2015 ANNUAL REPORT

Logista, a distribution model

ANNUAL REPORT 2015

Logista, a distribution model

ANNUAL REPORT 2015

Contents

FISCAL YEAR 2015

Letter from the Chairman

Dear Shareholders.

As the Chairman of Logista's Board of Directors, I have the honour of addressing you again and presenting you with this Annual Report 2015.

Fiscal year 2015 represented an important step forward in the consolidation of the Group's corporate strategy and the strengthening of the company's balance sheet.

Logista has further diversified its sources of income, improving the efficiency and profitability of operations, and reinforcing the organic growth of the company.

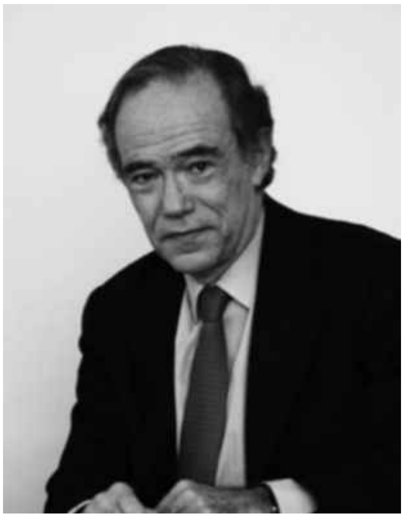
Along with certain stability in the distribution of tobacco products, the company experienced healthy increases in the distribution of convenience products to tobacconists in Spain and Italy, in the Transport area and in Logista Pharma, while operations in France recorded a weaker behaviour due to the macroeconomic environment.

These improvements, which have begun to show their growth potential, confirm our strategy for providing the best platform to market products and services through proximity retailers in Southern Europe, and they motivate us to continue going further in coming years.

In addition, the ongoing search for synergies and improvements in operational efficiency has led to a new decrease in operating costs, increasing the margin and profitability of our operations.

Due to the above, the fiscal year ended with the Net Profit increasing by 6.7%, reaching 109.2 million euros.

The strength of the company's strategy and its effective execution continue to reinforce Logista's balance sheet, improving profits and allowing us to continue with our policy for creating value and remunerating the shareholder, the ultimate goal of the company.



Mr. Gregorio Marañón y Bertrán de Lis
CHAIRMAN

According to this, after the payment of an interim dividend of 0.24 euros per share last August, we have proposed the General Meeting of Shareholders the payment of a 0.50 euros per share dividend, so that the total dividend of the fiscal year would amount to 0.74 euros per share.

We therefore distribute, as previously announced, at least 90% of the Net Profit obtained during the year in the form of dividends.

Our vocation to make you participants in the success of the company is clear, and is also being recognised by the investment community.

Logista's shares are already included in the selective Ibex Medium Cap, consisting of the 20 securities on the Spanish stock market following those included in the IBEX 35, organised by free float-adjusted market capitalisation, and which requires meeting certain turnover criteria. This recognition implies that Logista's shares are more attractive to investors.

I am pleased, therefore, to present you with a good fiscal year for the company. You can find further details in this Annual Report and on the company's corporate website, www.grupologista.com.

Logista's vocation for quality in management and operations extends to its relationships with employees, shareholders, clients, channels, providers, the society and the environment, integrating them in a continuous dialogue under the principles of transparency, ethics and good governance of the Group.

As such, I would like to emphasize the work that the Group has been doing regarding Corporate Social Responsibility, and I would also like to invite you to thoroughly know about the way it is built and how Logista's relationships with these stakeholders are articulated. At this end, the corresponding Corporate Social Responsibility Annual Report is also available to you.

Finally, I would like to specifically thank the management team and all the other professionals within the Group for their daily effort, as well as our clients and providers for the trust they have placed in Logista.

I would also like to thank you, the shareholders, for the trust that you continue to demonstrate in our work, which essentially consists in creating value for you and strengthening the strategic position of Logista, which is the leading distributor of products and services to proximity retailers in Southern Europe.

FISCAL YEAR 2015

Letter from the CEO

Dear Shareholders.

I am delighted to address you again to inform you about the company's progress over the fiscal year.

During the fiscal year 2015, Logista once more demonstrated the success of its strategy and the stability provided by the diversification of our activity in countries and business lines.

The company continues to provide the best and fastest market access to tobacco and convenience products, electronic top-ups, pharmaceuticals, books, publications and lottery, amongst others.

Our recurrent distribution to almost 300,000 points of sale in Spain, Portugal, France, Italy and our activity in Poland, along with the advanced services that we offer to manufacturers and points of sale, continue to provide a unique platform for the growth of the business and strengthen our strategic positioning in distribution to proximity retailers in Southern Europe.

Fiscal year 2015 ended with an increase in Net Profit of 6.7% in spite of a decrease in the total volume of cigarettes distributed and the weak consumption in France.

In Spain and Portugal, Economic Sales declined by 5% due to an unfavourable comparison with the previous fiscal year, when there was a positive impact derived from a number of rulings. Without taking this effect into consideration, Economic Sales grew by nearly 1%.

Mr. Luis Egido Gálvez
CHIEF EXECUTIVE OFFICER

In fact, the decrease in tobacco product sales continued to slow down, while we notably increased our sales of non-tobacco-related products, ratifying our expectations and the possibilities offered by this business for promoting greater sales growth for manufacturers, points of sale and Logista.

The Transport area improved its Economic Sales by 6% and kept on surpassing the evolution of the GDP, thanks to the 8% increase in volumes by Integra2, our temperature-controlled capillary transport network, and the 10% improvement in the number of dispatches by Nacex, our parcel and express courier network.

Likewise, Logista Pharma maintained for another year its strong growth in specialised distribution to hospitals and pharmacies. Our offer, which combines the advantages of direct distribution from the laboratory with those of wholesale distribution, continues to be very well received by the sector, which also acknowledges our innovative character and our firm commitment to being at the forefront of quality in the industry with, for example, temperature control and physical and thermal traceability throughout the entire distribution process.

There was barely a 0.5% decrease in cigarettes distributed in France, with improvements in sales of roll-your-own tobacco and related products. However, weak consumption and our strategy for making more profitable operations in the country by rationalising our portfolio of clients for convenience products wholesale distribution to points of sale other than tobacconists, led to a greater decrease in Economic Sales, which declined by 4.3%.

We are continuing in our effort to improve operations in France through the incorporation of new products and services, such as electronic top-ups, increasing efficiency and control with SAP implementation in our subsidiary for convenience products distribution to tobacconists, improving productivity and service level in the distribution of all products, adapting the cost structure to lower activity and progressing in the reorganisation and restructuring of operations, such as that started in the south-east of the country.

