-binding guidelines and binding protocols. Although non-binding, guidelines are increasingly used as pressure for increased regulation.

To date, the following guidelines have been adopted:

- Guidelines for implementation of Article 5.3 of the FCTC on protection of the public health and tobacco control policies against commercial interests and other vested interests of the tobacco industry.
- Guidelines for implementation of Article 8 of the FCTC on protection from exposure to tobacco smoke.
- Partial guidelines for implementation of Articles 9 and 10, on tobacco product content regulation and the regulation of information disclosure pertaining to tobacco products.
- Guidelines for implementation of Article 11 of the FCTC on packaging and labeling of tobacco products.
- Guidelines for implementation of Article 12 of the FCTC on education, communication, training and public awareness.
- Guidelines for implementation of Article 13 of the FCTC on tobacco advertising, promotion and sponsorship.
- Guidelines for implementation of Article 14 of the FCTC on measures to reduce the demand relating to tobacco dependence and smoking cessation.

On November 12, 2012 the parties to the FCTC adopted the Protocol to Eliminate Illicit Trade in Tobacco Products. This Protocol is based on article 15 of the FCTC and complements it with the aim to eliminate all means of the illicit trade of tobacco products.

EU Tobacco Products Directive (EU TPD)

The EU Tobacco Products Directive (Directive 2001/37/EC) was adopted in May 2001 for introduction into EU member states' laws by September 2002. It repealed and recast three earlier directives on pack labelling, maximum tar and nicotine yields and certain types of oral tobacco. The EU TPD allows EU member states to complement the text health warnings on cigarette packages with pictorial warnings on the back of packs. These have to be selected from the European Commission library of 42 color photographs and other illustrations adopted in May 2005.

In December 2012, the European Commission voted to adopt a proposal to revise the EU TPD. On March 14, 2014, the European Council formally approved the revised EU TPD (Directive 2014/40/EU of April 3, 2014), which was formally approved by the European Parliament on February 26, 2014. The revised EU TPD, among other things:

- Requires combined picture and text warnings covering 65% of the front and the back of all cigarette and RYO packs, with 50% of the sides of packs also covered in health warnings;
- Allows EU member states to maintain or introduce further measures relating to standardisation of packaging (such as plain packaging) where they are justified on grounds of public health, are proportionate and do not lead to hidden barriers to trade between EU member states; and
- Restricts usage of characterizing flavorings in cigarettes and RYO tobacco products (including menthol products) from May 20, 2016; however, there is a temporary exemption from this restriction until May 20, 2020.

Cross-border distance sales are not banned under the revised EU TPD, but individual EU member states may choose to ban such sales. Registration for retail outlets engaging in cross-border distance sales and an age verification mechanism must be in place to ensure that tobacco products are not sold to children in the EU. A tracking and tracing system and security features, such as holograms, are also required to address illicit trade and to ensure that only products complying with the EU TPD are sold in the EU.

Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Directive 2014/40/EU by May 20, 2016.

Smoking in Public Places

The markets in which we operate have enacted restrictions on smoking in public places. The European Council adopted a non-binding Council Recommendation on smoke-free environments in November 2009, which called on member states to bring in line laws to protect their citizens from environmental tobacco smoke exposure by 2012. In February 2013, the European Commission published a report summarizing the state of implementation of the Council Recommendation from November 2009 which found that all EU countries had adopted measures to protect citizens against exposure to tobacco smoke, although these measures differed considerably in scope.

As tobacco regulation increases in speed, scale, scope and sophistication, some countries are also seeking to regulate public smoking in non-workplace environments such as outdoor dining areas, parks, beaches and cars carrying children, including France and the UK. Experience in many markets has shown that following the introduction of public place smoking restrictions there is an initial decline in consumption, which diminishes over time.

Cooperation Agreement between Tobacco Manufacturers and the European Anti-Fraud Office of the European Commission

Our parent Imperial Tobacco, along with all other tobacco manufacturers, has built on the cooperation agreement signed in 2010 with the European Commission's European Anti-Fraud Office ("OLAF") and EU member states to jointly combat illicit trade in cigarettes, which for these purposes includes fine cut tobacco. This has involved coordinated anti-illicit trade activity and information sharing with customs authorities and industry partners across the EU and neighboring states. In each distribution agreement signed with a tobacco manufacturer, Logista agrees to implement all measures required by the OLAF to combat the illicit trade of tobacco products.

VAT and Excise Tax Collection on Tobacco Products

We collect excise taxes from tobacconists on a daily basis and pay them to the Spanish Ministry of Finance and Public Administration (*Ministerio de Hacienda y Administraciones Públicas*) once per month, to the Italian Ministry of Finance (*Dipartimento dellle Finanze*) twice per month, and to the French Ministry of Finance (*Ministère de l'Économie et des Finances*) three times per month. Our tax collection activities are subject to the following regulations in each of the jurisdictions in which we operate:

- **EU-wide regulation:**
  - *Excise taxes:* Council Directive 2008/118/CE (Concerning the General Arrangements for Excise Duty and Repealing Directive 92/12/EEC); Council Directive 2011/64/UE (On the Structure and Rates of Excise Duty Applied to Manufactured Tobacco); Commission Regulation 3649/92 (On a Simplified Accompanying Document for the Intra-Community Movement of Products Subject to Excise Duty which have been Released for Consumption in the Member State of Dispatch); and Commission Regulation 684/2009 (Implementing Council Directive 2008/118/EC as regards the Computerized Procedures for the Movement of Excise Goods under Suspension of Excise Duty).
  - *VAT:* Council Directive 2006/112/CE (On the Common System of Value Added Tax); and Regulation UE 282/2011 (Laying Down Implementing Measures for Directive 2006/112/EC on the Common System of Value Added Tax).
- **Spain:** Ley 38/1992 de los Impuestos Especiales; Real Decreto 1165/95 reglamento de los II.EE; Ley 37/1992 del IVA; Real Decreto 1624/1992 Reglamento del IVA; and Real Decreto 1619/2012 reglamento facturación.
- **Italy:** Testo Unico delle Accise—Decreto Legislativo 26.10.1995, n. 504; CAPO III-bis, l'art. 39 sexies del citato CAPO III-bis detta alcune disposizioni in tema di Imposta sul Valore Aggiunto; DPR n. 633/1972—"Decreto IVA"; and D.L. 30.08.1993, n.331, Art. 50 bis.
- **France:** Code General des Impotos TVA; Decret TVA; and Code General Accises.

Excise taxes are originally due when tobacco products are manufactured or imported to each of the markets. Nevertheless, a suspension regime applies, and, provided the tobacco products are received in a tax warehouse, taxes are not due until the tobacco products are released for consumption. We acquire tobacco products in a suspension regime and are responsible for paying taxes when these products are moved to one of our outbound warehouses or dispatched to the market.

VAT is due at the moment of the sale to the tobacconists (i.e., the invoice date). We collect VAT from tobacconists on a daily basis and forward to the relevant government regulatory body once per month in Spain, twice per month in Italy and thrice per month in France.

Regulation of Pharmaceutical Products

Spain's regulatory framework for drugs and health products is primarily contained in Law 29/2006, dated July 26, 2006 the Drug and Health Product Guarantee and Rational Use Act ("Law 29/2006") and its associated regulations. Control of the drug distribution chain, from manufacture or import through dispensing, is an indispensable element to ensure the quality of drugs and guarantee the proper conditions for preservation, transportation, and supply. Law 29/2006 establishes the general legal system to which drugs and health products for human use are subject and, among other aspects, the guarantees required in the manufacture and distribution of drugs.

Manufacture of pharmaceutical products

Law 29/2006 requires that persons who are involved in the manufacture of drugs or involved in any related processes, including subdividing, packaging, and presentation for sale, must be previously authorized by the Spanish Drug and Health Products Agency (*Agencia Española de Medicamentos y Productos Sanitarios*) ("AEMPS"). Pursuant to this law, Logista is required to obtain authorization from the AEMPS and must be enrolled in the AEMPS Pharmaceutical Laboratories Register. It is also subject to compliance with the provisions of Royal Decree 824/2010, dated June 25, the Pharmaceutical Laboratory, Active Ingredient Manufacturers and Foreign Trade in Drugs and Drugs under Investigation Act (Royal Decree 824/2010). Logista Pharma also holds AEMPS authorization and is enrolled in the AEMPS pharmaceuticals laboratories register in relation to its drug repackaging and secondary packaging activities (also known as partial manufacturing).

According to these rules, Logista must comply with the following requirements, among others:

- It must specify the drugs and pharmaceutical forms that it will manufacture (or package), as well as the place, establishment, or laboratory for manufacturing and control.
- It must have adequate and sufficient premises, technical equipment, and monitoring equipment for the activities it undertakes.
- It must have a duly qualified technical director, manufacturing director, and quality control director.

Also, Logista is required to comply with rules for correct manufacturing published by the Spanish Ministry of Health, Social Services, and Equality, pursuant to the detailed guidelines on correct drug manufacturing practices established within the framework of the European Community.

Logista has authorization as a drug manufacturing laboratory, with respect to the activities of secondary packaging, and has a certificate of compliance with correct manufacturing rules.

Distribution of Pharmaceutical Products

The drug distribution chain, from manufacture or import through dispensing, is of critical importance in upholding drug quality guarantees. Because of this, all the links in the distribution chain must comply with applicable regulations, so that the drugs are stored, transported, and supplied in suitable conditions.

The purpose of Royal Decree 782, dated October 11, 2013, the Distribution of Drugs for Human Use Act (Royal Decree 782/2013), is to regulate activities related to the distribution and intermediation of drugs for human use. Royal Decree 782/2013 regulates the following types of entities in Spain:

- Wholesale distribution warehouses;
- Contracted warehouses; and/or
- Drug warehouses under control or surveillance.

This royal decree, in coordination with the provisions of Law 29/2006, also sets the material and human resource requirements for drug distribution entities. According to these rules, wholesale warehouses must:

(a) have premises and equipment with the human, material, and technical resources needed to ensure proper preservation and distribution of drugs, with full assurances for public health;

(b) ensure the observance of the general or specific conditions for the preservation of drugs, especially maintenance of correct temperature throughout the distribution network through standardized procedures;

(c) maintain minimum drug inventories that ensure adequate continuity of the supply;

(d) ensure delivery periods, minimum distribution frequency, full-time pharmaceutical technical advising, and the means to support pharmacy outlets and services;

(e) provide security and disaster prevention services;

(f) have an emergency plan that ensures the effective implementation of any market recall ordered by the health authorities;

(g) have a warning system in place that covers all the pharmacies within the territory of their scope of business;

(h) comply with the rules of good distribution practices that have been promoted or authorized by the relevant health authorities, and cooperate with such administrations in providing high-quality pharmaceutical products; and

(i) comply with other obligations that are imposed in the future by legal or regulatory provisions.

When these requirements are met, the regional government where the warehouse is located will be responsible for granting the respective authorization. However, wholesale warehouses that have such authorizations must report the commencement of operations directly to the AEMPS, without prejudice to the jurisdiction of the regional governments.

Distributors are required to obtain a license to distribute pharmaceutical products in Spain, and these licenses are generally valid for an indefinite period. Currently, Logista Pharma has a warehouse license and uses Integra2 and Nacex for transportation to hospitals and pharmacies.

Pharmaceutical product prices are set by the Spanish government and are paid for through the social security system. The government sets the retail sale price for pharmaceutical products, adding a retail profit margin to the laboratory price. The margin for the wholesale distribution of drugs is set administratively by the government and is regulated by Royal Decree 823, dated May 16, 2008, the Profit Margin, Deductions, and Discounts for the Distribution and Dispensing of Drugs for Human Use Act. The profit margin for drug distribution is set between 7.54% and 7.6% of the dispenser's sale price before taxes.

In order to ensure that decisions related to prescribing, dispensing, and administering drugs are independent and not influenced by commercial interests, Law 29/2006 prohibits drug distributors (among others) from offering any type of incentive, bonus, discount, reward, or gift to the healthcare professionals who prescribe, dispense or administer drugs or to their relatives and members of their households. An exception to this law allows distributors to offer up to a 10% prompt payment or volume discount to pharmacies for drugs paid for through the National Health System, provided that the discount does not encourage the purchase of one product over one from its competitors and are reflected in the invoice.

Other activities

To the extent that the Logista Group also distributes other types of products, such as health products or cosmetics, it is also subject to Royal Decree 1591 dated October 16, 2009, the Health Product Regulation Act. Products may be distributed only in establishments that ensure proper storage and preservation. Health product distribution and sales establishments are subject to oversight and inspection by the regional government health authorities, and in order to be able to conduct such activities businesses must first report the commencement of their activity.

Regulation of Transportation of Goods

Insofar as tobacco distribution requires the provision of long-distance transportation and delivery services, and also due to the transportation activities that the Logista Group provides through Logesta (long-distance), Integra2 (industrial parcel delivery), and Nacex (courier services), the Logista Group is subject to the application of European Community and Spanish carriage laws.

The Logista Group subcontracts transportation services for these activities to its subsidiaries in Spain: Logesta, with carrier authorization no. 0968734, and Dronas 2002, with carrier authorization no. 1613919.

This business is regulated by the following regulations:

- EC Regulation no. 1071/2009 of the European Parliament and Council, dated October 21, 2009, establishing common rules concerning conditions that must be met to practice the profession of road transportation, and which repeals Council Directive 96/26/EC;
- Law 16/1987, dated July 30, the Overland Transportation Act;
- Royal Decree 1211, dated September 28, 1990, approving the Overland Transportation Act Regulations;
- Order FOM/734, dated March 20, 2007, implementing the Overland Transportation Act Regulations on the matter of road carriage authorization, as amended by Order FOM/2185 dated July 23, 2008;
- Geneva Convention dated May 19, 1956, the Contract for the International Carriage of Goods by Road Convention (CMR), which was partially amended by the Geneva Protocol of July 5, 1978;
- Law 15/2009, dated November 11, the Overland Goods Carriage Contract; and
- Order FOM/1882/2012 approving the general terms of contracting for the carriage of goods by road.

Finally, the transport of food products, which is conducted by our subsidiary Dronas 2002 through the Nacex and Integra2 networks, is regulated by Royal Decree 191/2011, dated February 18, 2011, the General Health Registry for Food Companies and Foods. Pursuant to this law, companies engaged in the storage, distribution, or transportation of foods or food products intended for human consumption must be registered in the General Health Registry of Food Companies and Foods. Dronas 2002 is enrolled in this Registry.

MANAGEMENT AND BOARD OF DIRECTORS

Board of Directors of the Issuer

Spanish corporate law provides that a company's board of directors is responsible for the management, administration and representation of a company in all matters concerning the business of a company, subject to the provisions of such company's bylaws (*estatutos*) and the powers granted by shareholders' resolutions.

The Issuer's bylaws provide for a Board of Directors consisting of between 10 and 15 members. In accordance with the Issuer's incorporation deed dated May 13, 2014, the Issuer's Board of Directors currently comprises 10 members. Pursuant to Spanish Order ECC/461/2013 dated March 20, and pursuant to the Issuer's internal corporate regulations, two are executive directors, three are independent directors, four are directors representing the Issuer's significant shareholder and one (Mr. Gregorio Marañón y Bertrán de Lis) is classified as *other* external director, since he was a director of Altadis until June 4, 2014, so he does not qualify as "independent" until 12 months have elapsed since his resignation from the Altadis board, assuming that no other causes prevent him from being considered "independent"). The Issuer's Directors are elected by the Issuer's shareholders to serve for a term of five years and may be re-elected to serve for an unlimited number of terms, provided that the Directors will cease to qualify as independent directors once they have served as Directors of the Issuer for a continuous term exceeding twelve years. If a Director does not serve out his or her term, the Board of Directors may fill the vacancy by appointing a replacement Director to serve until the next general shareholders' meeting. Any natural or legal person may serve on the Board of Directors, except for persons specifically prohibited by applicable law. Directors appointed by the Board of Directors for subsequent approval by the general shareholders' meeting must themselves be shareholders. A Director may be removed from office by the shareholders at a general shareholders' meeting.

The Issuer's Board of Directors are governed by the Issuer's bylaws and regulations that were adopted by our Board of Directors on June 4, 2014 (*Reglamento del Consejo de Administración*) ("Board of Directors Regulations"). The Board of Directors Regulations develop our bylaws and establish the principles for the functioning of our Board of Directors, including the basic rules for its organization and functions and the standards of conduct for and rights and duties of the Board members. Pursuant to the Board of Directors Regulations, Board members must tender their resignation to the Board and the Board may accept such resignation, in its discretion, under the following circumstances: (i) when the Board member ceases to hold the executive officer position to which such member's appointment to the Board of Directors was related; (ii) when such Board member's participation on the Board of Directors is contrary to applicable law for reasons of ineligibility or incompatibility; (iii) when the Board member has taken actions contrary to the diligence with which he/she is to serve in office or infringes upon his/her duties and obligations as a Board member; (iv) when for reasons attributable to the Board member, the continued participation of that Board member on our Board may, in the opinion of our Board, damage the value of our equity or our reputation; (v) when a Board member represents a shareholder that has subsequently ceased to be a shareholder in the Issuer.

The Board of Directors is responsible for our management and establishes our strategic, accounting, organizational and financing policies. The Board of Directors Regulations provide that the Chairman of the Board of Directors, and the Vice-Chairman, who acts as Chairman in the event of the Chairman's absence or incapacity, shall be elected from among the members of the Board of Directors. The Secretary and, where appropriate, the Deputy-Secretary of the Board of Directors need not be Directors.

In relation to the composition of the Issuer's Board of Directors, the Relationship Agreement states that: (i) the number of members of the Board may not be less than ten nor greater than the maximum statutory limit of fifteen; (ii) the minimum number of independent Directors and other external Directors will be four; (iii) the maximum number of Executive Directors will be two; and (iv) the number of Directors representing Imperial Tobacco on the Issuer's Board of Directors may not exceed the number of independent directors and other external Directors by more than two, provided that other directors have not been appointed to represent shareholders other than Imperial Tobacco. However, if there are proprietary directors on the Board of Directors other than the Directors appointed at the request of Imperial Tobacco, Imperial Tobacco reserves the right to appoint new directors, so that the number of the latter comprises the absolute majority of the members of the Board.

The Board of Directors Regulations provide that the Board of Directors shall ordinarily meet at least five times each year. The Chairman of the Board of Directors may call a meeting whenever he or she considers such a meeting necessary or suitable, and the Chairman of the Board of Directors is also required to call a meeting at the request of one third of the members of the Board of Directors, who shall be entitled to call the meeting by themselves if the Chairman does not attend such request within the following month. The Issuer's bylaws provide that half plus one of the members of the Board of Directors (represented in person or by proxy by another member of the Board of Directors) constitutes a quorum. Except as otherwise provided by law or specified in the bylaws and Board of Directors Regulations (which set out that certain matters (as set forth in article 38 of the Issuer's bylaws), including borrowing, the giving of security and entering into certain transactions require the approval of 70% of the Board of Directors), resolutions of the Board of Directors are passed by an absolute majority of the Directors present or represented at a Board meeting.

Directors

Name	Date of First Appointment	Age	Title
Gregorio Marañón y Bertrán de Lis	May 13, 2014	71	Chairman
Luis Alfonso Egido Gálvez	May 13, 2014	61	CEO
Rafael de Juan López	May 13, 2014	69	Director and Secretary
John Matthew Downing	May 13, 2014	42	Director
Adam Britner	May 13, 2014	43	Director
David Ian Resnekov	May 13, 2014	55	Director
Nicholas James Keveth	May 13, 2014	44	Director
Stéphane Lissner	May 13, 2014	61	Director
Cristina Garmendia Mendizábal	June 4, 2014	52	Director
Eduardo Andrés Zaplana Hernández-Soro	May 13, 2014	58	Director

Biographical Information

Gregorio Marañón y Bertrán de Lis

Mr. Marañón is the Chairman of the Issuer. He also currently serves as Chairman of Roche Pharma; Chairman of Universal Music (Vivendi); Director of Prisa and is member of its Executive Committee and serves as Chairman of its Nominations and Remunerations Committee; Chairman of the Advisory Board of Spencer & Stuart; member of the Advisory Board of Aguirre Newman. He is Chairman of the Board and the Executive Committee of the Teatro Real opera house and the El Greco 2014 Foundation. Mr. Marañón is also a member of the Madrid Bar Association.

Before taking on this role of Chairman of the Issuer, Mr. Marañón served as Director of Altadis; as member of the Board of Argentaria and BBVA (1994-2004); as Director of VISCOFAN (2002-2014); as President of Banco Internacional do Funchal S.A. (1983-1986); and as General Manager at Banco Urquijo (1976-1983). Mr. Marañón received his Bachelor of Laws in 1964 from Complutense University of Madrid, and his Master in Advanced Management in 1979 from IESE Business School.

Luis Alfonso Egido Gálvez

Mr. Egido is the CEO of the Issuer. Prior to taking on this role, he held various roles, including CEO of Logista (2005-2014), COO of the Logistics business unit of the Imperial Tobacco Group (2008-2011); Director of Business Logistics at Altadis (2001-2008); General Manager of Logista (1998-2005); Logistics Director of Tabacalera (1996-1999); Distribution Manager of Tabacalera (1988-1996); and Chairman of Serventa (1991-1993). Mr. Egido also spent seven years at Telettra Española, S.A., a joint venture between Fiat and Telefónica, where he served as Materials Director (1981-1984), Director for material requirements planning (1980-1981), Head of the Engineering Department (1979-1980), and as an employee in production organization (1978-1979). Mr. Egido received his Bachelor of Science in Industrial Engineering from The College of Industrial Engineering of Madrid in 1977. He also completed the Senior Management Program at the IESE Business School in 1996.

Rafael de Juan López

Mr. de Juan is a Director and Secretary to the Board of the Issuer. He also currently serves as General Secretary. Prior to joining the Logista Group, he worked as a government lawyer for the Spanish Economy and Taxes Ministry (1993-1999). Mr. de Juan has also served as: an attorney at the Spanish law firm

Martínez Lage Asociados (1990-1993); Director and Legal Affairs General Manager of Spanish chemical company Unión Española de Explosivos S.A. (ERT) (1983-1990); and as a government lawyer for various ministries in Spain (1974-1983). Mr. de Juan received his Bachelor of Laws in 1967 from Complutense University of Madrid.

John Matthew Downing

Mr. Downing is a Director of the Issuer. He joined the Imperial Tobacco legal department in 2005 and currently serves as Company Secretary of Imperial Tobacco. Mr. Downing previously served as Head of Group Legal of Imperial Tobacco from October 2010 to June 2012. Mr. Downing played a leading role in all aspects of Imperial Tobacco's acquisition of Altadis and has considerable experience in managing key corporate projects related to financing, business development and other commercial matters. Prior to joining Imperial Tobacco, he worked in the corporate department of Linklaters from 1998 to 2005. Mr. Downing received a Bachelor of Arts (Honors) in History from the University of Cambridge in 1993, after which he completed a conversion course in Law, passing with Distinction in 1995.

Adam Britner

Mr. Britner is a Director of the Issuer. He joined Imperial Tobacco in 2000 and has served as Head of Business Development since October 2011. Mr. Britner has held a number of positions within Imperial Tobacco including Finance Manager Business Development (2000-2003), Commercial Director Central Europe (2003-2005), Commercial Director Western Europe (2005-2010) and Director Special Projects (2010-2011). Prior to joining Imperial Tobacco, Mr. Britner worked at KPMG (1994-1997) whilst training to become a Chartered Accountant and at Deloitte (1997-2000) in their Corporate Finance practice. Mr. Britner received a Bachelor of Arts (Honors) in Engineering and Economics from the University of Cambridge in 1994 and is Associate of the Institute of Chartered Accountants in England and Wales.

David Ian Resnekov

Mr. Resnekov is a Director of the Issuer. He joined Imperial Tobacco in 2011 as Group Financial Controller. He also serves on the board of various Imperial Tobacco Group companies, including Imperial Tobacco Limited and Imperial Tobacco Finance PLC. Mr. Resnekov is a senior finance executive with multinational experience in finance roles in business units, shared services and corporate functions across a range of industries including healthcare, electronics, IT, financial services and tobacco. Prior to his current roles, he worked at Arthur Andersen (1984-1997), serving as partner from 1993 to 1997; worked at Philips Electronics (1998-2006), serving as CFO of the IT and Finance Shared Services businesses for four years; and served as Entity Controller for Japan Tobacco International ("JTI") (2007-2010) and Vice President, CFO for JTI's Global Leaf business following JTI's vertical integration in 2009. Mr. Resnekov received a Bachelor in Science (Honors) in Economics from Loughborough University in June 1981 and is Fellow of the Institute of Chartered Accountants in England & Wales.

Nicholas James Keveth

Mr. Keveth is a Director of the Issuer. He joined Imperial Tobacco in 2004 and has served as the Director of Finance & Planning since August 2013. He also serves on the board of various Imperial Tobacco Group companies, including Imperial Tobacco Limited and Imperial Tobacco Finance PLC. Mr. Keveth is a senior finance executive with significant experience working with multinational listed companies covering financial management, M&A, IFRS accounting, auditing, finance transformation and tax planning. Prior to his current roles, he: worked at PricewaterhouseCoopers (1990-2002), serving as Trainee accountant and audit manager (1990-1995), Audit Manager in the FMCG sector in New York (1995-1997), Audit Senior Manager responsible for delivering audit and transaction support services to a range of UK listed companies including Imperial Tobacco (1997- 2002) and Audit Director responsible for subsidiary audit and advisory services to multinational FMCG clients (2002-2004); and has worked at Imperial Tobacco, serving as Finance Manager—Special Projects (2004-2005), Group Financial Controller (2005-2009), Director of Accounting, Forecasting & Tax (2009-2011), and Finance Director Group Sales & Group Marketing (2011-2013). Mr. Keveth received a Bachelor of Arts in Mathematics from Cambridge University in June 1990 and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Stéphane Lissner

Mr. Lissner is a Director of the Issuer. He is also currently the General Manager and Artistic Director of the Teatro alla Scala in Milan and the "Directeur Délegué" of the Opéra National in Paris. Prior to his current roles, he served as: Musical Director of the Wiener Fest Wochen in Vienna (2005-2013); Director of the Festival International d'Aix-en-Provence (1998-2006); Co-Director of the Théâtre des Bouffes du Nord with Peter Brook in Paris (1998-2005); Director of the Teatro de Ópera de Madrid (1995-1996); General Director of the Orchestre de Paris (1993-1995); Administrator (1983-1988) and General Manager (1988-1998) of the Théâtre du Châtelet in Paris; Professor of Management of Cultural Institutions at the Université Paris-Dauphine (1984); Director of the Printemps du Théâtre (1984); Director of the Centre Dramatique National in Nice (1978-1983); and Secretary General of the Théâtre d'Aubervillier (1977-1978). Mr. Lissner received his baccalauréat in 1971.

He was appointed an Officier de l'Ordre National du Mérite in December 1997 by a decree on November 14, 2006, an Ufficiale Ordine al Merito of the Italian Republic in December 2011 and a Chevalier de la Légion d'Honneur in 2012.

Cristina Garmendia Mendizábal

Mrs. Garmendia is a Director of the Issuer. Her current roles include: Partner and Founder of Ysios Capital Partners (since 2012); Chairwoman of SYGNIS, a German-Spanish listed company (since 2012); Founder of international advisory firm Science & Innovation Link Office (SILO) (since 2012); Board member of the companies Everis, Seguros Pelayo and Corporación Financiera Alba (since 2012); President of Grupo Genetrix; Advisory Board member of ISS World (since 2014); Advisory Board member of Broseta Attorneys (since 2012); Advisory Board member of the Professional Council of ESADE Business School (since 2012); Advisory Board member of the Foundation for Women in Africa (since 2013); and Advisory Board member of the NGO ONGAWA Engineering for Human Development (since 2013). She is also a Board Member of the University of Sevilla (since 2012), a patron of Antonio de Nebrija University (since 2012) and the SEPI Foundation (since 2014), a Board member of the Spain-Colombia Business Partnership (AEEC) and serves as an advisor on the International Advisory Committee to the Productive Transformation Program (PTP) for the government of Colombia. Prior to her current roles, she served as: Minister of Science and Innovation for the Spanish government (2008-2011). Mrs. Garmendia received her Bachelor's degree in Biological Sciences, with a specialization in Genetics in 1985 from the University of Seville and her doctoral degree in 1989 from Universidad Autónoma de Madrid. She also received her MBA from IESE Business School, University of Navarra in 1992.

Eduardo Andrés Zaplana Hernández-Soro

Mr. Zaplana is a Director of the Issuer. He is also an advisor to the President of Telefónica, S.A. Prior to his current roles, Mr. Zaplana held various positions in the Spanish Public Administration, including Deputy for Valencia and Spokesman for the Grupo Parlamentario Popular in the House of Representatives (2004-2008); Government Spokesman Minister (2003-2004); Senator for the *Comunidad Valenciana* (2002-2004); Minister of Labor and Social Affairs of the Spanish government (2002-2004); First Deputy Chairman of the Committee of the Regions and Speaker of the Delegation of the Committee of the Regions at the Convention on the Future of Europe (2002-2003); President of the Generalitat of Valencia (1995-2002); Spokesman for the Grupo Parlamentario Popular in the Parliament of Valencia (1991-1995); Deputy in the Parliament of Valencia (1991-1995); and; Mayor of Benidorm (Alicante) (1991-1994). He also founded in 2005 and, since 2005, has served as President of Decuria Consulting, S.L. Mr. Zaplana received his Bachelor of Laws in 1991 from the University of Alicante.

Board Committees

Audit and Control Committee

The Audit and Control Committee is currently comprised of the following members: Gregorio Marañón y Bertrán de Lis, David Ian Renekov, Cristina Garmedia Mendizábal, Eduardo Andrés Zaplana Hernández-Soro and Rafael de Juan López (in his capacity as Secretary only and not as a member).

The bylaws and Board of Directors Regulations provide that the Audit and Control Committee must be comprised of a minimum of three external directors with a majority of independent directors.

The Audit and Control Committee's responsibilities include overseeing the appointment of the external auditors, supervising the functions and activities of the internal audit, monitoring the effectiveness of our internal control systems and supervising the preparation of our regulated financial information, among other responsibilities.

The Relationship Agreement sets forth certain requirements with respect to the Audit and Control Committee. See "Related Party Transactions—Relationship Agreement" for more details regarding the Relationship Agreement.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is currently comprised of the following members: Gregorio Marañón y Bertrán de Lis, John Matthew Downing, Stéphane Lissner, Eduardo Andrés Zaplana Hernández-Soro and Rafael de Juan López (in his capacity as Secretary only and not as a member).

The bylaws and Board of Directors Regulations provide that the Appointments and Remuneration Committee must be comprised of external directors, with the majority being independent directors.

The Appointments and Remuneration Committee's responsibilities include proposing the appointment of independent directors and informing on the appointment of the other directors, proposing compensation for directors and senior managers to the Board of Directors and ensuring compliance with our compensation policy, among other compensation functions.

The Relationship Agreement sets forth certain requirements with respect to the Appointments and Remuneration Committee. See "Related Party Transactions—Relationship Agreement" for more details regarding the Relationship Agreement.

Conflicts of Interest

As set forth above, some of the Directors of the Issuer are also officers and/or employees of companies within the Imperial Tobacco Group. For more information on matters relating to the relationship between the Issuer and Imperial Tobacco, see "Related Party Transactions."

Save as set out in the paragraph above and the "Related Party Transactions" section, there are no potential conflicts of interest between any duties owed by the Directors or Senior Management to the Issuer or Logista, respectively, and their private interests or other duties.

Our Board of Directors Regulations requires Directors to avoid situations which could give rise to a conflict of interest between the Issuer and the Director or his/her connected persons. Directors are required to report to the Board of Directors any circumstances that may give rise to a conflict of interest with the Issuer as soon as they become aware of such circumstances. Directors should abstain from voting on matters in which they may have a personal interest, whether direct or indirect. Additionally, Directors should abstain from engaging in commercial or professional transactions with the Issuer, without having first informed and received approval for the transaction from the Board of Directors, which shall seek a report from the Audit Committee. In relation to transactions in the ordinary course of business, or those of a recurrent or habitual character, general authorization from the Board of Directors will be sufficient.

Obligation not to compete

Directors, or persons related to them, must not engage in activities, whether direct or indirect, that have, whether completely or partially, a business objective, or engage in activities, similar to ours, except with the express authorization of the general shareholders' meeting.

Code of Conduct and Corporate Governance

As at the date of this Offering Memorandum, we believe that we substantially comply with the recommendations of the Spanish Unified Code of Good Governance for publicly listed companies (*Código Unificado de Buen Gobierno de las sociedades cotizadas*). Certain of our corporate practices, however, currently vary from these recommendations in certain respects. These practices are set forth below.

- The appointment of the current members of the Board of Directors of the Issuer was not preceded by proposals and reports of the Appointments and Remuneration Committee as set out in recommendation 26;
- Pursuant to the Relationship Agreement, the Directors appointed by Imperial Tobacco will be present for discussion and voting relating to the Relationship Agreement and treasury arrangement (although

they will not have any voting rights), in conflict with recommendation 8. Furthermore, the agreement does not define the specific areas of activity of each party to the agreement;

- Independent Directors constitute less than one-third of the current Board of Directors, in conflict with recommendation 12;
- Only one Board member is a woman, in conflict with recommendation 14;
- The Audit and Control Committee and the Appointments and Remuneration Committee are comprised of four Board members and the Secretary of the Board rather than an additional Board member, in conflict with recommendation 39. Additionally, the independent Board members on these committees do not constitute a majority, in conflict with recommendation 49;
- The regulations of the Issuer do not formally state that each Director may propose additional items for the agenda for a Board meeting, in conflict with recommendation 18;
- The Board of Directors Regulations provides the circumstances in which a Director is required to tender their resignation, including in circumstances of conflict or if the member becomes prohibited by law to be a Board member, but the Board of Directors Regulations does not provide for the procedure for review when a Board member is charged with a crime or proceedings are initiated against him for any of the crimes set forth in article 213 of the Spanish Companies Act (*Ley de Sociedades de Capital*), in conflict with recommendation 30. The Board of Directors Regulations also do not require the proprietary directors to resign from their positions if the shareholders who proposed these directors' appointments partially (but not fully) sell their stake in the Issuer, which only partially complies with recommendation 28 (currently, proprietary directors of the Issuer have been appointed at the proposal of Imperial Tobacco); and
- The Issuer's Board of Directors has not yet approved a policy for risk management and control, in conflict with recommendation 44.

As set forth in the regulations of the Issuer, the Audit and Control Committee will periodically review the level of compliance with the recommendations of the Unified Code of Good Governance by the Issuer and, where appropriate, the Issuer's subsidiaries and will submit its proposals and recommendations to the Board of Directors. Furthermore, pursuant to the Issuer's bylaws and the Board of Directors Regulations, the Board of Directors will prepare an annual corporate governance report.

Board and Executive Compensation

With respect to the Issuer, on June 4, 2014, the Selling Shareholder set the maximum aggregate amount of annual compensation for the Board of Directors at €1,300,000 (which includes fixed compensation in addition to *per diem* allowances).

Since the Issuer's incorporation, the aggregate compensation paid to Board members amounts to €18,000, €3,000 of which was paid to the CEO of Logista acting in his capacity as Board member of the Issuer.

With respect to Logista, for the years ended September 30, 2013, 2012 and 2011, the aggregate compensation paid to Logista's Board of Directors was €263,000, €211,000 and €362,000, respectively (excluding any compensation paid to Logista's CEO or the Secretary of Logista's Board for their non-Board services). For the years ended September 30, 2013, 2012 and 2011, Logista's CEO was paid €1,067,000, €785,000 and €753,000, respectively, and the Secretary of Logista's Board of Directors was paid €689,000, €554,000 and €447,000, respectively, which includes fees paid for their Board services and amounts paid pursuant to the incentive plans (see "Business—Employees—Incentive Plans").

Management Team of Logista

The Issuer is a holding company with no direct operations, and it conducts all of its business through the Logista Group. The following section discusses the management team of Logista.

We are managed on a day-to-day basis by Logista's Management Team, which comprises, in addition to Mr. Egido and Mr. de Juan, the individuals listed below.

Name	Year of first appointment	Age	Title
Manuel Suárez Noriega	2000	54	Chief Financial Officer
Antonio García Villanueva	2004	58	Corporate Resources Director
Rafael Martí Fernández	2011	51	Corporate Human Resources Director
Gloria Martín Gimeno	2010	44	Planning & Strategic Analysis Director
Jan Babst	2010	45	Corporate Director of Information Services
Francisco Pastrana Pérez	2004	56	Chief Executive of Tobacco and Convenience Iberia
Laurent Bendavid	2013	44	President Logista France
Pascal Ageron	2007	55	Tobacco, Telecoms & Strator France General Manager
Luis Rodríguez Cuberos	2007	55	President Logista Italia
Luis Álvarez Sabugal	2013	49	International Tobacco Director
Miguel Gómez Prado	2006	49	CEO Logista Pharma
Pablo Rebollo Pericot	2003	45	General Manager Nacex and Integra2

Biographical Information

Manuel Suárez Noriega

Mr. Suárez is the Chief Financial Officer for Logista. Before his current role, which he assumed in 2000, he was the Financial Director at Asturiana de Zinc (1992-2000), Accounting and Internal Auditing Director for RJ Reynolds (1988-1992) and Financial Analyst at IBM (1982-1988). Mr. Suárez received a degree in Business Administration in 1981 from the University of Deusto.

Antonio García Villanueva

Mr. García is the Corporate Resources Director. Before his current role, which he assumed in 2004, he held the position of Network and Infrastructure Director for Logista (1998-2004). Before joining Logista, he worked for many years at Tabacalera, S.A., holding the following positions: Director of Wholesale Distribution (1991-1998); Director of Operations for the Central Zone (1987-1991); and Director of Production and Maintenance of the factory in Valencia (1984-1987). Mr. García also worked as Director of the Research and Development Department of Pilas Tudor (1982-1984), as an engineer at EPTISA (1981-1982), and as a consultant at Arthur Andersen (1980-1981). He received a degree in Industrial Engineering (specializing in mechanics) in 1979 from the University of Zaragoza and an associate's degree in Nuclear Power in 1984 from ICAI School of Engineering. In addition, he completed the Senior Management Program in 1990 at IESE Business School.

Rafael Martí Fernández

Mr. Martí is the Corporate Human Resources Director for Logista. Before joining Logista, he held various positions at different companies in a number of sectors, including: Vice President of Human Resources for DHL Iberia, Deutsche Post Group (2007-2011); Corporate Director of Human Resources at Almirall (2003-2007); and Director of Human Resources for Latin America at Vivendi/FCC (2001-2003). In addition, Mr. Martí has held various positions at Continente/Carrefour, with the most recent role being Director of Employment, Hiring and Development for Spain (1989-2000). Mr. Martí received a degree in Law in 1987 from the University of Valencia and received a Master's Degree in Business Administration in 1989 from EOI Business School.

Gloria Martín Gimeno

Ms. Martín is the Planning & Strategic Analysis Director for Logista. Before joining Logista, she held various positions at a number of companies, including: Director of Strategic Planning and Analysis at Altadis (1998-2008); Investor Relations at Cortefiel (1996-1998) and Financial Analyst at BANIF (1994-1996). Ms. Martín received a degree in Business Administration in 1992 from Universidad Autónoma de Madrid, received a Masters in Business Administration in 1993 from the IE Business School and received a degree in Law in 2009 from Universidad Nacional de Educación a Distancia.

Jan Babst

Mr. Babst is the Corporate Director of Information Services for Logista. Before his current role, which he assumed in 2010, he held various positions at a number of companies in different sectors, including: Corporate Director of IT Systems at Holcim Services EMEA, Spain and Switzerland (2002-2010); Senior Manager for Transaction Services at PricewaterhouseCoopers (USA) (2000-2001); Senior SAP Consultant at KPMG (USA) (1999-2001); SAP Project Manager at Quantum GmbH (Germany) (1996-1999); and Research Consultant at Gerling Insurance (Japan) (1995-1996). Mr. Babst received a degree in Business Administration in 1993 from Paderborn University in Germany and received a Postgraduate Diploma in Economic Studies with a focus on East Asia in 1995 from the University of Duisburg in Germany.

Francisco Pastrana Pérez

Mr. Pastrana is the Chief Executive of Tobacco and Convenience Iberia for Logista. Before his current role, which he assumed in 2004, he held various positions at Logista, including: Director of Tobacco (Spain and Portugal), Stamp, Documents and Logistics Services (2002-2004); Director of Tobacco and Transportation (1998-2002); and Director of Tobacco (1997-1998). In addition, Mr. Pastrana worked at Tabacalera, S.A., holding the following positions: Chief of the Logistics Department (1988-1997); Director of Tobacco Stock Management (1984-1988); and Technician of the Tobacco Distribution Department (1984-1986). Before joining Tabacalera, he was a professor and consultant for the Escuela Técnica Superior de Ingenieros Industriales (ETSII—School of Advance Industrial Engineering). Mr. Pastrana received a degree in Industrial Engineering in 1984 from the University of Seville. He received a Master's Degree in Logistics in 1987 from the Center of Commercial Studies of the Chamber of Commerce and Trade of Madrid and completed a postgraduate program in Business Administration and Management in 1991 at IESE Business School.

Laurent Benavid

Mr. Benavid is the President and General Manager of Logista France. Before joining Logista, he held various positions in the Carrefour Group by holding various positions including Executive Director of Format Unit Development and member of the Executive Board at Carrefour Paris (2010-2013), and member of the Executive Committee of Carrefour (2010-2013); Executive Director and Country Manager of Carrefour in Bulgaria (2009-2010); Sales and Operations Director for Nutrition and Consumables in Brazil (2003-2008); Sales Director of the textile and procurement department at Carrefour Mexico (1998-2003); and Operations Manager at Carrefour France (1994-1997). Mr. Benavid received a Master's Degree in Business Administration in 1993 from ESC Rennes and completed the Carrefour Executive Master's Program in Business Administration at INSEAD in 2007.