Logista Italia, for its part, has continued to experience significant growth in sales and profitability, based on the flexibility and capillarity of the Group's business model, which is now fully implemented. Thus Economic Sales grew by 9.4% in spite of the 0.7% decrease in cigarettes distributed. The increase in the tobacco sale price with no impact on volumes, strong growth in the sale of convenience products to tobacconists, the extension in our services for manufacturers and the growing number of clients for these services favoured this increase in Economic Sales.

Furthermore, the greater efficiency of the model and the continuing improvements being introduced into the network led to even larger increases in the margins and profitability of our operations in Italy.

To sum up the two full fiscal years that the Group's operational model has been wholly implemented in Italy, it is worth highlighting that Economic Sales have risen by 19.8% when compared to fiscal year 2013, just two years ago, and that the Adjusted Operating Profit has increased by 66.5% since then.

The fiscal year 2015 has, therefore, shown clear progress in our strategy and operational profitability. All of this is reflected in an even more solid balance with which to continue remunerating shareholders and strengthening our profitable growth strategy.

Around 45 million consumers enter every day the some 300,000 points of sale that we serve on a frequent and recurrent basis in Southern Europe. It is an extraordinary business opportunity that Logista provides to manufacturers and points of sale by offering an intelligent and modern distribution service, specialised according to products, point of sale channels and end customers.

This opportunity is completed with advanced Business Intelligence tools for an improved and deeper knowledge of the end customer, which aids feedback and continuous improvement of the business offer. And all of the above is with full knowledge and traceability of the activities through the use of the most advanced information technologies for absolute control over operations. It is a differential and specialised offer that generates value for manufacturers and points of sale, respecting their respective business and product strategies, and providing them with more efficient and simple management. We have the support, in addition, of an excellent team of professionals who are well trained and client-focussed, and whom I would like to expressly thank for their dedication.

As a specialised services Group, people are the basis on which we will continue to consolidate and strengthen our leadership in the distribution of products and services to proximity retailers in Southern of Europe.

LOGISTA

Leading distributor in Southern Europe

Logista is the leading distributor of products and services to proximity retailers in Southern Europe.

The Group integrates the principles of transparency, ethics and good governance into its management, including environmental management as part of its vocation for quality, being fully aware that its business forms part of the community it operates into and thus collaborating in its development.

Logista champions the talent of its professionals as a vital element of its business success, training them, motivating them and helping them to grow both personally and professionally. It employs the most advanced information systems in the services it offers to manufacturers and points of sale, providing them with an efficient, stand-out, quality service that helps them achieve their commercial and business goals.

A unique business model in Southern Europe

The company has extensive presence in Spain, France, Italy, Portugal and Poland, where it serves some 300,000 points of sale with near 45 million daily consumers, distributing all manner of tobacco and convenience products, electronic top-ups, pharmaceuticals, books, publications and lotteries, among others.

The Group has developed a vertical and integrated model of distribution, transport and information system infrastructures, combining logistical efficiency, full control and traceability in specialised distribution. It also ensures a local presence close to the point of sale via hundreds of service points throughout Southern Europe.

Logista combines distribution and comprehensive logistics services with exclusive added-value services thanks to its network of over 45,000 installed Point-of-sale (POS) terminals and its Business Intelligence tools for greater insight into the end customer.

It thus provides an unrivalled platform in Southern Europe for marketing products and services adapted to the points of sale and their end consumers.

This makes Logista the best partner for manufacturers and points of sale, boasting a specialised, intelligent and unique distribution service of high added value with which to provide the best and fastest marketing of products and services through a capillary network of points of sale close to the end consumer throughout Southern Europe.

45,000
Point of sale Terminals

300,000
Points of sale

45 million
daily Consumers in our channels

MAIN FIGURES

Relevant data of the Group

BALANCE SHEET (MILLION EUROS)*	30-09-2015	30-09-2014	%
Total Assets	6,478	6,469	0.1%
Shareholders' Equity	443	441	0.5%
PROFIT AND LOSS STATEMENT (MILLION EUROS)*			
Revenues	9,471	9,499	(0.3)%
Economic Sales	1,010	1,029	(1.8)%
Adjusted EBIT	223	221	1.1%
Profit from Operations	160	138	15.5%
Net Income	109	102	6.7%
CASH FLOW (MILLION EUROS)			
Cash Flow*	199	191	4.2%
DATA PER SHARE AND STOCK MARKET RATIOS			
Share Price (€)	16.86	14.4	17.1%
Market Capitalisation (million euros)	2,238.2	1,911.6	17.1%
Book Value per share (€)	3.33	3.32	0.5%
Share Price / Book Value	5.06	4.34	16.5%
RELEVANT RATIOS			
ROE	24.7%	23.2%	150 b.p.
PER (Share Price / Earnings per share)	20.50	18.68	9.7%
Earnings per share	0.82	0.77	6.7%
OTHER DATA			
Number of shares	132,750,000	132,750,000	-
Average number of employees*	5,462	5,533	(1.3)%
Number of points of sale (aprox.)	300,000	300,000	-

** 2014 figures restated in appliance of IFRS 11 "Joint Arrangements" and redefinition of activities included in "Other Businesses" in Iberia*

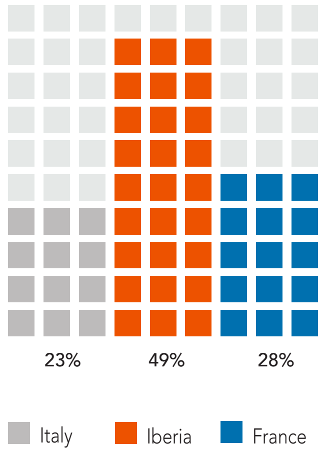
Cash Flow: Net Income + depreciation and amortisation
ROE: Net Income / Shareholders' Equity
Earnings per share: Net income / Number of shares

ADJUSTED EBIT: **+1.1%**
NET INCOME: **+6.7%**
SHARE PRICE REVALUATION: **+17.1%**

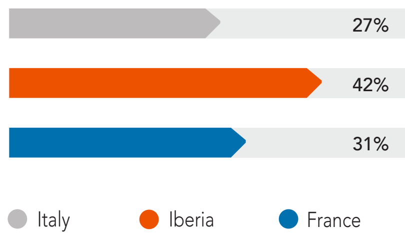
Logista is the leading distributor of products and services to proximity retailers in Southern Europe, covering around 300,000 points of sale within capillary retail networks in Spain, France, Italy and Portugal.

The Group provides the best and fastest market access for tobacco and convenience products, electronic top-ups, pharmaceuticals, books, publications and lotteries, among others.