Pascal Ageron

Mr. Ageron is the Tobacco, Telecoms & Strator France General Manager. Before his current role, which he assumed in 2009, Mr. Ageron was the Director General of Logista Promoción y Transporte (2007-2009). Previously, he held various positions at various companies, including: Director General of Sodimaine Transports (Heppner Group) (2006-2007); and various positions at CRIE, including Director General, Director of Ile-de-France and Deputy Director General (2001-2006). Between 1996 to 2000, he served as Director General at Bilia Trucks, Financial Director at TNT Express and Financial Director at Fnac Logistics. Between 1984 and 1996, Mr. Ageron also worked at CRIE, serving as Financial Director and Director of International Network Development. Mr. Ageron graduated from the Institut Français de Gestion ICG in 1996.

Luis Rodríguez Cuberos

Mr. Rodríguez is the President and General Manager of Logista Italy. Before his appointment to this position in 2007, he held various positions at Logista, including: Business Director of Logista Italy (2005-2007); and Regional Director of Logista. In addition, Mr. Rodríguez worked at Altadis, where he held the following positions: Director of Regional Distribution (1992-1998); Director of Regional Warehouse Operations (1989-1992); Director of Tobacco Factory Production (1985-1989); Procurement Engineer in the Tobacco Procurement Division (1984). Prior to his time at Altadis, he worked as an engineer at HYTASA (1982-1984). Mr. Rodríguez received a degree in Industrial Engineering (specializing in mechanics) in 1982 from the University of Seville.

Luis Álvarez Sabugal

Mr. Álvarez is the International Tobacco Director of Logista. Before his current role, which he assumed in 2013, he worked as General Manager of Logista (2002-2013). Previously, he held various positions at different companies, including: Operations Director at Seur (2000-2002); Plant Logistics Director at Sanoti-Synthelabo (1996-2000); Senior Director at Coopers & Lybrand (1995-1996); Operations Director at Alexander Proudfoot (1993-1995); and Inventory and Distribution Coordinator at Medtronic Hispania (1992-1993). Mr. Álvarez received a degree in Industrial Engineering in 1989 from the Polytechnic University of Madrid and received a Master's Degree in Business Administration in 1991 from St. Joseph's University in Pennsylvania, USA.

Miguel Gómez Prado

Mr. Gómez is the CEO of Logista Pharma. Before his current role, which he assumed in 2006, he worked at Logista as Logistics and Transportation Manager (2005-2006) and as Business Consultancy Director (2000-2005). Before joining Logista, Mr. Gómez held various positions at different companies, including: S.D.F. Manager at Getafe (Madrid), Supervisor of Operations in Andalucia and the Canary Islands at S.D.F. Ibérica, S.A (STEF Group) (1997-2000); S.D.F. Manager in Seville and Supervisor of Operations in Andalucia and the Canary Islands at S.D.F. Ibérica, S.A (STEF Group) (1994-1997); and Manager of Port Operations in Argentina at MAR LAVQUEN, S.A. (1993-1994). Mr. Gómez received a degree in Industrial Engineering (specializing in mechanics) in 1990 from the University of Navarra and received a Master's Degree in Business Administration in 1993 from IESE Business School.

Pablo Rebollo Pericot

Mr. Rebollo is the General Manager of Nacex and Integra2. Before his current role, which he assumed in 2013, he worked at Logista as the Director of Business Development of the Logista Group (2011-2013), and as a Chief Executive of Integra2 (2003-2011). Before joining Logista, Mr. Rebollo held various positions at different companies, including: Regional Transportation Director at Azkar (1998-2003); Chief Executive at Contenemar (1996-1998); and as Project Engineer at Civiltec (1994-1996). Mr. Rebollo received a degree in Industrial Engineering in 1984 from the Polytechnic University of Barcelona, specializing in Industrial Organization, received an Associate's Degree in Foreign Trade in 1996 from EOI and completed a Management Development program in 2000 at IESE Business School.

Contracts with Certain Executives and Management of Logista

Service contracts with certain executives and management of Logista include the following special terms.

Change of control clauses. Four of these contracts (for three top managers and the Secretary of Logista's Board) include a clause, which is not triggered by the Offering, that allows the individual, in the event of a change of control, to receive the same indemnification benefit as he or she would receive if the contract was cancelled as a result of unfair termination. For two of these four contracts, the indemnification is equivalent to 42 months of fixed and variable salary, and for the other two individuals, it would be a minimum of twice their fixed salary plus variable salary. The reference salary for calculating these indemnity payments cannot be less than the salary of these individuals in 2008 when Imperial Tobacco became the ultimate parent company of Logista. The minimum total amount to be paid under these provisions, in the event that these provisions are triggered under all of these contracts, amounts to €5,850,000, of which, €1,216,000 is the amount payable to the Secretary of Logista's Board of Directors.

"Golden parachute" clauses. There are 13 contracts (seven top managers, the CEO, the Secretary of Logista's Board and four managers) that include a right for the individual to be indemnified in the event of unfair termination or if the contract is cancelled by the individual himself or herself on the grounds established in Article 50 of the Spanish Workers' Statute. Under the clauses in these contracts, the compensation to be paid to these individuals varies—for example, some would receive the equivalent of three months' salary, while others would receive 42 months' salary or the equivalent of one to two years of salary, including fixed and variable salary or bonus for the year prior to termination or the following year.

These contractual indemnities will only apply, however, to the extent that they exceed the statutorily provided severance under Spanish law. In the event that all of these provisions are triggered, the total amount due under these provisions, as of the date of this Offering Memorandum, would be €10,256,000. Such amount includes €5,850,000 of change of control clauses described above (since such clauses also include severance, payable in the case of unfair dismissal or termination under Article 50 of the Statute of Workers).

As of the date of this Offering Memorandum, in the event that all of these provisions are triggered, the minimum total amount due under the change of control clauses, in the event that this clause is triggered under all of these contracts, and "golden parachute" clauses would amount to €10,256,000, of which €1,216,000 corresponds to the minimum amount that would be due to the Secretary of Logista's Board of Directors and €460,000 to Logista's CEO.

Non-compete clauses. There are 14 executives (nine top managers, the Secretary of Logista's Board and four managers) whose contracts include non-compete restrictions for a period of 24 months, in the majority of cases, and 18 months and 12 months, in the case of two individuals. These individuals are compensated for these restrictions, as required by law. The average of the compensation to be paid under these clauses is equal to 12 months of fixed salary and variable salary (which includes bonuses), which is paid in monthly installments during the non-compete period. As of the date of this Offering Memorandum in the event this clause in all these contracts are triggered, the minimum total amount due under these clauses would be €3,758,000, €459,000 of which corresponds to the amount to be paid to the Secretary of Logista's Board of Directors.

Other clauses. The contracts of four executives provide for compensation in the event of death or disability, payable to the executives or their heirs, after discounting the amount that may be received from the employer's life insurance policy.

PRINCIPAL AND SELLING SHAREHOLDER

Altadis

The Selling Shareholder is Altadis S.A.U., an indirectly wholly-owned subsidiary of Imperial Tobacco.

Imperial Tobacco

Prior to the Offering, Imperial Tobacco, a public limited company incorporated under the laws of England and Wales, beneficially owned 100% of the issued share capital of the Issuer through the Selling Shareholder.

Immediately following the Offering, Imperial Tobacco will hold (indirectly through the Selling Shareholder) approximately 72.7% of the Shares and voting rights attached to the issued share capital of the Issuer, assuming no exercise of the Over-Allotment Option, and approximately 70.0% assuming the Over-Allotment Option is exercised in full. For a description of certain transactions between the Issuer and its subsidiaries and affiliates of Imperial Tobacco, including the Selling Shareholder, see "Related Party Transactions."

Lock-up Arrangements

See "Plan of Distribution" for a discussion of certain lock-up arrangements entered into by the Selling Shareholder and the Issuer.

RELATED PARTY TRANSACTIONS

We have not entered into any agreements or contracts that we believe would merit consideration as related party transactions, except for those agreements or contracts that are executed in the ordinary course of business.

Notwithstanding the foregoing, we have entered into certain arrangements with Imperial Tobacco or its affiliates, including four tobacco distribution agreements, the Relationship Agreement and treasury arrangement referred to below. We also have certain shared services with Imperial Tobacco where we benefit from group purchasing power, such as insurance.

Relationship Agreement

Immediately prior to the Offering, Imperial Tobacco held (through Altadis) 100% of the voting rights attached to the issued share capital of the Issuer. Immediately following the Offering, Imperial Tobacco will hold (indirectly through Altadis) approximately 72.7% of the voting rights attached to the issued share capital of the Issuer, assuming no exercise of the Over-Allotment Option, and approximately 70.0% assuming the Over-Allotment Option is exercised in full.

On June 12, 2014 and following Recommendation 2 of the Spanish Corporate Governance Code, the Issuer and Imperial Tobacco entered into the Relationship Agreement that, conditional upon listing of the Shares on the Spanish Stock Exchanges by July 31, 2014 or such other subsequent date as to which the parties may agree, regulates their on-going relationship and which is a continuation and enhancement of long-standing arrangements. The Relationship Agreement provides that Imperial Tobacco will maintain and respect: the freedom of management and decision-making of our administrative and managerial boards and our neutrality in our commercial and service relations with third parties. Under the Relationship Agreement, the Issuer and Imperial Tobacco have agreed that third parties will not receive discriminatory treatment due to the status of Imperial Tobacco as the controlling shareholder of the Issuer. It does not elaborate on the specific business operations of the parties.

Other provisions in the Relationship Agreement include the following.

(a) *Related operations:* all transactions between us and the Imperial Tobacco Group should be arranged under market-standard terms that could reasonably be expected to be agreed by two independent operators. Subject to certain exceptions, any transaction between us and the Imperial Tobacco Group must be authorised by the Board, following consultation with the Audit and Control Committee. Directors conflicted in respect of any related transaction may not vote in respect of such transaction.

(b) *Confidentiality:* we will not provide Imperial Tobacco with any confidential information regarding other clients for the distribution of tobacco or tobacco-related products. Imperial Tobacco will have certain information rights for the purposes of its accounting or other regulatory requirements. Imperial Tobacco undertakes to hold any confidential commercial information it receives from us in confidence and in accordance with applicable law, and not to use any such information to its own commercial benefit or to the detriment of us or our clients.

(c) *Governance and Administration:*

1. Board composition: The minimum number of independent Directors and other external Directors is four and the maximum number of executive Directors is two. The number of Directors representing Imperial Tobacco on the Board of Directors ("**Imperial-appointed Directors**") will not exceed the number of Independent Directors and other external Directors by more than two, providing that other Directors have not been appointed to represent shareholders other than Imperial Tobacco. If there are shareholder-appointed Directors on the Board other than the Imperial-appointed Directors, Imperial Tobacco is entitled to appoint further Directors such that the total number of Imperial-appointed Directors comprises the absolute majority of the members of the Board.

2. *Committee composition:* The Appointments and Remuneration Committee must comprise only shareholder-appointed Directors, independent Directors and other external directors, with the majority of members being independent or external Directors. Similarly, the Audit and Control Committee must comprise only shareholder-appointed directors, independent directors and other external directors, with the majority of members being independent or external Directors.

3. *Delegation to the CEO.* Subject to Spanish laws, our corporate bylaws and the Board of Directors Regulations and, where appropriate, to the decisions or resolutions of the Board of Directors, the

Managing Director of the Issuer, by delegation of the Board, will be entrusted with the management of all businesses and will report to the Issuer's Board of Directors only.

The Directors believe that the terms of the Relationship Agreement will enable us to carry on our business independently of Imperial Tobacco and ensure that commercial transactions and relationships between us and Imperial Tobacco are, and will be, at an arm's length and on a normal commercial basis.

The Relationship Agreement terminates if Imperial Tobacco ceases to hold directly or indirectly at least 50% of the issued share capital of the Issuer. After three years following Admission to trading of the Shares, Imperial Tobacco can also choose to terminate the agreement unilaterally with or without cause.

The Relationship Agreement also contains other customary provisions and undertakings, including those relating to the Issuer's compliance with the legal and regulatory obligations of Imperial Tobacco, as an entity listed on the London Stock Exchange.

Treasury arrangement

The Issuer has a treasury arrangement,as set forth in a treasury agreement entered into by Imperial Tobacco Enterprise Finance Limited, the Issuer, Logista and Logista France on June 12, 2014 that has been authorized by the Board on June 4, 2014. This arrangement, which is in line with arrangements previously entered into by Logista, is described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Operating Working Capital—Treasury arrangement with Imperial Tobacco."

Other Related Party Transactions

Insurance Arrangement

Following the Offering, we will continue to participate in certain Imperial Tobacco Group insurance arrangements on arm's-length terms.

Tax Sharing Arrangement

We are taxed on a consolidated basis, under the Spanish corporate income tax consolidation regime. As a result, this tax arrangement may generate payables and receivables among our companies in the ordinary course of business, and any such payables would be matched by a corresponding tax saving and any such receivables by a self-generated tax credit.

MARKET INFORMATION

Prior to the Offering, there has been no public market for the Shares. The Issuer will apply to list its Shares on the Spanish Stock Exchanges and to have the Shares quoted through the AQS of the Spanish Stock Exchanges.

The Spanish securities market for equity securities consists of the four stock exchanges located in Madrid, Barcelona, Bilbao and Valencia through the AQS, or *Mercado Continuo*.

SIBE

The SIBE (*Sistema de Interconexión Bursátil*) links the four Spanish Stock Exchanges, providing those securities listed on it with a uniform continuous market that eliminates certain of the differences between the local exchanges. The principal feature of the system is the computerized matching of bid and offer orders at the time of entry of the relevant order. Each order is executed as soon as a matching order is entered, but can be modified or canceled until it is executed. The activity of the market can be continuously monitored by investors and brokers. The SIBE is operated and regulated by Sociedad de Bolsas, S.A. ("Sociedad de Bolsas"). All trades on the SIBE must be placed through a brokerage firm, a dealer firm or a credit entity that is a member of a Spanish Stock Exchange.

In a pre-opening session held from 8:30 a.m. to 9:00 a.m. (Madrid time) each trading day, an opening price is established for each security traded on the SIBE based on a real-time auction in which orders can be entered, modified or canceled but not executed. During this pre-opening session, the system continuously displays the price at which orders would be executed if trading were to begin at that moment. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offering price. If an auction price does not exist, the best bid and offering price and associated volumes are shown. The auction terminates with a random period of 30 seconds in which share allocation takes place. Until the allocation process has finished, orders cannot be entered, modified or canceled. In exceptional circumstances (including the inclusion of new securities on the SIBE) and after giving notice to the CNMV, Sociedad de Bolsas may establish an opening price without regard to the reference price (the previous trading day's closing price), alter the price range for permitted orders with respect to the reference price or modify the reference price.

The computerized trading hours are from 9:00 a.m. to 5:30 p.m. (Madrid time). During the trading session, the trading price of a security is permitted to vary up to a maximum so-called 'static' range of the reference price (the price resulting from the closing auction of the immediately preceding trading day or the immediately preceding volatility auction in the current trading session), provided that the trading price for each trade of such security is not permitted to vary in excess of a maximum so-called 'dynamic' range with respect to the trading price of the immediately preceding trade of the same security. If, during the trading session, there are matching bid and offer orders for a security within the computerized system which exceed any of the above 'static' and/or 'dynamic' ranges, trading on the security is automatically suspended and a new auction or volatility auction is held where a new reference price is set, and the 'static' and 'dynamic' ranges will apply over such new reference price. The 'static' and 'dynamic' ranges applicable to each particular security are set up and reviewed periodically by *Sociedad de Bolsas*. In a closing auction held from 5:30p.m. to 5:35p.m. (Madrid time), orders can be entered, modified or canceled, but no trades can be made.

Between 5:30 p.m. and 8:00 p.m. (Madrid time), trades may occur outside the computerized matching system without prior authorization of Sociedad de Bolsas (provided such trades are communicated to Sociedad de Bolsas), at a price within the range of 5% above the higher of the average price and closing price for the day and 5% below the lower of the average price and closing price for the day if (i) there are no outstanding bids or offers, respectively, on the system matching or bettering the terms of the proposed off-system transaction, and (ii) if, among other things, the trade involves more than €300,000 and more than 20% of the average daily trading volume of the stock during the preceding three months. These trades must also relate to individual orders from the same person or entity and be reported to Sociedad de Bolsas before 8:00 p.m. (Madrid time).

At any time trades may take place (with the prior authorization of Sociedad de Bolsas) at any price if:

- the trade involves more than €1.5 million and more than 40% of the average daily trading volume of the stock during the preceding three months;
- the transaction derives from a merger or spin-off, or from the reorganization of a group of companies;

- the transaction is executed for the purpose of settling litigation or completing a complex set of contracts; or
- Sociedad de Bolsas finds another appropriate cause.

Information with respect to the computerized trades which take place between 9:00 a.m. and 5:30 p.m. (Madrid time) is made public immediately, and information with respect to trades which occur outside the computerized matching system is reported to the Sociedad de Bolsas by the end of the trading day and is also published in the Stock Exchange Official Gazette (*Boletín de Cotización*) and on the computer system by the beginning of the next trading day.

Clearance and Settlement System

Transactions carried out on the SIBE are cleared and settled through the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal ("Iberclear"). Only those entities participating in Iberclear are entitled to use it, and participation is restricted to authorized members of the Spanish Stock Exchanges, the Bank of Spain (when an agreement, approved by the Spanish Ministry of Economy and Competitiveness, is reached with Iberclear) and, with the approval of the CNMV, other brokers who are not members of the Spanish Stock Exchanges, banks, savings banks and foreign settlement and clearing systems. Iberclear is owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., a holding company which holds a 100% interest in each of the Spanish official secondary markets and settlement systems. The clearance and settlement system and its participating entities are responsible for maintaining records of purchases and sales under the book entry system. Shares of listed Spanish companies are held in book-entry form. Iberclear, which manages the clearance and settlement system, maintains a registry reflecting the number of shares held by each of its participating entities on its own behalf as well as the number of shares held on behalf of third parties. Each participating entity, in turn, maintains a registry of the owners of such shares. Spanish law considers the legal owner of the shares to be:

- the participating entity appearing in the records of Iberclear as holding the relevant shares in its own name; or
- the investor appearing in the records of the participating entity as holding the shares.

Iberclear has approved regulations introducing the so-called "T+3 Settlement System" by which the settlement of any transactions must be made within the three business days following the date on which the transaction was carried out.

Obtaining legal title to shares of a company listed on a Spanish Stock Exchange requires the participation of a Spanish official stockbroker, broker-dealer or other entity authorized under Spanish law to record the transfer of shares. In order to evidence title to shares, the relevant participating entity must, at the owner's request, issue a certificate of ownership. If the owner is a participating entity, Iberclear is in charge of the issuance of the certificate with respect to the shares held in the participating entity's name.

Notwithstanding the foregoing, it should be noted that Law 32/2011, of October 4, which amends Law 24/1988, of July 28, on the securities market (*Ley 32/2011, de 4 de octubre, por la que se modifica la Ley 24/1988, de 28 julio, del Mercado de Valores*), anticipates some changes yet to be implemented in the Spanish clearing, settlement and registry procedures of securities transactions that will substantially modify the abovementioned system and will allow the connection of the post trading Spanish systems to the European platform Target2Securities, which is scheduled to be fully implemented in February 2017.

Euroclear and Clearstream, Luxembourg

Shares deposited with depositories for Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, société anonyme ("Clearstream") and credited to the respective securities clearance account of purchasers in Euroclear or Clearstream against payment to Euroclear or Clearstream will be held in accordance with the Terms and Conditions Governing Use of Euroclear and Clearstream, the operating procedures of the Euroclear System, as amended from time to time, the Management Regulations of Clearstream and the Instructions to Participants of Clearstream as amended from time to time, as applicable. Persons on whose behalf accounts at Euroclear or Clearstream are maintained and to which shares have been credited ("investors") shall have the right to receive the number of shares equal to the number of shares so credited, upon compliance with the foregoing regulations and procedures of Euroclear or Clearstream.

With respect to shares that are deposited with depositories for Euroclear or Clearstream, such shares will be initially recorded in the name of Euroclear or one of its nominees or in the name of Clearstream or one of its nominees, as the case may be. Thereafter, investors may withdraw shares credited to their respective accounts if they wish to do so, upon payment of the applicable fees described below, if any, and upon obtaining the relevant recording in the book-entry registries kept by the members of lberclear.

Under Spanish law, only the record holder of the shares according to the registry kept by Iberclear is entitled to receive dividends and other distributions and to exercise voting, preemptive and other rights in respect of such shares. Euroclear or its nominee or Clearstream or its nominee will be the sole record holder of the shares that are deposited with the depositories for Euroclear and Clearstream, respectively, until such time as investors exercise their rights to withdraw such shares and cause them to obtain the recording of the investor's ownership of the shares in the book-entry registries kept by the members of Iberclear.

Cash dividends or cash distributions, as well as stock dividends or other distributions of securities, received in respect of the shares that are deposited with the depositories for Euroclear and Clearstream will be credited to the cash accounts maintained on behalf of the investors at Euroclear and Clearstream, as the case may be, after deduction for applicable withholding taxes, in accordance with the applicable regulations and procedures of Euroclear and Clearstream. See "Taxation" below.

Each of Euroclear and Clearstream will endeavor to inform investors of any significant events of which they have notice affecting the shares recorded in the name of Euroclear or its nominees and Clearstream or its nominees and requiring action to be taken by investors. Each of Euroclear and Clearstream may, at its discretion, take such action as it shall deem appropriate in order to assist investors to direct the exercise of voting rights in respect of the shares. Such actions may include (i) acceptance of instructions from investors to execute or to arrange for the execution of, proxies, powers of attorney or other similar certificates for delivery to the Issuer, or the Issuer's agent or (ii) voting of such shares by Euroclear or its nominees and Clearstream or its nominees in accordance with the instructions of investors.

If we offer or cause to be offered to Euroclear or its nominees and Clearstream or its nominees, as the record holders of the shares that are deposited with the depositories for Euroclear and Clearstream, respectively, any rights to subscribe for additional shares or rights of any other nature, each of Euroclear and Clearstream will endeavor to inform investors of the terms of any such rights issue of which it has notice in accordance with the provisions of its regulations and procedures referred to above. Such rights will be exercised, insofar as practicable and permitted by applicable law, according to written instructions received from investors, or such rights may be sold and, in such event, the net proceeds will be credited to the cash account maintained on behalf of the investor with Euroclear or Clearstream.

Tender Offers

Tender offers are governed in Spain by Law 24/1988 on the Securities Market (as amended by Law 6/2007 of April 12) and Royal Decree 1066/2007, of July 27, 2007, which have implemented Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004 (the "Securities Market Law"). Tender offers in Spain may qualify as either mandatory or voluntary offers.

Mandatory public tender offers must be launched for all the shares of the target company or other securities that might directly or indirectly give the right to subscription thereto or acquisition thereof (including convertible and exchangeable bonds) at an equitable price and not subject to any conditions when any person acquires control of a Spanish company listed on the Spanish Stock Exchanges, whether such control is obtained:

- by means of the acquisition of shares or other securities that directly or indirectly give the right to subscribe or acquire voting shares in such company;
- through agreements with shareholders or other holders of said securities; or
- as a result of other situations of equivalent effect as provided in the regulations (i.e., indirect control acquired through mergers, share capital decreases, target's treasury stock variations or securities exchange or conversion, etc.).

A person is deemed to have obtained the control of a target company, individually or jointly with concerted parties, whenever:

- it acquires directly or indirectly a percentage of voting rights equal to or greater than 30%; or

- it has acquired a percentage of less than 30% of the voting rights and appoints, in the 24 months following the date of acquisition of said percentage, a number of directors that, together with those already appointed, if any, represent more than one-half of the members of the target company's board of directors. Regulations also set forth certain situations where directors are deemed to have been appointed by the bidder or persons acting in concert therewith unless evidence to the contrary is provided.

Notwithstanding the above, Spanish regulations establish certain exceptional situations where control is obtained but no mandatory tender offer is required, including, among others:

- subject to the CNMV's approval:
    - acquisitions or other transactions resulting from the conversion or capitalization of claims into shares of listed companies the financial feasibility of which is subject to serious and imminent danger, even if the company is not undergoing bankruptcy proceedings, provided that such transactions are intended to ensure the company's financial recovery in the long-term (except where such transactions have been executed within the framework of a refinancing agreement judicially homologated according to Additional Provision 4 of Law 22/2003 of July 9 on Insolvency, and favorably reported by an independent expert, in which case the CNMV's approval is not required); or
    - in the event of a merger, provided that those acquiring control did not vote in favor of the merger at the relevant general meeting of shareholders of the offeree company and provided also that it can be shown that the primary purpose of the transaction is not the takeover but an industrial or corporate purpose; and
- when control has been obtained after a voluntary bid for all of the securities, if either the bid has been made at an equitable price or has been accepted by holders of securities representing at least 50 per cent of the voting rights to which the bid was directed.

For the purposes of calculating the percentages of voting rights acquired, the regulations establish the following rules:

- percentages of voting rights corresponding to (i) companies belonging to the same group of the bidder; (ii) members of the board of directors of the bidder or of companies of its group; (iii) persons acting for the account of or in concert with the bidder (a concert party shall be deemed to exist when two or more persons collaborate under an agreement, be it express or implied, oral or written, in order to obtain control of the offeree company); (iv) voting rights exercised freely and over an extended period by the bidder under proxy granted by the actual holders or owners of such rights, in the absence of specific instructions with respect thereto; and (v) shares held by a nominee, such nominee being understood as a third-party whom the bidder totally or partially covers against the risks inherent in acquisitions or transfers of the shares or the possession thereof, will be deemed to be held by the bidder (including the voting rights attaching to shares that constitute the underlying asset or the subject matter of financial contracts or swaps when such contracts or swaps cover, in whole or in part, against the risks inherent in ownership of the securities and have, as a result, an effect similar to that of holding shares through a nominee);
- both the voting rights arising from the ownership of shares and those enjoyed under a usufruct or pledge or upon any other title of a contractual nature will be counted towards establishing the number of voting rights held;
- the percentage of voting rights shall be calculated based on the entire number of shares carrying voting rights, even if the exercise of such rights has been suspended; voting rights attached to treasury shares shall be excluded; and non-voting shares shall be taken into consideration only when they carry voting rights pursuant to applicable law; and
- acquisitions of securities or other financial instruments giving the right to the subscription, conversion, exchange or acquisition of shares which carry voting rights will not result in the obligation to launch a tender offer either until such subscription, conversion, exchange or acquisition occurs.

Notwithstanding the foregoing, upon the terms established in the regulations, the CNMV will conditionally dispense with the obligation to launch a mandatory bid when another person or entity not in concert with the potential bidder directly or indirectly holds an equal or greater voting percentage in the target company.

The price of the mandatory tender offer is deemed equitable when it is at least equal to the highest price paid by the bidder or by any person acting in concert therewith for the same securities during the 12 months prior to the announcement of the tender offer. When the mandatory tender offer must be made without the bidder having previously acquired the shares over the above—mentioned 12—month period, the equitable price shall not be less than the price calculated in accordance with other rules set forth in the regulations. In any case, the CNMV may change the price so calculated in certain circumstances (extraordinary events affecting the price, evidence of market manipulation, etc.).

Mandatory offers must be launched within one month from the acquisition of the control of the target company. Voluntary tender offers may be launched when a mandatory offer is not required. Voluntary offers are subject to the same rules established for mandatory offers except for the following:

- they might be subject to certain conditions (such as amendments to the by-laws or adoption of certain resolutions by the target company, acceptance of the offer by a minimum number of securities, approval of the offer by the shareholders meeting of the bidder; and any other deemed by the CNMV to be in accordance with law), provided that such conditions can be met before the end of the acceptance period of the offer; and
- they may be launched at any price, regardless of whether it is lower than the abovementioned "equitable price".

Spanish regulations on tender offers set forth further provisions, including:

- subject to shareholder approval within 18 months from the date of announcement of the tender offer, the board of directors of a target company will be exempt from the rule prohibiting frustrating action against a foreign bidder whose board of directors is not subject to an equivalent passivity rule;
- defensive measures included in a listed company's by-laws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the company is the target of a tender offer, unless the shareholders resolve otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected will be entitled to compensation at the target company's expense); and
- squeeze-out and sell-out rights will apply provided that following a tender offer for all the target's share capital, the bidder holds securities representing at least 90% of the target company's voting capital and the tender offer has been accepted by the holders of securities representing at least 90% of the voting rights other than those held by or attributable to the bidder previously to the offer.

DESCRIPTION OF CAPITAL STOCK

The following summary provides information concerning the Issuer's share capital and briefly describes certain significant provisions of the Issuer's bylaws (*estatutos*) and Spanish corporate law. This summary does not purport to be complete and is qualified in its entirety by reference to the Issuer's bylaws and Spanish corporate law. Copies of the Issuer's bylaws are available at its principal executive offices.

General

As of the date of this Offering Memorandum, the share capital of the Issuer is €26,550,000, represented by 132,750,000 Shares, fully subscribed and paid-up, with a par value of €0.20 each and belonging to a single class and series.

Non-residents of Spain may hold and vote the Shares, subject to the restrictions described under "—Restrictions on Foreign Investment" below.

Dividend and Liquidation Rights

The payment of dividends is proposed by the Board of Directors and authorized by the Issuer's shareholders at a general shareholders' meeting. Holders of shares participate in such dividends for each year from the date such dividends are agreed at a general shareholders' meeting. Spanish law requires each company to contribute at least 10% of its net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of such company's issued share capital. A company's legal reserve is not available for distribution to its shareholders. According to Spanish law, dividends may only be paid out of profits (after the necessary transfer to legal reserves) or distributable reserves and only if the value of the Issuer's net worth is not, and as a result of distribution would not be, less than the Issuer's share capital. In addition, no profits may be distributed unless the amount of the distributable reserves is at least equal to the amount of research and development expenses recorded as an asset on our consolidated balance sheet. Spanish law also requires the creation of a non-distributable reserve equal to the amount of goodwill recorded as an asset on our consolidated balance sheet and that an amount at least equal to 5% of such goodwill be transferred from the profit from each financial year to such non-distributable reserve until such time as the non-distributable reserve is of an amount at least equal to the goodwill recorded on our consolidated balance sheet. If, in any given financial year, there are no or insufficient profits to transfer an amount equal to 5% of the goodwill recorded on our consolidated balance sheet, Spanish law requires that the shortfall be transferred from freely distributable reserves to the non-distributable reserve.

In accordance with Section 947 of the Spanish Commercial Code, the right to a dividend lapses and reverts to the Issuer if it is not claimed generally within five years after it becomes payable. Dividends payable by the Issuer to non-residents of Spain are subject to Spanish withholding tax at the rate of 21% (19% as from January 1, 2015). However, residents of certain countries could be entitled to the benefits of a Convention for the Avoidance of Double Taxation. See "Taxation—Spanish Tax Considerations—Taxation of Dividends" below.

Upon the Issuer's liquidation, the Issuer's shareholders would be entitled to receive proportionately any assets remaining after the payment of the Issuer's debts and taxes and expenses of the liquidation.

Shareholders' Meetings and Voting Rights

Pursuant to the Issuer's bylaws, rules of the general shareholders' meeting and Spanish corporate law, the annual general meeting of the Issuer's shareholders is held during the first six months of each financial year on a date fixed by the Board of Directors. Extraordinary shareholders' meetings may be called by the Board of Directors whenever the Board of Directors deems it appropriate or at the request of shareholders representing at least 5% of the Issuer's share capital. Notices of all shareholders' meetings are published in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*) and in a local newspaper of wide circulation in the province where the Issuer is domiciled (currently Madrid, Spain) and on the Issuer's website and the CNMV website. Meetings must be called at least one month before the date on which the meeting is to be held.

Action is taken at ordinary shareholders' meetings on the following matters (i) the approval of the management of the Issuer by the directors during the previous financial year, (ii) the approval of the financial statements from the previous financial year, and (iii) the application of the previous financial year's income or loss. All other matters can be considered at either an extraordinary shareholders' meeting or at an ordinary shareholders' meeting if the matter is within the authority of the meeting and is included on the agenda.

Each share entitles the holder to one vote and there is no limit as to the maximum number of voting rights that may be held by each shareholder or by companies of the same group. Any shareholder having the right to attend a general shareholders' meeting may also be represented by a proxy. Proxies must be granted in writing or in electronic form acceptable under the regulations of the Issuer's general shareholders' meeting and are valid for a single shareholders' meeting. Proxies may be given to any person and may be revoked, either expressly or by attendance by the shareholder at the meeting.

Shareholders duly registered in the book-entry records maintained by Iberclear and its member entities at least five days prior to the day on which a shareholders' meeting is scheduled may, in the manner provided in the notice for such meeting, attend and vote at such meeting.

The Issuer's bylaws provide that, on the first call of an ordinary or extraordinary general shareholders' meeting, the presence in person or by proxy of shareholders representing at least 25% of the Issuer's voting capital will constitute a quorum. If on the first call a quorum is not present, the meeting can be reconvened by a second call, which according to Spanish corporate law requires no quorum. However, a resolution in a shareholders' meeting to increase or decrease the Issuer's share capital, issue bonds, suppress or limit the preemptive subscription right over newly issued ordinary shares, transform, merge, spin-off, globally assign the Issuer's assets and liabilities, transfer the Issuer's registered address abroad or otherwise modify the Issuer's bylaws, requires on first call the presence in person or by proxy of shareholders representing at least 50% of the Issuer's voting capital and on second call the presence in person or by proxy of shareholders representing at least 25% of the Issuer's voting capital. On second call, and in the event that less than 50% of the Issuer's voting capital is represented in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two-thirds of the Issuer's capital present or represented at such meeting. The interval between the first and the second call for a shareholders' meeting must be at least 24 hours. Resolutions in all other cases are passed by a majority of the votes cast.

Voting on the resolutions included in the agenda of a shareholders' meeting may be exercised by shareholders by post or electronic means received by the company prior to the day on which a shareholders' meeting is scheduled to be held (unless the Board reduces such period, which must, in all events, be at least 24 hours), and provided that the identity of the shareholder who exercises his right to vote is duly verified and the formalities determined by the Board of Directors through resolution and subsequent notification in the call announcement of the shareholders' meeting are complied with. Voting via electronic means is only permitted when the Board of Directors so resolves, notifying its decision in the announcement of the call to the general shareholders' meeting in question.

Under Spanish corporate law, shareholders who voluntarily aggregate their shares so that the capital stock so aggregated is equal to or greater than the result of dividing the total capital stock by the number of directors have the right, provided there are vacancies on the Board of Directors, to appoint a corresponding proportion of the members of the Board of Directors (disregarding fractions). Shareholders who exercise this right (in person or by proxy) may not vote on the appointment of other directors.

A resolution passed in a shareholders' meeting is binding on all shareholders. However, in the case of resolutions contrary to Spanish law, the right to contest is extended to all shareholders, directors and interested third parties. In the case of resolutions prejudicial to the interests of the Issuer or contrary to the Issuer's bylaws, such right is extended to shareholders who attended the shareholders' meeting and recorded their opposition in the minutes of the meeting, to shareholders who were absent and to those unlawfully prevented from casting their vote as well as to members of the Board of Directors. In certain circumstances (such as a significant modification of corporate purpose or change of the corporate form or transfer of the domicile abroad), Spanish corporate law gives dissenting or absent shareholders the right to withdraw from the Issuer. If this right were exercised, the Issuer would be obliged to purchase the relevant shareholding(s).

Liability of Directors

Under Spanish corporate law, directors are liable to the company, the shareholders and the creditors for illegal acts, acts that violate the bylaws and failure to carry out their legal duties with due diligence.

Directors have such liability even if the transaction in connection with which the acts or omissions occurred is approved or ratified by the shareholders.

The liability of the Directors is joint and several, except to the extent any Director can demonstrate that he or she did not participate in decision-making relating to the transaction at issue, was unaware of its existence or being aware of it, did all that was possible to mitigate any damages or expressly disagreed with the decision-making relating to the transaction.

The court of first instance in the Issuer's corporate domicile has exclusive jurisdiction over shareholder suits.

Registration and Transfers

The Issuer's Shares are in registered book-entry form and are indivisible. Joint holders of one share must designate a single person to exercise their shareholders' rights, but they are jointly and severally liable to the Issuer for all the obligations relating to their status as shareholders, such as the payment of any pending capital calls. Iberclear, which manages the Spanish clearance and settlement system of the Spanish Stock Exchanges, maintains the central registry reflecting the number of shares held by each of its member entities (*entidades participantes*) as well as the amount of these shares held by beneficial owners. Each member entity, in turn, maintains a registry of the owners of such shares. Since the Issuer's Shares are in registered form, the Issuer will keep an electronic shareholder registry and Iberclear shall report to the Issuer all transactions entered into by the Issuer's shareholders in respect of the Shares to enable the Issuer to maintain the electronic shareholder registry up-to-date.

As a general rule, transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Spanish Stock Exchange. Brokerage firms, official stockbroker or dealer firms, Spanish credit entities, investment services entities authorized in other EU member states and investment services entities authorized by their relevant authorities and in compliance with Spanish regulations are eligible to be members of the Spanish Stock Exchanges. See "Market Information" above. The transfer of shares may be subject to certain fees and expenses.

Restrictions on Foreign Investment and Exchange Control Regulations

Restrictions on Foreign Investment

Exchange controls and foreign investments were, with certain exceptions, completely liberalized by Royal Decree 664/1999, of April 23, 1999, in conjunction with the Spanish Foreign Investment Law ("Law 18/1992"), bringing the existing legal framework on foreign investments in line with the provisions of the Treaty of the European Union.

According to Royal Decree 664/1999 on Foreign Investments and Law 18/1992, and subject to the restrictions described below, foreign investors may invest freely in shares of Spanish companies as well as transfer invested capital, capital gains and dividends out of Spain without limitation (subject to applicable taxes and exchange controls). For foreign investors who are not resident in a tax haven, notification is only required to be given to the Spanish Registry of Foreign Investments following an investment or divestiture, and such notification is solely for statistical, economic and administrative purposes. Where the investment or divestiture is made in shares of a Spanish company listed on any of the Spanish Stock Exchanges, the duty to provide notice of a foreign investment or divestiture lies with the relevant entity with whom the shares (in book-entry form) have been deposited or which has acted as an intermediary in connection with the investment or divestiture.

If the foreign investor is a resident of a tax haven, notice must be provided to the Spanish Registry of Foreign Investments prior to making the investment, as well as after the transaction has been completed. However, prior notification is not necessary in the following cases:

- investments in listed securities, whether or not such securities are trading on an official secondary market;
- investments in participations in investment funds registered with the CNMV; and
- foreign shareholdings that do not exceed 50% of the capital of the Spanish company in which the investment is made.

Investments in certain industries are subject to additional regulation to that described above, but there is no such additional regulation for companies operating in the logistics and distribution industry. These restrictions do not apply to investments made by EU residents, other than investments by EU residents in activities relating to the Spanish defense sector or the manufacturing and sale of weapons and explosives for non-military use.

The Spanish Council of Ministers, acting on the recommendation of the Ministry of Economy and Competitiveness, may suspend the aforementioned provisions relating to foreign investments for reasons of public policy, health or safety, either generally or in respect of investments in specified industries, in which case any proposed foreign investments falling within the scope of such suspension would be subject to prior authorization from the Council of Ministers, acting on the recommendation of the Ministry of Economy.

Exchange Control Regulations

Pursuant to Royal Decree 1816/1991 of December 20, 1991, relating to economic transactions with non-residents, and EC Directive 88/361/EEC, charges, payments or transfers between non-residents and residents of Spain must be made through a registered entity, such as a bank or other financial institution registered with the Bank of Spain and/or the CNMV (*entidades registradas*), through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity, in cash, or by check payable to bearer. All charges, payments or transfers which exceed €6,010, if made in cash or by check payable to bearer, must be notified to the Spanish exchange control authorities.

Preemptive Rights and Increases of Share Capital

Pursuant to Spanish corporate law, and according to the Issuer's bylaws, shareholders have preemptive rights to subscribe for any new Shares (or other securities convertible into, or exchangeable for, Shares) issued by the Issuer in any capital increase via monetary contributions. Such preemptive rights may be waived under special circumstances by a resolution passed at a meeting of shareholders or the Board of Directors (when the Issuer is listed and the general shareholders' meeting delegates to the Board of Directors the right to increase the share capital or issue convertible securities and to waive preemptive rights) in accordance with Articles 308, 417, 504, 506 and 511 of the Spanish corporate law. Further, preemptive rights, in any event, will not be available in connection with an increase in share capital to meet the requirements of a convertible bond issue or a merger in which shares are issued as consideration.

Preemptive rights are transferable, may be traded on the AQS and may be of value to existing shareholders because new ordinary shares may be offered for subscription at prices lower than prevailing market prices. In the case of a share capital increase charged to reserves, the same rule applies to the free allocation rights.

Reporting Requirements

Pursuant to Royal Decree 1362/2007 of October 19, 2007, any individual or legal entity that, by whatever means, purchases or transfers shares which grant voting rights in a company for which Spain is listed as the home state (*Estado de Origen*) (as defined therein) and which is listed on a secondary official market or other regulated market in the EU, must notify the relevant issuer and the CNMV, if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a 3% threshold of the company's total voting rights. The notification obligations are also triggered at thresholds of 5% and multiples thereof (excluding 55%, 65%, 85%, 95% and 100%).

The individual or legal entity obliged to carry out the notification must serve the notification by means of the form approved by the CNMV from time to time for such purpose, within four business days, starting on the following day from the date on which the transaction is acknowledged or should have been known (the Royal Decree deems a transaction to be acknowledged within two business days from the date on which such transaction is entered into). Should the individual or legal entity effecting the transaction be an investment services company, a credit entity or any other financial institution regulated under the Securities Market Act (Law 24/1998, of July 28, 1988) and a non-resident of Spain, notice must also be given to the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments (a department of the Ministry of Economy and Competitiveness).

The reporting requirements apply not only to the purchase or transfer of shares, but also to those transactions in which, without a purchase or transfer, the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the threshold that triggers the obligation to report as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to the CNMV and disclosed by it.

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares, and any individual or legal entity who owns, acquires or transfers, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, will also have an obligation to notify the company and the CNMV of the holding of a significant stake in accordance with the regulations.

Should the individual or legal entity effecting the transaction be resident in a tax haven (as defined in Royal Decree 1080/1991 of July 5, 1991, as amended), the threshold that triggers the obligation to disclose the acquisition or disposition of the shares is reduced to 1% (and successive multiples thereof).

The Issuer will be required to report to the CNMV any acquisition of its Shares which, aggregated together with all other acquisitions since the last notification, reaches or exceeds 1% of the Issuer's share capital (irrespective of whether the Issuer has sold any of its Shares in the same period). In such circumstances, the notification must include the number of Shares acquired since the last notification (detailed by transaction), the number of Shares sold (detailed by transaction) and the resulting net holding of treasury shares.

All members of the Board of Directors must report to both the Issuer and the CNMV the percentage and number of voting rights in the Issuer held by them at the time of becoming or ceasing to be a member of the Board of Directors. Furthermore, all members of the Board of Directors must report any change in the percentage of voting rights they hold, regardless of the amount, as a result of any acquisition or disposition of the Issuer's Shares or voting rights, or financial instruments which carry a right to acquire or dispose of Shares which have voting rights attached, including any stock-based compensation that they may receive pursuant to any of the Issuer's compensation plans.

Members of Logista's senior management must also report any stock-based compensation that they may receive pursuant to any future compensation plans of the Issuer or any subsequent amendment to such plans. Royal Decree 1362/2007 refers to the definition given by Royal Decree 1333/2005, of November 11, 2005, developing the Stock Market Act, regarding market abuse, which defines senior management (*directivos*) as those "high-level employees in positions of responsibility with regular access to insider information (*información privilegiada*) related, directly or indirectly, to the issuer and that, furthermore, are empowered to adopt management decisions affecting the future development and business perspectives of the issuer."

In addition, pursuant to Royal Decree 1333/2005 of November 11, 2005 (implementing European Directive 2004/72/EC), any member of the Issuer's Board of Directors and any of the Logista's senior management or any parties closely related to any of them, as such terms are defined therein, must report to the CNMV any transactions carried out with respect to the Shares or derivatives or other financial instruments relating to the Shares within five stock exchange business days of such transaction. The notification of the transaction must include particulars of, among others, the type of transaction, the date of the transaction and the market in which the transactions were carried out, the number of Shares traded and the price paid.

The Spanish Companies Act (Royal Legislative Decree 1/2010) requires parties to disclose certain types of shareholders' agreements that affect the exercise of voting rights at a general shareholders' meeting or contain restrictions or conditions on the transferability of shares or bonds that are convertible or exchangeable into shares. If the Issuer's shareholders enter into such agreements with respect to the Shares, they must disclose the execution, amendment or extension of such agreements to the Issuer and the CNMV and file such agreements with the appropriate commercial registry. Failure to comply with these disclosure obligations renders any such shareholders' agreement unenforceable and constitutes a violation of the Securities Market Law.

Disclosure on net short positions

In accordance with Regulation (EU) No. 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (as further supplemented by several delegated regulations regulating technical aspects necessary for its effective enforceability and to ensure compliance with its provisions), net short positions in shares falling below 0.2% of the share capital of the issuer and subsequent increases and decreases above 0.1% must be notified to the competent authority of the market on which the shares are traded (or to the regulator of the most relevant market in terms of liquidity, if listed in several Member States). Details of any net short position falling below 0.5% of the share capital, as well as subsequent increases and decreases above 0.1%, must be publicly disclosed.

Notifications must be made by 3:30 p.m. (local time) of the trading day following the day when the relevant threshold was reached, exceeded or fallen below. Notification is mandatory even if the same position has been already notified to the domestic regulator in compliance with transparency obligations previously in force in that jurisdiction. The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012, according to the format approved as Annex II of this Regulation. The information will be published, where appropriate, on a webpage operated or supervised by the corresponding authority.

Share Repurchases

Pursuant to Spanish corporate law, the Issuer may only repurchase its own Shares within certain limits and in compliance with the following requirements:

- the repurchase must be authorized by the general shareholders' meeting in a resolution establishing the maximum number of Shares to be acquired, the minimum and maximum acquisition price and the duration of the authorization, which may not exceed five years from the date of the resolution; and
- the repurchase, including the Shares already acquired and currently held by the Issuer, or any person or company acting in its own name but on the Issuer's behalf, must not bring the Issuer's net worth below the aggregate amount of its share capital and legal reserves.

For these purposes, net worth means the amount resulting from the application of the criteria used to draw up the financial statements, subtracting the amount of profits directly imputed to that net worth, and adding the amount of share capital subscribed but not called and the share capital nominal and issue premiums recorded in the Issuer's accounts as liabilities. In addition:

- the aggregate par value of the Shares directly or indirectly repurchased, together with the aggregate par value of the Shares already held by the Issuer and its subsidiaries, must not exceed 10% of the Issuer's share capital; and
- the Shares repurchased must be fully paid up and free of ancillary obligations. A listed company may not issue new shares that are partially paid up

Treasury shares do not have voting rights or economic rights (e.g., the right to receive dividends and other distributions and liquidation rights), except the right to receive bonus shares, which will accrue proportionately to all of the Issuer's shareholders. Treasury shares are counted for purposes of establishing the quorum for shareholders' meetings and majority voting requirements to pass resolutions at shareholders' meetings.

Regulation 596/2014 of 16 April, repealing, among others, Directive 2003/6/EC of the European Parliament and the European Council dated January 28, 2003 on insider dealing and market manipulation establishes rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence in those markets. This regulation maintains an exemption from the market manipulation rules regarding share buy-back programs by companies listed on a stock exchange in an EU member state. Article 5 of this Regulation states that in order to benefit from the exemption, a buy-back program must comply with certain requirements established under such Regulation and the sole purpose of the buy-back program must be to reduce the share capital of an issuer (in value or in number of shares) or to meet obligations arising from either of the following:

- debt financial instruments exchangeable into equity instruments; or
- employee share option programs or other allocations of shares to employees or to members of the administrative, management or supervisory bodies of the issuer or an associated company.

In addition, on December 19, 2007 the CNMV issued Circular 3/2007 setting out the requirements to be met by liquidity contracts entered into by issuers with financial institutions for the management of its treasury shares to constitute an accepted market practice and, therefore, be able to rely on a safe harbor for the purposes of market abuse regulations.

TAXATION

Spanish Tax Considerations

General

The following is a summary of the material Spanish tax consequences of the acquisition, ownership and disposition of the Offer Shares by the Holders (as defined below). This summary is not a complete analysis or listing of all the possible tax consequences of such transactions and does not address all tax considerations that may be relevant to all categories of potential purchasers, some of whom may be subject to special rules. In particular, this tax section does not address the Spanish tax consequences applicable to "look-through" entities (such as trusts or estates) that may be subject to the tax regime applicable to such non-Spanish entities under the Spanish Non-Resident Income Tax Law, to individuals who acquire the Offer Shares by reason of employment or to pension funds or collective investment in transferrable securities (UCITS).

Accordingly, prospective investors in the Offer Shares should consult their own tax advisors as to the applicable tax consequences of their purchase, ownership and disposition of the Offer Shares, including the effect of tax laws of any other jurisdiction, based on their particular circumstances.

The description of Spanish tax laws set forth below is based on Spanish law as of the date of this Offering Memorandum and on administrative interpretations of Spanish law. As a result, this description is subject to any changes in such laws or interpretations occurring after the date hereof, including changes having retroactive effect. In particular, it is recommended that investors and prospective investors in the Offer Shares consider the tax effect of the tax reform announced by the Government of Spain, whose regulatory preliminary drafts of bill for a law were published on June 23, 2014.

As used in this "Spanish Tax Considerations" section, the term "Holder" means a beneficial owner of the Offer Shares:

(1) who is an individual or corporation resident for tax purposes in any country other than Spain;

(2) whose ownership of Offer Shares is not effectively connected with a permanent establishment in Spain through which such Holder carries on, or has carried on, business or with a fixed base in Spain from which such Holder performs, or has performed, independent personal services; and

(3) who is not treated as owning 5% or more of the Offer Shares.

Taxation of Dividends

Under Spanish law, dividends paid by a Spanish resident company to a Holder are subject to Spanish Non-Resident Income Tax ("NRIT"), as regulated by the Non-Resident Income Tax Law approved by the Royal Legislative Decree 5/2004, of 5 March 2004 ("NRIT Law"), this tax being withheld at the source on the gross amount of dividends, currently at a tax rate of 21% (19% as from 1 January 2015) absent reduction under an applicable double taxation convention ("DTC"). However, a distribution of dividends out of the share premium will not in itself constitute taxable income but will instead reduce the tax basis of the Offer Shares. If the amount of the share premium received exceeds the tax basis of the Offer Shares held by a Holder, such excess would constitute financial taxable income subject to NRIT in the same manner as dividends for that Holder (although this income would not be subject to withholding tax in Spain).

The NRIT Law includes an exemption in respect of the first EUR 1,500 of any Spanish source dividends received annually by individuals (without a permanent establishment in Spain and not acting through a tax haven) who are resident in an EU Member State or in a territory or country that has an effective exchange of fiscal information agreement with Spain. However, Spanish withholding tax will nevertheless be required to be deducted from the gross amount of the dividends paid. Holders will have to seek a refund of such withholding taxes from the Spanish tax authorities by following the Standard Refund Procedure (as described below under the "Spanish Standard Refund Procedure" section). This exemption will not apply in respect of income derived from distribution of share premium or those dividends deriving from the Offer Shares which are acquired within the two-month period prior to the dividend distribution date where the Holder subsequently transfers homogeneous Offer Shares within the two-month period following that date.

Holders resident in certain countries may also benefit from a reduced tax rate or an exemption under an applicable DTC with Spain, subject to the satisfaction of any conditions specified in the relevant DTC, including providing evidence of the tax residence of the Holder by means of a certificate of tax residency duly issued by the tax authorities of the country of tax residence of the Holder or, as the case may be, the equivalent document specified in the Spanish law Order applicable to such DTC.

According to the Order of the Ministry of Economy and Finance of 13 April 2000, upon distribution of a dividend, the Issuer, directly or through or its paying agent must withhold from the dividend an amount equal to the tax required to be withheld according to the general rules set forth in relation to Spanish Corporate Income Tax and Spanish Personal Income Tax (i.e., applying the general withholding tax rate of 21%) and transfer the resulting net amount of the dividend to the depositary. For this purpose, the depositary is the financial institution with which the Holder has entered into a contract of deposit or management with respect to the Offer Shares. If the depositary is resident, domiciled or represented in Spain and it provides timely evidence of the Holder's right to obtain a DTC-reduced rate or exemption, it will immediately be paid the excess amount withheld (the "Quick Refund Procedure"). For these purposes, evidence for the special tax treatment is obtained by delivering a valid certificate of tax residence issued by the relevant tax authorities of the Holder's country of residence stating that, to the best knowledge of such authorities, the Holder is, for tax purposes, a resident of such country within the meaning of the relevant DTC, or as the case may be, the equivalent document regulated in the Order which further develops the applicable DTC. The relevant certificate of residence must be provided before the tenth day following the end of the month in which the dividends were paid. The tax certificate is generally valid only for a period of one year from the date of issuance.

If this certificate of tax residence or, if applicable, the equivalent document referred to above, is not provided within this time period or if the depositary of the Holder is not resident, domiciled or represented in Spain, the Holder may subsequently obtain a refund of the excess amount withheld from the Spanish tax authorities, following the Standard Refund Procedure established by Royal Decree 1776/2004, dated 30 July 2004, and an Order dated 17 December 2010 (the "Spanish Standard Refund Procedure"), as described below.

Notwithstanding the above, the Quick Refund Procedure established in the Order dated 13 April 2000, will not be applicable in respect to the first EUR 1,500 dividends exempt from taxation in the terms indicated above. In such event, dividends will be paid net of the general withholding tax rate and the Holder may obtain the refund of the amount withheld from the Spanish tax authorities by following the Standard Refund Procedure.

Spanish Standard Refund Procedure

According to Spanish Regulations on NRIT, approved by Royal Decree 1776/2004, of 30 July and the Order dated 17 December 2010, a refund for the amount withheld in excess of the DTC-reduced rate or exemption can be obtained from the relevant Spanish tax authorities. To pursue the refund claim, the Holder is required to file:

(1) the applicable Spanish Tax Form (currently, Form 210);

(2) the certificate of tax residence or equivalent document referred to above under the "Taxation of Dividends" section;

(3) a certificate from the Issuer stating that Spanish NRIT was withheld with respect to dividends paid to such Holder; and

(4) documentary evidence of the bank account in which the excess amount withheld should be paid.

For the purposes of the Spanish Standard Refund Procedure, a Holder must file the Form 210 (together with the corresponding documentation) during the period from February 1 of the year following the year in which the NRIT was withheld, and ending on the expiration of the 4-year period which commenced with the end of the corresponding filing period in which the Issuer reported and paid such withholding taxes. The Spanish Revenue Office must make the refund within the six months after the filing of the refund claim. If such period elapses without the Holder receiving the refund, the Holder is entitled to receive interest for late payment on the amount of the refund claimed.

For further details, prospective Holders should consult their tax advisors.

Taxation of Capital Gains

Capital gains derived from the transfer or sale of the Offer Shares will be deemed Spanish source income, and, therefore, are taxable in Spain at a general tax rate of 21% (19% as from 1 January 2015) but are not subject to Spanish withholding tax

Capital gains and losses will be calculated separately for each transaction. It is not possible to offset losses against capital gains.

However, capital gains derived from the transfer or sale of the Offer Shares will be exempt from taxation in Spain in either of the following cases:

(1) Capital gains derived from the transfer of the Offer Shares on an official Spanish secondary stock market (such as the Madrid, Barcelona, Bilbao or Valencia Stock Exchanges) by any Holder who is tax resident of a country that has entered into a DTC with Spain containing an "exchange of information" clause. This exemption is not applicable to capital gains obtained by a Holder through a country or territory that is defined as a tax haven by Spanish regulations.

(2) Capital gains obtained directly by any Holder resident in another EU Member State or indirectly through a permanent establishment of such Holder resident in an EU Member State other than Spain, provided that:

    a. the Issuer's assets do not mainly consist of, directly or indirectly, Spanish real estate;

    b. during the preceding twelve months, the Holder has not held a direct or indirect interest of at least 25% in the Issuer's capital or net equity; and

    c. the gain is not obtained through a country or territory defined as a tax haven under applicable Spanish regulations not through a permanent establishment located in a country or jurisdiction which is not a EU Member State.

(3) Capital gains realized by Holders who benefit from a DTC that provides for taxation only in the Holder's country of residence.

Holders must submit a Spanish Tax Form (currently, Form 210) within the time periods set out in the applicable Spanish regulations to settle the corresponding tax obligations or qualify for an exemption. In order for the exemptions mentioned above to apply, a Holder must provide a certificate of tax residence issued by the tax authority of its country of residence (which, if applicable, must state that, to the best knowledge of such authority, the Holder is resident of such country within the meaning of the relevant DTC) or equivalent document meeting the requirements of the Order which further develops the applicable DTC, together with the Spanish Tax Form. The Holder's tax representative in Spain and the depositary of the Offer Shares are also entitled to carry out such filing.

The certificate of tax residence mentioned above will generally be valid for a period of one year from its date of issuance.

Spanish Inheritance and Gift Tax

Unless otherwise provided under an applicable DTC, transfers of shares upon death and by gift to individuals not resident in Spain for tax purposes are subject to Spanish Inheritance and Gift Tax if the shares are located in Spain (as is the case with the Offer Shares) or the rights attached to such Offer Shares are exercisable in Spain, regardless of the residence of the heir or the beneficiary. The effective tax rate, after applying all relevant factors, ranges between 0% and 81.6% for individuals.

Gifts granted to non-Spanish resident corporations are not subject to Spanish inheritance and gift tax but will be generally subject to Spanish NRIT as capital gains, without prejudice to the exemptions referred to above under the "Taxation of Capital Gains" section.

Spanish Wealth Tax

For 2014, unless otherwise provided under an applicable DTC, Holders who are individuals will be subject to an annual Spanish Wealth Tax each December 31 if shares are located in Spain (as is the case with the Issuer's Offer Shares) or the rights attached to such shares are exercisable in Spain. However, Holders will be entitled to benefit from the general tax exemption of EUR 700,000. General marginal tax rates currently range between 0.2 and 2.5%.

In case the Holders are subject to Wealth Tax, shares admitted to trading on an official Spanish secondary stock market will be computed at their average market price over the last quarter. The average price of listed shares for Wealth Tax purposes is published in the Official State Gazette every year.

Holders who are non-Spanish resident corporations are not subject to Spanish Wealth Tax.

Spanish Transfer Tax

Subscription, acquisition and transfers of Offer Shares will be exempt from Transfer Tax and Value Added Tax. Additionally, no Stamp Duty will be levied on such subscription, acquisition and transfers.

Certain US Federal Income Tax Considerations

United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Offering Memorandum or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code of 1986, as amended (the "Code"); (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

General

The following is a summary of certain US federal income tax considerations relevant to US Holders and non-US Holders (each as defined below) acquiring, holding and disposing of Offer Shares. This summary is based on the Code, final, temporary and proposed US Treasury regulations, administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect, as well as on the income tax treaty between the United States and Spain as currently in force (the "Treaty").

This summary does not discuss all aspects of US federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) certain financial institutions; (ii) insurance companies; (iii) dealers in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Offer Shares through pass-through entities; (viii) holders that own (directly, indirectly or constructively) 10% or more of the voting stock of the Issuer; (ix) investors that hold Offer Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for US federal income tax purposes; (x) US Holders that have a functional currency for US federal income tax purposes other than the US dollar and (xi) certain US expatriates and former long-term residents of the United States), all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address tax consequences applicable to holders of equity interests in a holder of the Offer Shares, US federal estate, gift, Medicare contribution tax or alternative minimum tax considerations, or non-US, state or local tax considerations. This summary only addresses investors that will acquire Offer Shares in the Offering, and it assumes that investors will hold their Offer Shares as capital assets (generally, property held for investment).

For the purposes of this summary, a "US Holder" is a beneficial owner of Offer Shares that is for US federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source or (iv) a trust that is subject to US federal income tax on its worldwide income regardless of its source. A "Non-US Holder" is a beneficial owner of Offer Shares that is not a US Holder.

If an entity that is classified a partnership for US federal income tax purposes is a beneficial owner of the Offer Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding the Offer Shares and partners in such partnerships are urged to consult their tax advisors as to the particular United States federal income tax consequences of an investment in the Offer Shares.

Taxation of Distributions

Subject to the passive foreign investment company ("PFIC") rules discussed below, a distribution made by the Issuer on the Offer Shares (including amounts withheld in respect of foreign income tax, if any) will be treated as a dividend includible in the gross income of a US Holder as ordinary income to the extent paid out of the Issuer's current or accumulated earnings and profits as determined under US federal income tax principles. To the extent the amount of such distribution exceeds the Issuer's current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of such US Holder's adjusted tax basis in the Offer Shares and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such Offer Shares. The Issuer does not expect to maintain calculations of earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that such distribution will generally be reported to US Holders as a dividend. Such dividends will not be eligible for the dividends received deducation allowed to US corporations.

"Qualified dividend income" received by individuals and certain other non-corporate US Holders, will generally be subject to reduced rates applicable to long-term capital gain if (i) the Issuer is a "qualified foreign corporation" (as defined below) and (ii) such dividend is paid on Offer Shares that have been held by such US Holder for at least 61 days during the 121-day period beginning 60 days before the relevant ex-dividend date. The Issuer generally will be a "qualified foreign corporation" if (1) it is eligible for the benefits of the Treaty and (2) it is not a PFIC in the taxable year of the distribution or the immediately preceding taxable year. The Issuer expects to be eligible for the benefits of the Treaty. In addition, as discussed below under "Passive Foreign Investment Company Rules", the Issuer believes that the Company was not a PFIC for its most recent taxable year, and the Issuer does not expect to become a PFIC for its current taxable year or for any future taxable year.

Dividends on the Offer Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

Dividends will be included in a US Holder's income on the date of the US Holder's reciept of the dividend. The US dollar value of any distribution made by the Issuer in a currency other than US dollars (a "foreign currency") must be calculated by reference to the exchange rate in effect on the date of receipt of such distribution by the US Holder, regardless of whether the foreign currency is in fact converted into US dollars. If the foreign currency so received is converted into US dollars on the date of receipt, such US Holder generally will not recognise foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into US dollars on the date of receipt, such US Holder will have a basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Subject to applicable limitations, non-refundable Spanish income taxes withheld from dividends at a rate not exceeding any applicable rate under the Treaty will be creditable against the US Holder's US federal income tax liability (see "—Spanish Tax Considerations—Taxation of Dividends"). Any Spanish income taxes withheld in excess of the applicable Treaty rate, or which are refundable under Spanish law, will not be eligible for credit against a US Holder's US federal income tax liability. The rules governing foreign tax credits are complex, and US Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or other disposition

Subject to the PFIC rules discussed below, a US Holder generally will recognise gain or loss for US federal income tax purposes upon a sale or other disposition of its Offer Shares in an amount equal to the difference between the amount realised from such sale or disposition and the US Holder's adjusted tax basis in such Offer Shares, as determined in US dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for certain non-corporate US Holders, such as individuals) or loss if, on the date of sale or disposition, such Offer Shares had been held by such US Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived from US sources.

A US Holder that receives foreign currency from a sale or disposition of Offer Shares generally will realise an amount equal to the US dollar value of the foreign currency on the date of sale or disposition or, if such US Holder is a cash basis or electing accrual basis taxpayer and the Offer Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Offer Shares are so treated and the foreign currency received is converted into US dollars on the settlement date, a cash basis or electing accrual basis US Holder will not recognise foreign currency gain or loss on the conversion. If the foreign currency received is not converted into US dollars on the settlement date, the US Holder will have a basis in the foreign currency equal to the US dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Passive foreign investment company rules

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income is classified as "passive income" or (ii) at least 50% of the average quarterly value of its assets is attributable to assets that produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and certain gains from commodities and securities transactions.

Based on the present nature of the Logista Group's activities and the present composition of the Logista Group's assets and sources of income, we believe that the Company was not a PFIC for its most recent taxable year, and the Issuer does not expect to become a PFIC for its current taxable year or for any future taxable year. There can be no assurances, however, that the Issuer will not be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Issuer is a PFIC in any taxable year that a US Holder is a shareholder, the Issuer generally will continue to be treated as a PFIC for that US Holder in all succeeding years during which the US Holder holds Shares, regardless of whether the Issuer continues to meet the income or asset test described above. If the Issuer were a PFIC in any taxable year during which a US Holder holds Offer Shares, material adverse US federal income tax consequences could result for the US Holder.

If a US Holder does not make a valid election as discussed below, and the Issuer is a PFIC for any taxable year during which an investor is a US Holder, the US Holder will generally be subject to special tax rules with respect to any "excess distribution" received and any gain recognized from a sale or other disposition (including, under certain circumstances, a pledge) of Offer Shares. Distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the US Holder's holding period for the Offer Shares will be treated as excess distributions. Under these special tax rules, (i) the excess distribution or gain will be allocated rateably over the US Holder's holding period for the Offer Shares; (ii) the amount allocated to the current taxable year and to years before the Issuer became a PFIC will be treated as ordinary income; and (iii) the amount allocated to each other taxable year will be subject to tax at the highest tax rate in effect for that taxable year for individuals and corporations, as appropriate, and an interest charge (at the rate generally applicable to underpayments of tax for the period from such year to the current year) will be imposed on the resulting tax attributable to each such year.

A US Holder subject to the PFIC rules discussed above or below is required to file IRS Form 8621 with respect to its investment in the Offer Shares.

Mark-to-market election

To mitigate the application of the PFIC rules discussed above, a US Holder may make an election to include gain or loss on the Offer Shares as ordinary income or loss under a mark-to-market method, provided that the Offer Shares are regularly traded on a qualified exchange. The Issuer expects to apply for admission of the Shares to trading on the Spanish Stock Exchanges, which the Issuer expects to be a qualified exchange. No assurance can be given that the Shares will be "regularly traded" for purposes of the mark-to-market election.

If a US Holder makes an effective mark-to-market election, the US Holder will include in each year as ordinary income the excess of the fair market value of its Offer Shares at the end of the year over its adjusted tax basis in the Offer Shares. The US Holder will be entitled to deduct as an ordinary loss each year the excess of its adjusted tax basis in the Offer Shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A US Holder's adjusted tax basis in the Offer Shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. In addition, gains from an actual sale or other disposition of Offer Shares will be treated as ordinary income, and any losses will be treated as ordinary losses to the extent of any mark-to-market gains for prior years.

If a US Holder makes a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the Offer Shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election.

Qualified electing fund election

To mitigate the application of the PFIC rules discussed above, a US Holder may make an election to treat the Issuer as a qualified electing fund (QEF) for US federal income tax purposes. To make a QEF election, the Issuer must provide US Holders with information compiled according to US federal income tax principles. The Issuer currently does not intend to compile such information for US Holders, and therefore it is expected that this election will be unavailable.

Non-US Holders

A Non-US Holder generally should not be subject to US federal income or withholding tax on any distributions made on the Offer Shares or gain from the sale, redemption or other disposition of the Offer Shares unless: (i) that distribution and/or gain is effectively connected with the conduct by that Non-US Holder of a trade or business in the United States; or (ii) in the case of any gain realised on the sale or exchange of an Offer Share by an individual Non-US Holder, that Non-US Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

US information reporting and backup withholding tax

A US Holder may be subject to information reporting unless it establishes that payments to it are exempt from these rules. For example, payments to corporations generally are exempt from information reporting and backup withholding. Payments that are subject to information reporting may be subject to backup withholding if a US Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Non-US Holders may be required to comply with applicable certification procedures to establish that they are not US Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a US Holder's US federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is timely provided to the IRS.

Certain U.S. holders may be required to report to the IRS certain information with respect to their ownership of the Offer Shares. Shareholders who fail to report required information could be subject to substantial penalties.

PLAN OF DISTRIBUTION

The Offering

The Issuer has entered into an underwriting agreement with the Selling Shareholder, Logista, Imperial Tobacco and the Managers named below with respect to the Offer Shares being offered by this Offering Memorandum. Credit Suisse Securities (Europe) Limited and Goldman Sachs International are acting as the Joint Global Coordinators and Joint Bookrunners of the Offering. Subject to specified conditions, each Manager has severally and not jointly agreed to procure purchasers for or, failing which, to purchase, the number of Initial Offer Shares to be sold in the Offering indicated in the following table.

Managers	Number of Initial Offer Shares
Credit Suisse Securities (Europe) Limited	13,576,704
Goldman Sachs International	13,576,704
Morgan Stanley & Co. International plc	5,430,683
Banco Bilbao Vizcaya Argentaria, S.A.	1,810,227
Société Générale	1,810,227

In consideration of the agreement by the Managers to procure the purchase of or purchase the Initial Offer Shares, and subject to the Initial Offer Shares being sold as provided in the underwriting agreement, the Selling Shareholder will pay to the Managers selling, underwriting and management commissions totaling 2.25% of the aggregate offering price of the Offer Shares sold in the Offering (including Additional Shares sold pursuant to the Over-Allotment Option, if and to the extent exercised). In addition, the Selling Shareholder has agreed that it may, in the sole discretion of the Selling Shareholder, pay to the Joint Global Coordinators and Joint Bookrunners (i.e. Credit Suisse Securities (Europe) Limited and Goldman Sachs International) of the Offering a further incentive fee of up to 1.00% of the aggregate offering price of the Offer Shares sold in the Offering (including Additional Shares sold pursuant to the Over-Allotment Option, if and to the extent exercised) to be split equally between them. Furthermore, the Selling Shareholder has agreed to reimburse the Managers for certain expenses, and the Issuer, Logista, the Selling Shareholder and Imperial Tobacco have agreed to indemnify the Managers against certain liabilities that the Managers may incur in connection with the Offering.

We expect the closing date of the Offering, or *fecha de operación bursátil*, to be on or about July 11, 2014. Under Spanish law, on the closing date, purchasers become unconditionally obligated to pay for, and entitled to receive delivery of, Offer Shares purchased in the Offering. Payment for these Offer Shares is expected to be made to the Selling Shareholder in its account maintained with Banco Bilbao Vizcaya Argentaria, S.A., as agent bank. The Issuer expects that all of the Initial Offer Shares sold through the Offering will be delivered against payment on or about July 16, 2014 through the facilities of Iberclear and that the Shares will be listed and quoted on the Spanish Stock Exchanges on or about July 14, 2014 under the symbol "LOG." The bookbuilding process may be extended for or reduced by a maximum period of one week. This event shall be notified to the market through an "*Hecho Relevante*". Any extension or reduction of the bookbuilding process period may affect the expected timetable for the Offering.

The underwriting agreement provides that the obligations of the Managers are subject to certain customary conditions precedent and that the underwriting agreement may be terminated by the Joint Global Coordinators and Joint Bookrunners, acting on behalf of the Managers, in their absolute discretion, in certain circumstances, upon the occurrence of certain events. In addition, the Offering may be revoked upon termination of the underwriting agreement if the Shares are not admitted to listing on the Spanish Stock Exchanges and the AQS of the Spanish Stock Exchanges before August 4, 2014. In these circumstances, where Offer Shares have already been delivered by the Selling Shareholder and the purchase price has been paid by the Managers or investors, the principal consequences of revocation of the Offering are: (i) the Managers or investors (as applicable) would be obligated to return title to the Offer Shares to the Selling Shareholder, and (ii) the Selling Shareholder would be obligated to return the moneys paid by such investors or the Managers (as applicable) in respect of the sale of the Offer Shares in the Offering, together with interest calculated at the statutory rate (*interés legal*, currently set at 4%) from the date on which the Managers or investors (as applicable) paid for the Offer Shares until the date on which the Selling Shareholder repays the purchase price. Except as set out above, none of the Issuer, Logista, the Selling Shareholder, Imperial Tobacco or the Managers shall be liable to any person as a result of the revocation of the Offering.

The Offer Shares have not been registered under the US Securities Act, and may not be offered or sold within the United States, except in certain transactions exempt from the registration requirements of the US Securities Act. The Managers have advised us that they propose to sell the Offer Shares initially at the offering price set forth herein (i) in the United States, through their respective selling agents, to QIBs in reliance on Rule 144A under the US Securities Act, and (ii) outside the United States in compliance with Regulation S under the US Securities Act. Any offer or sale of Offer Shares in reliance on Rule 144A will be made by broker-dealers who are registered as such under the Exchange Act. In addition, until 40 days after the closing of the Offering, any offer or sale of Offer Shares that is made in the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if made otherwise than in accordance with Rule 144A under the US Securities Act.

Stabilization

In connection with the Offering, Credit Suisse Securities (Europe) Limited, acting as stabilization agent (or its agent) acting on behalf of the Managers, may, to the extent permitted by applicable law, at its discretion engage in transactions that stabilize, support, maintain or otherwise affect the price of the Shares for a period of 30 calendar days from the date the Shares are listed on the Spanish Stock Exchanges. The stabilization period is expected to commence on or about July 14, 2014 and end on or about August 12, 2014 (both inclusive). Specifically, such person may sell more Offer Shares than are required to be purchased under the underwriting agreement, thereby creating a short position. A short sale is covered if the short position is no greater than the number of Additional Shares available for purchase under the Over-Allotment Option. The stabilization agent (or its agent) on behalf of the Managers, can close out a covered short sale by exercising the Over-Allotment Option or purchasing Shares in the open market. In determining the source of Shares to close out a covered short sale, the stabilization agent (or its agent) will consider, among other things, the open market price of Shares compared to the price available under the Over-Allotment Option. Such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise. The stabilization agent, may also reclaim selling concessions allowed to any manager or dealer for distributing the Offer Shares in the Offering, if the syndicate repurchases previously distributed Shares to cover syndicate short positions or to stabilize the price of the Shares.

Except as required by law or regulation, none of the stabilization agent, any of its agents or any of the Managers intends to disclose the extent of any stabilization and/or over-allotment transactions in connection with the Offering and/or any investments or transactions of the nature described in the preceding paragraph.

These stabilization activities may raise or maintain the market price of the Shares above independent market levels or prevent or retard a decline in the market price of the Shares. None of the stabilization agent, any of its agents or any of the Managers is required to engage in these activities, and may end any of these activities at any time. There can be no assurance that any such activities will be undertaken. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Shares.

Over-Allotment Option

The Selling Shareholder has granted to the Managers an Over-Allotment Option, pursuant to which the stabilization agent, on behalf of the Managers, may require the Selling Shareholder to sell Additional Shares (up to 10% of the total number of Initial Offer Shares offered by the Selling Shareholder) at the offering price to cover short positions resulting from over-allotments of Offer Shares, if any, made in connection with the Offering and to cover short positions resulting from stabilization transactions. The Over-Allotment Option is exercisable, in whole or in part, upon notice by the stabilization agent at any time on or before the 30th calendar day after Admission.

Stamp Taxes

Buyers of the Offer Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price.

Dealings for Own Accounts

In connection with the Offering, the Managers and any of their respective affiliates acting as an investor for its or their own account(s) may purchase Offer Shares and, in that capacity, may retain, purchase, sell, offer to sell, or otherwise deal for its or their own account(s) in such securities, any other securities of the

Issuer or other related investments in connection with the Offering or otherwise. Accordingly, references in this Offering Memorandum to the Offer Shares being offered, purchased or otherwise dealt with should be read as including any offer to, or purchase or dealing by, the Managers or any of them and any of their affiliates acting as an investor for its or their own account(s). The Managers do not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

Relationships Between Us and the Managers

The Managers and their affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. From time to time, certain of the Managers and their respective affiliates may have provided us, Imperial Tobacco and their respective affiliates with investment banking, commercial banking and financial advisory services. They may provide us, Imperial Tobacco and their respective affiliates with similar or other services, and engage in similar activities, in the future, in respect of which they may receive customary fees and commissions. In particular, BBVA has granted guarantees (*avales*) in favor of the Logista Group which, as of March 31, 2014, amounted to €25.4 million and a credit line of €5 million.

Lock-Up Periods

Each of the Issuer and the Selling Shareholder has agreed to certain lock-up arrangements.

Pursuant to lock-up agreements dated June 26, 2014, the Issuer and Selling Shareholder have agreed, subject to certain exceptions, during the period from June 26, 2014 to 180 days after the date of the underwriting agreement, not, without the prior written consent of the Joint Global Coordinators, to issue (in the case of the Issuer only), offer, sell, contract to sell, pledge or otherwise dispose of any Shares (or any securities convertible or exchangeable into or exercisable for Shares) or enter into any transaction with the same economic effect as, or agree to do, any of such things, or publicly announce any intention to do the foregoing.

Furthermore, we have agreed that we nor any person on our behalf will not, subject to certain exceptions, directly or indirectly, during the period from June 26, 2014 to 180 days after the date of the underwriting agreement, without the prior written consent of the Joint Global Coordinators, propose Logista to issue, or vote in favor of Logista to issue, shares of Logista or securities convertible, exchangeable or giving the right to subscribe or purchase shares of Logista, nor issue (where applicable), offer, sell, contract to sell, pledge or otherwise dispose of any shares of Logista (or any securities convertible or exchangeable into or exercisable for shares of Logista) or enter into any transaction with the same economic effect as, or agree to do, any of such things, or publicly announce any intention to do the foregoing.

Pricing of the Offering

The offering price per Offer Share indicated on the cover of this Offering Memorandum has been discussed and agreed by the Managers and the Selling Shareholder, and no independent experts were consulted in determining the offering price. Among the factors considered in determining the offering price range were our future prospects and the prospects of our industry in general, our revenue and certain other financial and operating information in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to ours. There can be no assurance that the prices at which the Shares will trade in the public market after the Offering will not be lower than the offering price or that an active trading market in the Shares will develop and continue after the Offering.

TRANSFER AND SELLING RESTRICTIONS

Transfer Restrictions

Because of the following restrictions, purchasers of the Offer Shares in the United States are advised to consult legal counsel prior to making any offer for, or resale, pledge or other transfer of, the Offer Shares.

The Offer Shares offered hereby are being offered in accordance with Rule 144A and Regulation S under the US Securities Act. Terms used in this section that are defined in Rule 144A or in Regulation S under the US Securities Act are used herein as defined therein. The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States and, accordingly, may not be offered, sold or delivered within the United States except to QIBs in reliance on the exemption from the registration requirements of the US Securities Act provided by Rule 144A and outside the United States in accordance with Regulation S.

In addition, until 40 days after the closing of the Offering, any offer or sale of the Offer Shares originally distributed outside the United States in accordance with Regulation S that is made within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if made otherwise than in accordance with Rule 144A under the US Securities Act or pursuant to another exemption from registration under the US Securities Act.

Each purchaser of the Offer Shares offered hereby in reliance on Rule 144A will be deemed to have represented and agreed as follows:

(1) the purchaser is (a) a QIB, (b) aware, and each beneficial owner of the Offer Shares has been advised, that the sale of the Offer Shares to it is being made in reliance on Rule 144A and (c) acquiring the Offer Shares for its own account or for the account of a QIB; and

(2) the purchaser understands that the Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred except (A) (i) to a person whom the purchaser and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available) and (B) in accordance with all applicable securities laws of the states of the United States. Such purchaser acknowledges that the Offer Shares offered and sold in accordance with Rule 144A are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Offer Shares.

Selling Restrictions

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive, as amended (each, a "Relevant Member State"), each Manager has severally represented, warranted and agreed that it has not made and will not make an offer to the public of the Offer Shares in that Relevant Member State, except that it may make an offer to the public in that Relevant Member State of any of the Offer Shares at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entity that is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Managers for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospective Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Issuer or any manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Offering Memorandum will be deemed to have represented, warranted and agreed to and with each Manager, the Selling Shareholder and the Issuer that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

The Managers, the Selling Shareholder and the Issuer and their affiliates, and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this selling restriction, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Manager has severally represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21(1) of the FSMA does not apply to Imperial Tobacco or the Issuer; and

(b) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

Australia

This Offering Memorandum does not constitute a disclosure document under Part 6D.2 or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the "Corporations Act 2001 (Cth)") and has not been, and will not be, lodged with the Australian Securities and Investments Commission. Accordingly, this Offering Memorandum does not necessarily contain all of the information a prospective investor would expect to be contained in an offering document or which he/she may require to make an investment decision. The offer to which this document relates is being made in Australia to persons who fall within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act 2001 (Cth), and who are "wholesale clients" which has the meaning given in subsection 761G(4) of the Corporations Act 2001 (Cth).

As any offer for the Offer Shares under this Offering Memorandum will be made without disclosure in Australia under the Corporations Act 2001 (Cth), the offer of such Offer Shares for resale in Australia within 12 months of their issue may, under the Corporations Act 2001 (Cth), require disclosure to investors under Part 6D.2 or Part 7.9 unless one of the exemptions in section 708 of the Corporations Act 2001 (Cth) apply to that resale, the sale offer is made to a "wholesale client" or is received outside of Australia. This Offering Memorandum is intended to provide general information only and has been prepared by us without taking into account any particular person's objectives, financial situation or needs. Recipients should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Recipients should review and consider the contents of this Offering Memorandum and obtain financial advice (or other appropriate professional advice) specific to their situation before making any decision to accept the offer of the Offer Shares.

Italy

This Offering Memorandum and the Offering of the Offer Shares have not been and will not be registered with, approved or subject to any formal review or clearance by the *Commissione Nazionale per la Società e la Borsa*, or CONSOB, the Italian securities market regulator, pursuant to the Italian securities legislation. Accordingly, the Offer Shares may not and will not be offered, sold, promoted, advertised or delivered, directly or indirectly, nor any copies of this Offering Memorandum or any other document relating to the Offer Shares may or will be distributed in the Republic of Italy, or Italy, other than:

(i) to qualified investors (*investitori qualificati*) as defined under Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended, or CONSOB Regulation No. 11971; or

(ii) in circumstances where an exemption from the rules governing offers of securities to the public applies pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended, or Financial Services Act, and Article 34-ter, first paragraph, of CONSOB Regulation No. 11971 and provided further that any such offer, sale, promotion, advertising or delivery of the Offer Shares or distribution of this Offering Memorandum, or any part thereof, or of any other document or material relating to the Offer Shares in Italy, under (i) or (ii), is made in compliance with any Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, is made:

   - by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended from time to time, or Italian Banking Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and any other applicable laws and regulations;
   - in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy; and
   - in compliance with any relevant limitations or procedural requirements that CONSOB and any competent authority may impose upon the offer or sale of the Offer Shares.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan ("FIEL"). The Offer Shares may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. As used in this paragraph, the term "resident of Japan" means any natural person having his place of domicile or residence in Japan, or any corporation or other entity organized under the laws of Japan or having its main office in Japan.

Kuwait

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by the Kuwait Central Bank, the Kuwait Ministry of Commerce and Industry or any other authority in Kuwait, nor have the Managers for Kuwait received authorization or licensing from the Kuwait Central Bank, the Kuwait Ministry of Commerce and Industry or any other authority in Kuwait to market or sell the securities within Kuwait.

No marketing of any financial products or services has been or will be made from within Kuwait and no subscription to any securities, financial products or financial services may or will be consummated within Kuwait. The Managers for Kuwait do not advise parties in Kuwait as to the appropriateness of investing in, purchasing or selling securities or other financial products. Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

Qatar

This Offering Memorandum has not been filed with, reviewed or approved by the Qatar Central Bank, or any other relevant Qatar governmental body or securities exchange. The Offer Shares have not been offered, sold or delivered, and will not be offered sold or delivered at any time, directly or indirectly, in Qatar in a manner that would constitute a public offering. This Offering Memorandum is being issued to a limited number of sophisticated investors and should not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar and should not be reproduced or used for any other purpose.

Singapore

This Offering Memorandum or any other material relating to the Offer Shares has not been and will not be registered as a prospectus with the monetary authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Offer Shares may not be circulated or distributed, nor may any Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than

(a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act")

(b) to a relevant person or any person pursuant to Section 275(1a) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which subscribes or purchases the Offer Shares, namely a person who is:

(a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, should note that shares, debentures, units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or trust has acquired the Offer Shares under section 175 of the Securities and Futures Act except:

    (A) to an institutional investor under section 274 of the Securities and Futures Act or to a relevant person as defined in Section 275(2) of the Securities and Futures Act;

    (B) where the transfer arises from an offer referred to in Section 275(1a) of the Securities and Futures Act (for the corporation), or from an offer that is made on terms that the rights or interest are acquired at a consideration of not less than $200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets (for the trust);

    (C) where no consideration is given for the transfer; or

    (D) by operation of law.