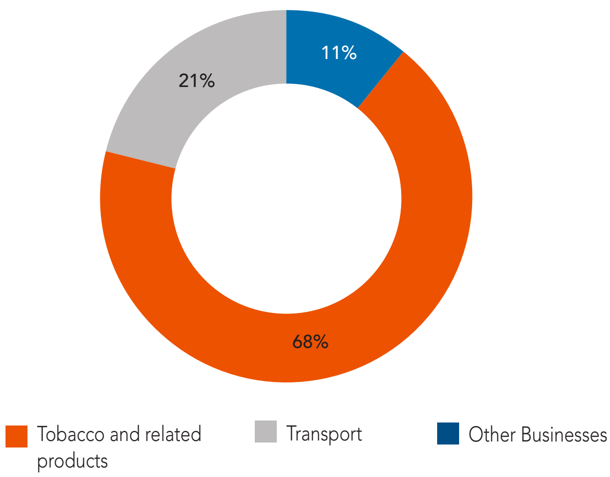
GEOGRAPHICAL BREAKDOWN
BY ECONOMIC SALES



GEOGRAPHICAL BREAKDOWN
BY ADJUSTED EBIT



BUSINESS ACTIVITIES BREAKDOWN
BY ECONOMIC SALES



RELEVANT DATA FROM THE

Consolidated Profit & Loss Statement

IN MILLION EUROS	30-09-2015	30-09-2014*
REVENUES	9,471	9,499
ECONOMIC SALES	1,010	1,029
(-) Distribution Costs	(621)	(637)
(-) Sales and Marketing Expenses	(63)	(66)
(-) Research Expenses and G&A Expenses	(103)	(105)
TOTAL COSTS	(787)	(808)
ADJUSTED EBIT	223	221
(-) Restructuring Costs	(13)	(10)
(-) Amort. of Intangibles Logista France	(52)	(52)
(-) Net Result on Disposal and Impairments	2	(16)
(-) Share of Results of Companies and others	0	(4)
PROFIT FROM OPERATIONS	160	138
(+) Financial Income	12	22
(-) Financial Expenses	(4)	(7)
PROFIT BEFORE TAXES	168	153
(-) Corporate Income Tax	(58)	(54)
Effective Income Tax Rate	*34.6%*	*35.0%*
(+/-) Other Income / (Expenses)	(0)	3
(-) Minority Interest	(0)	0
NET INCOME	109	102

** Restated in appliance of IFRS 11 "Joint Arrangements" and redefinition of activities included in "Other Businesses" in Iberia*

RELEVANT DATA FROM THE

Consolidated Balance Sheet

IN MILLION EUROS	30-09-2015	30-09-2014*
Property, Plant and Equipment and other Fixed Assets	216	224
Net Long Term Financial Assets	9	9
Net Goodwill	919	919
Other Intangible Assets	661	713
Deferred Tax Assets	41	59
Net Inventory	1,061	1,067
Net Receivables	1,768	1,771
Cash & Cash Equivalents	1,803	1,707
TOTAL ASSETS	6,478	6,469
Shareholders' Equity	443	441
Minority Interests	2	2
Non Current Liabilities	48	60
Deferred Tax Liabilities	328	357
Short Term Financial Debt	32	32
Short Term Provisions	17	16
Trade and Other Payables	5,608	5,561
TOTAL LIABILITIES	6,478	6,469

** Restated in appliance of IFRS 11 "Joint Arrangements" and redefinition of activities included in "Other Businesses" in Iberia*

VALUE CHAIN

To facilitate access for products

Logista combines comprehensive logistics and distribution services together with other added-value services and powerful Business Intelligence tools, in order to offer the best and most suitable access for products and services to end consumers in Southern Europe.

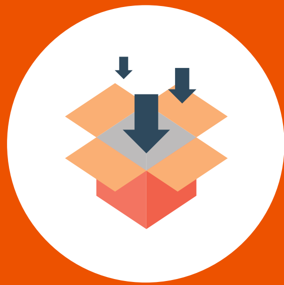
It thus provides value to manufacturers and points of sale in each stage of the supply chain, guaranteeing a transparent, specialised service in accordance with the product and point of sale, as well as the most advanced product traceability and control.

This business model, unique in Southern Europe, combined with its recurring distribution to some 300,000 points of sale in Spain, France, Italy and Portugal, provide the best and fastest market access to tobacco and convenience products, electronic top-ups, pharmaceuticals, books, publications and lotteries, among others.

The Group so becomes the best partner for manufacturers and points of sale, boasting a specialised, high added-value, intelligent and unique distribution service with which to provide the best marketing of products and services to proximity points of sale throughout Southern Europe.

1.
Order taking
- Multimodal order taking: Point-of-sale (POS) terminals, Internet, telephone, fax...
- Online order processing and follow-up.
- Safety stock management at the supplier's warehouses with daily order connection.

2.
Storage and stock management
- Real-time inventory management.
- Customized safety stock management.
- Adaptability to different types of products.
- Availability of tax and bonded warehouses.
- Temperature-controlled storage.



3.
Order preparation
- Order preparation using radiofrequency.
- Consolidation of orders from several suppliers with single delivery.
- Customized labelling and packaging.
- Automated classification of shipments.

4.
Transport and distribution
- Integrated temperature-controlled transport and distribution.
- Design and management of computerised open routes.
- Merchandise risk coverage.
- Online connection with loading and unloading centres, and carriers.
- Fleet control and tracking (GPS, GSM, etc.).
- Multimodal transport (express, full load, etc.).
- Industrial parcel and capillary distribution.
- Express courier, parcel and documention transport.
- Delivery.

5.
Invoicing and collection
- Invoicing.
- Collections via cash on delivery, credit card, bank transfer, etc.
- Administrative support.
- Incident management.
- Up-to-date maintenance of applications and price information.
- Integration of external call centres.

6.
Customer and after-sales service
- POS terminals and applications for point-of-sale management.
- Service points for point-of-sale supply and service.
- Catalogue of convenience items adapted to the point of sale.
- Up-to-date management and control of order status.
- Incident management.
- Control and management of returns.
- Exchange of goods.
- Customer information hotline service.
- Integration with external call centres.