By accepting this Offering Memorandum, the recipient hereof represents and warrants that he is entitled to receive such document in accordance with the restrictions set forth above and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

Switzerland

This Offering Memorandum does not constitute a public offering prospectus as that term is understood pursuant to Article 652a or 1156 of the Swiss Code of Obligations nor it is a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. The Offer Shares may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Offering Memorandum nor any other offering material relating to the Offer Shares may be publicly distributed or otherwise made publicly available in or from Switzerland. This Offering Memorandum is not intended as an offer or solicitation with respect to the purchase or sale of the Offer Shares by the public and may be distributed only on a private placement basis, without any public distribution, offering or marketing in, or from, Switzerland, provided that any such distribution does not occur as a result of, or in connection with, public solicitation or marketing with respect to the purchase or sale of the Offer Shares.

United Arab Emirates

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED ARAB EMIRATES (EXCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE)

The Offer Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates ("U.A.E.") other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out below. The information contained in this Offering Memorandum does not constitute a public offer of securities in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. This Offering Memorandum has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority. If you do not understand the contents of this Offering Memorandum you should consult an authorized financial adviser. This Offering Memorandum is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This Offering Memorandum relates to an "exempt offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This Offering Memorandum is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this Offering Memorandum nor taken steps to verify the information set out in it, and has no responsibility for it. The Offer Shares to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares offered should conduct their own due diligence on the Offer Shares. If you do not understand the contents of this Offering Memorandum you should consult an authorized financial adviser. For the avoidance of doubt, the Offer Shares are not interests in a "fund" or "collective investment scheme" within the meaning of either the Collective Investment Law (DIFC Law No. 1 of 2006) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a Spanish company, and substantially all of its and the Logista Group's assets are located in Spain, Portugal, France, Italy and other jurisdictions outside of the United States. In addition, all of our directors and executive officers, as well as the Selling Shareholder and Imperial Tobacco, reside or are located in Spain and the United Kingdom. As a result, investors may not be able to effect service of process outside these countries upon us or these persons or to enforce judgments obtained against us or these persons in foreign courts predicated solely upon the civil liability provisions of US securities laws.

Furthermore, there is doubt that a lawsuit based upon US federal or state securities laws, or the laws of any non-Spanish jurisdiction, could be brought in an original action in Spain and that a foreign judgment based upon such laws would be enforceable in Spain. There is also doubt as to the enforceability of judgments of this nature in several other jurisdictions in which the Issuer operates and where its assets are located.

LEGAL MATTERS

The validity of the Shares and certain matters governed by Spanish law will be passed on for us by Allen & Overy, our Spanish counsel, and for the Managers by Uría Menéndez Abogados, S.L.P., Spanish counsel to the Managers.

Certain other matters governed by US federal and New York state law will be passed on for us by Allen & Overy LLP, our US counsel, and for the Managers by Davis Polk & Wardwell LLP, US counsel to the Managers.

INDEPENDENT AUDITORS

The Audited Consolidated Financial Statements included elsewhere in this Offering Memorandum have been audited by Deloitte, S.L., independent auditors, as stated in their reports appearing elsewhere in this Offering Memorandum.

The Issuer's standalone balance sheet included elsewhere in this Offering Memorandum has been audited by Deloitte, S.L., independent auditors, as stated in their report appearing elsewhere in this Offering Memorandum.

Professional fees for auditing services contracted by the Logista Group with Deloitte, S.L. and related member firms for the years ended September 30, 2013, 2012 and 2011 were €1,109 thousand, €811 thousand, and €809 thousand, respectively. In addition, fees for audit related services, such as due diligence and purchase audits, and other professional services contracted by the Logista Group with Deloitte, S.L. and related member firms were €134 thousand, €284 thousand, and €233 thousand, respectively. Since the incorporation of the Issuer, the services rendered to it by Deloitte S.L. consist principally of the audit of the balance sheet as of June 4, 2014. The fees accrued for this service have been calculated based on similar rates per hour as the ones agreed for the audit of the Logista Group's financial statements.

INDEX TO FINANCIAL STATEMENTS

Compañía de Distribución Integral Logista Holdings, S.A.U.

Interim Balance Sheet at 4 June 2014 and Notes together with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of an interim balance sheet originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2.1 and 10). In the event of a discrepancy, the Spanish-language version prevails.

AUDITOR'S REPORT ON INTERIM BALANCE SHEET

To the Sole Shareholder of
Compañía de Distribución Integral Logista Holdings, S.A.U.,
at the request of its Board of Directors:

We have audited the accompanying interim balance sheet of Compañía de Distribución Integral Logista Holdings, S.A.U. at 4 June 2014, together with the related explanatory notes ("the interim balance sheet").

Responsibility of the directors with respect to the interim balance sheet

The directors are responsible for the preparation of the accompanying interim balance sheet so that it presents fairly the equity and financial position of Compañía de Distribución Integral Logista Holdings, S.A.U., in accordance with the regulatory financial reporting framework applicable to the Company for the preparation of a financial statement of this nature in Spain, which is identified in Note 2.1 to the accompanying interim balance sheet, and of the internal control which they consider necessary to enable the preparation of the interim balance sheet free of any material misstatements, due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion on the accompanying interim balance sheet based on our audit. Our work was performed in accordance with the audit regulations in force in Spain. Such regulations require us to comply with ethical requirements and to plan and execute the audit in order to obtain reasonable assurance that the interim balance sheet is free from material misstatements.

An audit requires the application of procedures to obtain audit evidence of the amounts and information disclosed in the balance sheet. The procedures selected depend on the auditor's judgement, including an assessment of the risk of material misstatements in the interim balance sheet, due to fraud or error. In performing the aforementioned risk assessments, the auditor takes into account the internal control relevant to the preparation by the entity of the interim balance sheet in order to design audit procedures that are appropriate based on the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the adequacy of the accounting policies used, the reasonableness of the accounting estimates made by management and the overall presentation of the interim balance sheet.

We consider that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

Opinion

In our opinion, the accompanying interim balance sheet presents fairly, in all material respects, the equity and financial position of Compañía de Distribución Integral Logista Holdings, S.A.U. at 4 June 2014, in conformity with the regulatory financial reporting framework applicable to the preparation of a financial statement of this nature and, in particular, with the accounting principles and rules contained therein.

DELOITTE, S.L.

Registered in ROAC under no. S0692

José Luis Aller

June 12, 2014

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.U.

INTERIM BALANCE SHEET AT 4 JUNE 2014

(Thousands of Euro)

	Notes	6/4/2014
ASSETS		
NON-CURRENT ASSETS:		**968,638**
Non-current investments in Group companies and associates—	**Note 4**	**968,638**
Equity instruments		968,638
CURRENT ASSETS:		**164**
Trade and other receivables—		**104**
Current Tax Assets	**Note 6**	61
Other accounts receivable from public authorities	**Note 6**	43
Cash and cash equivalents—		**60**
Cash		60
TOTAL ASSETS		**968,802**
EQUITY AND LIABILITIES		
EQUITY:		**968,556**
SHAREHOLDERS' EQUITY:		**968,556**
Share capital—	**Note 5**	**26,550**
Registered share capital		26,550
Share premium		**942,148**
Other reserves		**(142)**
Profit for the period		**—**
CURRENT LIABILITIES:		**246**
Trade and other payables—		**246**
Sundry accounts payable		246
TOTAL EQUITY AND LIABILITIES		**968,802**

The accompanying Notes 1 to 10 are an integral part of the interim balance sheet at 4 June 2014

Translation of interim balance sheet originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2.1 and 10). In the event of a discrepancy, the Spanish-language version prevails.

Compañía de Distribución Integral Logista Holdings, S.A.U.

Notes to the Interim Balance Sheet at 4 June 2014

1. Company activities

Compañía de Distribución Integral Logista Holdings, S.A.U. was incorporated on 13 May 2014. On the same date the Company was registered at the Mercantile Registry as a sole-shareholder company, the sole shareholder of which is Altadis, S.A.U. (see Note 5.1)

The Company's registered office is at Polígono Industrial Polvoranca, calle Trigo, número 39, Leganés (Madrid), and its present company object includes the following activities:

1. The management and administration of the securities of companies both resident and non-resident in Spain, through the related organisation of material and human resources.
2. 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.
3. The distribution of all kinds of documents, forms or certificates issued by public- or private-sector entities.
4. 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.
5. The distribution of other products to tobacco and stamp vendors and to the various channels that market tobacco product accessories and complementary articles.
6. 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.
7. 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.
8. 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.
9. 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.
10. The acquisition, management, distribution and ownership of shares or equity interests in other companies, whatever are their company object.
11. 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.
12. 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.

1. Company activities (Continued)

The business activities composing the company object may also be carried out by Compañía de Distribución Integral Logista Holdings, S.A.U. fully or partially, directly or indirectly, through the ownership of shares in companies with the same or a similar company object-

In practice, the activity performed by the Company since its incorporation has been that of a holding company.

The Company is the head of a group of subsidiaries, and as such will prepare separately consolidated financial statements under IFRSs at 2014 year-end. The financial structure of such Group is described in Appendix I.

In turn, Altadis, S.A.U., the Company's parent, belongs to the Imperial Tobacco 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 Group for 2013 were formally prepared by its directors at the Board of Directors meeting held on 5 November 2013.

This interim balance sheet at 4 June 2014, together with the accompanying explanatory notes thereto, were prepared by the Company's directors in the context of the public offering of shares being launched by its sole shareholder Altadis, S.A.U.

2. Basis of presentation of the interim balance sheet at 4 June 2014

2.1. Regulatory financial reporting framework applicable to the Company

These interim balance sheet at 4 June 2014 were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

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

b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007.

c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.

d) All other applicable Spanish accounting legislation.

2.2. Fair presentation

The interim balance sheet at 4 June 2014 has been obtained from the Company's accounting records, and is presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, presents fairly the Company's equity and, financial at such date.

2.3. Accounting principles applied

The directors formally prepared these balance sheet at 4 June 2014 and its Notes taking into account all the obligatory accounting principles and standards with a significant effect hereon.

2.4. Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the Company'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 calculation of allowances for financial assets (see Note 3.1)

Although these estimates were made on the basis of the best information available at 4 June 2014, events that cannot currently be foreseen might make it necessary to change these estimates (upwards or downwards) in the future.

2. Basis of presentation of the interim balance sheet at 4 June 2014 (Continued)

2.5. Comparative information

These explanatory notes do not include information relating to 2013 as the Company was incorporated on 13 May 2014.

2.6. Grouping of items

Certain items in the interim balance sheet are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the interim balance sheet.

3. Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its interim balance sheet at 4 June 2014, in accordance with the Spanish National Chart of Accounts, were as follows:

3.1. Financial instruments

3.1.1. Financial assets

Equity investments in Group companies, jointly controlled entities and associates

Group companies are deemed to be those related to the Company as a result of a relationship of control.

These investments are measured at cost or contribution value net, where appropriate, of any accumulated impairment losses. The criterion used for measuring the shares received in the non-monetary share capital increase performed by the sole-shareholder has been to keep the value at which the contributed shares were recognised in the separate financial statements of the sole-shareholder at the date of the contribution since there were no consolidated financial statements prepared by a company of the Imperial Tobacco Group at a higher consolidation level in Spain.

When necessary, these losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment.

Value in use is calculated based on estimated future cash flows, discounted at a rate that reflects the time value of money and the risks specifically associated with the asset. Fair value is the amount obtainable from the disposal of the asset concerned in an arm's length transaction and is determined based on market information, comparable transactions, etc.

At 4 June 2014, the Company's directors have considered that there is no impairment on the ownership interest in Compañía de Distribución Integral Logista, S.A.U. since it arose from the capital increase performed through a non-monetary contribution on the same date, for which a valuation report, prepared by an independent expert appointed by the Mercantile Registry was issued, which certified that the fair value of the contributed shares was higher than the carrying amount assigned in the capital increase, pursuant to the Spanish Limited Liability Companies Law and Mercantile Registry Regulations (see Note 5.1).

Cash and cash equivalents

Cash includes both cash and demand deposits. The other cash equivalents are short-term investments with a maturity of under three months, which are not exposed to any significant risk of changes in their value.

The Company derecognises a financial asset when it matures and collection is made or when the rights to the future cash flows have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

3. Accounting policies and measurement bases (Continued)

3.1.2. Financial liabilities

Trade payables, loans received and other accounts payable are initially recognised at fair value, which generally coincides with their nominal value, reduced by transaction costs, and are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

3.2. Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

3.3. Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact.

3.4. Current and Non-current classification

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within twelve months from the end of the reporting period, held-for-trading financial assets, and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, held-for-trading financial liabilities and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

4. Financial assets

4.1. Non-current investments in Group companies and associates

The detail of "Non-Current Investments in Group Companies and Associates" at 4 June 2014 is as follows:

Description	Thousands of Euro 05-06-2014
Equity instruments	968,638
Total	**968,638**

4. Financial assets (Continued)

The most significant information in relation to Group companies at 31 May 2014, the monthly accounting close immediately prior to 4 June 2014, is as follows:

			Thousands of Euro						
			Data on the companies					Carrying amount
				Profit for the year				
Company	Address	Direct % of ownership	Share capital	Operating profit	Profit	Reserves and others	Total Equity	Cost
Compañía de Distribución Integral Logista, S.A.U.(*)	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	26,550	54,930	40,512	354,766	421,828	968,638

(*) Compañía de Distribución Integral Logista, S.A.U. is the head of a Group which, until the contribution of its shares to the Company (see Note 5), was the former Logista Group.The parent company of Logista Group since 4 June 2014 is Compañía de Distribución Logista Holdings.

On 4 June 2014, the sole shareholder Altadis, S.A.U. carried out a capital increase through a non-monetary contribution of all of the shares of Compañía de Distribución Integral Logista, S.A.U. (see Note 5). The criterion used for calculating this increase was to take the value at which the shares of Compañía de Distribución Integral Logista, S.A.U. were recognised in the separate financial statements of Altadis, S.A.U. at the date of the contribution since there were no consolidated financial statements prepared by a company of the Imperial Tobacco Group at a higher consolidation level in Spain.

4.2. Information on the nature and level of risk of financial instruments

The management of the risks to which the Company is exposed in the course of its business activities constitutes one of the basic pillars of its activities aimed at preserving the value of its assets and its shareholder's investment.

The Company's financial risk management is centralised in Logista Group's Finance Division. This Division has established the mechanisms required to control -based on the structure and financial position of the Company and on the economic variables of the business- exposure to interest rate and exchange rate fluctuations and credit and liquidity risk.

The main risks and uncertainties faced by the Company derive mainly from the possible regulatory changes in the industries in which it operates, the usual operational risks arising in the ordinary course of business and counterparty risk.

a) Credit risk:

The Company's principal financial assets are cash and cash equivalents and its participation in Compañía de Distribución Integral Logista, S.A.U. In general, the Company holds its cash and cash equivalents at banks with high credit ratings.

b) Liquidity risk:

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet, together with the credit and financing facilities obtained through the cash assignment agreement entered into with Imperial Tobacco Enterprise Finance Limited., an entity belonging to the Imperial Tobacco Group, plc. (see Note 7)

4. Financial assets (Continued)

c) Market risk (including interest rate, foreign currency and other price risks):

In relation to its cash and cash equivalents the Company is exposed to interest rate fluctuations that could have an effect on its results and cash flows, although due to the Company's lack of bank borrowings, management considers that this impact would not be material in any event.

The level of exposure of the equity and income statement to the effects of future changes in prevailing exchange rates is not significant.

The Company does not have any direct or indirect significant investments in foreign entities that operate in currencies other than the euro and does not perform significant transactions in countries with currencies other than the euro.

5. Equity and shareholders' equity

5.1. Equity

The changes in equity between the incorporation of the Company and 4 June 2014 are as follows:

	Thousands of Euro			
	Share Capital	Share Premium	Reserves	Total
Balance at 13-05-2014 (incorporation date)	60	—	—	60
Total recognised income and expense	—	—	(142)	(142)
Transactions with shareholders:				
Capital increase	26,490	942,148	—	968,638
Balance at 04-06-2014	**26,550**	**942,148**	**(142)**	**968,556**

5.2. Share capital

The Company was incorporated on 13 May 2014, with share capital amounting to EUR 60 thousand, divided into 300,000 shares of 20 euro cents par value each, all of the same class, which were subscribed and paid in full in cash by the sole shareholder. Pursuant to Article 16 of the Consolidated Spanish Limited Liability Companies Law, on the same date, the Company registered its sole-shareholder company status at the Mercantile Registry.

On 24 June 2014, the sole shareholder approved a capital increase through a non-monetary contribution amounting to EUR 26,490 thousand by means of the issuance of 132,450,000 new shares with a par value of 20 euro cents each, together with a share premium totalling EUR 942,148 thousand. The shares issued were of the same class as the outstanding shares and were subscribed and paid in full by Altadis, S.A.U. by means of the contribution to the Company of the 44,250,000 registered shares representing the entire share capital of Compañía de Distribución Integral Logista, S.A.U. For such purposes, it is hereby stated that the aforementioned non-monetary contribution was subject to compulsory valuation by an independent expert appointed by the Mercantile Registry, pursuant to the Consolidated Text of the Corporate Enterprises Act and Mercantile Registry Regulations.

Consequently, at 4 June 2014, the Company's share capital amounted to EUR 26,550 thousand, represented by 132,750,000 fully subscribed and paid shares of 20 euro cents par value each, all of the same class. The sole shareholder at that date was Altadis, S.A.U.

The nature of the Company's transactions and agreements with its sole shareholder are detailed in Note 7.

5.3. Share premium

The Consolidated Spanish Capital Companies Law expressly permits the use of the share premium account balance to increase share capital and does not establish any specific restrictions as to its use.

5. Equity and shareholders' equity (Continued)

5.4. Legal reserve

Under the Consolidated 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 4 June 2014, the legal reserve had not yet been created.

5.5. Voluntary reserves

The capital increase expenses incurred by the Company in the transaction described in Note 5.1, which were charged to reserves, totalled EUR 142 thousand net of the tax effect.

6. Tax matters

The detail of the current tax receivables at 4 June 2014 is as follows:

Description	Thousands of Euro
Income tax	61
VAT receivable	43
Total	**104**

The foregoing balances relate to the VAT and tax effect of the incorporation and capital increase expenses incurred by the Company in the capital increase described in Note 5.1.

7. Related party operations

On 4 June 2014, the Company entered into a framework agreement with its ultimate shareholder, Imperial Tobacco Group plc. which regulates the relationships between them, following Recommendation 2 of the Unified Good Governance Code, although, in accordance with the terms thereof, there are no limitations on Imperial Tobacco Group, plc.'s ability to compete with Logista Group. This agreement is in force until both parties agree to its termination or until the ownership interest held by Imperial Tobacco Group plc. in the Company's share capital falls to less than 50%. The agreement also envisages the possibility of unilateral termination by Imperial Tobacco Group plc. from the third year of admission to trading.

In addition, on 4 June 2014, the Company entered into a cash agreement with Imperial Tobacco Enterprise Finance Ltd., which will come into force on 12 June 2014. The agreement is for an initial term of five years, and is automatically renewable each year after that period.

On the basis of the agreement, all of the funds generated by the Logista Group are concentrated in Spain on a daily basis and are subsequently sent via Compañía de Distribución Integral Logista, S.A.U. to Imperial Tobacco Enterprise Finance Limited. The maximum limit for this transfer of funds was set at EUR 2,000 million. Interest will be paid at the European Central Bank rate plus a 0.75% spread, payable on a quarterly basis.

If the Logista Group goes from a positive to a negative financial position, Imperial Tobacco Enterprise Finance Limited is obliged to provide it with financing up to a maximum limit of EUR 300 million. In these circumstances, the interest will be applied on the same terms as for the receivables

The agreement includes a clause of early termination in case of a change of control if Imperial Tobacco Group's ownership interest in Logista Group falls to less than 50%.

At 4 June 2014, there were no drawdowns relating to the aforementioned cash agreement.

7. Related party operations (Continued)

7.1. Remuneration of directors

Pursuant to the Company's bylaws remuneration is received for discharging the position of director. This remuneration may take the form of shares of the Company, the grant of share options or any other form of system linked to the value of the shares, effective application of which shall require a resolution by the General Meeting, which must state the number of shares to be delivered, the exercise price of the share options, the value of the shares taken as reference, the duration of this remuneration system and any other requirements under the Law.

All the directors are male, except for one female.

Incentives plans

On 4 June 2014, the Company's Board of Directors approved the basic content of two long-term incentives plans (the General Plan and the Special Plan) for the period 2014 to 2019. On the same date, the Annual General Meeting approved the content of the aforementioned plans and resolved to include the executive directors in them, with the specifications required for that purpose under Article 219 of the Consolidated Text of the Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010, of 2 July.

Both plans are discretionary and consist of granting to the executive directors and certain executives and employees of the Logista Group the right to a specific incentive in the form of the Company's shares that vests on a given date in each of the years the plans are in force.

The following are the basic characteristics of both plans:

Term: the total term of each of the plans will be five years. The plan commences on 1 October 2014 (date of the commencement of the first cycle) and ends on 30 September 2019 (date of the end of the third cycle) and is divided into three three-year cycles, each of which are independent from each other, and grants of three years will be made for each cycle in 2014, 2015 and 2016, with settlement in 2017, 2018 and 2019, respectively.

Target group: the General Plan is aimed at executive directors and certain executives and employees characterised by their high performance and future projection, and the Special Plan is aimed only at executive directors and certain executives who contribute at a high level and add value to the Logista Group.

Capital associated with the General Plan and the Special Plan: Over the terms of the General Plan and the Special Plan, the maximum capital of Logista Holdings that may be committed with respect to the plans is set at 2% of the share capital of Logista Holdings upon approval of the plans.

The accompanying interim balance sheet at 4 June 2014 does not include any liabilities in relation to the above plan since the accrual period had not yet commenced.

8. Guarantee commitments to third parties and other contingent liabilities

The Company does not have guarantee commitments to third parties at 4 June 2014.

9. Information on the environment

In matters concerning the environment, the Company 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.).

During the period ended at 4 June 2014 the Company has not incurred in any expenses or performed any investment to protect and improve the environment.

10. Explanation added for translation to English

This interim balance sheet at 4 June 2014 and the related notes are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

APPENDIX I

Companies comprised within Logista Group

Company	Audit Firm	Registered Office
Compañía de Distribución Integral Logista, S.A.U.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Compañía de Distribución Integral de Publicaciones Logista, S.L.U.	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Distribérica, S.A.U.	Not audited	C/ Electricistas, 3. P.I. Pinares Llanos.Villaviciosa de Odón (Madrid)
Publicaciones y Libros, S.A.	Deloitte	C/ Electricistas, 3. P.I. Pinares Llanos.Villaviciosa de Odón (Madrid)
Distribuidora del Noroeste, S.L.	BDO	Gandarón, 34 Interior- Vigo
Distribución de Publicaciones Siglo XXI Guadalajara, S.L.U.	Not audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)
Distribuidora de Publicaciones del Sur, S.L.	BDO	Polígono Industrial Zal, Carretera de la Esclusa s/n, Parcela 2, Módulo 4 (Sevilla)
Promotora Vascongada de Distribuciones, S.A.	Not audited	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)
Distribuidora de las Rías, S.A.	Not audited	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña
Distribuidora Valenciana de Ediciones, S.A.	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia
Cyberpoint, S.L.U.	Not audited	C/ Electricistas, 3. P.I. Pinares Llanos.Villaviciosa de Odón (Madrid)
Distribuidora del Este, S.A.U.	BDO	Calle Saturno, 11. Alicante
S.A. Distribuidora de Ediciones	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona
La Mancha 2000, S.A.U.	Not audited	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara
Midsid-Sociedade Portuguesa de Distribuiçao, S.A.	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Logista-Dis, S.A.U.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logista Libros, S.L.	Deloitte	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara
Avanza Libros, S.L.	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara
Logesta Gestión de Transporte, S.A.U.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logesta Italia, s.r.l.	Deloitte	Via in Arcione 98. Roma
Transportes Basegar, S.A.	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)
Logesta Noroeste, S.A.U.	Not audited	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logesta Lusa Lda.	Not audited	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Logesta Polska Sp. z.o.o.	Not audited	Flory nr 9, lok 6. kod-00-586 Warszawa—(Polonia)
Logesta Deutschland Gmbh	Not audited	Pilotystr 4. 80538- München-(Alemania)
Logesta France, S.A.R.L.	Not audited	25 Av. Du Bois de la Pie. Z.I. Paris Nord. 93290 Tremblay (Francia)
Dronas 2002, S.L.U.	Deloitte	Pol. Industrial Nordeste, c/ Energía 25-29. Sant Andreu de la Barca
T2 Gran Canaria, S.A.U.	Deloitte	Urbanización El Cebadal. C/ Entrerríos, 3. Las Palmas de Gran Canaria
Logista Pharma, S.A.U.	Deloitte	Polígono Industrial Nordeste. C/ Industria, 53-65. San Andreu de la Barca
Logilenia Distribuidora Farmacéutica, S.L.U.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logista Italia, S.p.A.	Deloitte	Vía in Arcione, 98. Roma (Italia)
Terzia, S.p.A.	Deloitte	Vía in Arcione, 98. Roma (Italia)
Logista Transportes, Transitários e Pharma, Lda.	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Compañía de Distribución Integral Logista Polska, Sp.z.o.o.	Deloitte	Al. Jerozolimskie 133. Warszawa. Polonia
Logista France, S.A.S.	Deloitte	27 avenue des Murs du Parc, 94300 Vincennes
Supergroup S.A.S.	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade77400 Saint-Thibault-des-Vignes
Société Allumetière Française, S.A.S.	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade77400 Saint-Thibault-des-Vignes
Strator, S.A.S.	Deloitte	Parc d'activité de la Brèche, 9 rue Olof Palme, Bâtiment Euclide, 94000 Créteil
Dima Distribución Integral, S.L.	Deloitte Patricio Moreira, Valente & Asociados SROC	Polígono Industrial Los Olivos. C/Confianza, 1. Getafe. Madrid
Logesta Maroc, S.A.	Not audited	87 Rue Ahmed El .Casablanca (Marruecos)

Certificate on the issuance of the interim balance sheet at 4 June 2014 and its Notes

Certificate issued to attest that the undersigned members of the Board of Directors of Compañía de Distribución Integral Logista Holdings, S.A.U. are apprised of the contents of these interim balance sheet and notes which were authorised for issue at the Board of Directors' meeting on 4 June 2014 and are set forth on 9 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:

/s/ Gregorio Marañón y Bertrán de Lis

Mr. Gregorio Marañón y Bertrán de Lis
Chairman

/s/ Luis Egido Gálvez

Mr. Luis Egido Gálvez
Director

/s/ Stéphane Lissner

Mr. Stéphane Lissner
Director

/s/ Cristina Garmendia Mendizábal

Mrs. Cristina Garmendia Mendizábal
Director

/s/ Eduardo Zaplana

Mr. Eduardo Zaplana
Director

/s/ John Matthew Downing

Mr. John Matthew Downing
Director

/s/ Adam Britner

Mr. Adam Britner
Director

/s/ David Ian Resnekov

Mr. David Ian Resnekov
Director

/s/ Nicholas James Keveth

Mr. Nicholas James Keveth
Director

/s/ Rafael de Juan López

Mr. Rafael de Juan López
Director and Secretary of the Board

Leganes, 4 June 2014

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

CONSOLIDATED BALANCE SHEETS AT 31 MARCH 2014 AND 30 SEPTEMBER 2013

(Thousands of Euros)

	Note	31-03-2014	30-09-2013
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	5	220,977	242,732
Investment property		13,217	12,941
Goodwill	4	919,190	919,190
Other intangible assets	4	735,067	756,278
Investments in associates		36	36
Other non-current financial assets	6	10,870	12,010
Deferred tax assets		**62,546**	**57,048**
Total non-current assets		**1,961,903**	**2,000,235**
CURRENT ASSETS:			
Inventories	7	1,221,002	1,208,067
Trade and other receivables		1,580,887	1,560,090
Tax receivables		15,284	14,495
Other current financial assets	6	943,223	1,601,787
Cash and cash equivalents		133,757	149,907
Other current assets		12,743	9,869
Total current assets		**3,906,896**	**4,544,215**
NON-CURRENT ASSETS HELD FOR SALE		**976**	**1,276**
TOTAL ASSETS		**5,869,775**	**6,545,726**
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	9	26,550	26,550
Share premium	9	178,814	178,814
Reserves of the Parent	9	9,925	7,172
Reserves at consolidated companies	9	144,043	138,882
Translation differences		196	137
Reserves from first application of IFRS	9	19,950	19,950
Consolidated profit for the period		40,512	87,605
Equity attributable to shareholders of the Parent		419,990	459,110
Minority interests		1,838	1,714
Total equity		**421,828**	**460,824**
NON-CURRENT LIABILITIES:			
Other non-current financial liabilities	8	5,010	4,943
Other non-current liabilities		358	526
Long-term provisions	10	60,265	161,180
Deferred tax liabilities		366,157	374,711
Total non-current liabilities		**431,790**	**541,360**
CURRENT LIABILITIES:			
Bank borrowings	8	4,200	3,729
Other current financial liabilities	8	31,029	115,943
Current obligations under finance leases		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
Total current liabilities		**5,016,157**	**5,543,542**
TOTAL EQUITY AND LIABILITIES		**5,869,775**	**6,545,726**

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 PERIODS 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)
Gross profit—		**516,025**	**498,885**
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)
Total cost of logistics networks		(352,868)	(336,454)
Commercial expenses—			
Staff costs		(21,184)	(21,895)
Other operating expenses		(14,353)	(16,473)
Total commercial expenses		(35,537)	(38,368)
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)
Total head office expenses		(55,674)	(60,600)
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)
Profit from operations—		**54,930**	**49,732**
Finance income		14,899	3,620
Finance costs		(4,054)	(6,499)
Profit before tax—		**65,775**	**46,853**
Income tax		(24,881)	(8,823)
Profit for the period from continuing operations—		**40,894**	**38,030**
Loss for the period from discontinued operations net of tax		(300)	(300)
Profit for the period—		**40,594**	**37,730**
Attributable to—			
Shareholder of the Parent		**40,512**	**37,765**
Minority interests		82	(35)
Basic earnings per share	3	**0.92**	**0.85**

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 PERIODS ENDED 31 MARCH 2014 AND 2013

(Thousands of Euros)

	31-03-2014	31-03-2013
Profit for the period	**40,594**	**37,730**
Net gain (loss) on available for sale financial assets during the period	—	—
Net gain (loss) on cash flow hedging instruments available for sale financial assets during the period	—	—
Net actuarial gain (loss) recognised directly in equity	—	—
Foreign exchange rate changes	59	(72)
Net gain (loss) on taxes recognised directly in equity	—	—
Total other comprehensive income	**59**	**(72)**
Total comprehensive income fot the period	**40,653**	**37,658**
Attributable to—		
Shareholders of the Parent	40,571	37,693
Minority interests	82	(35)
Total atributable	**40,653**	**37,658**
Total effect of changes in accounting policies	**—**	**—**

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 PERIODS 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 period	Equity attributable to the Shareholder of the Parent	Minority interests	Total Equity
Balance at 30 September 2012	**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)
Income and expenses recognised in the period	**—**	**—**	**—**	**—**	**—**	**(72)**	**37,765**	**37,693**	**(35)**	**37,658**
I. Transactions with Shareholders:										
Distribution of profit:										
To reserves	—	—	296	7,550	—	—	(7,846)	—	—	—
Dividends (Note3)	—	—	—	—	—	—	(74,340)	(74,340)	—	(74,340)
II. Other changes	—	—	—	6	—	—	—	6	(96)	(90)
Balance at 31 March 2013	**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 period	Equity attributable to the Shareholder of the Parent	Minority interests	Total Equity
Balance at 30 September 2013	**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
Income and expenses recognised in the period	**—**	**—**	**—**	**—**	**—**	**59**	**40,512**	**40,571**	**82**	**40,653**
I. Transactions with Shareholders:										
Distribution of profit:										
To reserves	—	—	2,753	5,202	—	—	(7,955)	—	—	—
Dividends (Note 3)	—	—	—	—	—	—	(79,650)	(79,650)	—	(79,650)
II. Other changes	—	—	—	(41)	—	—	—	(41)	42	1
Balance at 31 March 2014	**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 PERIODS ENDED

31 MARCH 2014 AND 2013

(Thousands of Euros)

	Note	31-03-2014	31-03-2013
1. OPERATING ACTIVITIES:			
Consolidated profit before tax from continuing operations		**65,775**	**46,853**
Adjustments for—			
Profit of companies accounted for using the equity method		508	266
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**
Net change in assets / liabilities—			
(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		10,904	(2,951)
Total net cash flows from operating activities (I)		**(493,321)**	**(469,972)**
2. INVESTING ACTIVITIES:			
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**
3. FINANCING ACTIVITIES:			
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)**
4. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)		**(16,150)**	**48,234**
Cash and cash equivalents at beginning of period		**149,907**	**46,266**
Cash incorpored by the additions to the scope of consolidation		—	128,528
Net change in cash and cash equivalents during the period		(16,150)	48,234
Total cash and cash equivalents at end of period		**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.

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

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

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

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.

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

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.

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

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 Distribuçao de Publicaçoes, 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 Librodis Promotora y Comercializadora del Libro, S.A.U. (absorbed company) into Logista Libros, S.L. (absorbing company). Accordingly, Logista Libros, S.L. absorbed Librodis 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 Allumettière 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

2. Changes in the Group's composition (Continued)

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 Allumettière Française, S.A.S., Supergroup, S.A.S.and Strator, S.A.S. entered the scope of consolidation.
- The entities Logista Portugal Distribuçao de Publicaçoes, S.A., Jornal Matinal, L.D.A. and Marco Postal Entrega Personalizada de Publicaçoes, L.D.A. and Librodis 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
Total	**919,190**	**919,190**

4. Intangible fixed assets (Continued)

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, proyections 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.LU. 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 proyects 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 fist 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:

	Thousands of Euro				
	31-03-2014				
Financial assets: Nature/ Category	**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
Non-current	**3,737**	**—**	**3,667**	**3,466**	**10,870**
Financial debt	30,454	912,769	—	—	943,223
Current	**30,454**	**912,769**	**—**	**—**	**943,223**
Total	**34,191**	**912,769**	**3,667**	**3,466**	**954,093**

	Thousands of Euro				
	30-09-2013				
Financial assets: Nature / Category	**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
Non-current	**5,325**	**—**	**3,576**	**3,109**	**12,010**
Financial debt	29,056	1,572,207	—	—	1,601,263
Other financial assets	—	—	524	—	524
Current	**29,056**	**1,572,207**	**524**	**—**	**1,601,787**
Total	**34,381**	**1,572,207**	**4,100**	**3,109**	**1,613,797**

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 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)
Closing balance	**10,688**	**8,940**

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:

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

	Thousands of Euro			
	30-09-13			
Financial liabilities: Nature / Category	**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
Non-current financial liabilities	**—**	**—**	**4,943**	**4,943**
Debts with credit entities	3,729	—	—	3,729
Other financial liabilities	28,799	87,144	—	115,943
Current financial liabilities	**32,528**	**87,144**	**—**	**119,672**
Total	**35,528**	**87,144**	**4,943**	**124,615**

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)
Total	**144,043**	**138,882**

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
Non-current provisions	**161,180**	**16,865**	**(48,254)**	**(57,968)**	**(11,558)**	**60,265**
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
Current provisions	**10,154**	**4,034**	**(224)**	**(4,458)**	**12,066**	**21,572**

	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
Non-current provisions	**146,829**	**7,863**	**10,071**	**(2,331)**	**(4,763)**	**(3,178)**	**155,121**
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
Current provisions	**7,859**	**8,243**	**2,946**	**(144)**	**(12,795)**	**3,444**	**9,553**

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.

10. Provisions and contingent liabilities (Continued)

In addition, during the period the Supreme Court has dismissed several appeals lodged by the Parent in relation to certain of the aforementioned exise 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 interesest 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.

10. Provisions and contingent liabilities (Continued)

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.

11. Related parties (Continued)

Transactions

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

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

Balances

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

11. Related parties (Continued)

	Thousand of Euro		
	30-09-2013		
Balances	**Sole-Shareholder**	**Group persons, companies or entities**	**Total**
Debitors:			
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
Creditors:			
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, subdisiary 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 ITL 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.

12. Remuneration of Directors and Management (Continued)

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
Members of the Board of Directors		
Remuneration nature—		
Expenses	147	124
	147	**124**
Management:		
Total remunerations	3,440	3,032
	3,440	**3,032**

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:

	Thousand of Euro	
Revenues by Geographical area	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)
Total	**4,581,800**	**4,739,406**

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

	Thousand of Euro	
Profit before tax	31-03-2014	31-03-2013
Segments		
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)
PROFIT BEFORE TAX	**66,775**	**46,853**

13. Segmented information (Continued)

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
Balance sheet					
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
Total consolidated assets					**5,869,775**
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
Total consolidated liabilities					**5,869,775**

	30-09-2013				
	Iberia	Italy	France	Corporate and others	Total Group
Balance sheet					
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
Total consolidated assets					**6,545,726**
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
Total consolidated liabilities					**6,545,726**

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
Total	**5,855**	**5,803**

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, wich 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:

/s/ Gregorio Marañón y Bertrán de Lis	/s/ Luis Egido Gálvez
Mr. Gregorio Marañón y Bertrán de Lis *Chairman*	Mr. Luis Egido Gálvez *Chief Executive*
/s/ Stéphane Lissner	/s/ Miguel Barroso Ayats
Mr. Stéphane Lissner *Director*	Mr. Miguel Barroso Ayats *Director*
/s/ Eduardo Zaplana	/s/ Alison Jane Cooper
Mr. Eduardo Zaplana *Director*	Ms. Alison Jane Cooper *Director*
/s/ Kenneth Hill	/s/ David Ian Resnekov
Mr. Kenneth Hill *Director*	Mr. David Ian Resnekov *Director*
/s/ Conrad Richardson Tate	/s/ Rafael de Juan López
Mr. Conrad Richardson Tate *Director*	Mr. Rafael de Juan López *Director and Secretary of the Board*

Madrid, 27 May 2014

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

Consolidated Financial Statements for the year ended 30 September 2013 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.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the consolidated financial statements of Compañía de Distribución Integral Logista, S.A.U. (the Parent) and Subsidiaries (the Group) comprising the consolidated balance sheet at 30 September 2013 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended ("2013"). As indicated in Note 2.4 to the accompanying consolidated financial statements, 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 other provisions of the regulatory financial reporting framework applicable to the Group. 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 2013 present fairly, in all material respects, the consolidated equity and consolidated financial position of Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries at 30 September 2013 and the consolidated results of their operations 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 other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2013 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 2013. 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.U. and Subsidiaries.

DELOITTE, S.L.
Registered in R.O.A.C. under no. S0692

José Luis Aller

November 28, 2013

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.U. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2013 AND 2012

(Thousands of Euros)

	Note	30-09-2013	30-09-2012
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	6	**242,732**	**210,611**
Investment property	6	**12,941**	**3,674**
Goodwill	8	**919,190**	**690,921**
Other intangible assets	9	**756,278**	**28,842**
Investments in associates	10	**36**	**541**
Other non-current financial assets	11.1	**12,010**	**11,448**
Deferred tax assets	26	**57,048**	**47,751**
Total non-current assets		**2,000,235**	**993,788**
CURRENT ASSETS:			
Inventories	12	**1,208,067**	**678,048**
Trade and other receivables	13	**1,560,090**	**841,670**
Tax receivables	26	**14,495**	**5,183**
Other current financial assets	11.2	**1,601,787**	**1,122,507**
Cash and cash equivalents	14	**149,907**	**46,266**
Other current assets	15	**9,869**	**4,851**
Total current assets		**4,544,215**	**2,698,525**
NON-CURRENT ASSETS HELD FOR SALE	7	**1,276**	**1,876**
TOTAL ASSETS		**6,545,726**	**3,694,189**
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	**26,550**	**26,550**
Share premium	17	**178,814**	**178,814**
Reserves of the Parent	17	**7,172**	**6,876**
Reserves at consolidated companies	18 and 19	**138,882**	**131,516**
Translation differences		**137**	**166**
Valuation adjustments	20	**19,950**	**19,950**
Consolidated profit for the period		**87,605**	**82,186**
Equity attributable to shareholders of the Parent		**459,110**	**446,058**
Minority interests	21	**1,714**	**1,812**
Total equity		**460,824**	**447,870**
NON-CURRENT LIABILITIES:			
Other non-current liabilities	23	**5,469**	**5,521**
Long-term provisions	25	**161,180**	**146,829**
Deferred tax liabilities	26	**374,711**	**103,265**
Total non-current liabilities		**541,360**	**255,615**
CURRENT LIABILITIES:			
Bank borrowings	22	**3,729**	**5,326**
Other current financial liabilities	27	**115,943**	**32,492**
Current obligations under finance leases			**1**
Trade and other payables	28	**1,037,598**	**769,932**
Tax payables	26	**4,321,421**	**2,141,365**
Short-term provisions	25	**10,154**	**7,859**
Other current liabilities	29	**54,697**	**33,729**
Total current liabilities		**5,543,542**	**2,990,704**
TOTAL EQUITY AND LIABILITIES		**6,545,726**	**3,694,189**

The accompanying Notes 1 to 40 are an integral part of the consolidated balance sheet at 30 September 2013.

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.U. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

FOR THE YEARS ENDED

30 SEPTEMBER 2013 AND 2012

(Thousands of Euros)

	Note	2013	2012
Revenue	31a)	9,862,814	5,543,318
Procurements		(8,851,304)	(4,802,309)
Gross profit—		**1,011,510**	**741,009**
Cost of logistics networks—			
Staff costs	31b)	(164,995)	(122,358)
Transport costs		(205,387)	(173,921)
Provincial sales office expenses		(71,261)	(79,556)
Depreciation and amortisation charge	6 and 9	(87,499)	(28,798)
Other operating expenses	31c)	(155,950)	(122,788)
Total cost of logistics networks		(685,092)	(527,421)
Commercial expenses—			
Staff costs	31b)	(42,270)	(7,444)
Other operating expenses	31c)	(25,885)	(15,300)
Total commercial expenses		(68,155)	(22,744)
Research expenses—		(3,397)	—
Head office expenses—			
Staff costs	31b)	(73,969)	(47,409)
Depreciation and amortisation charge	6 and 9	(4,670)	(4,764)
Other operating expenses	31c)	(35,663)	(19,412)
Total head office expenses		(114,302)	(71,585)
Share of results of companies	10	(498)	(432)
Net loss on disposal and impairment of non-current assets	2.8.5, 6 and 8	(14,404)	(10,872)
Other expenses		(2,511)	(3,720)
Profit from operations—		**123,151**	**104,235**
Finance income	31e)	7,374	25,075
Finance costs	31f)	(11,589)	(11,821)
Profit before tax—		**118,936**	**117,489**
Income tax	26	(30,329)	(35,413)
Profit for the period from continuing operations—		**88,607**	**82,076**
Loss for the period from discontinued operations net of tax	36	(1,022)	(600)
Profit for the period—		**87,585**	**81,476**
Attributable to—			
Shareholder of the Parent		87,605	82,186
Minority interests	21	(20)	(710)
Basic earnings per share	**5**	**1.98**	**1.86**

The accompanying Notes 1 to 40 are an integral part of the consolidated income statements for 2013.

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 30 SEPTEMBER 2013 AND 2012

(Thousands of Euros)

	2013	2012
Profit for the year	**87,585**	**81,476**
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 (Note 25)	—	(1,600)
Foreign exchange rate changes	(29)	(24)
Net gain (loss) on taxes recognised directly in equity	—	—
Total other comprehensive income	**(29)**	**(1,624)**
Total comprehensive income fot the year	**87,556**	**79,852**
Attributable to—		
Shareholders of the Parent	87,576	80,562
Minority interests	(20)	(710)
Total atributable	**87,556**	**79,852**
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 2013.

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.U. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 30 SEPTEMBER 2013 AND 2012

(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 2011	**26,550**	**178,814**	**6,845**	**83,701**	**19,950**	**190**	**91,868**	**407,918**	**8,641**	**416,559**
Net profit for 2012 attributable to the Parent	—	—	—	—	—	(24)	82,186	82,162	—	82,162
Loss attributable to minority interests	—	—	—	—	—	—	—	—	(710)	(710)
Actuarial losses (Note 25)	—	—	(1,600)	—	—	—	—	(1,600)		(1,600)
Income and expenses recognised in the period	**—**	**—**	**(1,600)**	**—**	**—**	**(24)**	**82,186**	**80,562**	**(710)**	**79,852**
I. Transactions with Shareholders:										
Distribution of profit:										
To reserves	—	—	1,631	41,562	—	—	(43,193)	—	—	—
Dividends (Note 17)	—	—	—	—	—	—	(48,675)	(48,675)	(247)	(48,922)
Acquisition of minority interests' participations	—	—	—	6,238	—	—	—	6,238	(5,872)	366
II. Other changes	—	—	—	15	—	—	—	15		15
Balance at 30 September 2012	**26,550**	**178,814**	**6,876**	**131,516**	**19,950**	**166**	**82,186**	**446,058**	**1,812**	**447,870**
Net profit for 2013 attributable to the Parent	—	—	—	—	—	(29)	87,605	87,576	—	87,576
Loss attributable to minority interests	—	—	—	—	—	—	—	—	(20)	(20)
Income and expenses recognised in the period	**—**	**—**	**—**	**—**	**—**	**(29)**	**87,605**	**87,576**	**(20)**	**87,556**
I. Transactions with Shareholders:										
Distribution of profit:										
To reserves	—	—	296	7,550	—	—	(7,846)	—	—	—
Dividends (Note 17)	—	—	—	—	—	—	(74,340)	(74,340)	—	(74,340)
Sale of minority interests	—	—	—	—	—	—	—	—	(17)	(17)
II. Business combination (Note 39)	—	—	—	—	—	—	—	—	(61)	(61)
III. Other changes	—	—	—	(184)	—	—	—	(184)	—	(184)
Balance at 30 September 2013	**26,550**	**178,814**	**7,172**	**138,882**	**19,950**	**137**	**87,605**	**459,110**	**1,714**	**460,824**

The accompanying Notes 1 to 40 are an integral part of the consolidated statement of changes in equity for 2013.

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.U. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 30 SEPTEMBER 2013 AND 2012

(Thousands of Euros)

	Note	2013	2012
OPERATING ACTIVITIES:			
Consolidated profit before tax from continuing operations		**118,936**	**117,489**
Adjustments for—			
Profit of companies accounted for using the equity method	10	498	432
Depreciation and amortisation charge	6 and 9	92,169	33,562
Period provisions	11, 12, 13 and 25	40,974	31,515
Proceeds from disposal of non-current assets		(88)	50
Other adjustments to profit		9,312	10,822
Financial profit		4,215	(13,254)
Adjusted profit		**266,016**	**180,616**
Net change in assets / liabilities—			
(Increase)/Decrease in inventories		(18,481)	84,448
(Increase)/Decrease in trade and other receivables		73,823	14,659
(Increase)/Decrease in other non current assets		(197)	2,392
Increase/(Decrease) in trade payables		(22,209)	171,909
Increase/(Decrease) in other current liabilities		(4,893)	(318,046)
Increase (Decrease) in other non-current liabilities		(37,374)	(9,231)
Income tax paid		(35,413)	(26,825)
Finance income and costs		(4,215)	13,222
Total net cash flows from operating activities		**217,057**	**113,144**
INVESTING ACTIVITIES:			
Net investment in property, plant and equipment	6	(24,737)	(15,546)
Addition to intangible assets	9	(11,360)	(8,087)
Investments and other current and non-current financial assets		(98,229)	(14,294)
Sale of non-current assets held for sale		239	—
Total net cash flows from investing activities		**(134,087)**	**(37,927)**
FINANCING ACTIVITIES:			
Dividends paid (−)	17	(74,340)	(48,675)
Changes in current borrowings	27	(33,306)	(14,264)
Changes in non-current borrowings		(174)	(1,511)
Minority interests	21	(37)	115
Total net cash flows from financing activities		**(107,857)**	**(64,335)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(24,887)**	**10,882**
Cash and cash equivalents at beginning of year		**46,266**	**35,384**
Cash incorpored by the additions to the scope of consolidation	39	128,528	—
Net change in cash and cash equivalents during the year		(24,887)	10,882
Total cash and cash equivalents at end of year		**149,907**	**46,266**

The accompanying Notes 1 to 40 are an integral part of the consolidated cash flow statement for 2013.

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 2013

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.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.

1. Composition of the Logista Group (Continued)

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 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 16).

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.

A detail of the investees included in the scope of consolidation comprising the Logista Group at 30 September 2013 and 2012 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.

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 2012 were formally prepared by its directors at the Board of Directors meeting held on 30 October 2012.

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.

2.2 Standards and interpretations effective in 2012

In the year ended 30 September 2013 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:

- ***Amendments to IAS 1—Presentation of Items of Other Comprehensive***

These amendments consist basically of the requirement for items of Other Comprehensive Income to be classified into items that will be reclassified (recycled) to profit or loss in subsequent periods and items that will not be reclassified.

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

2. Basis of presentation of the financial statements and basis of consolidation (Continued)

effective date is subsequent to the date of the consolidated financial statements or because they had not yet been endorsed by the European Union:

Standards and modifications thereof:		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 NIIF 2009 - 2011	Minor modifications in a series of rules	1 January 2013
IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine (issued in October 2011)	The IFRS Interpretations Committee addresses the accounting treatment of the waste removal costs incurred in surface mining.	1 January 2013
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 27 (Revised), Separate Financial Statements	The IAS is revised, since as a result of the issue of IFRS 10 it applies only to the separate financial statements of an entity.	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
Transition rules: Amendments to IFRS 10, IFRS 11 and IFRS 12	Clarification of the transition rules relating to these standards.	1 January 2014
Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities	Additional clarifications to the rules for offsetting financial assets and financial liabilities under IAS 32.	1 January 2014

2. Basis of presentation of the financial statements and basis of consolidation (Continued)

Standards and modifications thereof:		Obligatory Application in Annual Reporting Periods Beginning On or After:
IFRS 9, Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7, Effective Date and Transition Disclosures[a]	Replaces the IAS 39 classification, measurement and derecognition requirements for financial assets and liabilities.	1 January 2015
Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27[a]	Exception from consolidation for parent companies that meet the definition of investment entities	1 January 2014
Amendments to IAS 36—Recoverable Amount Disclosures for Non-Financial Assets[a]	This amendment clarifies when certain disclosures are required and extends the disclosures required when recoverable amount is based on fair value less costs to sell	1 January 2014
IFRIC 21, Levies[a]	This interpretation provides guidance on when to recognise a liability to pay a levy or tax that is triggered by a company undertaking an activity on a specified date	1 January 2014

(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.

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 subsidiaries, 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 2013. These consolidated financial statements were formally prepared by the Board of Directors at its meeting on 27 November 2013. 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 2012 were approved by the Parent's Sole-Shareholder on 26 March 2013, and inscribed in the Mercantile Register Office of Madrid.

2. Basis of presentation of the financial statements and basis of consolidation (Continued)

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2013 are summarised in Note 4.

2.5 Information relating to 2012

As required by IAS 1, the information relating to 2012 contained in these notes to the consolidated financial statements is presented with the information relating to 2013 for comparison purposes and, accordingly, it does not constitute the Group's consolidated financial statements for 2012.

As indicated in Note 39 to the accompanying consolidated financial statements, in 2013 the Group carried out a business combination, which should be taken into account when interpreting the information disclosed in these notes.

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 2013, 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 and impairment 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 2013 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.

2. Basis of presentation of the financial statements and basis of consolidation (Continued)

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 "Profit/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 and joint operations

"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 (unincorporated temporary joint ventures, UTEs) or those controlled jointly with other venturers are presented 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, 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. 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.

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.

2. Basis of presentation of the financial statements and basis of consolidation (Continued)

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 2013 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 2013 and 2012 that affect the comparison between years were as follows:

1. Main changes in the scope of consolidation in 2013

Additions or acquisitions

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. (see Note 39).

Disposals

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 Distribuçao de Publicaçoes, 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 amounted to EUR 3,580 thousand, which were recognised under "Net loss on disposal and impairment of non-current assets" in the accompanying consolidated income statement for 2013.

On 9 January 2013, the subsidiary Société Allumettière 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 239 thousand. The net loss for consolidation purposes amounted to EUR 8,243 thousand, which were totally provisioned in Logista France, S.A.S. at 30 September 2012. In addition, 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 consolidated income statement for 2013 (see Note 36).

2. Main changes in the scope of consolidation in 2012

Additions or acquisitions

On 26 January 2012, the shareholders at the General Meeting of Compañía de Distribución Integral de Publicaciones Logista, S.L. resolved to reduce share capital by EUR 5,155 thousand in order to offset losses. This reduction was assumed by the shareholders in proportion to their ownership interest in the Company's share capital.

2. Basis of presentation of the financial statements and basis of consolidation (Continued)

Additionally, on 13 July 2012, the shareholders at the General Meeting of Compañía de Distribución Integral de Publicaciones Logista, S.L. approved an additional capital reduction of EUR 2,037 thousand to reduce share capital to zero and, for this purpose, all this company's shares were retired. At the same time, a capital increase of EUR 1,100 thousand with a share premium of EUR 4,994 thousand was approved in order to restore the company's equity equilibrium.

The aforementioned capital increase and share premium were subscribed and paid in full by Compañía de Distribución Integral Logista, S.A.U., since the other shareholder, Editorial Planeta de Agostini, S.A.U., waived its pre-emption rights.

On 12 December 2011, the subsidiary Logesta Gestión de Transporte, S.A.U. acquired the remaining 40% of Logesta Noroeste, S.A. for EUR 195 thousand. As a result, Logesta Gestión de Transporte, S.A.U. owns all the share capital of the former.

Disposals

On 13 December 2011, the subsidiary, Compañía de Distribución Integral de Publicaciones Logista, S.L.U., registered the liquidation of its subsidiary Distriburgos, S.L. at the Mercantile Registry, although this transaction did not give rise to any results at consolidated level.

On 12 July 2012 the subsidiary Compañía de Distribución Integral de Publicaciones Logista, S.L.U. formalized the liquidation of its subsidiary Asturesa, S.A. de Distribuciones. This liquidation has been registered at the Mercantile Registry at 29 November 2012. This transaction has not given rise to any results at consolidated level.

On 4 May 2012 the subsidiary Transportes Basegar, S.A. inscribed in the Mercantile Registry the liquidation of its subsidiary Basegar Logística, S.L. This transaction has not given rise to any results at consolidated level.

3. Distribution of the Parent's profit

The distribution of profit for 2013, amounting to EUR 82,403 thousand, that the Parent's directors will propose for approval by its Sole-Shareholder consists of paying a dividend of EUR 1.80 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	2,753
Dividends	79,650
Total	**82,403**

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 2013 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.

4. Accounting principles and policies and measurement bases (Continued)

"Asset exchange" means the acquisition of property, plant and equipment or intangible assets in exchange for the delivery of other non-monetary assets or of a combination of monetary and non-monetary assets. An asset exchange transaction has commercial substance if the configuration or the fair value of the cash flows of the asset received differs from the configuration or the fair value of the cash flows of the asset given up. As a general rule, the asset received in an asset exchange transaction with commercial substance is recognised at the fair value of the asset given up, provided that this fair value can be measured reliably. Otherwise, the asset received is recognised at the carrying amount of the asset given up at the transaction date.

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 detail of the aforementioned revaluation is as follows:

Thousands of Euros				
Carrying Amount	Fair Value	Surplus	Tax Effect (Note 26)	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	10 - 12
Other fixtures, tools and furniture	8 - 16
Other items of property, plant and Equipment	12 - 16

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. Accounting principles and policies and measurement bases (Continued)

4.3 Goodwill

In the company acquisitions performed, the excess of the cost of the business combination over the interest acquired in the acquisition-date net fair value of the identifiable assets, liabilities and contingent liabilities 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 7.6% to 12.1% in 2013 (2012: from 10.6% to 12.7%). Also, the growth rate of activity used to calculate the residual value of each cash-generating unit after the projected period was 0%.

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.

Also, as a result of allocating the purchase price of Altadis Distribution France, S.A.S. to the identifiable assets and liabilities of that company, the Group recognised in its consolidated balance sheet the agreements entered into by that subsidiary with the main tobacco producers for the distribution of their products in France (see Note 39). The aforementioned distribution agreements are depreciated on a straight-line basis over 15 years.

4. Accounting principles and policies and measurement bases (Continued)

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.

Research and development expenditure

Research and development expenditure is only capitalised when it is specifically itemised by project, the related costs can be clearly identified and there are sound reasons to foresee the technical success and economic and commercial profitability of the related project. Assets thus generated are depreciated on a straight-line basis over their years of useful life (over a maximum period of five years).

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 new recoverable amount, which may not exceed the carrying amount that would have been determined 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.

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.

4. Accounting principles and policies and measurement bases (Continued)

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 amortised cost 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.

4. Accounting principles and policies and measurement bases (Continued)

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.

The Group derecognises a financial asset when it matures and collection is made or when the rights to the future cash flows have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

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.

The Group derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.9 Inventories

In general, the Group companies measure inventories at the lower of the price of the most recent invoice, which does not differ significantly from applying the FIFO formula (first-in, first-out), including in the case of tobacco products, in accordance with the legislation applicable in each country, the excise duties chargeable as soon as they are accrued, 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 2013 includes the provisions that the Parent's directors consider necessary to cover the restructuring plans in progress at year-end (see Note 25).

4.12 Pension and other obligations to employees

The Parent Company and other subsidiaries are 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

4. Accounting principles and policies and measurement bases (Continued)

obligations are recognised under "Staff Costs" in the consolidated income statements and amounted to EUR 3,075 thousand and EUR 2,881 thousand in 2013 and 2012 (see Note 31.b).

Under the collective agreements currently in force, the Parent is obliged to make a lump-sum payment of a specific amount to each employee on completion of 24 years of service, 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 3.45% as the main assumptions (see Note 25).

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 in an external financial entity at the inception of each block and the growth in each three-year period of certain assets related to operations.

In 2013 and 2012 the first two phases of this incentive plan were completed after the Company made payments of EUR 2,132 thousand and EUR 1,679 thousand, respectively, to its employees.

On 31 January 2012, the Company's Board of Directors approved the "2011 medium-term incentive plan", the conditions of which are similar to those of the previous incentive plan, although employees are not required to make the aforementioned deposit at an external entity.

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 2013 includes EUR 2,188 thousand in this connection (2012: EUR 1,966 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), 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 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.

4. Accounting principles and policies and measurement bases (Continued)

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 28.651.658 thousand in 2013 and EUR 18.747.575 thousand in 2012.

In the particular case of books and published materials, the 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 25).

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.

4. Accounting principles and policies and measurement bases (Continued)

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 26).

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 26).

The Parent files consolidated income tax returns and consolidated VAT returns as part of the consolidated tax group the Parent of which is Imperial Tobacco Spain.

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).

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.

5. Earnings per share (Continued)

Earnings per share are calculated as follows:

	Thousands of Euros	
	2013	2012
Net profit for the year (thousands of euros)	87,605	82,186
Weighted average number of shares issued (thousands of shares)	44,250	44,250
Earnings per share (euros)	**1.98**	**1.86**

At 30 September 2013 and 2012, there were no dilutive effects on basic earnings per share.

6. Property, plant and equipment

6.1. Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated balance sheets in 2013 and 2012 were as follows:

2013

	Thousands of Euros						
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Business Combination (Note 39)	Additions or Charge for the Year	Disposals or Reductions	Transfers (Notes 6.1 and 9)	Balance at 30/09/13
Cost:							
Land and buildings	167,580	66,999	21,365	141	(1,196)	(19,924)	234,965
Plant and machinery	114,768	36,435	—	561	(3,059)	10,071	158,776
Other fixtures, tools and furniture	112,206	15,619	—	6,434	(6,167)	4,510	132,602
Other items of property, plant and equipment	42,559	304	—	214	(3,367)	77	39,787
Property, plant and equipment in the course of construction	21,049	945	—	18,619	(15)	(16,573)	24,025
	458,162	120,302	21,365	25,969	(13,804)	(21,839)	590,155
Accumulated depreciation:							
Buildings	(61,098)	(47,833)	—	(5,869)	1,187	12,169	(101,444)
Plant and machinery	(79,140)	(32,153)	—	(9,928)	2,644	—	(118,577)
Other fixtures, tools and furniture	(80,622)	(13,135)	—	(9,953)	6,035	—	(97,675)
Other items of property, plant and equipment	(23,603)	(284)	—	(3,347)	2,795	—	(24,439)
	(244,463)	(93,405)	—	(29,097)	12,661	12,169	(342,135)
Impairment losses	(3,088)	—	—	(2,200)	—	—	(5,288)
Total	**210,611**	**26,897**	**21,365**	**(5,328)**	**(1,143)**	**(9,670)**	**242,732**

6. Property, plant and equipment (Continued)

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 9)	Balance at 30/09/12
Cost:					
Land and buildings	166,606	—	—	974	167,580
Plant and machinery	112,585	1,171	(125)	1,137	114,768
Other fixtures, tools and furniture	108,408	1,729	(1,416)	3,485	112,206
Other items of property, plant and equipment	40,586	341	(468)	2,100	42,559
Property, plant and equipment in the course of construction	16,226	12,523	(11)	(7,689)	21,049
	444,411	15,764	(2,020)	7	458,162
Accumulated depreciation:					
Buildings	(57,803)	(3,285)	—	(10)	(61,098)
Plant and machinery	(71,490)	(8,996)	123	1,223	(79,140)
Other fixtures, tools and furniture	(71,361)	(9,020)	1,336	(1,577)	(80,622)
Other items of property, plant and equipment	(21,367)	(2,932)	343	353	(23,603)
	(222,021)	(24,233)	1,802	(11)	(244,463)
Impairment losses	(3,088)	—	—	—	(3,088)
Total	**219,302**	**(8,469)**	**(218)**	**(4)**	**210,611**

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 Group companies' warehouses, as part of the ordinary business.

Disposals

The disposals in 2013 and 2012 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 2013 and 2012 relate mainly to reclassifications of items between different accounts within this caption, and from "Other Intangible Assets" to "Computer Software" and "Investment property" in order to correctly classify them according to their nature.

Impairment

In 2013 the Parent recognized an impairment loss of EUR 2,200 thousand on the portion attributable to it of the carrying amount of certain POS terminals owned by the unincorporated temporary joint venture (UTE) in which it has a 50% interest (see Note 10) which were not in operation at the end of the reporting

6. Property, plant and equipment (Continued)

period. This impairment has been charged to the caption "Net loss on disposal and impairment of non-current assets" in the accompanying consolidated income statement for 2013.

6.2 Investment property

The Group's investment property includes land and buildings located in Santa Perpetua de la Mogoda (EUR 1,783 thousand), Malaga (EUR 426 thousand), Barcelona (EUR 91 thousand), Madrid (EUR 293 thousand), Seville (EUR 817 thousand), La Coruña (EUR 34 thousand) and Oviedo (EUR 140 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, or which are currently subject to rental agreements. The aforementioned amounts have been reduced by the accumulated depreciation related to each item.

Additionally, in 2013 the carrying amount of the building located in Sintra, Portugal, which the Parent leased out to a third party during the year, was reclassified from "Property, Plant and Equipment" in the accompanying consolidated balance sheet. The transferred carrying amount of this building is EUR 2,840 thousand. The net booked value of this building amounts to EUR 2,696 as of 30 September 2013.

Lastly, the Parent performed an asset exchange transaction in the year whereby it handed over to the Municipal Council of Cádiz the land and building corresponding to its Puntales warehouse, the carrying amount of which at the transaction date was EUR 6,661 thousand. The land received in exchange was recognized at the carrying amount of the asset given up, since a reliable measure of the fair value of the land received was not available at the transaction date, and it was classified under "Investment Property" in the accompanying consolidated balance sheet as the Parent expects to obtain a return from the sale of this land, although it does not intend to dispose of it in the short term.

The 2013 investment property depreciation charge amounted to EUR 234 thousand (2012: EUR 75 thousand).

6.3 Other disclosures

Fully depreciated items of property, plant and equipment in use at 30 September 2013 amounted to EUR 194,599 thousand (EUR 139,926 thousand at 30 September 2012).

At the end of 2013 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 2013 and 2012, the items of property, plant and equipment located abroad, mainly in Portugal, France, Italy and Poland, amounted to EUR 88,945 thousand and EUR 37,235 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 2013 and 2012 were as follows:

	Thousands of Euros
Balance at 30/09/11	2,537
Impairment	(61)
Losses from discontinued operations (Note 36)	(600)
Balance at 30/09/12	**1,876**
Additions to the scope of consolidation (Note 39)	12,291
Disposals	(12,291)
Losses from discontinued operations (Note 36)	(600)
Balance at 30/09/13	**1,276**

At 30 September 2013, "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 Parent's Directors consider that the fair value of these assets is higher than their net booked value as of 30 September 2013.

The 49% ownership interest in Publidispatch, S.A.S. amounting to EUR 392 thousand is also included. There is an agreement whereby the Group is obliged to sell its ownership interest at the same time as the majority shareholder of this company.

8. Goodwill

The changes in "Goodwill" in the accompanying consolidated balance sheets in 2013 and 2012 were as follows:

2013

	Thousands of Euros				
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Business combination (Note 39)	Impairment	Balance at 30/09/13
Logista Italia, S.p.A.	660,620	—	—	—	660,620
Logista France, S.A.S.	—	—	236,184	—	236,184
Société Allumetière Française, S.A.S.	—	761	—	—	761
Dronas 2002, S.L.U.	25,723	—	—	(8,362)	17,361
Terzia, S.p.A.	2,302	—	—	—	2,302
T2 Gran Canaria, S.A.U.	908	—	—	—	908
T2 Opelog, S.A.U.	486	—	—	—	486
Logista-Dis, S.A.U.	321	—	—	—	321
Librodis Promotora y Comercializadora del Libro, S.A.U.	178	—	—	(178)	—
Transportes Basegar, S.L.	85	—	—	—	85
Other	298	—	—	(136)	162
Total	**690,921**	**761**	**236,184**	**(8,676)**	**919,190**

8. Goodwill (Continued)

2012

	Thousands of Euros			
	Balance at 30/09/11	Disposals	Impairment	Balance at 30/09/12
Logista Italia, S.p.A.	660,620	—	—	660,620
Dronas 2002, S.L.U.	36,545	—	(10,822)	25,723
Terzia, S.p.A.	2,302	—	—	2,302
T2 Gran Canaria, S.A.U.	908	—	—	908
T2 Opelog, S.A.U.	486	—	—	486
Logista-Dis, S.A.U.	321	—	—	321
Librodis Promotora y Comercializadora del Libro, S.A.U.	178	—	—	178
Transportes Basegar, S.L.	85	—	—	85
Basegar Logística, S.A.	41	(41)	—	—
Other	326	(28)	—	298
Total	**701,812**	**(69)**	**(10,822)**	**690,921**

In 2013 the Group has recorded impairment on the Goodwill generated by its subsidiaries Dronas 2002, S.LU. and Librodis Promotora y Comercializadora del Libro, S.A.U. for a total amount of EUR 8,362 and 178 thousand, respectively, 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 2012 the Group recorded impairment on the Goodwill generated by its subsidiary Dronas 2002, S.L.U. for a total amount of EUR 10,822 thousand, based on the impairment test performed by the Group. This impairment was classified in the caption "Net loss on disposal and impairment of non-current assets" of the year 2012.

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 2013 year-end to be changed for impairment testing purposes.

9. Other intangible assets

The changes in "Other Intangible Assets" in 2013 and 2012 were as follows:

2013

	Thousands of Euros						
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Business combination (Note 39)	Additions or charge for the year	Disposals or reductions	Transfer (Note 6)	Balance at 30/09/13
Cost:							
With indefinite useful life-Trademarks	108	—	—	—	—	—	108
With finite useful life-I+D expenses	—	2,223	—	—	—	—	2,223
Computer software	117,884	18,211	—	1,644	(1,127)	6,383	142,995
Concessions, rights and licences	928	1,225	776,400	—	(9)	625	779,169
Advances and intangible assets in progress	6,044	100	—	10,666	(45)	(6,839)	9,926
	124,964	21,759	776,400	12,310	(1,181)	169	934,421
Accumulated amortisation-							
I+D expenses	—	(954)	—	(556)	—	—	(1,510)
Computer software	(94,801)	(17,395)	—	(10,299)	228	—	(122,267)
Concessions, rights and licences	(677)	(1,065)	—	(51,983)	3	—	(53,722)
	(95,478)	(19,414)	—	(62,838)	231	—	(177,499)
Impairment losses	(644)	—	—	—	—	—	(644)
Total	**28,842**	**2,345**	**776,400**	**(50,528)**	**(950)**	**169**	**756,278**

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 6)	Balance at 30/09/12
Cost:					
With indefinite useful life-Trademarks	160	—	—	(52)	108
With finite useful life-Computer software	112,008	1,548	(715)	5,043	117,884
Concessions, rights and licences	679	—	—	249	928
Advances and intangible assets in progress	4,148	6,598	—	(4,702)	6,044
	116,995	8,146	(715)	538	124,964
Accumulated amortisation:					
Computer software	(86,175)	(8,782)	156	—	(94,801)
Concessions, rights and licences	(205)	(472)	—	—	(677)
	(86,380)	(9,254)	156	—	(95,478)
Impairment losses	(1,144)	—	500	—	(644)
Total	**29,471**	**(1,108)**	**(59)**	**538**	**28,842**

9. Other intangible assets (Continued)

The additions to "Advances and intangible assets in progress" in 2013 relate mainly to functional development projects performed by the Parent for the Group's existing applications.

The transfers to "Computer Software" in 2013 relate to the reclassification of various items that have been put into operation from the account "Advances and intangible assets in progress" attending to their nature.

At 30 September 2013 and 2012, fully amortised intangible assets in use amounted to approximately EUR 101,147 and EUR 75,816 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 2013 and 2012 in "Investments in Associates Accounted for Using the Equity Method" were as follows:

2013

	Thousands of Euros				
	Balance at 30/09/12	Share of Profit for the Year	Trespasses to non-current provision (Note 25)	Exits of the scope of consolidation	Balance at 30/09/13
International News Portugal, Lda	511	—	—	(511)	—
Dima Distribución Integral, S.L.	—	(498)	498	—	—
Logesta Maroc, S.A.	18	—	—	—	18
Other	12	—	6	—	18
Total	**541**	**(498)**	**504**	**(511)**	**36**

2012

	Thousands of Euros			
	Balance at 30/09/11	Share of Profit for the Year	Trespasses to non-current provision (Note 26)	Balance at 30/09/12
International News Portugal, Lda	413	98	—	511
Dima Distribución Integral, S.L.	(298)	(512)	810	—
Other	48	(18)	—	30
Total	**163**	**(432)**	**810**	**541**

Logista Portugal Distribuçao de Publicaçoes, S.A., a company disposed of in 2013, held a 20% ownership interest in the share capital of International News Portugal, Lda. The loss on the disposal of Logista Portugal Distribuçao de Publicaçoes, S.A. was recognised under "Net loss on disposal and impairment of non-current assets" in the accompanying consolidated income statement for 2013 (see Note 2.8.5).

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.

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

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

2013

	Thousands of Euros					
	30 September 2013				2013	
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Income	Expenses
Logista Libros, S.L.	28,530	10,028	36,621	154	23,771	(25,097)
Avanza Libros, S.L.U.	848	12	879	—	369	(372)
UTE Logista—GTECH	4,249	21,110	123,131	817	20,061	(39,944)
Librodis, Promotora y Comercializadora del libro, S.A.U.	195	224	570	2	304	(149)

2012

	Thousands of Euros					
	30 September 2012				2012	
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Income	Expenses
Logista Libros, S.L.	40,523	10,664	48,077	—	25,587	(24,685)
Avanza Libros, S.L.U.	1,572	8	1,597	—	257	(598)
UTE Logista—GTECH	4,053	23,888	105,955	692	18,050	(43,301)
Librodis, Promotora y Comercializadora del libro, S.A.U.	57	1	364	2	674	(915)

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 2013.

11. Financial assets

11.1 Other non-current financial assets

The changes in "Other Non-Current Financial Assets" in 2013 and 2012 were as follows:

2013

	Thousands of Euros				
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Additions	Disposals or reductions	Balance at 30/09/13
Credits and other receivables					
Long-term loans	5,401	330	—	(406)	5,325
Long-term deposits and guarantees	3,262	848	106	(640)	3,576
Financial assets held for sale					
Other investments	4,573	295	—	—	4,868
	13,236	1,473	106	(1,046)	13,769
Write-downs	(1,788)	—	—	29	(1,759)
Total	**11,448**	**1,473**	**106**	**(1,017)**	**12,010**

2012

	Thousands of Euros			
	Balance at 30/09/11	Additions	Disposals or Reductions	Balance at 30/09/12
Credits and other receivables				
Long-term loans	5,478	—	(77)	5,401
Long-term deposits and guarantees	2,687	871	(296)	3,262
Financial assets held for sale				
Other investments	4,573	—	—	4,573
	12,738	871	(373)	13,236
Write-downs	(1,640)	(148)	—	(1,788)
Total	**11,098**	**723**	**(373)**	**11,448**

"Long-Term Loans" includes mainly a EUR 4,900 thousand loan granted to Publidispatch, S.A.S. The aforementioned loan matures on 1 October 2016 and earns interest tied to Euribor payable annually.

At 30 September 2013 and 2012, 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—Financial assets held for sale".

11. Financial assets (Continued)

11.2 Other current financial assets

The detail of "Other Current Financial Assets" in the accompanying consolidated balance sheets at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Loans to related companies (Note 34)	1,572,207	1,096,084
Short-term deposits and guarantees	524	25,911
Other loans	29,056	512
Total	**1,601,787**	**1,122,507**

At 30 September 2013, the shareholders of "Compañía de Distribución Integral Logista, S.A.U. and GTECH Global Lottery, S.L.U., unincorporated temporary joint venture", have granted a loan of EUR 115,195 thousand to the former through a monetary contribution given in equal portions. The Parent included EUR 28,799 thousand (2012: EUR 22,394 thousand) in this connection under "Other Current Financial Assets—Other loans" and "Other Current Financial Liabilities" in the accompanying consolidated balance sheet at 30 September 2013 (see Note 27), related to the accounts receivable and payable with the aforementioned UTE that correspond to the other participant.

12. Inventories

The detail of the Group's inventories at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Tobacco	1,140,772	639,928
Published materials	10,027	24,034
Other merchandise	65,387	22,469
Write-downs	(8,119)	(8,383)
Total	**1,208,067**	**678,048**

The balance of tobacco inventories includes the excise duty chargeable to the tobacco items for the tobacco stock in the Group's warehouses at 30 September 2013, for a total amount of EUR 449,531 thousand (2012: EUR 147,203 thousand).

The write-down in year 2013 and 2012 relates mainly to tobacco inventories that were defective or that cannot be sold at year end. The changes in the write-downs relating to "Inventories" in the accompanying consolidated balance sheet were as follows:

	Thousands of Euros
Inventory write-down at 30 September 2011	3,886
Charge for the year	4,497
Inventory write-down at 30 September 2012	8,383
Additions to the scope of consolidation (Note 39)	6,005
Charge for the year	2,126
Utilization	(8,395)
Inventory write-down at 30 September 2013	**8,119**

13. Trade and other receivables

The detail of "Trade and Other Receivables" in the accompanying consolidated balance sheets at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Trade receivables for sales and services	1,572,992	833,642
Related companies (Note 34)	10,248	11,866
Sundry accounts receivable	25,868	34,557
Employee receivables	1,115	288
Less- Allowances for doubtful debts	(50,133)	(38,683)
	1,560,090	**841,670**

The changes in the "Allowances for Doubtful Debts" in 2013 and 2012 were as follows:

	Thousands of Euros
Allowance for doubtful debts at 30 September 2011	31,651
Applications	(101)
Additions	7,133
Allowance for doubtful debts at 30 September 2012	38,683
Additions to the scope of consolidation (Note 39)	7,688
Applications	(8,572)
Additions	12,334
Allowance for doubtful debts at 30 September 2013	**50,133**

The additions to doubtful debts are recognised under "Other Operating Expenses" in the accompanying consolidated income statement for 2013.

At 30 September 2013, 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 generally 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.

13. Trade and other receivables (Continued)

The detail of the past-due receivables for which no allowance had been recognised at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
Tranche	2013	2012
0 - 30 days	29,084	21,254
30 - 90 days	11,015	9,418
90 - 180 days	6,664	3,622
180 - 360 days	2,881	2,987
More than 360 days	2,874	4,793

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 2013 and 2012 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 0.98% in 2013 (1.62% in 2012).

15. Other current assets

"Other Current Assets" in the accompanying consolidated balance sheets at 30 September 2013 and 2012 relates mainly to expenses paid which accrued after year-end.

16. Share capital and treasury shares

At the end of 2013 and 2012, 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 2013 and 2012, the Parent's Sole-Shareholder was Altadis, S.A.U.

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.

16. Share capital and treasury shares (Continued)

At September 30, 2013 and 2012 the leverage ratio is as follows:

	Thousand euros	
	2013	2012
Bank borrowings	3,729	5,326
Other current financial liabilities	115,943	32,492
Gross debt	**119,672**	**37,818**
Noncurrent financial assets held to maturity	(8,434)	(8,186)
Current financial assets held to maturity	(1,601,263)	(1,121,938)
Cash and cash equivalent	(149,907)	(46,266)
Cash assets	**(1,759,604)**	**(1,176,390)**
Total net debt	**(1,639,932)**	**(1,138,572)**
Total equity	460,824	447,870
Financial leverage	**(3.56)**	**(2.54)**

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 2013, the Parent's legal reserve has reached the stipulated level, for a total amount of EUR 5,902 thousand.

Dividends

On 26 March 2013, the Parent's Sole-Shareholder approved the distribution of a dividend of EUR 1.68 per share out of profit for 2012. The total dividend distributed was EUR 74,340 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 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Logista Italia, S.p.A.	115,003	103,234
Dronas 2002, S.L.U.	16,893	21,783
Logista Portugal, Distribuçao de Publicaçoes, S.A.	—	(2,099)
Publicaciones y Libros, S.A.	2,034	3,018
Distribérica, S.A.U.	2,825	2,812
Logista-Dis, S.A.U.	3,017	3,282
Midsid—Sociedade Portuguesa de Distribuiçao, S.A.	(222)	372
Logista Libros, S.L.	70	(380)
Compañía de Distribución Integral de Publicaciones Logista, S.L.U.	(1,515)	(2,362)
Logista Transportes, Transitários e Pharma, Lda.	(5,363)	(2,734)
S.A. Distribuidora de Ediciones	(8,508)	(9,184)
Compañía de Distribución Integral Logista Polska, Sp z.o.o.	(8,424)	(7,440)
Other reserves and consolidation adjustments	24,417	21,812
Total	**140,227**	**132,114**

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, and other consolidation adjutsments.

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 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
International News Portugal, LDA.	—	318
Dima Distribución Integral, S.L.	(1,815)	(979)
Logesta Maroc, S.A.	8	25
Other	462	38
Total	**(1,345)**	**(598)**

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 2013 and 2012.

21. Minority interests

The detail, by company, of "Reserves of Fully and Proportionately Consolidated Companies" in the consolidated balance sheets at 30 September 2013 and 2012 is as follows:

	Thousands of Euros			
	2013		2012	
Entity	Minority Interests	Profit or Loss Attributable to Minority Interests	Minority Interests	Profit or Loss Attributable to Minority Interests
Distribuidora Valenciana de Ediciones, S.A.	345	(78)	423	(412)
Terzia, S.p.A.	812	(111)	923	(169)
Comercial de Prensa Siglo XXI, S.L.	31	7	25	1
Transportes Basegar, S.L.	359	60	298	41
Distribuidora de Publicaciones del Sur, S.L.	101	101	181	(181)
Other entities	66	1	(38)	8
Total	**1,714**	**(20)**	**1,812**	**(710)**

The changes in this heading in 2013 and 2012 were as follows:

	Thousands of Euros	
	2013	2012
Beginning balance	1,812	8,641
Additions to the scope of consolidation (Note 39)	(61)	—
Exits of the scope of consolidation (Note 2.8.5)	(35)	(5,872)
Change due to profit for the year	(20)	(710)
Dividends paid to minority interests and other	18	(247)
Ending balance	**1,714**	**1,812**

22. Bank borrowings

The detail of the bank borrowings at 30 September 2013 and 2012 is as follows:

	Thousands of Euros					
	2013			2012		
	Non-Current	Current	Total	Non-Current	Current	Total
Bank loans	—	3,729	3,729	—	5,326	5,326
Total		**3,729**	**3,729**	**—**	**5,326**	**5,326**

At 30 September 2013 the Group has no credit facilities with banks.

The interest rates on bank borrowings are generally tied to Euribor and denominated in euros. The average interest rates on these borrowings in 2013 and 2012 were 2.22% and 3.30%, respectively.

23. Other non-current liabilities

The detail of "Other Non-Current Liabilities" in the accompanying consolidated balance sheets at 30 September 2013 and 30 September 2012 is as follows:

	Thousands of Euros	
	2013	2012
Guarantees and deposits received	4,943	4,919
Other liabilities	526	602
Total other non-current liabilities	**5,469**	**5,521**

24. 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, Portugal and Poland) 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.

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 2013 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 each interest rate drop of 10 basis points would give rise to a decrease in the Group's finance income of EUR 1 million.

24. Risk exposure (Continued)

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 33).

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 2013, the Group had a working capital deficiency amounting to EUR 999,327 thousand (30 September 2012: EUR 292,179 thousand).

In any event, the Group, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its consolidated balance sheet, together with the cash-pooling facilities with companies in the Group to which it belongs.

25. Provisions

The detail of the balance of short- and long-term provisions in the accompanying consolidated balance sheets at 30 September 2013 and 2012 and of the main changes therein in the periods is as follows:

2013

	Thousands of Euros					
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Additions	Provisions Used/Reversed	Transfers (Note 10)	Balance at 30/09/13
Customs and excise duty assessments	107,283	—	7,269	(4,797)	—	109,755
Obligations to employees	7,170	3,992	2,183	—	864	14,209
Provision for restructuring costs	9,433	—	15,799	(10,332)	(1,975)	12,925
Provision for contingencies and charges	14,981	752	2,874	(2,693)	(780)	15,134
Other	7,962	3,119	425	(1,989)	(360)	9,157
Non-current provisions	**146,829**	**7,863**	**28,550**	**(19,811)**	**(2,251)**	**161,180**
Provision for restructuring costs	2,842	—	3,699	(3,239)	1,975	5,277
Customer refunds	4,015	—	180	(8)	—	4,187
Other	1,002	8,243	265	(9,600)	780	690
Current provisions	**7,859**	**8,243**	**4,144**	**(12,847)**	**2,755**	**10,154**

25. Provisions (Continued)

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions	Provisions Used/Reversed	Transfers	Balance at 30/09/12
Customs and excise duty assessments	108,037	4,543	(5,297)	—	107,283
Obligations to employees	6,102	2,039	(971)	—	7,170
Provision for restructuring costs	3,907	5,733	(207)	—	9,433
Provision for contingencies and charges	20,231	587	(5,947)	110	14,981
Other	2,482	5,530	(50)	—	7,962
Non-current provisions	**140,759**	**18,432**	**(12,472)**	**110**	**146,829**
Provision for restructuring costs	12,491	5,490	(15,659)	520	2,842
Customer refunds	4,826	200	(1,011)	—	4,015
Other	67	1,170	(415)	180	1,002
Current provisions	**17,384**	**6,860**	**(17,085)**	**700**	**7,859**

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 2004 to 2010. 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 amounting to EUR 104,882 thousand. The total amount of the provision includes the late-payment interest since the date these assessments were issued, for an amount of EUR 19,871 thousand, of which EUR 6,981 thousand were recognised in the respective accompanying income statement for 2013 (2012: EUR 4,055 thousand).

In addition, 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, including interest but not penalties in these assessments is EUR 4,234 thousand. The Company 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 2013. Since the date these assessments were issued, the Parent has recognised EUR 639 thousand in relation to the necessary late-payment interest, of which EUR 488 thousand were recognised in the accompanying income statement for 2013 and 2012.

In 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 4,797 thousand including late-payment interest.

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. In 2013 a provision of EUR 216 thousand has been recognized in this connection, which has been charged to the caption "Staff costs" of the accompanying income statement. In 2012 a provision of EUR 1,816 thousand was recognised in this connection, of which EUR 1,600 thousand were recognised with a charge to "Reserves of the Parent" in the accompanying balance sheet since they relate to changes in the actuarial assumptions used to determine the present value of the total obligation assumed by the Company. The balance at 30 September 2013 in this connection amounts to EUR 8,003 thousand.