GEOGRAPHICAL COVERAGE

Efficiency in operations and proximity to points of sale

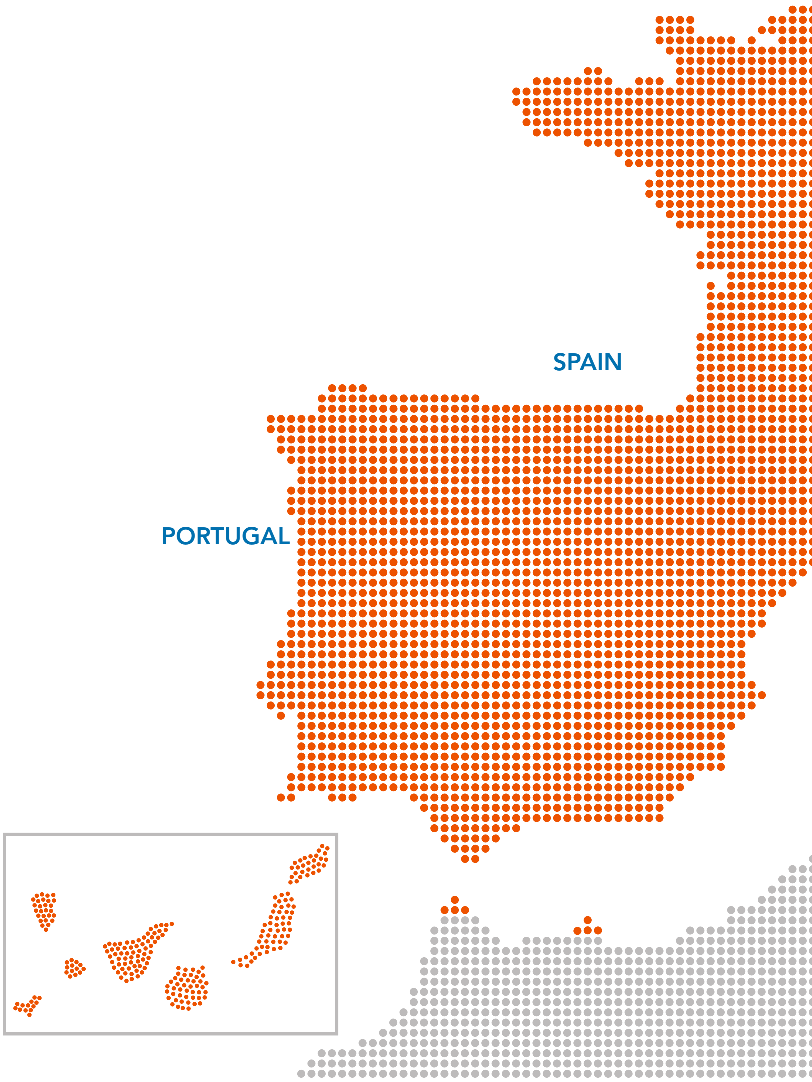
Logista has extensive presence in Spain, France, Italy, Portugal and Poland, where it serves some 300,000 points of sale with around 45 million daily consumers.

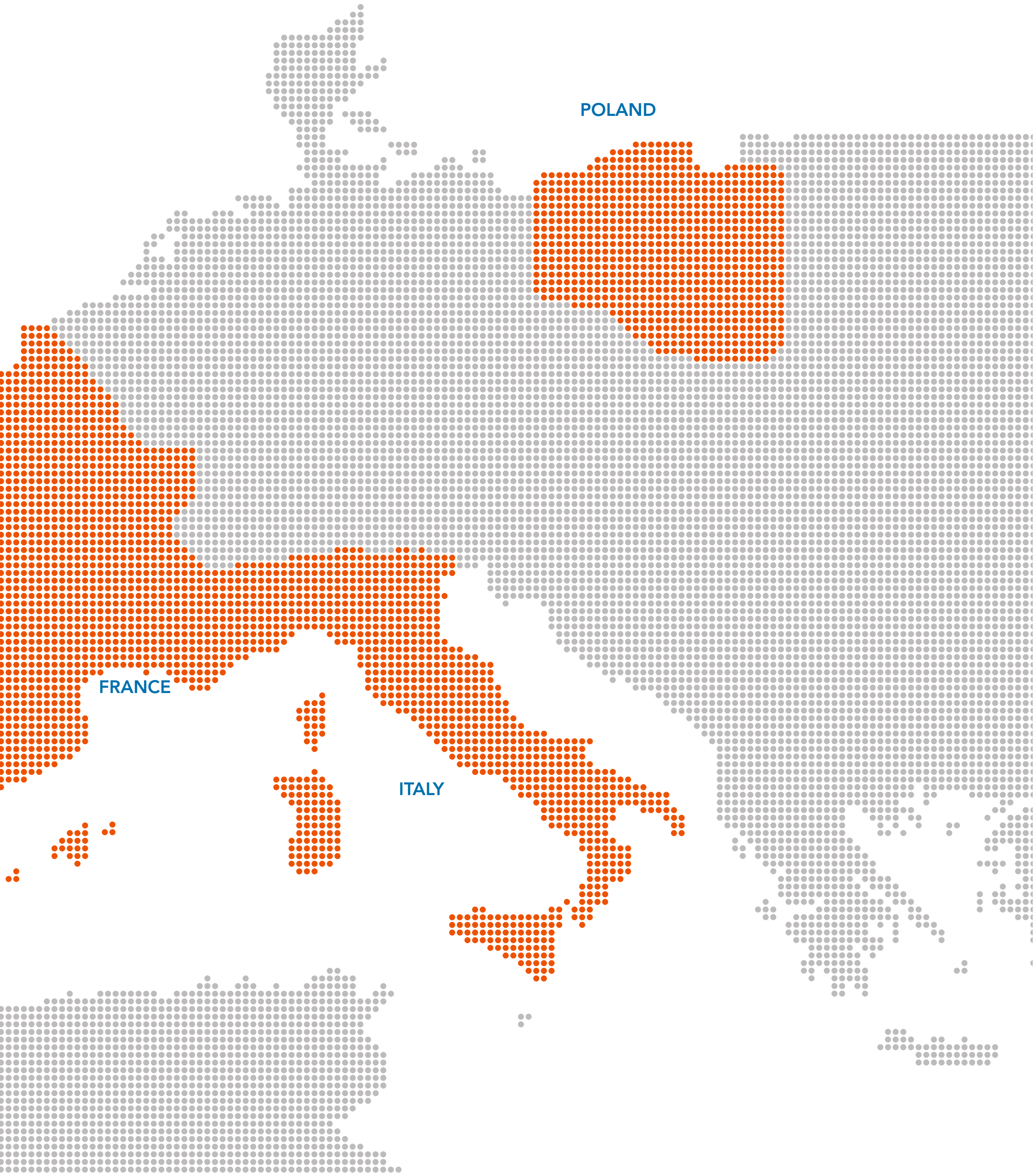
Its vertical and integrated model of distribution, transport and information systems infrastructures combines efficiency in basic logistical operations adapted to the product, full control and traceability in specialised transport and distribution.

This network is complemented by a local presence close to the point of sale via hundreds of service points throughout Southern Europe, offering them a wide range of products, services, contact and customer service.

Logista thus boasts the operational efficiency and flexibility to offer a specialised distribution service with full coverage in the countries where it is present, on hand and in permanent contact with the points of sale, thereby strengthening ties with retailers and constantly enhancing its knowledge and information both on the markets and on the marketing of products.