25. Provisions (Continued)

In addition, at the time of its inclusion in the scope of consolidation, the subsidiary Logista France, S.A.S. contributed EUR 3,992 thousand in provisions for retirement obligations. In 2013 an additional amount of EUR 732 thousand was recognised in this connection, bringing the balance of this provision to EUR 4,724 thousand at year-end.

Lastly, the balance in this connection in the remaining Group companies amounted to EUR 1,481 thousand at 30 September 2013.

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 2013, the Group has recognized a further EUR 1,950 thousand, of which EUR 570 thousand have been recorded under "Long-term Provisions" and EUR 1,380 thousand under "Short-term Provisions" of the accompanying consolidated balance sheet. In addition, long-term provisions of EUR 7,094 thousand (2012: EUR 5,807 thousand) were used, and EUR 1,975 thousand has been reclassified from "Long-term Provisions" to "Short-term Provisions". At year-end EUR 933 thousand of "Long-term Provisions" (2012: EUR 9,433 thousand) and EUR 3,683 thousand (2012: EUR 328 thousand) of "Short-term Provisions" had not yet been used.

In 2013 provisions of EUR 1,818 thousand were recognised for restructuring programmes that the Parent Company's directors intend to carry out (2012: EUR 5,490 thousand). Additionally, in 2013 the Parent externalised the payment of survivorship annuity benefits for a group of employees who have taken early retirement. A premium of EUR 1,544 thousand (2012: EUR 7,959 thousand) was paid in this connection, and this amount was debited to the related provision. Also, in 2013 the Company paid termination benefits of EUR 1,695 thousand from a provision recognised for this purpose.

In 2013 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 and its initial budget amounted to EUR 8,330 thousand, which were recognised as a provision in 2013 with a charge to "Staff Costs" in the accompanying consolidated income statement. In 2013 termination benefits amounting to EUR 3,238 thousand were paid, and this amount was debited to the provision.

In addition, in September 2013 Logista France, S.A.S. announced a new restructuring plan for its logistics network which involves the closure of its warehouse in Nancy (France). The impact estimated by the directors of Logista France, S.A.S. is EUR 6,900 thousand, which were recognised as a provision with a charge to "Staff Costs" in the accompanying consolidated income statement.

Provision for contingencies and charges

At 30 September 2013 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 5,436 thousand at year-end (2012: EUR 7,648 thousand). In 2013 a provision of EUR 1,643 thousand (2012: EUR 4,498 thousand) has been released due to a new estimation of the risk performed by the Group's administrators. On the other hand, Logista Italia, S.p.A. has started new litigations on this regards, and has recorded a provision in this connection of EUR 33 thousand in 2013.

The balance at 30 September 2013 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 2,617 thousand (2012: EUR 3,372 thousand). During 2013, the Company has made disbursements by EUR 200 thousand.

25. Provisions (Continued)

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.

26. Tax matters

Consolidated Tax Group

Some of the Group companies file consolidated tax returns with Imperial Tobacco Spain (see Note 4.16). The companies included with Imperial Tobacco Spain in the Group's consolidated tax return, for Spanish corporation tax purposes, are as follows: Compañía de Distribución Integral Logista, S.A.U., Distribérica, S.A.U., Publicaciones y Libros, S.A.U., Distribuidora de las Rías, S.A., Logista-Dis, S.A.U., La Mancha 2000, S.A.U., Dronas, 2002, S.L.U. , T-2 Gran Canaria, S.A.U., T-2 Opelog, S.A.U., Cyberpoint, S.L., Distribuidora del Noroeste, S.L., Logilenia Distribuidora Farmacéutica, S.L.U., Compañía de Distribución Integral de Publicaciones Logista, S.L.U., Distribuidora del Este, S.A.U. , S.A. Distribuidora de Ediciones, Logesta Gestión de Transporte, S.A.U., Logesta Noroeste, S.A.U. and Distribución de Publicaciones Siglo XXI Guadalajara, 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 2013, the Parent Company had the last five years open for review for income tax, since 2012 or customs duties, since 2011 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.

The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

26. Tax matters (Continued)

Tax receivables and payables

The detail of the tax receivables at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Deferred tax assets:		
Provision for restructuring costs	7,016	4,343
Tax loss and tax credit carryforwards	39,130	29,680
Provision for third-party liability	3,025	3,273
Other deferred tax assets	7,877	10,455
	57,048	**47,751**
Tax receivables (current):		
VAT refundable	11,890	3,674
Income tax refundable	1,667	1,367
Other	938	142
	14,495	**5,183**

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 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Deferred tax liabilities:		
Assets contributed by Logista	916	960
Revaluation of land owned by the Parent (Note 4.1)	8,550	8,550
Goodwill	94,098	92,314
Business Combination (Note 39)	269,138	—
Other	2,099	1,441
	374,711	**103,265**
Tax payables (current):		
Excise duty on tobacco products	3,431,411	1,664,382
VAT payable	812,684	443,916
Customs duty settlements	5,677	5,571
Income tax, net of prepayments	15,240	16,875
Personal income tax withholdings	2,418	2,567
Social security taxes payable	18,134	5,418
Tax retention to tobacconists (France)	28,006	—
Other	7,851	2,636
	4,321,421	**2,141,365**

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.

Until 2011, each year the Parent Company decreased its taxable profit by one twentieth of the implicit goodwill included in the acquisition price of its subsidiary in Italy. These reductions are considered to be temporary differences.

26. Tax matters (Continued)

On 30 March 2012, Royal Decree-Law 12/2012 came into force, introducing various tax and administrative measures aimed at reducing the public deficit. These measures include limiting the tax deductibility of such goodwill to 1% per year.

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 2013 and 2012:

	Thousands of Euros	
	2013	2012
Consolidated profit before tax	118,935	117,489
Income tax at the applicable tax rate	30,848	36,980
Tax credits arising from:		
Double taxation	(9)	(719)
Investments	(11)	(805)
Others	(499)	(43)
Current income tax expense	**30,329**	**35,413**

Changes in deferred tax assets and liabilities

The changes in deferred tax assets and liabilities in 2013 and 2012 were as follows:

2013

	Thousands of Euros				
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Business combination (Note 39)	Change in Profit	Balance at 30/09/13
Deferred tax assets:					
Provision for restructuring costs	4,343	—	—	2,673	7,016
Other deferred tax assets	43,408	9,100	—	(2,476)	50,032
	47,751	**9,100**	**—**	**197**	**57,048**
Deferred tax liabilities:					
Goodwill	92,314	—	—	1,784	94,098
Fixed assets	9,510	—	—	(44)	9,466
Purchase price allocation Logista France, S.A.S.	—	—	287.993	(18,855)	269,138
Other deferred tax liabilities	1,441	803	—	(235)	2,009
	103,265	**803**	**287,993**	**(17,350)**	**374,711**

26. Tax matters (Continued)

2012

	Thousands of Euros		
	Balance at 30/09/11	Change in Profit	Balance at 30/09/12
Deferred tax assets:			
Provision for restructuring costs	7,494	(3,151)	4,343
Other deferred tax assets	41,915	1,493	43,408
	49,409	**(1,658)**	**47,751**
Deferred tax liabilities:			
Goodwill	89,453	2,861	92,314
Fixed assets	9,510	—	9,510
Other deferred tax liabilities	2,278	(837)	1,441
	101,241	**2,024**	**103,265**

Tax credit carryforwards

At 30 September 2013, the Company did not have any tax credit carryforwards.

27. Other current financial liabilities

This heading includes mainly the balance of the current account with Imperial Tobacco Enterprise Finance Limited, amounting EUR 87,144 thousand at 30 September 2013 (2012: EUR 10,098 thousand) (see Note 34).

Additionally, this caption includes the attributable balance of 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 28,799 thousand as of 30 September 2013. This balance relates to the amount payable by the Group to Global Lottery arising from the debt acquired by the Group with the other participant in the UTE.

28. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheet at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Accounts payable for purchases and services	829,925	658,256
Notes payable	18,672	17,241
Payable to related companies (Note 34)	188,842	94,195
Advances received on orders	159	240
	1,037,598	**769,932**

"Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs. The average payment period for trade purchases in 2013 and 2012 was approximately 33 days.

29. Other current liabilities

At 30 September 2013 and 2012 "Other Current Liabilities" includes mainly the remuneration payable to the employees of the various Group companies, as well as deferred liabilities.

30. Guarantee commitments to third parties

At 30 September 2013, the Group has been provided with bank guarantees totalling EUR 351,206 thousand (30 September 2012: EUR 290,150 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 to 2009, which have been appealed and amount to EUR 107,114 thousand in 2013 (2012: 110,213 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 2013 (see Note 25).

The remaining guarantees relate to normal commercial transactions; in this connection the Parent's directors consider that the liabilities not foreseen at 30 September 2013 and 2012 which might arise from the aforementioned guarantees provided would not, under any circumstances, be material.

At 30 September 2013 and 2012, 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.

31. Income and expenses

a) *Revenue*

The detail of "Revenue" in the consolidated income statements for 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	**2012**
Distribution and logistics	9,520,635	5,260,965
Publications and books	49,998	64,278
Transport	292,181	218,075
Total	**9,862,814**	**5,543,318**

b) *Staff costs*

The detail of the Group's "Staff Costs" in 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	**2012**
Wages, salaries and similar expenses	200,250	135,613
Employer social security costs	61,468	32,955
Other employee benefit costs (Note 4.12)	3,075	2,881
Other social costs	16,441	5,762
	281,234	**177,211**

31. Income and expenses (Continued)

The average number of employees at the Group, by professional category, in 2013 and 2012, as well as the number of employes as of 30 September 2013 and 30 September 2012 was as follows:

2013

	Number of Persons							
	Average Headcount				Headcount at 30/09/13			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
Category	Men	Women	Men	Women	Men	Women	Men	Women
Management	27	1	—	—	26	1	—	—
Line personnel and clerical staff	1,195	1,023	122	140	1,182	998	129	161
Messengers	2,099	974	269	74	2,039	924	260	81
Total	**3,321**	**1,998**	**391**	**214**	**3,247**	**1,923**	**389**	**242**
TOTAL	**5,319**		**605**		**5,170**		**631**	

2012

	Number of Persons							
	Average Headcount				Headcount at 30/09/12			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
Category	Men	Women	Men	Women	Men	Women	Men	Women
Management	27	2	—	—	27	2	—	—
Line personnel and clerical staff	1,121	956	101	144	1,134	962	126	125
Messengers	1,161	576	258	57	1,178	602	281	77
Total	**2,309**	**1,534**	**359**	**201**	**2,339**	**1,566**	**407**	**202**
TOTAL	**3,843**		**560**		**3,905**		**609**	

The average number of disabled employees with a handicap higher than 33% at the Group in 2013 and 2012 was 53 and 46, respectively.

Remuneration of senior executives

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

The remuneration earned in 2013 by the members of the Parent's Management Committee amounted to EUR 4,846 thousand (2012: EUR 3,581 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 2013 and 2012 relating to the incentive plan detailed in Note 4.12.

The contributions payable by the company in 2013 to pension plans for the members of the Parent's Management Committee amounted to EUR 465 thousand and EUR 41 thousand at 30 September 2013 and 2012.

31. Income and expenses (Continued)

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	
	2013	2012
Leases	34,483	29,250
Security and cleaning	16,185	11,164
Utilities	20,794	15,233
Other operating expenses	84,488	67,141
Total	**155,950**	**122,788**

Commercial expenses

	Thousands of Euros	
	2013	2012
Leases	2,529	187
Security and cleaning	18	1
Utilities	291	22
Other operating expenses	23,047	15,090
Total	**25,885**	**15,300**

Head office costs

	Thousands of Euros	
	2013	2012
Leases	5,122	2,379
Security and cleaning	864	557
Utilities	440	429
Other operating expenses	29,237	16,047
Total	**35,663**	**19,412**

d) Operating leases

The Company has the following future rental payment commitments, classified by year of maturity, without considering future contingent rent revisions (in thousands of Euros):

	Thousands of Euros	
	2013	2012
Within one year	19,936	10,868
Between one and five years	48,004	32,326
More than five years	13,403	7,566
Total	**81,343**	**50,760**

31. Income and expenses (Continued)

e) Finance income

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

	Thousands of Euros	
	2013	2012
Interest income	5,708	21,786
Other finance income	1,666	3,289
	7,374	**25,075**

f) Finance expenses

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

	Thousands of Euros	
	2013	2012
Accrual for late payment interests and financial update of provisions (Note 25)	7,839	4,812
Negative exchange differences	11	26
Other financial costs	3,739	6,983
	11,589	**11,821**

g) Other disclosures

In 2013 and 2012 the fees for financial audit and other services provided by the Company's consolidated financial statements auditor, Deloitte, S.L., or by a company related to such auditor as a result of a relationship of control, common ownership or common management, as well as the fees for services invoiced by other auditors of the stand-alone financial statements of companies under the scope of consolidation, and the companies related to such other auditors as a result of a relationship of control, common ownership or common management were as follows (in thousands of Euro):

	Services renderred by the main auditor		Services rendered by other auditors	
	2013	2012	2013	2012
Audit services	1,083	806	121	137
Other attest services	26	5	82	97
Total audit and related services	**1,109**	**811**	**203**	**234**
Tax advisory services	134	284	—	—
Other services	—	—	—	—
Total professional services	**1,243**	**1,095**	**203**	**234**

32. Segment reporting

Basis of segmentation

Segment reporting is structured by geographical segment. The Group's business activities are located mainly in Spain, Portugal (Iberian Peninsula), France and Italy. "Corporate and Others" includes Poland.

32. Segment reporting (Continued)

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 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.

32. Segment reporting (Continued)

Primary segment reporting

	Thousands of Euros									
	Iberia		Italy		France		Corporate and others		Total Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue:										
External sales	2,608,348	2,666,521	2,749,258	2,901,391	4,543,301	—	9,645	10,704	9,910,552	5,578,615
Inter-segment sales									(47,738)	(35,297)
Total revenue	**2,608,348**	**2,666,521**	**2,749,258**	**2,901,391**	**4,543,301**	**—**	**9,645**	**10,704**	**9,862,814**	**5,543,318**
Procurements:										
External procurements	(2,087,663)	(2,138,678)	(2,557,018)	(2,693,301)	(4,244,931)	—	—	—	(8,889,582)	(4,831,979)
Inter-segment procurements									38,278	29,699
Total revenue	**(2,087,663)**	**(2,138,678)**	**(2,557,018)**	**(2,693,301)**	**(4,244,931)**	**—**	**—**	**—**	**(8,851,304)**	**(4,802,309)**
Profit or loss:										
Segment result	76,504	62,547	36,523	52,907	23,745	—	(13,124)	(10,787)	123,648	104,667
Share of results of associates									(498)	(432)
Profit (Loss) from operations	**76,504**	**62,547**	**36,523**	**52,907**	**23,745**	**—**	**(13,124)**	**(10,787)**	**123,151**	**104,235**

Inter-segment sales are made at prevailing market prices.

32. Segment reporting (Continued)

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

	Iberia		Italy		France		Corporate and others		Total Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Other disclosures:										
Additions to non-current assets	21,943	19,625	12,895	4,133	802,179	—	46	152	837,063	23,910
Depreciation and amortisation charge	(29,349)	(28,721)	(5,213)	(4,645)	(58,073)	—	(200)	(196)	(92,835)	(33,562)
Balance sheet:										
Assets—										
Property, plant and equipment	175,308	188,658	34,741	27,093	46,551	—	349	410	256,949	216,161
Other non-current assets	86,859	95,143	680,247	684,083	977,289	—	166	277	1,744,562	779,503
Inventories	384,310	369,684	256,698	308,364	558,059	—	—	—	1,208,067	678,048
Trade receivables	415,136	520,435	320,665	320,676	823,553	—	736	559	1,560,090	841,670
Other current assets									1,776,058	1,178,807
Total consolidated assets						**—**			**6,545,726**	**3,694,189**
Liabilities—										
Non-current liabilities	209,966	203,405	40,932	52,300	290,462	—	—	—	541,360	255,615
Current liabilities	1,432,118	1,373,193	1,583,448	1,613,035	2,535,305	—	1,671	4,476	5,543,542	2,990,704
Equity									460,824	447,870
Total consolidated liabilities						**—**			**6,545,726**	**3,694,189**

33. Foreign currency transactions

The Logista Group's foreign currency transactions in 2013 and 2012, measured in euros at the average exchange rate for the year, were as follows:

	Thousands of Euros	
	2013	2012
Sales	11,682	12,300
Purchases	5,400	5,763
Services received	5,252	4,922

34. Balances and transactions with related parties

The balances at 30 September 2013 and 2012 with associates and other related companies were as follows:

2013

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities	Accounts Receivable	Credit	Accounts Payable
Altadis, S.A.U.	253,244	1,320	—	42,314
Altadis Canarias, S.A.	—	1,572	—	6,254
Imperial Tobacco Enterprise Finance Limited	—	—	87,144	—
Imperial Tobacco Overseas Holding	—	2,264	—	12,492
Imperial Tobacco España, S.L.	6,920	—	—	—
Seita, S.A.S.	—	1,224	—	94,359
ITL French Branch	1,312,043	—	—	—
Imperial Tobacco Italia, Srl	—	72	—	19,343
Other	—	3,796	—	14,080
	1,572,207	**10,248**	**87,144**	**188,842**

2012

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities	Accounts Receivable	Credit	Accounts Payable
Altadis, S.A.U.	1,096,084	2,935	—	42,623
Altadis Canarias, S.A.	—	3,563	—	11,778
Imperial Tobacco International Limited	—	1,204	—	34,792
Imperial Tobacco Enterprise Finance Limited	—	—	10,098	—
Seita, S.A.S.	—	241	—	—
Altadis Distribution France, S.A.	—	791	—	—
Other	—	3,132	—	5,002
	1,096,084	**11,866**	**10,098**	**94,195**

The Parent holds a current account with Imperial Tobacco Enterprise Finance Limited, on which interest is 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, which is automatically renewable every 30 September. The interest is payable on a quarterly basis. At 30 September 2013, the

34. Balances and transactions with related parties (Continued)

account payable on this current account is approximately EUR 87,144 thousand (2012: EUR 10,098 thousand), which are recognised under "Payables to Group Companies and Associates" in the accompanying balance sheet.

In addition, the Parent holds since 1 January 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. At 30 September 2013 the balance amounts to EUR 253,244 thousand, including interests (2012: EUR 1,096,084 thousand).

Also, Logista France, S.A.S. holds since 1 October 2011 an agreement of treasury cessions with ITL French Branch, which bears interests tied to EONIA rate plus a spread of 0.125% and which is renewed on an annual basis. At 30 September 2013, the balance amounts to EUR 1,312,043 thousand, including interests.

The transactions with related companies in 2013 and 2012 were as follows:

2013

	Thousands of Euros			
	Operating Income	Finance Results	Purchases	Other Operating Expenses
Altadis, S.A.U.	10,860	3,160	423,242	—
Altadis Canarias, S.A	6,975	—	32,995	—
Tabacalera S.L. Central Overheads	1,633	—	—	146
Imperial Tobacco Italy, s.r.l.	854	—	58,999	—
Imperial Tobacco Polska, S.A.	—	—	—	3,621
Imperial Tobacco Manufacturing Polska, S.A.	—	—	—	836
Imperial Tobacco Enterprise Finance Limited	—	(734)	—	—
Imperial Tobacco International Limited	326	—	24,140	1,959
Imperial Tobacco Portugal SPPLC	38	—	—	600
Imperial Tobacco Morocco	115	—	—	—
ITL French Branch	—	2,066	—	—
Macotab, S.A.S.	—	—	384	—
SEITA, S.A.	8,129	4	503,463	—
Total	**28,930**	**4,496**	**1,043,223**	**7,162**

34. Balances and transactions with related parties (Continued)

2012

	Thousands of Euros			
	Operating Income	Finance Results	Purchases	Other Operating Expenses
Altadis, S.A.U.	8,113	19,516	468,588	416
Altadis Canarias, S.A.	2,208	—	34,539	—
Altadis Polska, S.A.	556	—	—	—
Altadis USA	—	—	279	—
Imperial Tobacco Italy, s.r.l.	580	—	77,678	—
Imperial Tobacco Polska, S.A.	3,404	—	—	2
Imperial Tobacco Enterprise Finance Limited	—	1,566	—	—
Imperial Tobacco International Limited	1,947	—	18,655	—
Imperial Tobacco Portugal SPPLC	791	—	—	—
SEITA, S.A.	1,343	—	—	—
Promocigar	4	—	—	—
Total	**18,946**	**21,082**	**599,739**	**418**

35. Remuneration of directors

Remuneration of the Parent's directors

The remuneration received in 2013 by the Parent's directors as members of the Board or of certain of its standing committees, totalled EUR 263 thousand (2012: EUR 211 thousand).

In 2013 and 2012 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 engaged 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 engaged 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.U., in which the members of the Board of Directors, or own or have owned equity interests in 2013, and of the functions, if any, that they discharge thereat:

Owner	Invester	Line of Businees	Ownership Interest	Functions
Mrs. Alison Cooper	Imperial Tobacco Group	Tobacco manufacture	162,111 shares	C.E.O.
Mr. Luis Egido Gálvez	Imperial Tobacco Group	Tobacco manufacture	56,427 shares	General Manager, Logistics Business
Mr. Kenneth Hill	Imperial Tobacco Group	Tobacco manufacture	Less than 0.01%	Special projects manager
Mr. Conrad Tate	Imperial Tobacco Group	Tobacco manufacture	Less than 0.01%	Corporate Development manager

35. Remuneration of directors (Continued)

Also, pursuant to the aforementioned law, set forth below are the activities performed by the various members of the Board of Directors in 2013, which are identical, similar or complementary to the activities that constitute the company object of Compañía de Distribución Integral Logista, S.A.U.:

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
Mr. Gregorio Marañón y Bertrán de Lis	Tobacco manufacture	Employee	Altadis, S.A.U.	Chairman of the Board
Mr. Luis Egido Gálvez	Distribution	Employee	Logista Italia, S.p.A.	Chairman of the Board
	Distribution	Employee	Logista Portugal (Branch)	Legal Representative
	Distribution	Employee	T2 Opelog, S.A.U.	Chairman of the Board
	Transport	Employee	Dronas 2002, S.L.U.	Chairman of the Board
Mr. Kenneth Hill	Tobacco manufacture	Employee	Commonwealth Brands	Chairman of the Board
	Vending machines manufacture	Employee	Sinclair Collins	Chairman of the Board
Mr.David Renekov	Tobacco manufacture	Employee	Imperial Tobacco Ltd.	Group's Financial Controller
Mr. Conrad Tate	Tobacco manufacture and sale	Employee	Reemtsma Cigaretten Fabriken GmbH	Member of the Supervising Committee
Mr. Rafael de Juan López	Transport	Employee	Dronas 2002, S.L.U.	Chairman of the Board
	Distribution	Employee	T2 Opelog, S.A.U.	Chairman of the Board
	Distribution	Employee	Logista Italia, S.p.A.	Chairman of the Board
	Distribution	Employee	Logista Publicaciones, S.L.U.	Chairman
Mr. Eduardo Zaplana Hernández-Soro	Telecommunications	Employee	Telefónica, S.A.	President's counsellor

36. Discontinued operations

In 2008 Logista Promotion et Transport, S.A.S. (formerly 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.

In years 2013 and 2012 the Group recognised in profit from discontinued operations the provision recorded to cover the impairment of the net assets of this subsidiary, for a total amount of EUR 600 thousand in each year.

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

	Thousands of Euros	
	2013	2012
Buildings:		
Auby	2,117	2,117
Investment in Publidispatch, S.A.S.	392	392
Other	(2,909)	(2,309)
Total	**(400)**	**200**

In addition, this caption includes the loss incurred by RP Diffusion, S.A.S. in 2013 until the date of its sale, for an amount of EUR 422 thousand (Note 2.8.5).

37. 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 regarding payments performed by group entities located in Spain is as follows:

	Amounts Paid and Payable at Year-End			
	2013		2012	
Thousands of Euros	Amount	%	Amount	%
Paid within the maximum payment period	2,472,974	99.4%	2,655,151	98.62%
Remainder	15,001	0.06%	37,146	1.38%
Total payments made in the year	**2,487,975**	**100%**	**2,692,297**	**100%**
Payables at year-end past due by more than the maximum payment period	3,046		3,296	

The figures shown in the foregoing table relate to suppliers of goods and services for the Spanish entities under the scope of consolidation which, attending to their nature, are classified as trade creditors, and, therefore, they include the figures relating to "Accounts payables for purchases and services" and "Notes 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 6 days in 2013 (2012: 7 days).

The maximum payment period applicable to the Company in 2013 under Law 3/2004, of 29 December, on combating late payment in commercial transactions, was 60 days.

38. 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.

39. Business combination

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.

Altadis Distribution France, S.A.S., which changed its name to Logista France S.A.S. in 2013, is the parent of a group engaged in the provision of logistics and distribution services in France and which at the date of the business combination was composed of the following companies:

- Supergroup, S.A.S.
- Société Allumetière Française, S.A.S.
- Strator, S.A.S.
- RP Diffusion, S.A.S. (this entity has been sold in the year 2013, please refer to Note 2.8.5).

39. Business combination (Continued)

Assets acquired and liabilities assumed at the acquisition date

The date of acquisition for accounting purposes is 30 September 2012. A detail of the assets and liabilities of the Altadis Distribution France, S.A.S. Group at that date is as follows (in thousands of euros):

	30/09/2012
ASSETS	
NON-CURRENT ASSETS:	
Property, plant and equipment	**26,897**
Goodwill	**761**
Other intangible assets	**2,345**
Other non-current financial assets	**1,473**
Deferred tax assets	**9,100**
Total non-current assets	**40,576**
CURRENT ASSETS:	
Inventories	**513,664**
Trade and other receivables	**894,582**
Other current financial assets	**1,299,791**
Cash and cash equivalents	**128,528**
Other current assets	**4,509**
Total current assets	**2,841,074**
NON CURRENT ASSETS HELD FOR SALE	**12,291**
TOTAL ASSETS	**2,893,941**
EQUITY AND LIABILITIES	
EQUITY:	
Share capital	**50,600**
Reserves of the Parent	**19,287**
Reserves at consolidated companies	**52,991**
Consolidated profit for the period	**51,166**
Equity attributable to the shareholders of the Parent	**174,044**
Minority interests	**(61)**
Total equity	**173,983**
NON-CURRENT LIABILITIES:	
Long-term provisions	**7,863**
Deferred tax liabilities	**803**
Other non-current liabilities	**122**
Total non-current liabilities	**8,788**
CURRENT LIABILITIES:	
Bank borrowings	**4**
Other current financial liabilities	**115,155**
Trade and other payables	**2,587,148**
Short-term provisions	**8,243**
Other current liabilities	**620**
Total current liabilities	**2,711,170**
TOTAL EQUITY AND LIABILITIES	**2,893,941**

39. Business combination (Continued)

Within the context of the business combination, the fair value of the assets acquired and liabilities assumed by the Parent was measured, giving rise to the following allocation of the purchase price (in thousands of Euros):

	Fair value	Net booked value	Purchase Price allocation
Distribution agreements with tobacco manufacturers	776,400	—	776,400
Lands and buildings	36,983	15,618	21,365
Deferred tax liabilities	(288,796)	(803)	(287,993)

Goodwill arising in the business combination

The amount of goodwill arising in the business combination, following the allocation of the portion of the purchase price corresponding to the fair value of the assets acquired and liabilities assumed, was EUR 236,184 thousand (Note 8).

39. Business combination (Continued)

Impact of the business combination on the Group's profit or loss

A detail of the results contributed by the Logista France, S.A.S. and subsidiaries subgroup acquired in 2013 is as follows:

	2013
Revenue	4,543,301
Procurements	(4,244,931)
Gross profit	**298,370**
Cost of logistics networks-	
Staff costs	(42,902)
Transport costs	(40,925)
Depreciation and amortisation charge	(3,929)
Other operating expenses	(34,321)
Total cost of logistics networks	(122,077)
Commercial expenses-	
Staff costs	(34,771)
Other operating expenses	(13,959)
Commercial expenses	(48,730)
Research expenses-	(3,397)
Head office expenses-	
Staff costs	(30,089)
Depreciation and amortisation charge	(1,249)
Other operating expenses	(16,845)
Total head office expenses	(48,183)
Other results	208
Profit from operations	**76,191**
Financial result	2,050
Profit before tax	**78,241**
Income tax	(20,569)
Profit for the period from continuing operations	**57,672**
Loss for the period from discontinued operations net of tax	(422)
Profit for the period	**57,250**

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:

2013

Company	Audit firm	Location	% of ownership By the Parent Company: Direct	% of ownership By the Parent Company: Indirect	Net Book Value	Thousands of Euros — Data on the Companies: Assets	Liabilities	Equity	Profit/Loss Ejercicio
Compañía de Distribución Integral de Publicaciones Logista, S.L.U.	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	100	—	—	45,564	48,270	(2,706)	(4,811)
Distribérica, S.A.U.(a)	Not audited	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	923	759	53	706	13
Publicaciones y Libros, S.A.(a)	Deloitte	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	530	4,131	4,390	(259)	(827)
Distribuidora del Noroeste, S.L.(a)	BDO	Gandarón, 34 Interior- Vigo	49	51	410	2,984	1,948	1,036	134
Distribución de Publicaciones Siglo XXI Guadalajara, S.L.(a)	Not audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	—	80	64	925	771	154	33
Distribuidora de Publicaciones del Sur, S.L.(a)	BDO	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)	—	50	5	2,823	2,645	178	203
Promotora Vascongada de Distribuciones, S.A.(a)	Not audited	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	—	100	4	658	897	(239)	(76)
Distribuidora de las Rías, S.A.(a)	Not audited	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña	—	100	251	1,366	1,062	304	39
Distribuidora Valenciana de Ediciones, S.A.(a)	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	—	50	—	3,123	2,427	696	(156)
Cyberpoint, S.L.U.(f)	Not audited	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	—	90	13	77	1
Distribuidora del Este, S.A.U.(a)	BDO	Calle Saturno, 11. Alicante	—	100	369	936	429	507	138
S.A.U. Distribuidora de Ediciones(a)	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona	—	100	3,513	8,764	6,961	1,803	856
La Mancha 2000, S.A.U.(a)	Not audited	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara	100	—	1,352	2,971	653	2,318	130
Midsid - Sociedade Portuguesa de Distribuiçao, S.A.(a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	—	1,679	29,556	27,877	1,679	(778)
Logista-Dis, S.A.U.(b)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	—	1,202	17,603	12,774	4,829	3,195
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	—	892	38,559	36,775	1,784	(1,326)
Librodis Promotora y Comercializadora del Libro, S.A.U.(a)(h)	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	—	50	—	419	573	(154)	155
Avanza Libros, S.L.U.(h)	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	—	50	200	860	880	(20)	(3)
Logesta Gestión de Transporte, S.A.U.(d)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	—	4,510	35,180	29,251	5,929	1,274
Logesta Italia, s.r.l.	Deloitte	Via in Arcione 98. Roma	—	100	100	10,025	8,211	1,814	1,017
Transportes Basegar, S.A.	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)	—	60	185	2,908	2,319	769	151
Logesta Noroeste, S.A.U.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	—	100	446	693	149	544	(206)
Logesta Lusa Lda	Not audited	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	100	—	32	62	(30)	(15)
Logesta Polska Sp. z.o.o.	Not audited	Flory nr 9, lok 6. kod-00-586 Warszawa—(Polonia)	49	51	206	1,218	799	419	398
Logesta Deutschland Gmbh	Not audited	Pilotystr 4. 80538- München-(Alemania)	—	100	100	1,032	981	51	47
Logesta France, s.a.r.l.	Not audited	25 Av, Du Bois de la Pie, Z,I, Paris Nord, 93290 Tremblay (Francia)	—	100	100	1,626	639	987	344

Company	Audit firm	Location	% of ownership By the Parent Company: Direct	Indirect	Net Book Value	Thousands of Euros — Data on the Companies: Assets	Liabilities	Equity	Profit/Loss Ejercicio
Dronas 2002, S.L.U.[c]	Deloitte	Pol, Industrial Nordeste, c/ Energía 25-29, Sant Andreu de la Barca	100	—	21,292	108,962	75,787	33,176	(4,501)
T2 Gran Canaria, S.A.U.	Deloitte	Urbanización El Cebadal, C/ Entrerríos, 3, Las Palmas de Gran Canaria	—	100	1,657	6,327	2,139	4,188	1,191
T2 Opelog, S.A.U.	Deloitte	Polígono Industrial Nordeste, C/ Industria, 53-65, San Andreu de la Barca	—	100	3,369	17,665	14,295	3,370	(462)
Logilenia Distribuidora Farmacéutica, S.L.U.	Not audited	C/ Trigo, 39, Polígono Industrial Polvoranca, Leganés	—	100	272	14,568	14,296	272	(98)
Logista Italia, S.p.A.[a]	Deloitte	Vía in Arciones 98, Roma (Italia)	100	—	605,629	1,654,888	1,585,102	69,786	34,900
Terzia, S.p.A.[a]	Deloitte	Vía in Arciones, 98, Roma (Italia)	—	68	166	7,390	7,147	244	(347)
Logista Transportes, Transitarios e Pharma, Lda.[d]	Deloitte	Expansao del area ind, Do Pasill, Lote 1-A, Palhava, Alcochete (Portugal)	100	—	—	8,262	8,948	(686)	(736)
Compañía de Distribución Integral Logista Polska, Sp z.o.o.[a]	Not audited	Al, Jerozolimskie 133, Warszawa, Polonia	100	—	2,051	1,786	1,671	115	(404)
Logista France, S.A.S.[a]	Deloitte	27 avenue des Murs du Parc, 94300 Vincennes	100	—	920,161	2,793,980	2,643,007	150,973	42,170
Société Allumetière Française, S.A.S.[b]	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade77400 Saint-Thibault-des-Vignes	—	100	22,128	156,494	50,686	105,808	10,825
Supergroup, S.A.S.[b]	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade77400 Saint-Thibault-des-Vignes	—	100	7,986	64,415	53,048	11,367	700
Strator, S.A.S.	Deloitte	Parc d'activité de la Brèche, 9 rue Olof Palme, Bâtiment Euclide, 94000 Créteil	—	85	—	5,381	14,665	(9,284)	(4,302)

(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.

(i) This company is specialised in the development and sale of software and terminals for the points of sale.

2012

Company	Audit firm	Location	% of ownership By the Parent Company: Direct	% of ownership By the Parent Company: Indirect	Net Book Value	Thousands of Euros — Data on the Companies: Assets	Liabilities	Equity	Profit/Loss Ejercicio
Compañía de Distribución Integral de Publicaciones Logista, S.L.U.	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	100	—	94	53,673	51,568	2,105	(6,756)
Logista Portugal, Distribuçao de Publicaciones, S.A. y soc. dependientes[(a)]:	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	100	—	33,227	37,232	(4,005)	(4,113)
Jornal Matinal, LDA.[(a)]	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	80	167	595	375	220	51
Marco Postal Entrega Personalizada de Publicaçoes, LDA.[(a)]	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	100	458	1,010	558	452	(25)
Distribérica, S.A.U.[(a)]	Not audited	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	2,632	2,723	5	2,718	2,025
Publicaciones y Libros, S.A.[(a)]	Deloitte	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	530	4,128	3,561	567	(984)
Distribuidora del Noroeste, S.L.[(a)]	BDO	Gandarón, 34 Interior- Vigo	49	51	139	2,916	2,014	902	54
Distribución de Publicaciones Siglo XXI Guadalajara, S.L.[(a)]	Not audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	—	80	64	866	745	121	3
Distribuidora de Publicaciones del Sur, S.L.[(a)]	BDO	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)	—	50	5	2,892	2,917	(25)	(387)
Promotora Vascongada de Distribuciones, S.A.[(a)]	Not audited	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	—	100	4	1,466	1,629	(163)	(321)
Distribuidora de las Rías, S.A.[(a)]	Not audited	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña	—	100	231	1,194	929	265	55
Distribuidora Valenciana de Ediciones, S.A.[(a)]	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	—	50	—	3,691	2,839	852	(825)
Cyberpoint, S.L.U.[(f)]	Not audited	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	76	85	9	76	11
Distribuidora del Este, S.A.U.[(a)]	BDO	Calle Saturno, 11. Alicante	—	100	369	882	513	369	(543)
S.A.U. Distribuidora de Ediciones[(a)]	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona	—	100	3,513	7,964	7,016	948	676
La Mancha 2000, S.A.U.[(a)]	Not audited	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara	100	—	1,352	2,836	506	2,330	157
Midsid—Sociedade Portuguesa de Distribuiçao, S.A.[(a)]	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	—	3,280	33,851	31,393	2,458	(1,494)
Logista-Dis, S.A. U.[(b)]	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	—	1,202	17,070	13,201	3,869	2,235
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	—	598	51,187	48,077	3,110	902
Librodis Promotora y Comercializadora del Libro, S.A.U.[(a)(h)]	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	—	50	99	58	366	(308)	(241)
Avanza Libros, S.L.U.[(h)]	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	—	50	100	1,580	1,597	(17)	(341)
Logesta Gestión de Transporte, S.A.U.[(d)]	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	—	4,510	34,152	27,271	6,881	2,252
Logesta Italia, s.r.l.	Deloitte	Via in Arcione 98. Roma	—	100	100	8,196	6,570	1,626	830
Transportes Basegar, S.A.	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)	—	60	186	3,237	2,618	619	158
Logesta Noroeste, S.A.U.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	—	100	615	1,270	519	751	(289)
Logesta Lusa Lda	Not audited	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	100	(7)	51	66	(15)	(51)
Logesta Polska Sp. z.o.o.	Not audited	Flory nr 9, lok 6. kod-00-586 Warszawa—(Polonia)	49	51	—	1,266	1,244	22	433
Logesta Deutschland Gmbh	Not audited	Pilotystr 4. 80538- München-(Alemania)	—	100	100	242	238	4	(26)
Logesta France, s.a.r.l.	Not audited	25 Av, Du Bois de la Pie, Z,I, Paris Nord, 93290 Tremblay (Francia)	—	100	100	2,432	1,789	643	191
Dronas 2002, S.L.U.[(c)]	Deloitte	Pol, Industrial Nordeste, c/ Energía 25-29, Sant Andreu de la Barca	100	—	21,292	117,336	79,659	38,677	2,948
T2 Gran Canaria, S.A.U.	Deloitte	Urbanización El Cebadal, C/ Entrerríos, 3, Las Palmas de Gran Canaria	—	100	1,657	6,446	2,403	4,044	1,047
T2 Opelog, S.A.U.	Deloitte	Polígono Industrial Nordeste, C/ Industria, 53-65, San Andreu de la Barca	—	100	4,330	12,909	8,579	4,330	554
Logilenia Distribuidora Farmacéutica, S.L.U.	Not audited	C/ Trigo, 39, Polígono Industrial Polvoranca, Leganés	—	100	370	6,905	6,535	370	(41)
Logista Italia, S.p.A.[(a)]	Deloitte	Vía in Arciones 98, Roma (Italia)	100	—	605,629	1,710,684	1,627,463	83,221	48,519
Terzia, S.p.A.[(a)]	Deloitte	Vía in Arciones, 98, Roma (Italia)	—	68	408	6,993	6,402	591	(531)
Logista Transportes, Transitarios e Pharma, Lda.[(d)]	Deloitte	Expansao del area ind, Do Pasill, Lote 1-A, Palhava, Alcochete (Portugal)	100	—	940	7,977	9,299	(1,322)	(1,378)
Compañía de Distribución Integral Logista Polska, Sp z.o.o.[(a)]	Not audited	Al, Jerozolimskie 133, Warszawa, Polonia	100	—	—	1,641	5,111	(3,470)	(783)

(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:

2013

				% of ownership By the Parent Company			Thousands of Euros — Data on the Companies			
Company	**Audit Firm**	**Location**	**Activity**	**Direct**	**Indirect**	**Net Book Value**	**Assets**	**Liabilities**	**Equity**	**Profit/Loss Of the year**
Dima Distribución Integral, S,L,(*)	Deloitte	Polígono Industrial Los Olivos, C/ Confianza, 1, Getafe, Madrid	Distribution and dissemination of publications	—	20	—	—	6,539	(6,539)	(2,488)
Logesta Maroc, S,A,(***)	Not audited	87 Rue Ahmed El ,Casablanca (Marruecos)	Transport	—	34	9	53	—	53	—

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

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

2012

Company	Audit Firm	Location	Activity	% of ownership By the Parent Company: Direct	% of ownership By the Parent Company: Indirect	Net Book Value	Thousands of Euros – Data on the Companies: 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	—	20	—	—	4,052	(4,052)	(2,563)
International News Portugal, LDA,(**)	Patricio Moreira, Valente &Associados SROC	Alameda dos Oceanos,, Lote 1º Lisboa	Distribución y difusión editorial	—	20	—	2,238	—	2,238	488
Logesta Maroc, S,A,(***)	Not audited	87 Rue Ahmed El, Casablanca (Marruecos)	Transporte	—	34	9	53	—	53	(50)

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

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

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

Compañía de
Distribución Integral Logista, S.A.U. and Subsidiares
Consolidated Directors' Report
for the period ended 30 September 2013

1. Business performance of the LOGISTA GROUP in 2013 and Group situation

In 2013 the Logista Group reported revenue of EUR 9,863 million and profit from operations of EUR 123.2 million, with its financial statements including for the first time the activities of the business in France following the acquisition of Logista France (formerly ADF Groupe) at the beginning of the fiscal year.

The difficult economic situation in which the Group has been operating in recent years continued, and even worsened, in 2013, due to the ongoing weakness of consumer spending and the renewed sharp falls in cigarette sales in the main countries. Nevertheless, the Group recognised a net profit of EUR 87.6 million, demonstrating, once again, the strength of its business model based on the continuous optimisation of costs, the integration of businesses and the constant incorporation of new customers and services.