The Group is thus the ideal partner for manufacturers and points of sale, providing the best and fastest specialised distribution of products and services in Southern Europe.





300,000
Points of sale

+1 million m²
of Storage surface area

15,000
Collaborators

ACTIVITIES

Profitable growth


150
140
PALLMALL
Fumar
150
140

01
SPAIN AND PORTUGAL

GROWTH IN DISTRIBUTION TO PROXIMITY RETAILERS

Logista is the leading distributor of tobacco and convenience products, electronic top-ups, pharmaceuticals, books, publications and lotteries to over 165,000 points of sale in Spain and Portugal.

Logista brings together manufacturers, points of sale and consumers with a broad range of products and services through a specialised, modern and efficient distribution.

Logista's transport area, consisting of its Nacex and Integra2 networks and its subsidiary Logesta, is also an industry leader in Spain and Portugal.

This segment, whose Economic Sales declined by 5% over the fiscal year to €489.5 million, represents 49% of the Group's Economic Sales and 42% of its Adjusted EBIT.

Without taking into account the favourable resolution of various lawsuits during the fiscal year 2014, Economic Sales increased by around 1%.

Tobacco and related products

Logista distributes tobacco and convenience products, documents and electronic top-ups to tobacconists and similar points of sale in Spain and Portugal.

Logista provides tobacco products manufacturers with the most extensive logistics service on the market, adding specialised services at each stage of the value chain, full traceability, security and a broad range of advanced services thanks to its network of POS terminals installed at points of sale.

During the fiscal year 2015, the volume of cigarettes distributed in Spain declined by 0.8%, the lowest decrease in recent years, while cigar sales fell by 1.2% and roll-your-own tobacco by 0.8%.

Stable price rises and a slight decrease in the illicit market, which still represents 10.6% of the market according to various studies, contributed towards this market consolidation.

The volume of cigarettes distributed in Portugal decreased by 1.1%, while roll-your-own tobacco fell by 13.3% following a major tax hike.

Logista is the preferred distributor within the sector due to the extensiveness, efficiency and operational neutrality of its specialised, cutting-edge services and, as a result, it continues to renew and extend its contracts with the main tobacco companies.

Philip Morris renewed its distribution contract for the next 5 years, JTI signed a new agreement for the Canary Islands extending distribution to over 1,500 new points of sale, La Aurora signed a new contract to distribute its cigars in Spain and Davidoff entrusted the distribution of its products in Portugal.

Additional services for manufacturers were also strengthened, such as operations to include promotional gifts in Spain or repacking in Portugal.

Logista reinforced during the fiscal year 2015 its leadership in the distribution of convenience products, documents, electronic top-ups and transport cards to tobacconists and similar points of sale in Spain and Portugal.

Logista provides manufacturers and points of sale with the best platform for marketing such products. Through tens of thousands of points of sale, the Group distributes around 7,000 references adapted to proximity retailers and their end customers.

Logistadis, the Group's wholesale distributor of convenience products in Spain, significantly increased its sales of non-tobacco-related products, while sales of tobacco-related convenience products decreased.

The company has adapted its operations to extend the range of products that can be marketed through tobacconists in Spain. Agreements with suppliers have been renewed, a loyalty scheme has been created and the commercial organisation has been restructured.

Also, the implementation of an e–commerce platform will allow omnichannel marketing and help tobacconists become true convenience stores, efficient and modern, thanks to Logista's collaboration.

A further contributing factor will be the launch and implementation of the new "Strator", Logista's Point-of-Sale (POS) terminal, following the success of its development and implementation in the Group's activities in France, which offers a global solution for tobacconists, integrates fully with Logista's businesses and helps them to optimise the management and profitability of their business.

Logista's proprietary multiproduct platform electronically recharges a wide variety of products related to telephony, transport, electronic money, etc., with a simple points-of-sale management.

Logista renewed its mobile phone electronic top-ups contracts with Movistar and Vodafone and incorporated Jazztel, thereby mitigating the decline in pre-paid mobile telephony and so improving the company's overall market share.

Regarding public transport, the company incorporated the urban transport systems of León and Castellón, renewed its contract with the Pamplona Region Association of Municipalities and surpassed one million personalised transport cards for the Regional Transport Consortium of the Region of Madrid.

Logista thus capitalises on its platform's capabilities and positions itself at the very forefront of such transactional services.

Logista handled more than 43 million electronic top-ups over the course of the fiscal year, which represents an increase of more than 20% over the previous fiscal year.

Transport

Logista is one of the leading transport operators in Spain through Nacex, Integra2 and Logesta in the sectors relating to parcel and express courier, temperature-controlled capillary transport, as well as long-distance and full-load management, respectively.

Nacex saw its dispatches rise by 10% last fiscal year to 17.3 million shipments, reaching its all-time high.

Throughout the fiscal year, Nacex invested in platforms and sorters in Seville, Zaragoza, Coslada and Barcelona, thereby assuring its stringent quality standards in this continuing growth.

Nacex strengthened its focus on premium services with tighter delivery commitments and obtained the Good Distribution Practices (GDP) certification for human use Pharmaceuticals, ensuring full compliance with the demanding standards that this activity requires.

The company also bolstered its position at the forefront of technology with its "Smart Delivery" app, which notifies the arrival to the point of delivery with an even smaller time range, geolocates the addressee and facilitates to deliver at the first attempt and a real-time scan of the signed delivery receipt.

Integra2 increased its dispatches by 7.6% to 8.2 million shipments and strengthened its position as the undisputed benchmark in temperature-controlled capillary distribution, thus underlining the quality that makes it stand out within the sector thanks to the stringent requirements in the distribution of pharmaceutical products in accordance with Good Distribution Practices (GDPs).

Integra2 reached an agreement with Baxter and became the strategic partner for distributing its healthcare and pharmaceutical products to hospitals, clinics, primary care centres and home patients, both at temperatures below 25°C and at temperatures between 2°C and 8°C.

Laboratorios Esteve also entrusted Integra2 with the distribution of all its products to hospitals, clinics, primary care centres, wholesalers and pharmacies, including its OTC products, nutritional supplements, etc., as well as those of Pensa Pharma, the Esteve company specialising in generic medicines.

Logesta increased its market share in the international transport of tobacco products and opened new routes. It also opened an office in Romania to provide clients with

local operational support and continued its diversification strategy with high-value and pharmaceutical businesses, launching international Less-Container-Load services for the pharmaceutical industry and boosting international transport of perishable products.

Other Businesses

Logista Pharma, the Group's company specialising in logistics and distribution for the pharmaceutical industry in Spain and Portugal, again registered a double-digit growth in revenues.