The main measures taken by the Logista Group in 2013 in the various segments which, following the inclusion of the Logista France business, are based on geographical areas, were as follows:

- The Iberia segment includes the activities in the Spanish market (in distribution and logistic services for tobacco, stamps, documents and telephony, lottery products, advertising material, convenience items and pharmaceutical products, as well as in transport and publishing) and the Portuguese market (in distribution/logistic services and wholesale distribution of tobacco products, distribution and logistic services for pharmaceutical products, as well as in transport). The revenue of this division totalled EUR 2,608 million and its profit from operations amounted to EUR 76.5 million.

  The tobacco distribution business in Spain continued to be affected by the falling market volumes in the cigarette segment which, for the fourth consecutive year, experienced double-digit decreases (−12% in the period from 1 October 2012 to 30 September 2013), representing a more than 40% reduction in this market over the last four years. The impact of these falling figures has been offset by increases in prices and rates and ongoing cost control.

  Thanks to the sales drive carried out during the year, the convenience business managed to improve its earnings, despite the continuing weakness observed in consumer spending in general.

  Once again the Logista Pharma business achieved substantial progress in billings, thanks to the addition of new customers and services, which enabled it to weather the adverse conditions affecting the Spanish pharmaceutical industry.

  Sales in the publishing distribution business continued to decline in both the publication and book markets. However, the restructuring and cost control measures taken to mitigate the effect of the decline in sales in the publications industry, the divestment in 2013 of all the shares of the Group's subsidiary Logista Publicaçoes Portugal and the addition of new services for the main customers in the book distribution business resulted in a substantial improvement in the division's results.

  The transport activity, beleaguered by the continual downward pressure on prices and the lethargy in the movement of goods in the Spanish market, was able to partially offset the decline in sales through ongoing improvements in efficiency.

- The Italian segment encompasses tobacco distribution and logistic services and the wholesale distribution of convenience items in the tobacconist channel. The revenue of this division totalled EUR 2,749 million and its profit from operations amounted to EUR 36.5 million.

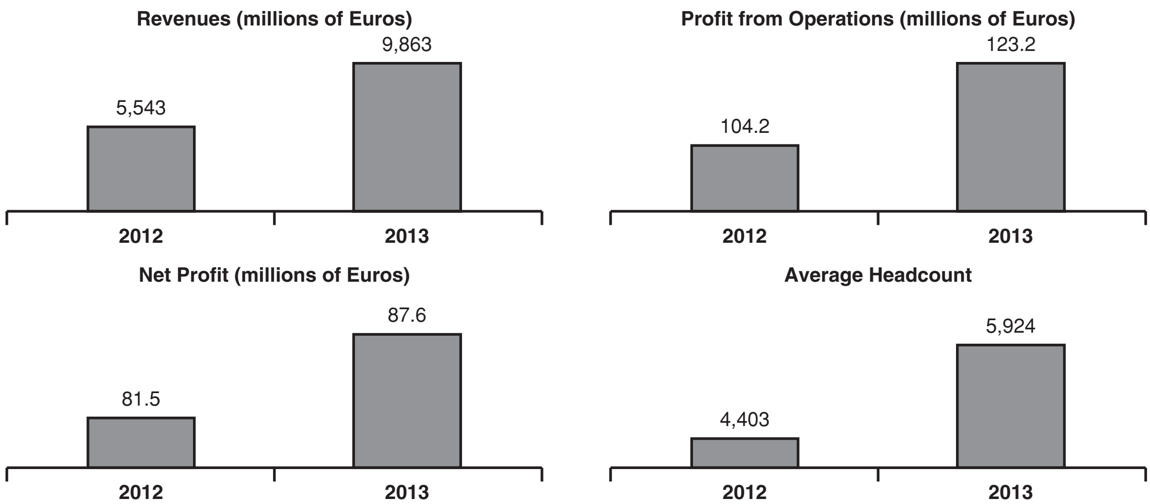
  The Italian tobacco distribution business was characterised by the shrinkage of market volumes in the cigarette segment (−6% in the fiscal year), the complete overhaul of the distribution model and the extraordinary impact of the increase in VAT from 21% to 22% on 1 October 2013. This led to the recognition of a provision of EUR 8.4 million at 30 September 2013 for the temporary impact this increase in VAT (not immediately passed on by the tobacco producers to the retail price) has on the measurement of the Group's inventories in the Italian market.

1. Business performance of the LOGISTA GROUP in 2013 and Group situation (Continued)

- The French segment includes distribution and logistic services for tobacco and telephony, the wholesale distribution of convenience items and electronic transactions through various channels (tobacconists', petrol stations, bakeries, etc.), in addition to the development and marketing of POS terminals for the tobacconist channel. The revenue of this division totalled EUR 4,543 million and its profit from operations amounted to EUR 23.7 million, after deducting the impact of amortising the fair value allocated to the assets acquired following the acquisition of Logista France.
- The French tobacco distribution business was also affected by a sharp fall in the market volume in the cigarette segment (−9% in the period from 1 October 2012 to 30 September 2013). However, the increase in rates, together with the measures taken to adapt the cost structure to the market situation, made it possible to offset the decrease in the level of activity.

  The economic environment and muted consumer spending affected performance in all other areas of activity.

A comparison of the main indicators for 2013 (October 2012 - September 2013) with the indicators reported in 2012 (October 2011 - September 2012) is as follows:



Risk exposure

The main risks and uncertainties facing the Group relate to possible regulatory changes in the industries in which it operates, the normal operational risks arising in the ordinary course of business, which are insured externally, and counterparty risks (customer doubtful debts), which are scantly material.

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

The Group complies with all the requirements and has all the licences and permits, etc. required to operate in the various markets and industries in which it carries on its business activities, and it has established, through its organisational structure, the appropriate procedures and controls to enable it to identify, prevent and mitigate the risks of change in the regulatory framework and, similarly, to comply with the obligations imposed by the various legislations applicable to it.

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

1. Business performance of the LOGISTA GROUP in 2013 and Group situation (Continued)

The Logista Group currently has the following units and committees which ensure the effectiveness of the risk controls in place:

- Security Committee: Its role is to prevent risks and threats of an antisocial nature and to protect the assets and employees of Logista or any of its undertakings against such risks and threats.
- Environment and Quality Committee: This committee establishes the action policy for the various business units of the Logista Group in all matters relating to its commitment to the environment and quality, and fosters the implementation of and adherence to these action principles by issuing internal corporate regulations.
- Internal Control and Crime Risk Prevention Committee: Reporting to the Directors Board's Audit and Control Committee, its objectives are i) ensure the continuous development and execution of the Internal Control System of the Group, in all the countries and businesses, and ii) safeguard the effective prevention of criminal risks in the Logista Group's companies in Spain.
- Administration and Internal Control Department—Insurance Area: the Administration Department is responsible for analysing the accidental risks which may affect both the Logista Group's assets and the performance of its business activities and, in the light of these risks, it arranges the external insurance coverage it deems necessary.

  It is also responsible for protecting the Group's assets and ensuring the reliability of financial reporting.
- Cash Department—Financial Risk and Credit Area: Its functions are to limit and control any financial risks arising from commercial relationships with third parties, establishing, where necessary, the related credit limits, and to set a doubtful debt provisioning policy.
- Internal Audit Department: the Company's Internal Audit Department is responsible for providing support to the Directors Board's Audit and Control Committee and the Group's Internal Control 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 the monitoring of the external auditors' work, including the planning, quality, independence and terms of business thereof.
  - Assist in the review of the Group's financial information, particularly in unaudited periods.
  - Guarantee appropriate system for the evaluation of the internal control and information systems, identifying the possible improvements therein and promoting their implementation.
  - Identify risks and assess the associated controls, mainly by carrying out the annual audit plan.
  - Provide technical support to Group management on financial and accounting matters as and when required.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated 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 its customer portfolio is very fragmented and distributed among a large number of counterparties. The Group's main customers are kiosk owners and tobacconists.

The management of the risks to which the Logista Group is exposed in the course of its business activities constitutes one of the basic pillars of the action taken by it with the aim of preserving the value of the Group's assets and, as a result, the value of the Sole-Shareholder's investment. Through the Group's global risk management approach, the risk management system is structured and defined to achieve the strategic

1. Business performance of the LOGISTA GROUP in 2013 and Group situation (Continued)

and operating objectives. This system for controlling risks is managed and supervised by the Audit Committee and the Board of Directors, which delegates these functions to Internal Audit and Internal Control.

The Group's Financial Department has the basic objective of preserving the value of the Group's assets in all its business units and in all the countries in which it operates (mainly Spain, Italy, France, Portugal and Poland) by analysing and preventing risks and optimising the management of the main losses.

Default rates in all the geographical areas in which the Group operates have historically remained at very low levels.

In relation to liquidity risk, the Group holds sufficient cash and cash equivalents to meet the payment obligations arising from its ordinary operations. Also, if it needs ad-hoc financing, the Group has credit lines available to it.

In relation to exposure to interest rate risk, in view of the Group's low level of financial debt, the Parent's management considers that the impact that a potential rise in interest rates could have on the accompanying consolidated financial statements would not be significant.

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

Environment

The Group's ongoing commitment to the environment is reflected in the Environmental Corporate Strategic Plan for FY14-FY16, which consists of ambitious projects that will ensure that our environmental management remains at excellent levels (e.g. Environmental Balanced Scorecard, energy efficiency, calculation and verification of carbon footprint, industrial and environmental legislation database, environmental awareness tool, etc.)

In 2013 the Group took numerous steps to support its commitment to continuous improvement, such as the creation of a corporate team specialising in quality and environmental management, the acquisition of software to control and optimise the environmental management of the Group's main warehouses and various measures that have enabled it to reduce resources consumed and waste generated, as well as to optimise installations, industrial processes and materials used.

2. Significant events for the Group after the reporting period

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

3. Outlook for the Group

In 2014 the Logista Group will continue to focus its efforts on its most profitable activities and businesses and/or those with the greatest potential to grow. The Group's growth, as well as its leadership position in strategic niche industries in Southern Europe, will be secured by selective transactions and alliances in new businesses and bolstered by the experience and service quality of the distribution channels in which the Logista Group regularly operates.

4. Research and development activities

The Logista Group invested EUR 5.9 million in development activities in 2013. These investments were made mainly to adapt new businesses, automate processes and develop own software.

5. Treasury shares

At 30 September 2013, the Group did not have any treasury shares.

6. Use of financial instruments

No Group company uses financial instruments that might affect the correct measurement of the assets and liabilities recognised in the consolidated balance sheet.

Certificate on the issuance of the 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 financial statements and directors' report wich were authorised for issue at the Board of Directors' meeting on 27 November 2013 and are set forth on 71 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:

/s/ Gregorio Marañón y Bertrán de Lis

Mr. Gregorio Marañón y Bertrán de Lis
Chairman

/s/ Luis Egido Gálvez

Mr. Luis Egido Gálvez
Chief Executive

/s/ Stéphane Lissner

Mr. Stéphane Lissner
Director

/s/ Miguel Ángel Barroso Ayats

Mr. Miguel Ángel Barroso Ayats
Director

/s/ Eduardo Zaplana

Mr. Eduardo Zaplana
Director

/s/ Alison Cooper

Ms. Alison Cooper
Director

/s/ Kenneth Hill

Mr. Kenneth Hill
Director

/s/ David Ian Resnekov

Mr. David Ian Resnekov
Director

/s/ Conrad Richardson Tate

Mr. Conrad Richardson Tate
Director

/s/ Rafael de Juan López

Mr. Rafael de Juan López
Director and Secretary of the Board

Madrid, 27 November 2013

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

Consolidated Financial Statements for the year ended 30 September 2012 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 41). 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 2012 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 2012 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 2012 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 2012 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 2012. 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

January 22, 2013

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 41. 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 2012 AND 2011

(Thousands of Euros)

	Note	2012	2011
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	6	**210,611**	**219,302**
Investment property	6	**3,674**	**4,287**
Goodwill	8	**690,921**	**701,812**
Other intangible assets	9	**28,842**	**29,471**
Investments in associates	10	**541**	**163**
Other non-current financial assets	11.1	**11,448**	**11,098**
Deferred tax assets	27	**47,751**	**49,409**
Total non-current assets		**993,788**	**1,015,542**
CURRENT ASSETS:			
Inventories	12	**678,048**	**766,993**
Trade and other receivables	13	**841,670**	**855,895**
Tax receivables	27	**5,183**	**12,050**
Other current financial assets	11.2	**1,122,507**	**1,108,711**
Cash and cash equivalents	14	**46,266**	**35,384**
Other current assets	15	**4,851**	**5,450**
Total current assets		**2,698,525**	**2,784,483**
NON-CURRENT ASSETS HELD FOR SALE	7	**1,876**	**2,537**
TOTAL ASSETS		**3,694,189**	**3,802,562**
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	**26,550**	**26,550**
Share premium	17	**178,814**	**178,814**
Reserves of the Parent	17	**6,876**	**6,845**
Reserves at consolidated companies	18 and 19	**131,516**	**83,701**
Translation differences		**166**	**190**
Valuation adjustments	20	**19,950**	**19,950**
Consolidated profit for the period		**82,186**	**91,868**
Equity attributable to shareholders of the Parent		**446,058**	**407,918**
Minority interests	21	**1,812**	**8,641**
Total equity		**447,870**	**416,559**
NON-CURRENT LIABILITIES:			
Bank borrowings	22	**—**	**9**
Non-current obligations under finance leases	23	**—**	**25**
Other non-current liabilities	24	**5,521**	**6,993**
Long-term provisions	26	**146,829**	**140,759**
Deferred tax liabilities	27	**103,265**	**101,241**
Total non-current liabilities		**255,615**	**249,027**
CURRENT LIABILITIES:			
Bank borrowings	22	**5,326**	**5,844**
Other current financial liabilities	28	**32,492**	**46,219**
Current obligations under finance leases	23	**1**	**13**
Trade and other payables	29	**769,932**	**599,334**
Tax payables	27	**2,141,365**	**2,394,563**
Short-term provisions	26	**7,859**	**17,384**
Other current liabilities	30	**33,729**	**73,619**
Total current liabilities		**2,990,704**	**3,136,976**
TOTAL EQUITY AND LIABILITIES		**3,694,189**	**3,802,562**

The accompanying Notes 1 to 41 are an integral part of the consolidated balance sheet at 30 September 2012.

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 41). 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 2012 AND 2011

(Thousands of Euros)

	Note	2012	2011
Revenue	32 a)	5,543,318	5,701,033
Procurements		(4,802,309)	(4,943,506)
Gross profit—		**741,009**	**757,527**
Cost of logistics networks—			
Staff costs	32 b)	(122,358)	(128,638)
Transport costs		(173,921)	(187,088)
Provincial sales office expenses		(79,556)	(85,011)
Depreciation and amortisation charge		(28,798)	(29,657)
Other operating expenses	32 c)	(122,788)	(126,056)
Total cost of logistics networks		(527,421)	(556,450)
Commercial expenses—			
Staff costs	32 b)	(7,444)	(6,253)
Other operating expenses	32c)	(15,300)	(15,799)
Commercial expenses		(22,744)	(22,052)
Head office expenses—			
Staff costs	32 b)	(47,409)	(42,596)
Depreciation and amortisation charge		(4,764)	(3,986)
Other operating expenses	32c)	(19,412)	(21,468)
Total head office expenses		(71,585)	(68,050)
Share of results of companies	10	(432)	(850)
Net loss on disposal and impairment of non-current assets	7 and 8	(10,872)	(112)
Other expenses		(3,720)	1,848
Profit from operations—		**104,235**	**111,861**
Finance income	32 d)	25,075	27,325
Finance costs	32 e)	(11,821)	(10,885)
Profit before tax—		**117,489**	**128,301**
Income tax	27	(35,413)	(36,926)
Profit for the period from continuing operations—		**82,076**	**91,375**
Loss for the period from discontinued operations net of tax	37	(600)	(500)
Profit for the period—		**81,476**	**90,875**
Attributable to—			
Shareholder of the Parent		82,186	91,868
Minority interests	21	(710)	(993)
Basic earnings per share	**5**	**1.85**	**2.08**

The accompanying Notes 1 to 41 are an integral part of the consolidated income statements for 2012.

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 41). 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 2012 AND 2011

(Thousands of Euros)

	2012	2011
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 (Note 26)	(1,600)	—
Foreign exchange rate changes	(24)	303
Net gain (loss) on taxes recognised directly in equity	—	—
Total other comprehensive income	**(1,624)**	**303**
Profit for the year	81,476	90,875
Total comprehensive income fot the year	**79,852**	**91,178**
Attributable to—		
Shareholders of the Parent	80,562	92,171
Minority interests	(710)	(993)
Total atributable	**79,852**	**91,178**
Total effect of changes in accounting policies	**—**	**—**

The accompanying Notes 1 to 41 are an integral part of the consolidated statement of comprehensive income for 2012.

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 41).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 2012 AND 2011

(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 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**
Net profit for 2012 attributable to the Parent	—	—	—	—	—	(24)	82,186	82,162	—	82,162
Loss attributable to minority interests	—	—	—	—	—	—	—	—	(710)	(710)
Actuarial losses (Note 26)	—	—	(1,600)	—	—	—	—	(1,600)	—	(1,600)
Income and expenses recognised in the period	**—**	**—**	**(1,600)**	**—**	**—**	**(24)**	**82,186**	**80,562**	**(710)**	**79,852**
Transactions with Shareholders:										
Distribution of profit:										
To reserves	—	—	1,631	41,562	—	—	(43,193)	—	—	—
Dividends (Note 17)	—	—	—	—	—	—	(48,675)	(48,675)	(247)	(48,922)
Acquisition of minority interests' participations	—	—	—	6,238	—	—	—	6,238	(5,872)	366
Other changes	—	—	—	15	—	—	—	15	—	15
Balance at 30 September 2012	**26,550**	**178,814**	**6,876**	**131,516**	**19,950**	**166**	**82,186**	**446,058**	**1,812**	**447,870**

The accompanying Notes 1 to 41 are an integral part of the consolidated statement of changes in equity for 2012.

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 41). 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 2012 AND 2011

(Thousands of Euros)

	Note	2012	2011
OPERATING ACTIVITIES:			
Consolidated profit before tax from continuing operations		**117,489**	**128,296**
Adjustments for—			
Profit of companies accounted for using the equity method	10	432	850
Depreciation and amortisation charge	6 and 9	33,562	33,643
Period provisions	11, 12, 13 and 26	31,515	11,312
Proceeds from disposal of non-current assets		50	231
Other adjustments to profit		10,822	(3,000)
Financial profit		(13,254)	(16,440)
Adjusted profit		**180,616**	**154,892**
Net change in assets / liabilities—			
(Increase)/Decrease in inventories		84,448	141,144
(Increase)/Decrease in trade and other receivables		14,659	(183,388)
(Increase)/Decrease in other current assets		2,392	(2,421)
Increase/(Decrease) in trade payables		171,909	(25,263)
Increase/(Decrease) in other current liabilities		(318,046)	38,076
Increase (Decrease) in other non-current liabilities		(9,231)	10,445
Income tax paid		(26,825)	(14,940)
Finance income and costs		13,222	21,009
Total net cash flows from operating activities		**113,144**	**139,554**
INVESTING ACTIVITIES:			
Net investment in property, plant and equipment	6	(15,546)	(21,947)
Addition to intangible assets	9	(8,087)	(7,033)
Investments and other current and non-current financial assets		(14,294)	101,510
Total net cash flows from investing activities		**(37,927)**	**72,530**
FINANCING ACTIVITIES:			
Dividends paid (−)	17	(48,675)	(237,622)
Changes in current borrowings	28	(14,264)	32,209
Changes in non-current borrowings		(1,511)	(62)
Minority interests	21	115	(1,134)
Reserves and other		—	297
Total net cash flows from financing activities		**(64,335)**	**(206,312)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**10,882**	**5,772**
Cash and cash equivalents at beginning of year		**35,384**	**29,612**
Net change in cash and cash equivalents during the year		10,882	5,772
Total cash and cash equivalents at end of year		**46,266**	**35,384**

The accompanying Notes 1 to 41 are an integral part of the consolidated cash flow statement for 2012.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 41). 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 2012

Prepared in accordance with IFRSs as adopted by the EU

1. Composition of the Logista Group

The Parent Company, 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.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 Company'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.

1. Composition of the Logista Group (Continued)

On 29 September 2005, the Parent Company'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 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 16).

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 2012 and 2011 is provided in Appendices I and II, which includes, inter alia, the percentage and cost of the ownership interest held by the Parent Company and the line of business, company name and registered office of each investee.

2. Basis of presentation of the consolidated 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 2012

In the year ended 30 September 2012 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:

- ***Amendments to IFRIC 14, Prepayments of a Minimum Funding Requirement***

  An unintended consequence of IFRIC 14 was that in some circumstances, entities could not recognise the economic benefits relating to actuarial pension plan surpluses as an asset. The amendments to the interpretation address this issue and are applicable only in specific cases in which an entity is required to pay minimum funding requirement contributions and is entitled to use the aforementioned asset to meet the payment obligation. In these cases, the surplus may be treated as an asset.

- ***Amendments to IFRS 7, Financial Instruments: Disclosures—Transfers of Financial Assets***

  These amendments reinforce the disclosure requirements applicable to transfers of financial assets, including both those in which the assets are not derecognised and, principally, those in which the assets qualify for derecognition but the entity has a continuing involvement in them. In the case of the latter, for which there are a greater number of new disclosure requirements, it will be necessary, for example, to disclose information on the entity's maximum exposure to loss from its continuing involvement, the cash outflows that would be required to repurchase derecognised assets with a maturity analysis, the income and expenses recognised both in the reporting period and cumulatively, from the entity's continuing involvement and, in general, more qualitative information on the transaction that gave rise to the derecognition of the financial asset (description, nature of the continuing involvement, risks to which the entity continues to be exposed, etc.).

2. Basis of presentation of the consolidated financial statements and basis of consolidation (Continued)

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:

Standards and modifications thereof:		Obligatory Application in Annual Reporting Periods Beginning On or After:
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 2012
Amendments to IAS 1, Presentation of Items of Other Comprehensive Income	Requirement for items of OCI to be classified into items that will be reclassified (recycled) to profit or loss in subsequent periods and items that will not be reclassified.	1 July 2012
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
IFRS 9, Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7, Effective Date and Transition Disclosures[a]	Replaces the IAS 39 classification, measurement and derecognition requirements for financial assets and liabilities.	1 January 2015
IFRS 10, Consolidated Financial Statements[a]	Supersedes the requirements relating to consolidated financial statements in IAS 27.	1 January 2014
IFRS 11, Joint Arrangements[a]	Supersedes IAS 31 on joint ventures.	1 January 2014
IFRS 12, Disclosure of Interests in Other Entities[a]	Single IFRS presenting the disclosure requirements for interests in subsidiaries, associates, joint arrangements and unconsolidated entities.	1 January 2014
IFRS 13, Fair Value Measurement[a]	Sets out a framework for measuring fair value.	1 January 2013
IAS 27 (Revised), Separate Financial Statements[a]	The IAS is revised, since as a result of the issue of IFRS 10 it applies only to the separate financial statements of an entity.	1 January 2014
IAS 28 (Revised), Investments in Associates and Joint Ventures[a]	Revision in conjunction with the issue of IFRS 11, Joint Arrangements.	1 January 2014

2. Basis of presentation of the consolidated financial statements and basis of consolidation (Continued)

Standards and modifications thereof:		Obligatory Application in Annual Reporting Periods Beginning On or After:
Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities[(a)]	Additional clarifications to the rules for offsetting financial assets and financial liabilities under IAS 32.	1 January 2014
Amendments to IFRS 7, Disclosures: Offsetting Financial Assets and Financial Liabilities[(a)]	Introduction of new disclosure requirements in IFRS 7.	1 January 2013
Improvements to IFRSs 2009-2011 cycle[(a)]	Minor amendments to a series of standards.	1 January 2013
Transition rules: Amendments to IFRS 10, IFRS 11 and IFRS 12[(a)]	Clarification of the transition rules relating to these standards.	1 January 2013

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

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

2.4 Issuance 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 2012. These consolidated financial statements were formally prepared by the Board of Directors at its meeting on 19 December 2012. 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 2011 were approved by the Parent Company's Sole Shareholder on 27 March 2012 and filed at the Mercantile Registry of Madrid.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2012 are summarised in Note 4.

2. Basis of presentation of the consolidated financial statements and basis of consolidation (Continued)

2.5 Information relating to 2011

As required by IAS 1, the information relating to 2011 contained in these notes to the consolidated financial statements is presented with the information relating to 2012 for comparison purposes and, accordingly, it does not constitute the Group's consolidated financial statements for 2011.

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 Company's Directors.

In preparing the consolidated financial statements for 2012, 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 2012 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 Company 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. Basis of presentation of the consolidated financial statements and basis of consolidation (Continued)

2.8.2 Joint ventures

"Joint ventures" are deemed to be ventures that are managed jointly by the Parent Company 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 Company 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 "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 2012 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. Basis of presentation of the consolidated financial statements and basis of consolidation (Continued)

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

The most significant changes in the scope of consolidation in 2012 and 2011 that affect the comparison between years were as follows:

1. Main changes in the scope of consolidation in 2012

Additions or acquisitions

On 26 January 2012, the shareholders at the General Meeting of Compañía de Distribución Integral de Publicaciones Logista, S.L. resolved to reduce share capital by EUR 5,155 thousand in order to offset losses. This reduction was assumed by the shareholders in proportion to their ownership interest in the Company's share capital.

Additionally, on 13 July 2012, the shareholders at the General Meeting of Compañía de Distribución Integral de Publicaciones Logista, S.L. approved an additional capital reduction of EUR 2,037 thousand to reduce share capital to zero and, for this purpose, all this company's shares were retired. At the same time, a capital increase of EUR 1,100 thousand with a share premium of EUR 4,994 thousand was approved in order to restore the company's equity equilibrium.

The aforementioned capital increase and share premium were subscribed and paid in full by Compañía de Distribución Integral Logista, S.A.U., since the other shareholder, Editorial Planeta de Agostini, S.A.U., waived its pre-emption rights. As a result of this transaction, the Company derecognised the cost of the aforementioned investment (which had been provisioned in full) at the date of the transaction and also wrote down the new contribution made.

On 12 December 2011, the subsidiary Logesta Gestión de Transporte, S.A.U. acquired the remaining 40% of Logesta Noroeste, S.A. for EUR 195. As a result, Logesta Gestión de Transporte, S.A. owns all the share capital of the former.

Disposals

On 13 December 2011, the subsidiary, Compañía de Distribución Integral de Publicaciones Logista, S.L.U., registered the liquidation of its subsidiary Distriburgos, S.L. at the Mercantile Registry, although this transaction did not give rise to any results at consolidated level.

On 12 July 2012 the subsidiary Compañía de Distribución Integral de Publicaciones Logista, S.L.U. formalized the liquidation of its subsidiary Asturesa, S.A. de Distribuciones, though this liquidation has not been registered at the Mercantile Registry. The result of this operation at consolidated level is not significant.

On 4 May 2012 the subsidiary Transportes Basegar, S.A. inscribed in the Mercantile Registry the liquidation of its subsidiary Basegar Logística, S.L. The result of this operation at consolidated level is not significant.

2. Main changes in the scope of consolidation in 2011

Disposals

On 1 June 2011, the Parent Company 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

2. Basis of presentation of the consolidated financial statements and basis of consolidation (Continued)

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.

3. Distribution of the Parent Company's profit

The distribution of profit for 2012, amounting to EUR 74,636 thousand, that the Parent Company's Directors will propose for approval by its sole shareholder consists of paying a dividend of EUR 1.68 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	296
Dividends	74,340
Total	**74,636**

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 2012 in accordance with the IFRSs in force at the date of the related consolidated 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.

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 consolidated 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.

4. Accounting principles and policies and measurement bases (Continued)

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	10 - 12
Other fixtures, tools and furniture	8 - 16
Other items of property, plant and Equipment	12 - 16

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 company acquisitions performed, the excess of the cost of the business combination over the interest acquired in the acquisition-date net fair value of the identifiable assets, liabilities and contingent liabilities 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 consolidated 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 11.5% to12.7% in 2012 (2011: from 7.54% to 8.83%). Also, the growth rate of activity used to calculate the residual value of each cash-generating unit after the projected period was 0%.

4. Accounting principles and policies and measurement bases (Continued)

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.

Intangible assets include:

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 new recoverable amount, which may not exceed the carrying amount that would have been determined 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 consolidated 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.

4. Accounting principles and policies and measurement bases (Continued)

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.

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 consolidated 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 amortised cost 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.

4. Accounting principles and policies and measurement bases (Continued)

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 consolidated 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 consolidated 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 2012 includes the provisions that the Parent Company'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

4. Accounting principles and policies and measurement bases (Continued)

obligations are recognised under "Staff Costs" in the consolidated income statements and amounted to EUR 2,881 thousand and EUR 2,794 thousand in 2012 and 2011 (see Note 32.b).

Under the collective agreements currently in force, the Parent Company 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 Company 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 3.6% 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 in an external financial entity at the inception of each block and the growth in each three-year period of certain assets related to operations.

In 2012 the first phase of this incentive plan was completed after the Parent Company made a payment of EUR 1,679 thousand to its employees.

On 31 January 2012, the Group's Board of Directors approved the "2011 Medium-Term Incentives Plan", with similar conditions than the one previously approved.

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 2012 includes EUR 1,966 thousand in this connection (2011: EUR 1,444 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), 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. Accounting principles and policies and measurement bases (Continued)

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 18.747.575 thousand in 2012 and EUR 18.785.032 thousand in 2011.

In the particular case of books and published materials, the 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 consolidated 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 consolidated 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 consolidated 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,

4. Accounting principles and policies and measurement bases (Continued)

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

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 37).

4.19 Joint Ventures

The Group accounts for investments in unincorporated temporary joint ventures (UTEs) by recognising in its consolidated 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 consolidated 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	
	2012	2011
Net profit for the year (thousands of euros)	82,186	91,868
Weighted average number of shares issued (thousands of shares)	44,250	44,250
Earnings per share (euros)	**1.85**	**2.08**

At 30 September 2012 and 2011, 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 2012 and 2011 were as follows:

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 9)	Balance at 30/09/12
Cost:					
Land and buildings	166,606	—	—	974	167,580
Plant and machinery	112,585	1,171	(125)	1,137	114,768
Other fixtures, tools and furniture	108,408	1,729	(1,416)	3,485	112,206
Other items of property, plant and equipment	40,586	341	(468)	2,100	42,559
Property, plant and equipment in the course of construction	16,226	12,523	(11)	(7,689)	21,049
	444,411	15,764	(2,020)	7	458,162
Accumulated depreciation:					
Buildings	(57,803)	(3,285)	—	(10)	(61,098)
Plant and machinery	(71,490)	(8,996)	123	1,223	(79,140)
Other fixtures, tools and furniture	(71,361)	(9,020)	1,336	(1,577)	(80,622)
Other items of property, plant and equipment	(21,367)	(2,932)	343	353	(23,603)
	(222,021)	(24,233)	1,802	(11)	(244,463)
Impairment losses	(3,088)	—	—	—	(3,088)
Total	**219,302**	**(8,469)**	**(218)**	**(4)**	**210,611**

6. Property, plant and equipment (Continued)

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 9)**	**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	89,971	2,399	(674)	(995)	17,707	108,408
Other items of property, plant and equipment	47,769	3,169	(123)	(28)	(10,201)	40,586
Property, plant and equipment in the course of construction	15,076	14,983	(1)	—	(13,832)	16,226
	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**

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 Group companies' warehouses, as part of the ordinary business.

Disposals

The disposals in 2012 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 2012 relate mainly to reclassifications of items between different accounts within this caption, and from "Other Intangible Assets" to "Computer Software" in order to correctly classify them according to their nature.

6. Property, plant and equipment (Continued)

Assets held under finance leases

At 30 September 2012, 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 153 thousand (cost of EUR 409 thousand and EUR 137 thousand of accumulated depreciation at 30 September 2011).

Investment property

The Group's investment property includes land and buildings located in Santa Perpetua de la Mogoda (EUR 1,820 thousand), Malaga (EUR 437 thousand), Barcelona (EUR 92 thousand), Madrid (EUR 309 thousand), Seville (EUR 835 thousand), La Coruña (EUR 35 thousand) and Oviedo (EUR 146 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, or which are currently subject to rental agreements. The aforementioned amounts have been reduced by the accumulated depreciation related to each item.

The 2012 investment property depreciation charge amounted to EUR 75 thousand (2011: EUR 281 thousand).

Additionally, in 2012 the Group has reclassified part of the accumulated amortization of the building located in Seville which was recorded in the caption "Property, plant and equipment", for a total amount of EUR 534 thousand.

Other disclosures

Fully depreciated items of property, plant and equipment in use at 30 September 2012 amounted to EUR 139,926 thousand (EUR 110,865 thousand at 30 September 2011).

At the end of 2012 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 Company'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 2012 and 2011, the items of property, plant and equipment located abroad, mainly in Portugal, France and Italy, amounted to EUR 37,235 thousand and EUR 38,352 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 2012 and 2011 were as follows:

	Thousands of Euros
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
Impairment	(61)
Losses from discontinued operations (Note 37)	(600)
Balance at 30/09/12	**1,876**

At 30 September 2012, "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 Parent Company's Directors consider that the fair value of these assets is above their booked value as of 30 September 2012.

The 49% ownership interest in Publidispatch, S.A.S. amounting to EUR 392 thousand is also included. There is an agreement whereby the Group is obliged to sell its ownership interest at the same time as the majority shareholder of this company.

The breakdown of the balance of "Non-Current Assets Held for Sale" at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Buildings:		
Auby (France)	2,117	2,117
Villanueva de la Cañada (Madrid)	331	375
Lecce (Italy)	369	369
Trapani (Italy)	190	190
Pozul (Valencia)	127	143
Ownership interest in Publidispatch, S.A.S	392	392
Other	(1,649)	(1,049)
Balance at 30/09	**1,876**	**2,537**

8. Goodwill

The changes in "Goodwill" in the accompanying consolidated balance sheets in 2012 and 2011 were as follows:

	Thousands of Euros	
	2012	2011
Beginning balance	701,812	701,838
Disposals	(69)	(26)
Impairment	(10,822)	—
Ending balance	**690,921**	**701,812**

8. Goodwill (Continued)

The detail of the balance of "Goodwill" at 30 September 2012 and 2011 and of the changes therein were as follows):

	Thousands of Euros			
	Balance at 30/09/11	Disposals	Impairment	Balance at 30/09/12
Logista Italia, S.p.A.	660,620	—	—	660,620
Dronas 2002, S.L.	36,545	—	(10,822)	25,723
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	326	(28)	—	298
Total	**701,812**	**(69)**	**(10,822)**	**690,921**

In 2012 the Group has recorded impairment on the Goodwill generated by its subsidiary Dronas 2002, S.L. for a total amount of EUR 10,822 thousand, 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".

Based on the available estimates and projections, the Parent Company'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 2012 year-end to be changed for impairment testing purposes.

9. Other intangible assets

The changes in "Other Intangible Assets" in 2012 and 2011 were as follows:

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 6)	Balance at 30/09/12
Cost:					
With indefinite useful life—Trademarks	160	—	—	(52)	108
With finite useful life—Computer software	112,008	1,548	(715)	5,043	117,884
Concessions, rights and licences	679	—	—	249	928
Advances and intangible assets in progress	4,148	6,598	—	(4,702)	6,044
	116,995	8,146	(715)	538	124,964
Accumulated amortisation:					
Computer software	(86,175)	(8,782)	156	—	(94,801)
Concessions, rights and licences	(205)	(472)	—	—	(677)
	(86,380)	(9,254)	156	—	(95,478)
Impairment losses	(1,144)	—	500	—	(644)
Total	**29,471**	**(1,108)**	**(59)**	**538**	**28,842**

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)	4,148
	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**

9. Other intangible assets (Continued)

The additions to "Advances and intangible assets in progress" in 2012 relate mainly to functional development projects for the Group's existing applications.

The transfers to "Computer Software" in 2012 relate to the reclassification of various items from the account "Advances and intangible assets in progress" attending to their nature.

At 30 September 2012 and 2011, fully amortised intangible assets in use amounted to approximately EUR 75,816 and EUR 66,385 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 2012 and 2011 in "Investments in Associates Accounted for Using the Equity Method" were as follows:

2012

	Thousands of Euros			
	Balance at 30/09/11	Share of Profit for the Year	Trespasses to non-current provision (Note 26)	Balance at 30/09/12
International News Portugal, Lda	413	98	—	511
DIMA Distribución Integral, S.L.	(298)	(512)	810	—
Other	48	(18)	—	30
Total	**163**	**(432)**	**810**	**541**

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**

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.

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

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

2012

	Thousands of Euros					
	30 September 2012				2012	
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Income	Expenses
Logista Libros, S.L.	40,523	10,664	48,077	—	25,587	(24,685)
Avanzalibros, S.L.	1,572	8	1,597	—	257	(598)
UTE Logista—GTECH	4,053	23,888	105,955	692	18,050	(43,301)
Librodis, Promotora y Comercializadora del libro, S.A.	57	1	364	2	674	(915)

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)

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 2012.

11. Financial assets

11.1 Other non-current financial assets

The changes in "Other Non-Current Financial Assets" in 2012 and 2011 were as follows:

2012

	Thousands of Euros			
	Balance at 30/09/11	Additions	Disposals or Reductions	Balance at 30/09/12
Cost:				
Long-term loans	5,478	—	(77)	5,401
Long-term deposits and guarantees	2,687	871	(296)	3,262
Financial assets held for sale	4,573	—	—	4,573
	12,738	871	(373)	13,236
Impairment losses	(1,640)	(148)	—	(1,788)
Total	**11,098**	**723**	**(373)**	**11,448**

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
Financial assets held for sale	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**

"Long-Term Loans" includes the collection rights of Dronas 2002, S.L. amounting to EUR 501 thousand in 2012 (2011: EUR 578 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 2016 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—Financial assets held for sale".

11. Financial assets (Continued)

11.2 Other current financial assets

The detail of "Other Current Financial Assets" in the accompanying consolidated balance sheets at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Loans to related companies (Note 35)	1,096,084	1,076,630
Other loans	25,911	31,512
Short-term deposits and guarantees	512	569
Total	**1,122,507**	**1,108,711**

At 30 September 2012, 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 89,576 thousand to the former through a monetary contribution given in equal portions. The Parent Company included EUR 22,394 thousand in this connection under "Other Current Financial Assets" and "Other Current Financial Liabilities" in the accompanying consolidated balance sheet at 30 September 2012 (see Note 28), related to the accounts receivable and payable with the aforementioned UTE that correspond to the other shareholder.

12. Inventories

The detail of the Group's inventories at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Tobacco	639,928	729,504
Published materials	24,034	22,388
Other merchandise	22,469	18,987
Write-downs	(8,383)	(3,886)
Total	**678,048**	**766,993**

The balance of tobacco inventories includes the excise duty, which becomes chargeable when the tobacco items are transferred from the bonded warehouse to the warehouse for consumption. At 30 September 2012 the balance of this excise duty amounted to EUR 147,203 thousand (2011: EUR 260,664 thousand).

The write-down balance in years 2012 and 2011 relates mainly to the value of tobacco inventories that were defective or were not marketable at year-end.The changes in the write-downs relating to "Inventories" in the accompanying consolidated balance sheet were as follows:

	Thousands of Euros
Inventory write-down at 30 September 2010	2,639
Charge for the year	3,076
Amount reversed	(1,829)
Inventory write-down at 30 September 2011	3,886
Charge for the year	4,497
Inventory write-down at 30 September 2012	**8,383**

The write-downs recognised under "Procurements" in the accompanying consolidated income statement for 2012 and 2011 were the result of tobacco inventories that were defective or not marketable at year-end.

13. Trade and other receivables

The detail of "Trade and Other Receivables" in the accompanying consolidated balance sheets at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Trade receivables for sales and services	833,642	836,143
Related companies (Note 35)	11,866	11,716
Sundry accounts receivable	34,557	39,331
Employee receivables	288	356
Less- Allowances for doubtful debts	(38,683)	(31,651)
	841,670	**855,895**

The changes in the "Allowances for Doubtful Debts" in 2012 and 2011 were as follows:

	Thousands of Euros
Allowance for doubtful debts at 30 September 2010	31,955
Applications	(4,227)
Additions	3,923
Allowance for doubtful debts at 30 September 2011	31,651
Applications	(101)
Additions	7,133
Allowance for doubtful debts at 30 September 2012	**38,683**

The additions to doubtful debts are recognised under "Cost of logistics networks—Other Operating Expenses" in the accompanying consolidated income statement for 2012.

At 30 September 2012, 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 generally 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.

13. Trade and other receivables (Continued)

The detail of the past-due receivables for which no allowance had been recognised at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
Tranche	**2012**	**2011**
0 - 30 days	21,254	17,876
30 - 90 days	9,418	9,903
90 - 180 days	3,622	4,951
180 - 360 days	2,987	596
More than 360 days	4,793	3,835

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 2012 and 2011 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 1.62% in 2012 (1.85% in 2011).

15. Other current assets

"Other Current Assets" in the accompanying consolidated balance sheets at 30 September 2012 and 2011 relates mainly to expenses paid which accrued after year-end.

16. Share capital and treasury shares

At the end of 2012 and 2011, the Parent Company'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 2012 and 2011, the Parent Company's sole shareholder was Altadis, S.A.U.

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.

16. Share capital and treasury shares (Continued)

At September 30, 2012 and 2011 the leverage ratio is as follows:

	Thousand euros	
	2012	2011
Bank borrowings	5,326	5,853
Other current financial liabilities	32,493	46,232
Gross debt	**37,819**	**52,085**
Noncurrent financial assets held to maturity	(8,186)	(8,411)
Current financial assets held to maturity	(1,121,938)	(1,108,199)
Cash and cash equivalent	(46,266)	(35,384)
Cash assets	**(1,176,390)**	**(1,151,994)**
Total net debt	**(1,138,571)**	**(1,099,909)**
Total equity	447,870	416,559
Financial leverage	**(2.54)**	**(2.64)**

17. Reserves of the Parent Company

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 2012, the Parent Company's legal reserve has reached the stipulated level, for a total amount of EUR 5,902 thousand.