Logista Pharma is the leader in pharmaceutical distribution to hospitals and primary care centres, adding its consolidated experience in wholesale distribution and its growing presence in distribution to pharmacies.

Its value contribution to clients in all stages of the supply chain and its innovative model of direct distribution to pharmacies is prompting the growth of services rendered by Logista Pharma.

The company has secured new agreements to distribute OTC and personal care products, which will provide access to some 11,000 pharmacies in Spain and a good opportunity to expand the services offered to pharmacies.

It must be highlighted the agreements reached with new customers such as Procter & Gamble or Talika, among others.

Logista Pharma leans on the Group's networks, Nacex, Integra2 and Logesta, to transport and distribute pharmaceutical products throughout Spain and Portugal, ensuring full operational integration, physical and thermal traceability, the highest quality standards and the use of cutting-edge information systems.

Logista Libros, which specialises in the distribution of books, integrated its Círculo de Lectores' operations into those carried out for Grupo Planeta and continued to increase the volume of deliveries for Casa del Libro.

The company embarked on a major operational improvement process, increasing its efficiency, strengthening its information systems and greatly enhancing the standard of service.

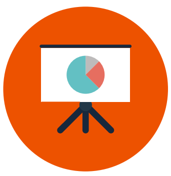
The company relies on Integra2 and Nacex to deliver to more than 4,300 bookshops and large retail outlets throughout Spain, in addition to over 300,000 home deliveries through ecommerce orders.

Logista Publicaciones, which distributes products for over 120 publishers to more than 20,000 points of sale, improved its results despite the crisis in the sector.

The company is the number one distributor of collectibles, driven by its innovative "Reserva Garantizada" (Guaranteed Reservation) which encourages end customers' loyalty by allowing them to receive the collectibles at the point of sale.

It also consolidated its operations with the publishers G+J and Motorpress Ibérica, increased its market share in magazine distribution and surpassed 2 million units of Planeta De Agostini and Mediaset's "flow pack" children's products, complementing its distribution of global industry leader Panini's stickers and magazines.

Over 165,000
Points of sale



49%
of the Group's Economic Sales

42%
of the Group's Adjusted EBIT

43 million
Electronic top-ups

Wide portfolio
of tobacco and convenience products, stationery, food, beverages, etc.

02 FRANCE


Bienvenue
fidèle ?
Polaroid
Le Francilien
cadeaux fidélité
Pour votre sécurité,
nous ne gardons
qu'un minimum d'argent
en caisse.
Côte d'Or

THE MODEL PROVES ITS SOUNDNESS WITHIN A WEAK MACROECONOMIC ENVIRONMENT

Logista France is the leading distributor of tobacco and convenience products and electronic top-ups, with regular delivery to over 55,000 points of sale throughout the country.

Logista France provides the best and fastest market access to tobacco and convenience products, documents, electronic top-ups, food and beverages, consumer goods, stationery and smoking items, according to the characteristics of the point of sale and its customers.

Economic Sales declined by 4.3% over the fiscal year to €284.2 million in this segment, which represents 28% of the Group's Economic Sales and 31% of the Adjusted EBIT.

Tobacco and related products

Logista France is the leading distributor of tobacco and convenience products, documents and electronic top-ups to the over 25,000 tobacconists in France.

Logista France, in line with the services offered by the Group in all countries, provides tobacco manufacturers with the most extensive logistics value chain, from planning for demand and purchasing the products to invoicing and collection from the tobacconist and providing customer service.

It also boasts a network of 10,000 installed Point-of-Sale (POS) terminals that allow points of sale to manage their business more efficiently and profitably, as well as providing access to an extensive portfolio of products and services suited to their retail and the end consumer.

The number of cigarettes distributed in France declined by just 0.5% in fiscal year 2015, while roll-your-own tobacco increased by 4.4% and cigars distributed fell by 3.2%.

The upholding of selling prices and greater control of the illicit market helped the market to stabilise following the downward trend of the previous year, when cigarettes distributed fell by 4.6%.

The company remains the market's undisputed benchmark, enjoying the continuous trust of the leading manufacturers, who progressively expand the services outsourced to Logista France.

Logista France also continued improving the efficiency of its operations, completing the implementation of new picking preparation lines in Lyon and Paris, enhancing the productivity of all its facilities and establishing a new order preparation and distribution model for the South of France, more in line with the one that exists in the rest of the Group.

This continuous improvement of operations has significantly reduced operating costs.

Logista France, by way of its convenience products wholesale distribution subsidiary, SAF, also provides tobacconists with a vast array of products and services, including over 10,400 references of smoking items, consumer goods, gifts, stationery and documents, as well as a wide range of e-rechargeable products and services.

The company thus helps points of sale to boost their sales and profitability by offering products and services for which there is a high demand among their end consumers.

Sales of smoking items performed well, in contrast to other convenience products suffering from the country's overall consumption weakness.

The company managed some 22 million electronic top-ups. The telephony sector continued its now traditional decline, mitigated by the development and growth of electronic money cards and the consolidation of parking cards top-ups after renewing the contract with the Paris City Council.

The company continues to enjoy the trust of and close collaboration with the points of sale, which is further bolstered by its Strator POS terminals.

Logista France has over 10,000 Strator POS terminals installed at points of sale, a figure which continues to rise thanks to its superior technology and adaptation to the channel's requirements. Such know-how, acquired through a long track record of leadership in France, has served to drive the successful launch of the POS terminal in Spain.

Also, the completed migration of the convenience products wholesale distribution platform that already exists in Spain has further boosted integration with tobacconists in France.

This platform also allows a centralised management of the distributed products, whereby both Logista France and the points of sale benefit from enhanced management and more efficient exploitation of an extensive portfolio of products and services.

Other Businesses

Through its subsidiary Supergroup, Logista France also offers more than 10,000 references encompassing food and beverages, consumer goods, stationery and smoking items to over 28,000 points of sale in France, including petrol stations, food shops or vending machine operators, among others.

Having significantly increased its revenues and market share after the disappearance of certain competitors, the company, as originally planned, has rationalized its customer portfolio according to strict profitability criteria. In addition, the sales in the activity have been affected by the overall consumption weakness in France, particularly in the small French convenience stores channel.

In this regard, over the course of the fiscal year Supergroup has undergone a complete redefinition of its operations, redesigning its pricing policy, enhancing its product portfolio and implementing SAP to improve the management of all its operations.

Supergroup will continue this work throughout the present fiscal year by introducing structural upgrades that will allow the company to strengthen its commercial activity and operational efficiency, as well as continue innovating in its marketing policies.

The company will thus be better prepared to take advantage of any commercial opportunity within the sector in a profitable and sustainable manner.