Dividends

On 27 March 2012, the Parent Company's sole shareholder approved the distribution of a dividend of EUR 1.1 per share out of profit for 2011. The total dividend distributed was EUR 48,675 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 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Logista Italia, S.p.A.	103,234	85,504
Dronas 2002, S.L.	21,783	18,089
Logista Publicaciones Portugal, S.A.	(2,099)	764
Publicaciones y Libros, S.A.	3,018	3,073
Distribérica, S.A.	2,812	2,237
Logista-Dis, S.A.	3,282	2,100
Midsid Sociedade Portuguesa de Distribuiçao, SGPS, S.A.	372	(145)
Logista Libros, S.L.	(380)	(313)
Compañía de Distribución Integral de Publicaciones Logista, S.L.	(2,362)	12
Logista Transportes e Transitarios, Lda.	(2,734)	(1,673)
S.A. Distribuidora de Ediciones	(9,184)	(8,565)
Compañía de Distribución Integral Logista Polska, Sp Z.o.o.	(7,440)	(5,556)
Other reserves and consolidation adjustments	21,812	(11,849)
Total	**132,114**	**83,678**

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, and other consolidation adjutsments.

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 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
International News Portugal, LDA.	318	255
DIMA Distribución Integral, S.L.	(979)	(294)
Other	63	62
Total	**(598)**	**23**

20. Valuation adjustments

"Valuation Adjustments" includes mainly the reserve arising from the net revaluation of land owned by the Parent Company (see Note 4.1). There were no changes therein in 2012 and 2011.

21. Minority interests

The detail, by company, of "Reserves of Fully and Proportionately Consolidated Companies" in the consolidated balance sheets at 30 September 2012 and 2011 is as follows:

	Thousands of Euros			
	2012		2011	
Entity	**Minority Interests**	**Minority Interests**	**Profit or Loss Attributable to Minority Interests**	**Profit or Loss Attributable to Minority Interests**
Compañía de Distribución Integral de Publicaciones Logista, S.L.	—	—	4,953	(818)
Distribuidora Valenciana de Ediciones, S.A.	423	(412)	928	(2)
Terzia, S.p.A.	923	(169)	771	(386)
Publicaciones y Libros, S.A.	—	—	754	(103)
Comercial de Prensa Siglo XXI, S.A.	25	1	—	—
Logista Portugal, Distribuçao de Publicaçoes, S.A.	—	—	2	—
Distriburgos, S.A.	(63)	63	(375)	—
Distribuidora del Noroeste, S.L.	—	—	137	4
Transportes Basegar, S.L.	298	41	258	109
Logesta Noroeste, S.A.	62	(62)	408	64
Distribérica, S.A.	—	—	70	2
Distribuidora de Publicaciones del Sur, S.A.	181	(181)	407	57
Other entities	(37)	9	328	40
Total	**1,812**	**(710)**	**8,641**	**(993)**

The changes in this heading in 2012 and 2011 were as follows:

	Thousands of Euros	
	2012	2011
Beginning balance	8,641	9,775
Changes in the scope of consolidation (Note 2.8.5)	(5,872)	(22)
Change due to profit for the year	(710)	(993)
Dividends paid to minority interests and other	(247)	(119)
Ending balance	**1,812**	**8,641**

22. Bank borrowings

The detail of the bank borrowings at 30 September 2012 and 2011 is as follows:

	Thousands of Euros					
	2012			2011		
	Non-Current	**Current**	**Total**	**Non-Current**	**Current**	**Total**
Bank loans	—	5,326	5,326	9	5,844	5,853
Total	**—**	**5,326**	**5,326**	**9**	**5,844**	**5,853**

22. Bank borrowings (Continued)

At 30 September 2012 and 2011, the Group had unused credit facilities granted by various banks of EUR 5,000 and EUR 6,065 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 2012 and 2011 were 3.30% and 4.08%, respectively.

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

	Thousands of Euros	
	2012	2011
Maturities:		
On demand or within a year	5,326	5,844
Between one and two years	—	9
	5,326	**5,853**

23. Obligations under finance leases

The detail of the Group's obligations under finance leases at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
	Present Value of Lease Payments	
	2012	2011
Amounts payable under finance leases:		
Within one year	1	13
Between two and five years	—	25
	1	**38**

In the periods ended 30 September 2012 and 30 September 2011, the average effective interest rates on the finance lease obligations were 2.71% and 5.51%, respectively.

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 2012 and 30 September 2011 is as follows:

	Thousands of Euros	
	2012	2011
Guarantees and deposits received	4,919	6,166
Other liabilities	602	827
Total other non-current liabilities	**5,521**	**6,993**

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

25. Risk exposure (Continued)

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.

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 2012 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 consolidated 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.

25. Risk exposure (Continued)

Also, as a result of the difference between the average collection and payment periods, at 30 September 2012, the Group had a working capital deficiency amounting to EUR 292,179 thousand (30 September 2011: EUR 352,493 thousand).

In any case, to ensure liquidity and in order to meet the payment obligations arising from its activity, the Group's consolidated 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 2012 and 2011 and of the main changes therein in the periods is as follows:

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions	Provisions Used/Reversed	Transfers	Balance at 30/09/12
Customs and excise duty assessments	108,037	4,543	(5,297)	—	107,283
Obligations to employees	6,102	2,039	(971)	—	7,170
Provision for restructuring costs	3,907	5,733	(207)	—	9,433
Provision for contingencies and charges	20,231	587	(5,947)	110	14,981
Other	2,482	5,530	(50)	—	7,962
Non-current provisions	**140,759**	**18,432**	**(12,472)**	**110**	**146,829**
Provision for restructuring costs	12,491	5,490	(15,659)	520	2,842
Customer refunds	4,826	200	(1,011)	—	4,015
Other	67	1,170	(415)	180	1,002
Current provisions	**17,384**	**6,860**	**(17,085)**	**700**	**7,859**

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
Non-current 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
Current provisions	**15,695**	**1,663**	**(7,319)**	**7,345**	**17,384**

Provisions for tobacco excise duties and customs duty assessments

The Parent Company 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

26. Provisions (Continued)

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 Company signed in disconformities these assessments and filed an appeal against these assessments, which amount to EUR 85,011 thousand. In the event that the outcome of these appeals is not favourable, the Parent Company recognised provisions to cover payment of deficiency and late-payment interest amounting to EUR 97,901 thousand. The total amount of the provision includes the late-payment interest since the date these assessments were issued, for an amount of EUR 12,890 thousand, of which EUR 4,055 thousand were recognised in the respective accompanying consolidated income statement for both 2012 and 2011.

On 10 November 2011, on the grounds of procedural discrepancies, the Supreme Court refused leave to proceed with the appeal filed by the Company in relation to part of the aforementioned tax assessments. As a result, the Parent Company paid EUR 5,297 thousand, including late-payment interest, to settle these tax assessments, although the Parent Company's Directors filed an appeal in this connection at the Spanish Constitutional Court, which was given leave to proceed.

Also, on 15 November 2011, the Parent Company received notification from the Customs Agency informing it of the issue of new tax assessments regarding excise duties reported in 2007, for an amount of EUR 3,437 thousand plus EUR 940 thousand of late-payment interest. The Parent Company's Directors did not deem it necessary to recognise a provision for these tax assessments since they refer to a tax year that is no longer open for review.

In addition, the Parent Company 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, including interest but not penalties in these assessments is EUR 7,935 thousand. The Company 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 2012. Since the date these assessments were issued, the Parent Company has recognised EUR 1,447 thousand in relation to the necessary late-payment interest, of which EUR 488 thousand were recognised in the accompanying consolidated income statement for 2012 and 2011.

Provision for obligations to employees

This account includes the present value of the Parent Company's obligations in terms of long-service bonuses and the "free tobacco" benefit. In 2012 a provision of EUR 1,816 thousand was recognised in this connection, of which EUR 1,600 thousand were recognised with a charge to "Reserves of the Parent" in the accompanying consolidated balance sheet since they relate to changes in the actuarial assumptions used to determine the present value of the total obligation assumed by the Company. In 2011 a provision of EUR 216 thousand was recognised in this connection, with a charge to the caption "Staff costs" in the accompanying consolidated income statement.

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 2012, the Group has recognized a further EUR 5,733 thousand under "Long-term Provisions". In addition, provisions of EUR 5,807 thousand (2011: EUR 3,970 thousand) were used, of which EUR 207 thousand were recognised under "Long-term Provisions" and EUR 5,600 thousand under "Short-term Provisions". At year-end EUR 9,433 thousand of "Long-term Provisions" (2011: EUR 3,907 thousand) and EUR 328 thousand (2011: EUR 5,928 thousand) of "Short-term Provisions" had not yet been used.

26. Provisions (Continued)

In 2012 provisions of EUR 5,490 thousand were recognised for restructuring programmes that the Parent Company's Directors intend to carry out (2011: EUR 1,034 thousand).

Additionally, in 2012 the Company externalised the payment of survivorship annuity benefits for a group of employees who have taken early retirement. A premium of EUR 7,959 thousand was paid in this connection, and this amount was debited to the related provision.

Also, in 2012 the Company paid termination benefits of EUR 2,100 thousand from a provision recognised for this purpose.

Lastly, the Parent Company has trespassed to this caption an amount of EUR 520 thousand which were recorded in the caption "Non-current provisions—Provisions for restructuring costs".

Provision for contingencies and charges

At 30 September 2012 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 7,648 thousand at year-end (2011: EUR 12,564 thousand). In 2012 a provision of EUR 4,498 has been released due to the re-estimation of the risk performed by the Group's Directors. Moreover, the Company has received new demands for this concept which have been provisioned by the Group for a total amount of EUR 283 thousand.

The balance at 30 September 2012 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 3,969 thousand (2011: EUR 4,512 thousand). During 2012, the Company has made disbursements by EUR 543 thousand.

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.U. (see Note 4.16). The companies included with Altadis, S.A.U. in the Group's consolidated tax return, for Spanish corporation tax purposes, are as follows: Compañía de Distribución Integral Logista, S.A.U., Distribérica, S.A., Publicaciones y Libros, S.A., Distribuidora de las Rías, 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.U., 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.

27. Tax matters (Continued)

Years open for review by the tax authorities

At 30 September 2012, the Parent Company had the last five years open for review for income tax, since 2011 for customs duties, since 2009 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.

The Company's Directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying consolidated financial statements.

Tax receivables and payables

The detail of the tax receivables at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Deferred tax assets:		
Provision for restructuring costs	4,343	7,494
Tax loss and tax credit carryforwards	29,680	23,154
Provision for third-party liability	3,273	4,298
Other deferred tax assets	10,455	14,463
	47,751	**49,409**
Tax receivables (current):		
VAT refundable	3,674	10,703
Income tax refundable	1,367	1,115
Other	142	232
	5,183	**12,050**

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.

27. Tax matters (Continued)

The detail of the tax payables at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Deferred tax liabilities:		
Assets contributed by Altadis	960	958
Revaluation of land owned by the Parent Company	8,550	8,550
Goodwill	92,314	89,453
Other	1,441	2,280
	103,265	**101,241**
Tax payables (current):		
Excise duty on tobacco products	1,664,382	1,861,463
VAT payable	443,916	502,824
Customs duty settlements	5,571	6,627
Income tax, net of prepayments	16,875	13,682
Personal income tax withholdings	2,567	1,989
Social security taxes payable	5,418	6,326
Other	2,636	1,652
	2,141,365	**2,394,563**

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

Until 2011, each year the Parent Company decreased its taxable profit by one twentieth of the implicit goodwill included in the acquisition price of its subsidiary in Italy. These reductions are considered to be temporary differences.

On 30 March 2012, Royal Decree-Law 12/2012 came into force, introducing various tax and administrative measures aimed at reducing the public deficit. These measures include limiting the tax deductibility of such goodwill to 1% per year.

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 2012 and 2011:

	Thousands of Euros	
	2012	2011
Consolidated profit before tax	117,489	128,301
Income tax at the applicable tax rate	36,980	37,899
Tax credits arising from:		
Double taxation	(719)	(785)
Investments	(805)	(88)
Others	(43)	(100)
Current income tax expense	**35,413**	**36,926**

27. Tax matters (Continued)

Changes in deferred tax assets and liabilities

The changes in deferred tax assets and liabilities in 2012 and 2011 were as follows:

2012

	Thousands of Euros		
	Balance at 30/09/11	Change in Profit	Balance at 30/09/12
Deferred tax assets:			
Provision for restructuring costs	7,494	(3,151)	4,343
Other deferred tax assets	41,915	1,493	43,408
	49,409	**(1,658)**	**47,751**
Deferred tax liabilities:			
Goodwill	89,453	2,861	92,314
Fixed assets	9,510	—	9,510
Other deferred tax liabilities	2,278	(837)	1,441
Deferred tax liabilities	**101,241**	**2,024**	**103,265**

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:				
Goodwill	76,099	13,354	—	89,453
Fixed assets	9,496	14	—	9,510
Other deferred tax liabilities	2,527	(249)	—	2,278
Deferred tax liabilities	**88,122**	**13,119**	**—**	**101,241**

Tax credit carryforwards

At 30 September 2012, the Parent Company did not have any tax credit carryforwards.

28. Other current financial liabilities

This heading includes mainly the balance of the current account with Imperial Tobacco Enterprise Finance Limited, amounting EUR 10,098 thousand (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 22,394 thousands as of 30 September 2012. This amount reflects the account payable by the Group to Global Lottery arisen as a consequence of the debt acquired with the other Shareholder of the mentioned joint venture.

29. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheet at 30 September 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Accounts payable for purchases and services	658,256	514,727
Notes payable	17,241	15,238
Payable to related companies (Note 35)	94,195	69,136
Advances received on orders	240	233
	769,932	**599,334**

"Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs. The average payment period for trade purchases in 2012 was approximately 33 days (2011: 30 days).

30. Other current liabilities

At 30 September 2012, "Other Current Liabilities" includes mainly the remuneration payable to the employees of the various Group companies.

31. Guarantee commitments to third parties

At 30 September 2012, the Group has been provided with bank guarantees totalling EUR 290,150 thousand (30 September 2011: EUR 328,792 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, 2006 and 2007, which have been appealed and amount to EUR 110,213 thousand in 2012 (2011: EUR 115,510). 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 2012 (see Note 26).

Practically all the guarantees relate to normal commercial transactions; in this connection the Parent Company's Directors consider that the liabilities not foreseen at 30 September 2012 and 2011 which might arise from the aforementioned guarantees provided would not, under any circumstances, be material.

At 30 September 2012 and 2011, 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 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Distribution and logistics	5,260,965	5,398,652
Publications and books	64,278	77,820
Transport	218,075	224,561
Total	**5,543,318**	**5,701,033**

32. Income and expenses (Continued)

b) *Staff costs*

The detail of the Group's "Staff Costs" in 2012 and 2011 is as follows:

	Thousands of Euros	
	2012	2011
Wages, salaries and similar expenses	135,613	136,523
Employer social security costs	32,955	33,292
Other employee benefit costs (Note 4.12)	2,881	2,794
Other social costs	5,762	4,878
	177,211	**177,487**

The average number of employees at the Group, by professional category, in 2012 and 2011 was as follows:

2012

	Number of Persons							
	Average Headcount				Headcount at 30/09/12			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
Category	Men	Women	Men	Women	Men	Women	Men	Women
Management	51	6	—	—	51	6	—	—
Line personnel and clerical staff	1,097	952	101	144	1,110	958	126	125
Warehousemen	1,161	576	258	57	1,178	602	281	77
Total	**2,309**	**1,534**	**359**	**201**	**2,339**	**1,566**	**407**	**202**
TOTAL	**3,843**		**560**		**3,905**		**609**	

2011

	Number of Persons							
	Average Headcount				Headcount at 30/09/11			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
Category	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
Warehousemen	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**	

The average number of disabled employees at the Group in 2012 and 2011 with disabilities greater or equal to 33% was 15 and 49, respectively.

Remuneration of senior executives

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

The remuneration earned in 2012 by the members of the Parent Company's Management Committee amounted to EUR 3,581 thousand (2011: EUR 2,132 thousand), and included the remuneration received by certain executives who are also members of the Parent Company's Board of Directors. These amounts include the sums paid to members of the Management Committee in 2012 and 2011 relating to the incentive plan detailed in Note 4.12.

32. Income and expenses (Continued)

The contributions payable by the company in 2012 to pension plans for the members of the Parent Company's Management Committee amounted to EUR 41 thousand and EUR 30 thousand at 30 September 2012 and 2011.

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	
	2012	**2011**
Leases	29,250	31,272
Security and cleaning	11,164	11,784
Utilities	15,233	15,058
Other operating expenses	67,141	67,942
Total	**122,788**	**126,056**

Head office costs

	Thousands of Euros	
	2012	**2011**
Leases	2,379	2,718
Security and cleaning	557	368
Utilities	429	406
Other operating expenses	16,047	17,976
Total	**19,412**	**21,468**

Commercial expenses

	Thousands of Euros	
	2012	**2011**
Leases	187	193
Security and cleaning	1	1
Utilities	22	23
Other operating expenses	15,090	15,582
Total	**15,300**	**15,799**

d) Finance income

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

	Thousands of Euros	
	2012	**2011**
Interest income	21,786	25,173
Exchange gains	—	1
Other finance income	3,289	2,151
	25,075	**27,325**

32. Income and expenses (Continued)

e) Finance expenses

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

	Thousands of Euros	
	2012	2011
Accrual for late payment interests and financial update of provisions (Note 26)	4,812	5,195
Negative exchange differences	26	—
Other financial costs	6,983	5,690
	11,821	**10,885**

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 2012 amounted to EUR 800 thousand (2011: EUR 809 thousand). Also, the fees charged by other auditors participating in the audit of the various Group companies totalled EUR 234 thousand (2011: EUR 233 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 295 thousand in 2012 (2011: EUR 159 thousand). There have been no other fees paid for other professional services provided by other auditors participating in the audit of the various Group companies in year 2012. The amount paid in year 2011 amounted to EUR 1 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 2012 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 2012 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.

33. Segment reporting (Continued)

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	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue:								
External sales	5,273,361	5,411,729	64,889	78,472	300,344	311,400	5,638,594	5,801,602
Inter-segment sales	—	—	—	—	—	—	(95,276)	(100,568)
Total revenue	**5,269,490**	**5,411,729**	**64,889**	**78,472**	**300,344**	**311,400**	**5,543,318**	**5,701,033**
Profit or loss:								
Segment result	117,913	109,238	(8,104)	(6,539)	(3,074)	10,012	106,735	112,711
Share of results of Associates	—	—	—	—	—	—	(432)	(850)
Profit (Loss) from operations	**117,913**	**109,238**	**(8,104)**	**(6,539)**	**(3,074)**	**10,012**	**106,303**	**111,861**

Inter-segment sales are made at prevailing market prices.

33. Segment reporting (Continued)

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	
	2012	2011	2012	2011	2012	2011	2012	2011
Other disclosures:								
Additions to non-current assets	19,920	23,828	935	1,223	3,055	3,974	23,910	29,025
Depreciation and amortisation charge	(21,821)	(21,087)	(2,499)	(3,545)	(9,242)	(9,011)	(33,562)	(33,643)
Balance sheet:								
Assets—								
Property, plant and equipment	168,259	172,136	16,296	17,735	31,606	36,255	216,161	226,126
Other non-current assets	737,452	738,023	6,187	5,394	35,755	48,536	779,394	791,953
Inventories	652,934	729,536	23,870	35,986	1,244	1,471	678,048	766,993
Trade receivables	777,844	792,792	44,879	58,711	18,947	4,392	841,670	855,895
Other current assets	—	—	—	—	—	—	1,178,807	1,161,595
Total consolidated assets	**—**	**—**	**—**	**—**	**—**	**—**	**3,694,189**	**3,802,562**
Liabilities—								
Non-current liabilities	242,566	240,384	6,678	5,873	5,059	2,770	254,304	249,027
Current liabilities	2,827,168	2,948,305	95,710	118,811	69,138	69,860	2,992,015	3,136,976
Equity	—	—	—	—	—	—	447,870	416,559
Total consolidated liabilities	**—**	**—**	**—**	**—**	**—**	**—**	**3,694,189**	**3,802,562**

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	
	2012	2011	2012	2011	2012	2011
Spain	2,191,667	2,216,469	1,725,682	1,795,811	18,220	25,151
Italy	2,909,597	3,002,659	1,777,409	1,858,969	4,230	1,431
Portugal	421,091	466,211	204,400	159,494	1,196	2,362
Other	17,092	15,694	(13,302)	(11,712)	154	81
Total	**5,539,447**	**5,701,033**	**3,694,189**	**3,802,562**	**23,801**	**29,025**

34. Foreign currency transactions

The Logista Group's foreign currency transactions in 2012 and 2011, measured in euros at the average exchange rate for the year, were as follows:

	Thousands of Euros	
	2012	2011
Sales	12,300	10,058
Purchases	5,763	4,972
Services received	4,922	4,332

35. Balances and transactions with related parties

The balances at 30 September 2012 and 2011 with associates and other related companies were as follows:

2012

	Receivables		Payables	
	Credit Facilities	Accounts Receivable	Credit	Accounts Payable
Altadis, S.A.U.	1,096,084	2,935	—	42,623
Imperial Tobacco Overseas Holding	—	1,204	—	34,792
Imperial Tobacco Enterprise Finance Limited	—	—	10,098	—
SEITA	—	241	—	—
Altadis Distribution France, S.A.	—	791	—	—
John Player, S.A.	—	3,563	—	11,778
Other	—	3,132	—	5,002
	1,096,084	**11,866**	**10,098**	**94,195**

2011

	Receivables		Payables	
	Credit Facilities	Accounts Receivable	Credit	Accounts Payable
Altadis, S.A.U.	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**

The Parent Company holds a current account with Imperial Tobacco Enterprise Finance Limited, on which interest is 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, which is automatically renewable every 30 September. The interest is payable on a quarterly basis. At 30 September 2012, the account payable on this current account is approximately EUR 10,098 thousand (2011: EUR 30,291 thousand), which are recognised under "Payables to Group Companies and Associates" in the accompanying consolidated balance sheet.

In addition, the Parent Company 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. At 30 September 2012, the balance amounts to EUR 1,096,084 thousand, including interests (2011: EUR 1,076,568 thousand).

35. Balances and transactions with related parties (Continued)

The transactions with related companies in 2012 and 2011 were as follows:

2012

	Thousands of Euros			
	Operating Income	Finance Income	Purchases	Other Operating Expenses
Altadis, S.A.U.	8,113	19,516	468,588	416
Altadis Polska, S.A.	556	—	—	—
Altadis USA	—	—	279	—
Imperial Tobacco Italy, s.r.l.	580	—	77,678	—
Imperial Tobacco Polska, S.A.	3,404	—	—	2
Imperial Tobacco Enterprise Finance Limited	—	1,566	—	—
Imperial Tobacco International Limited	1,947	—	18,655	—
Imperial Tobacco Portugal SPPLC	791	—	—	—
SEITA, S.A.	1,343	—	—	—
John Player, S.A.	2,208	—	34,539	—
Corporación Habanos, S.A.	—	—	—	—
Promocigar	4	—	—	—
Total	**18,946**	**21,082**	**599,739**	**418**

2011

	Thousands of Euros			
	Operating Income	Finance Income	Purchases	Other Operating Expenses
Altadis, S.A.U.	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	—	—	—
SEITA, S.A.	1,213	—	1	—
John Player, S.A.	1,977	—	35,340	—
Corporación Habanos, S.A.	5	—	—	—
Promocigar	2	—	—	—
Total	**18,159**	**24,526**	**576,479**	**751**

36. Remuneration of Directors

Remuneration of the Parent Company's Directors

The remuneration received in 2012 by the Parent Company's Directors as members of the Board or of certain of its standing committees totalled EUR 211 thousand (2011: EUR 362 thousand).

In 2012 and 2011 the Parent Company did not carry out with its Directors any transactions not relating to its ordinary business operations or transactions not carried out on an arm's length basis.

36. Remuneration of Directors (Continued)

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 Company

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 2012, and of the functions, if any, that they discharge thereat:

Owner	Invester	Line of Businees	Ownership Interest	Functions
Dª Alison Cooper	Imperial Tobacco Group	Tobacco manufacture	147,917 shares	C.E.O.
D. Luis Egido Gálvez . .	Imperial Tobacco Group	Tobacco manufacture	56,427 shares	General Manager, Logistics Business
D. Kenneth Hill	Imperial Tobacco Group	Tobacco manufacture	Less than 0.01%	Special projects manager
D. Conrad Tate	Imperial Tobacco Group	Tobacco manufacture	Less than 0.01%	Corporate Development manager
D. José Riva Francos . .	Vapores Suardíaz	Transport	15%	Vicechairman and Chairman of the Board

Also, pursuant to the aforementioned law, set forth below are the activities performed by the various members of the Board of Directors in 2012, 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. Gregorio Marañón y Bertrán de Lis	Tobacco manufacture	Employee	Altadis, S.A.U.	Chairman of the Board
D. Luis Egido Gálvez	Tobacco manufacture	Employee	Altadis, S.A.U.	Logistics unit general manager
	Distribution	Employee	Logista Italia, S.p.A.	Chairman
	Distribution	Employee	Logista Portugal (Branch)	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. 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. Eduardo Zaplana Hernández-Soro	Telecommunications	Employee	Telefónica, S.A.	Adjunt to the Technical General Secretary

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 provision recorded in current year to cover the impairment of the net assets of this subsidiary, for a total amount of EUR 600 thousand (2011: EUR 500 thousand).

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

	Thousands of Euros	
	2012	2011
Buildings:		
Auby	2,117	2,117
Investment in Publidispatch, S.A.S.	392	392
Other	(2.309)	(1,709)
Total	**200**	**800**

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			
	2012		2011	
	Amount	%	Amount	%
Paid within the maximum payment period	2,655,151	98.62%	2,843,946	96.53%
Remainder	37,146	1.38%	102,224	3,47%
Total payments made in the year	**2,692,297**	**100%**	**2,946,170**	**100%**
Payables at year-end past due by more than the maximum payment period	3,296		10,745	

The figures presented in the table above refer to payments of goods and services performed by the Group's consolidated Spanish companies. Attending to their nature, these accounts payable relate to suppliers and therefore, they include the figures relating to "Payable to Suppliers" and "Sundry Accounts Payable" under current liabilities in the consolidated 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 7 days in 2012 (2011: 9 days).

The maximum payment period applicable to the Company in 2012 under Law 3/2004, of 29 December, on combating late payment in commercial transactions, was 75 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. Subsequent events

On 9 October 2012, the Company acquired all the shares of Altadis Distribution France, S.A.S. from Seita S.A.S. which also belongs to the Imperial Tobacco Limited Group. The transaction price amounted to EUR 920 million, which was paid through the transfer of the same amount from the Company's account receivable from Altadis, S.A.U. At the date of preparation of these consolidated financial statements, the Company's Directors were allocating the price paid to the various assets acquired and liabilities assumed on the basis of their fair value.

41. 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:

2012

Company	Audit firm	Location	% of ownership By the Parent Company: Direct	% of ownership By the Parent Company: Indirect	Net Book Value	Thousands of Euros — Data on the Companies: 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)	100	—	94	53,673	51,568	2,105	(6,756)
Logista Portugal, Distribuçao de Publicaciones, S.A. y soc. dependientes[(a)]:	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	100	—	33,227	37,232	(4,005)	(4,113)
Jornal Matinal, LDA.[(a)]	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	80	167	595	375	220	51
Marco Postal Entrega Personalizada de Publicaçoes, LDA.[(a)]	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	100	458	1,010	558	452	(25)
Distribérica, S.A.[(a)]	Not audited	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	2,632	2,723	5	2,718	2,025
Publicaciones y Libros, S.A.[(a)]	Deloitte	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	530	4,128	3,561	567	(984)
Distribuidora del Noroeste, S.L.[(a)]	BDO	Gandarón, 34 Interior—Vigo	49	51	139	2,916	2,014	902	54
Distribución de Publicaciones Siglo XXI Guadalajara, S.L.[(a)]	Not audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	—	80	64	866	745	121	3
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	5	2,892	2,917	(25)	(387)
Promotora Vascongada de Distribuciones, S.A.[(a)]	Not audited	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	—	100	4	1,466	1,629	(163)	(321)
Distribuidora de las Rías, S.A.[(a)]	Not audited	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña	—	100	231	1,194	929	265	55
Distribuidora Valenciana de Ediciones, S.A.[(a)]	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	—	50	—	3,691	2,839	852	(825)
Cyberpoint, S.L.L.[(f)]	Not audited	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	—	100	76	85	9	76	11
Distribuidora del Este, S.A.[(a)]	BDO	Calle Saturno, 11. Alicante	—	100	369	882	513	369	(543)
S.A. Distribuidora de Ediciones[(a)]	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona	—	100	3,513	7,964	7,016	948	676
La Mancha 2000, S.A.[(a)]	Not audited	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara	100	—	1,352	2,836	506	2,330	157
Midsid Sociedade Portuguesa de Distribuiçao, SGPS, S.A.[(a)]	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	—	3,280	33,851	31,393	2,458	(1,494)
Logista-Dis, S.A.[(b)]	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	—	1,202	17,070	13,201	3,869	2,235

Company	Audit firm	Location	% of ownership By the Parent Company: Direct	Indirect	Net Book Value	Thousands of Euros — Data on the Companies: Assets	Liabilities	Equity	Profit/Loss Ejercicio
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	51,187	48,077	3,110	902
Librodis Promotora y Comercializadora del Libro, S.A.[a][h]	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	—	50	99	58	366	(308)	(241)
Avanzalibros, S.L.[h]	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	—	50	100	1,580	1,597	(17)	(341)
Logesta Gestión de Transporte, S.A.[d]	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	—	4,510	34,152	27,271	6,881	2,252
Logesta Italia, s.r.l.	Deloitte	Via in Arcione 98. Roma	—	100	100	8,196	6,570	1,626	830
Transportes Basegar, S.A.	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)	—	60	186	3,237	2,618	619	158
Logesta Noroeste, S.A.	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	—	100	615	1,270	519	751	(289)
Logesta Lusa Lda	Not audited	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	100	(7)	51	66	(15)	(51)
Logesta Polska Sp. z.o.o.	Not audited	Flory nr 9, lok 6. kod-00-586 Warszawa—(Polonia)	49	51	—	1,266	1,244	22	433
Logesta Deutschland GMBH	Not audited	Pilotystr 4. 80538- München-(Alemania)	—	100	100	242	238	4	(26)
Logesta France, s.a.r.l.	Not audited	25 Av, Du Bois de la Pie, Z,I, Paris Nord, 93290 Tremblay (Francia)	—	100	100	2,432	1,789	643	191
Dronas 2002, S.L. y sociedades dependientes[c]	Deloitte	Pol, Industrial Nordeste, c/ Energía 25-29, Sant Andreu de la Barca	100	—	21,292	117,336	79,659	37.677	2,948
T2 Gran Canaria, S.A.	Deloitte	Urbanización El Cebadal, C/ Entrerríos, 3, Las Palmas de Gran Canaria	—	100	1,657	6,446	2,403	4,044	1,047
T2 Opelog, S.A.	Deloitte	Polígono Industrial Nordeste, C/ Industria, 53-65, San Andreu de la Barca	—	100	4,330	12,909	8,579	4,330	554
Logilenia Distribuidora Farmacéutica, S.L.	Not audited	C/ Trigo, 39, Polígono Industrial Polvoranca, Leganés	—	100	370	6,905	6,535	370	(41)
Logista Italia, S.p.A.[a]	Deloitte	Vía in Arciones 98, Roma (Italia)	100	—	605,629	1,710,684	1,627,463	83,221	48,519
Terzia, S.p.A.[a]	Deloitte	Vía in Arciones, 98, Roma (Italia)	—	68	408	6,993	6,402	591	(531)
Logista, Transportes e Transitarios, Lda.[d]	Deloitte	Expansao del area ind, Do Pasill, Lote 1-A, Palhava, Alcochete (Portugal)	100	—	940	7,977	9,299	(1,322)	(1,378)
Compañía de Distribución Integral Logista Polska, Sp Z.o.o.[a]	Not audited	Al, Jerozolimskie 133, Warszawa, Polonia	100	—	—	1,641	5,111	(3,470)	(783)

(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,

2011

Company	Audit Firm	Location	% of ownership By the Parent Company: Direct	% of ownership By the Parent Company: Indirect	Net book Value	Thousands of Euros — Data on the Companies: 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	—	—	56,824	54,075	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	493	1,348	871	477	(15)
Distribérica, S.A.[a]	Not audited	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]	Not audited	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]	Not audited	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	—	75	135	1,758	1,600	158	(131)
Asturesa de Publicaciones, S.A.[a]	Not audited	Pérez Galdós, 10. Oviedo	—	75	233	245	—	245	—
Distribuidora de las Rías, S.A.[a]	Not audited	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]	Not audited	c/ Canónigo Isidoro Díaz de Muragarren, 2, 7ºA Burgos	—	50	—	(6)	936	(942)	—
Cyberpoint, S.L.L.[f]	Not audited	C/ Electricidad, 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]	Not audited	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

Company	Audit Firm	Location	% of ownership By the Parent Company Direct	Indirect	Net book Value	Thousands of Euros Data on the Companies Assets	Liabilities	Equity	Profit/Loss Ejercicio
Librodis Promotora y Comercializadora del Libro, S.A.[(a)(h)]	Not audited	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)]	Not audited	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.U.[(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.	Not audited	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	Not audited	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	—	100	—	315	279	36	(5)
Logesta Polska Sp. Z.o.o.	Not audited	Flory nr 9, lok 6. kod-00-586 Warszawa—(Polonia)	—	100	—	1,233	1,630	(397)	142
Logesta Deutschland GMBH	Not audited	Pilotystr 4. 80538- München-(Alemania)	—	100	100	124	93	31	(23)
Logesta France, s.a.r.l.	Not audited	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
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.	Not audited	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)]	Not audited	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,

Appendix II

Logista Group Associates

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

2012

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 Patricio Moreira,	Polígono Industrial Los Olivos, C/ Confianza, 1, Getafe, Madrid	Editorial distribution and difussion	—	20	—	—	4,052	(4,052)	(2,563)
International News Portugal, LDA,(**)	Valente &Associados SROC	Alameda dos Oceanos, Lote 1º Lisboa	Editorial distribution and difussion	—	20	—	2,238	—	2,238	488
Logesta Maroc, S,A,(***)	No auditada	87 Rue Ahmed El, Casablanca (Marruecos)	Transport	—	34	9	53	—	53	(50)

(*) 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

2011

Company	Audit firm	Location	Activity	% of ownership By the Parent Company: Direct	% of ownership By the Parent Company: Indirect	Net Book Value	Thousands of Euros — Data on the Companies: Assets	Liabilities	Equity	Profit/Loss Of the year
DIMA Distribución Integral, S,L,(*) .	Deloitte Patricio Moreira,	Polígono Industrial Los Olivos, C/ Confianza, 1, Getafe, Madrid	Editorial distribution and difussion	—	15	—	893	100	793	(1,958)
International News Portugal, LDA,(**)	Valente &Associados SROC	Alameda dos Oceanos, Lote 1º Lisboa	Editorial distribution and difussion	—	15	4	1,836	—	1,836	652
Logesta Maroc, S,A,(***)	No auditada	87 Rue Ahmed El, Casablanca (Marruecos)	Transport	—	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 2012

1. Business performance of the LOGISTA Group in 2012 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, reaching revenue of EUR 5,543 million and profit from operations of EUR 104,2 million. The Group has compensated the decrease in demand, particularly in Spain and Portugal as a consequence of the difficult economic situation, through a continuous optimization in costs, business integration, increases in tariffs and incorporation of new clients and services.

The Group's financial profit reached EUR 13,2 million with an average effective interest rate being 1,62% during the year, Profit before tax of EUR 117,4 million and net profit of EUR 81,4 million were obtained,

The main measures taken by LOGISTA in 2012 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 5,270 million and its profit from operations amounted to EUR 117,9 million,

  The tobacco distribution business has demonstrated its great resistance to the negative trend in the volume of cigarettes sales. In Spain, between 1 October 2011 and 30 September 2012 the volume of cigarettes sales fell by 12.4%, while in Italy the volume of cigarettes sales decreased by 8.4%. This impact has been compensated with an increase in prices and tariffs, as well as a continuous control in costs.

  The distribution and marketing operations of ONCE lottery games through Group channels has reached a significant increase in revenue due to the increase in the points of sale, as well as the incorporation of new products, offering the most complete portfolio of games in Spain (instantaneous games as well as active and passive games).

  Convenience business also increased its revenue in all countries as a consequence of a higher marketing effort.

  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.

- 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,

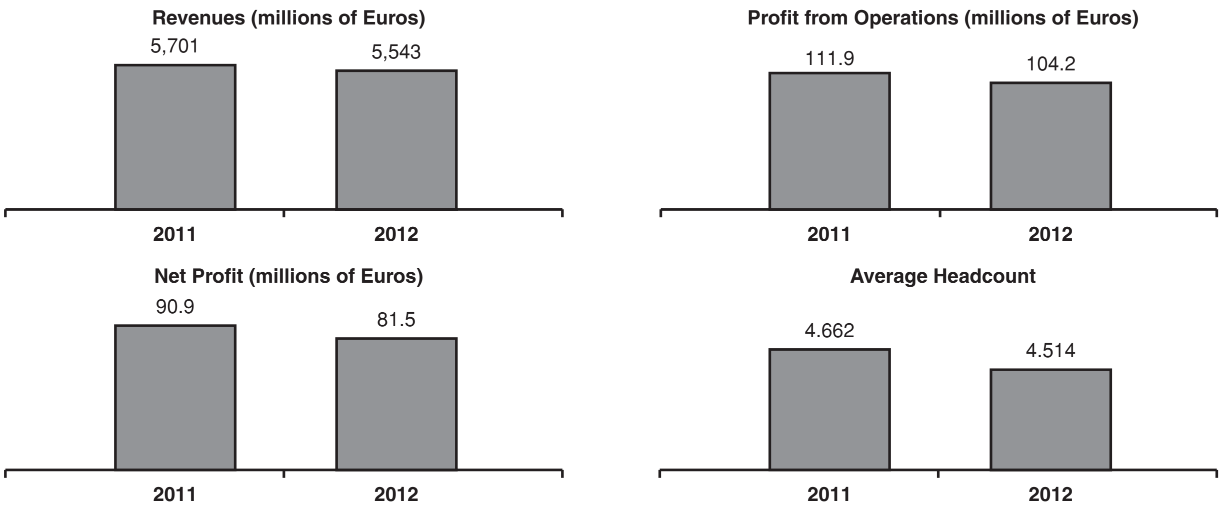
  The improved productivity in the prior year enabled Logista Libros S.L. to absorb part of the impact on profit caused by the fall in revenue.

  Logista Publicaciones has continued during the fiscal year with its restructuring and control costing measures, in order to mitigate the significant decrease of sales in the sector, with fewer launches of new products to the market.

- The transport division has been affected by the difficult situation of the sector, characterised by a weak demand and an aggressive pressure on prices, recognising revenues of EUR 300.3 million and profit from operations of EUR 3.1 million. The enhancement in efficiency implemented through the period has partially compensated the decrease in sales.

1. Business performance of the LOGISTA Group in 2012 and Group situation (Continued)

The main indicators for 2012 (October 2011—September 2012) compared with the indicators for 2011 (October 2010—September 2011) 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.

1. Business performance of the LOGISTA Group in 2012 and Group situation (Continued)

Moreover, this Department has been entrusted with the protection of the Group's assets and ensuring the reliability of financial reporting.

- 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 consolidated 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 Company 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 consolidated 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

1. Business performance of the LOGISTA Group in 2012 and Group situation (Continued)

emissions and the use of water, electricity and paper; reduction of the use of containers and packaging by improving manufacturing processes, etc.).

In 2012, the Group implemented various initiatives in this connection, effort that has been reflected in the punctuation given to the Parent Company by the "Carbon Disclosure Project", an international benchmark project in the fight against climate change. The Parent Company has been rated as 82/100 and B performance, practically in every item measured, highly over the European average (48/100—D) and reaching the level established by the worldwide leader companies.

In addition the Company has performed a great effort destined to the design of a Corporate Environment Management System, supported on a centralized data base, which would allow both to optimize the management and use of resources consumed by the premises, and calculate the carbonic mark at a product/ service level to the clients.

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

On 9 October 2012, the Logistics Group has acquired ADF Group, logistics operator specialized in distribution of tobacco and telephonie, food and stationary products in France.

3. Group outlook

In 2013 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 2012/2013 are as follows:

- Considerable increase in commercial activity in the less mature businesses (pharmaceutical division, convenience, lottery, etc.)
- Integration between the different businesses in order to enhance the efficiency and flexibility in an environment that will probably be characterised by a persistent weak demand.
- Adaptation of the Publications business structure to the difficult situation of the market.

4. Research and development

In 2012 the Parent Company invested EUR 2,2 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 2012, the Group did not hold any treasury shares.

6. Use of financial instruments

Neither the Parent Company 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 consolidated financial statements and Directors' report which were authorised for issue at the Board of Directors' meeting on 19 December 2012 and are set forth on 67 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:

/s/ Gregorio Marañón y Bertrán de Lis

Mr. Gregorio Marañón y Bertrán de Lis
CEO

/s/ Luis Egido Gálvez

Mr. Luis Egido Gálvez
Chairman

/s/ José Riva Francos

Mr. José Riva Francos
Chairman

/s/ Miguel Ángel Barroso Ayats

Mr. Miguel Ángel Barroso Ayats
Chairman

/s/ Eduardo Zaplana

Mr. Eduardo Zaplana
Chairman

/s/ Alison Cooper

Ms. Alison Cooper
Chairman

/s/ Kenneth Hill

Mr. Kenneth Hill
Chairman

/s/ David Ian Resnekov

Mr. David Ian Resnekov
Chairman

/s/ Conrad Richardson Tate

Mr. Conrad Richardson Tate
Chairman

/s/ Rafael de Juan López

Mr. Rafael de Juan López
Chairman and Secretary of the Board

Madrid, 19 December 2012

BOARD OF DIRECTORS

When the standalone balance sheet of the Issuer was prepared, the members of the Board of Directors were the following:

CHAIRMAN

Gregorio Marañón y Bertrán de Lis

CHIEF EXECUTIVE

Luis Alfonso Egido Gálvez

DIRECTORS

John Matthew Downing
Adam Britner
David Ian Resnekov
Nicholas James Keveth
Stéphane Lissner
Cristina Garmendia Mendizábal
Eduardo Andrés Zaplana Hernández-Soro
Rafael de Juan López

SECRETARY

Rafael de Juan López

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