Over 55,000
Points of sale

28%
of the Group's Economic Sales

31%
of the Group's Adjusted EBIT

22 million
Electronic top-ups

10,000
Installed Point-of-Sale Terminals

03
ITALY

THE SUCCESS OF THE GROUP'S MODEL IS REASSERTED IN ITALY

Logista Italia is the leading distributor of tobacco and convenience products to some 60,000 tobacconists and convenience stores throughout Italy.

Economic Sales increased by 9.4% over the fiscal year to €230.2 million in Italy, which represents 23% of the Group's Economic Sales and 27% of its Adjusted EBIT.

Logista Italia distributes tobacco products, smoking items, stationery, food and beverages, confectionery, phone cards and small electronic products.

Logista Italia thus offers tobacconists and convenience stores access to a wide range of products and services specially adapted to their business, while offering manufacturers access to an unrivalled platform for marketing products and services throughout Italy.

The volume of cigarettes distributed in Italy declined by 0.7%, while roll-your-own tobacco increased by 4.2% and cigars fell by just 0.4%, in a market characterised by the first price rise on tobacco products in three years and an increased presence of low-cost brands.

Logista Italia continues to consolidate its nationwide leadership in the distribution of tobacco products, further strengthened by the continuous renewal and expansion of services contracted by the main manufacturers operating in Italy.

Last fiscal year, Philip Morris International, British American Tobacco and Imperial Tobacco commissioned Logista Italia to distribute their electronic and latest generation cigarettes, once again demonstrating their trust in the company's efficiency and operational neutrality.

Likewise, the ongoing process of implementing cutting-edge information systems has enabled Logista Italia to increase its revenues from added-value services.

In this regard, and having introduced a new operating model in Italy that is more in line with the one used by the rest of the Group, Logista Italia continues to go deeply into measures for achieving new heights in operating efficiency, improvements in services rendered and overall profitability of business.

The company thus continues to optimise its presence in the country, currently undertaken through 8 central and regional warehouses, as well as a network of 174 service points.

Logista Italia is reconciling the optimisation of its network of local warehouses with the improvement of services, such as the opening of 7 new, modernised cash&carry outlets last fiscal year, where tobacconists may access the company's full range of products and services and have yet another alternative for supply.

Logista Italia has also made headway in its goal to improve efficiency, both of its operations and of all intervening parties in the supply chain.

During last fiscal year, it encouraged ordering through telematic channels which, in the case of tobacco products, now represents 60% of orders, and is providing tobacconists with new methods of payment, resulting in improvements to efficiency, control and convenience, as well as contributing to the overall modernisation of all the intervening parties in the distribution chain.

The continual review of operations is part of a wider plan that includes expanding and enhancing the marketing of convenience products through Terzia, its subsidiary specialising in convenience products wholesale distribution.

Terzia markets over 3,000 references from 100 suppliers through almost 45,000 points of sale, who can thus increase their sales and profitability with products and services highly demanded among their end customers.

This plan is already proving successful having led to double-digit growth in Economic Sales, added to the significant growth achieved the previous fiscal year.

Logista Italia had already given points of sale the facility to order convenience products through their POS terminals and even from outside the tobacconist's.

Over 16,000 points of sale in Italy have a POS terminal with Logista Italia's software and can track order status and check their stock levels using a Smartphone application.

Throughout last fiscal year, Logista Italia began to introduce an omnichannel model. To that end, it has started implementing a convenience products wholesale distribution platform, improving sales through cash & carry outlets and the online channel as a complement to traditional channels.

This platform, combined with the already created new sales force and its new loyalty scheme, will further boost the profitable growth it has enjoyed over recent years.

Some 60,000
Points of sale

23%
of the Group's Economic Sales

27%
of the Group's Adjusted EBIT

16,000
Points of sale with Logista Italia's POS terminal software

3,000
References of convenience products

INFORMATION TECHNOLOGIES AND INFRASTRUCTURES

Reinforcing competitive advantages


DUCADOS
L&M

Logista relies on the most innovative IT platforms as one of its competitive advantages in its services to manufacturers and points of sale.

Such platforms increase operational efficiency, optimise integration with manufacturers and points of sale and allow the Group to exploit a vast array of new opportunities in its distribution and consumer insight services by applying powerful Business Intelligence tools based on Big Data analysis. Digital information throughout the supply chain becomes a key element of the business model.

Also, the international presence of various Logista's businesses allows synergies to be exploited and best practices to be transferred across to other countries and businesses, providing visibility, reducing execution costs, expediting the implementation of new solutions and giving rein to the different initiatives as they prove successful. Omnichannel marketing platforms and the integrated supply chain are the most relevant examples in this regard.

During the fiscal year 2015, Logista developed and implemented a new Point-of-Sale Terminals platform for the tobacco, wholesale distribution and electronic top-ups businesses in Spain. It is fully integrated with Logista's processes for ordering, invoicing, monitoring and availability of stock.

Its new ecommerce platform for the wholesale distribution of convenience product in Spain is designed to facilitate full omnichannel marketing, which can be supported by integral management of web portals, sales forces, call centres, cash & carry outlets and POS terminals.

The ongoing analysis and development of synergies arising from the use of best practices has enabled the platform to be deployed in France and Italy.

In France, migration has been completed of the wholesale distribution platform that exists in Spain for convenience products, which has reinforced the integration of some 40,000 tobacconists in both countries and enabled around 20,000 references to be centrally managed.

The success of these projects in Spain and France continue with its implementation for Terzia, Logista Italia's subsidiary specialising in convenience products wholesale distribution, which will further strengthen the growth seen in the country over recent years, where more than 16,000 points of sale for tobacco and convenience products are now using Logista's POS terminal solution, thereby enabling them to track an order status and check stock levels to avoid running out of a given product, all via an app of their Smartphone.

In the area of pharmaceutical distribution, and as part of a signed agreement to distribute its products to pharmacies, in just 4 months a sales force management tool was designed and implemented for Procter & Gamble, one of the most important consumer product companies in the world, with which it has full integration with the supply chain

for placing orders and, in short, complete management of its sales force. The sales force logs on to the platform, which integrates various Cloud-based mobile apps with their tablets, and has access to complete information on the pharmacies they focus on.

Logista is spearheading the implementation and collaboration with manufacturers, authorities and the agents involved in the tobacco sector.

Key projects underway during the fiscal year included demonstrations in France, Spain and Italy of a comprehensive traceability system for tobacco products, including real environment testing to analyse the operational and technical consequences of a full traceability system for such a challenging product as tobacco.

Logista's application of the most advanced and specialised information systems extends and is integrated with the infrastructure network, resulting in end-to-end unification of the Group's entire supply chain.

Logista has one of the most extensive, specialised and technologically-advanced infrastructure and transport networks in Southern Europe.

Its vertical and integrated infrastructure model comprises 42 central and regional warehouses in Spain, Portugal, France, Italy and Poland, where most of the storage work, inventory management, order processing, grouping, packaging and shipping is carried out in a specialised manner tailored to the products.

Concentrating such activities and inventories allows a high degree of automation and specialisation, resulting in a significant operational efficiency.

The network is completed with over 350 service points, ensuring full coverage and proximity to the point of sale. What is more, the network of cash & carry outlets at the service points represent a fabulous showcase for products and services, as well as a local point of contact and urgent supply for the points of sale.

The implementation of cutting-edge information systems ensures the traceability, control and integration of all operations with manufacturers and points of sale, while contributing towards continual improvement by constantly optimising transport routes.

This endows Logista with a specialised network that boasts full local-level coverage in all countries in which it operates, and so a regular, efficient and specialised distribution to some 300,000 points of sale.

HUMAN RESOURCES

Attracting and developing talent in a good working environment

PROMOTING THE CREATION OF JOB OPPORTUNITIES, TRAINING AND PROFESSIONAL DEVELOPMENT

People are key to the successful achievement of Logista's goals.

To that end, it promotes the creation of job opportunities, training and professional development, respect for diversity avoiding any form of discrimination and the development of a safe, healthy working environment.

Logista offers its employees a value proposition based on employment and team motivation, attracting, identifying and managing talent, training and development, the remuneration policy and social benefits, diversity and equality of opportunities, as well as occupational health and safety.

Logista has some 5,500 employees, 86% of whom are on permanent contracts, of which 62% are in Spain, 26% in France, 6% in Portugal, 5% in Italy and 1% in Poland. Logista's workforce is made up of professionals from 54 countries from four continents.

Various plans have been set in motion aimed at improving communication across all levels of the organisation, the professional development of employees and strengthening team spirit within the Group.

Thus, among other initiatives, the company has encouraged the use of a collaborative Intranet and monthly bulletins, established meetings between directors and managers in different countries to disseminate the Group's strategy, and held family days in Spain, Italy and Portugal.

Attracting and Managing Talent

Logista identifies, manages, fosters and incorporates talent from both within and outside the Group who think and act globally and strategically, lead by example, show innovation and endeavour, and are clearly customer-oriented.

To that end, Talent Committees have been set up tasked with analysing professionals, their track record and their prospects, adopting measures to expedite their professional development.

Furthermore, transversality and mobility within the Group has been promoted, whereby homogeneity, transparency, equal opportunities and objectivity have become a reality in the development and promotion of people. Last year, around 30% of vacancies were filled in-house.

Likewise, in 2015 10% of directors took up new positions within the company because they were promoted, transferred or incorporated into new businesses.

Also, 20 professionals from different countries and businesses were involved in a new programme consisting in business and country rotations, combining training and work in projects, to create a group of international employees with global and strategic vision that will drive change and synergies within the Group.

The Group runs different initiatives to attract talent from the main business schools, with a 14-month programme, in which they are rotationally assigned to strategic businesses in all countries where the Group is present in order to expedite their knowledge of the Group and achieve prominent positions in the organisation.

Logista also has collaboration agreements with various universities and training schools, providing access to the labour market through scholarships.

Training is key to the development of people. The Group provided more than 95,000 hours of training last fiscal year through over 260 training actions, meaning that each employee has received an average of 16 hours of training over the course of the fiscal year.

The fiscal year 2015 also saw the launch of a global e-learning platform in order to continue promoting training and the dissemination of know-how at all levels of the organisation.

The Global Training Plan encompasses a Corporate Training Programme, with training actions that are especially relevant to the Group and to the development and growth of our professionals, as well as country- and business-specific Training Programmes, driving improvements in such skills as languages, IT, technical training, health and safety, along with other specialised training tailored to the characteristics of each business.

In 2015, and for the third year in a row, Logista won the Randstad Award for being the best company to work for within the logistics sector in Spain. The "Emprendedores & Empleo" (Entrepreneurs and Employment) Awards run by "Expansión" also acknowledged the 'Executive Sessions' project, in which the organisation's managers and the CEO study Group's real cases in order to strengthen their strategic vision and management skills.

Occupational Health & Safety is a cornerstone of our Corporate Social Responsibility. In 2015, 40% of the Group's work centres obtained or renewed the OHSAS 18001:2007 occupational health and safety management certification, highlighting this year the certification obtained for the work centres in Alcochete (Portugal), representing 60% of the workforce in Portugal.

Also in fiscal year 2015, the Safe Behaviours Observation (SBO) project was extended to the Logista Libros work centre, with over 300 workers, in order to involve all workers in the detecting and correcting of improper practices.

The management tool for coordinating activities at Logista Italia was also consolidated. It analyses the performance of over 250 sub-contracted employees at the business' 10 work centres.

The different projects and initiatives have ultimately reduced the number of occupational accidents resulting in sick leave by 45% over the least 5 years.

CUSTOMERS, CHANNELS AND SUPPLIERS

At the heart of our vocation to serve


ADVERTIDO
DONE
IN
PAPER

Clients represent the very core of Logista's business, which is why the Group constantly strives to enhance the quality of service and build client loyalty.

The Group's commitment to its clients seeks to generate, establish and consolidate stable and long-term relationships based on trust, service excellence and ongoing improvement, thereby helping to strengthen relations with manufacturers, points of sale and end customers, a strategic key to Logista's business success.

The Group provides a comprehensive and transparent distribution service that is constantly being enhanced, and is focused on operational integration, which then strengthens the relationship of trust necessary to achieve daily and long-term targets.

The vocation for constant improvement is underpinned by quality management systems certified under internationally recognised standards. Indeed, the Group was the first to obtain the GDP (Good Distribution Practices) certification awarded by the Spanish health authorities. Logista's activities have also received, among others, GMP (Good Manufacturing Practices) certification, CCQI (Cool Chain Quality Indicator) certification and AEO (Authorised Economic Operator) certification, and over 300 sites in various countries are certified under standard UNE-EN ISO 9001.

Such commitment to ongoing improvement also extends to internal procedures and operations, with the development of excellence projects, process reengineering and continuous improvement audits, among others, allowing the Group to optimise, control and monitor internal processes and its services to clients, thereby helping to promote and disseminate this culture of continuous improvement.

Clients' opinion and satisfaction are central to the Group's management.

That is why, in addition to personal service, Logista maintains various communication channels to find out

their opinion and level of satisfaction regarding the services rendered, as well as to collect suggestions and requests. In this regard, the Group regularly analyses client satisfaction both nationally and internationally by means of, for instance, surveys and interviews to identify and undertake actions to enhance and foster long-term relationships.

The Group also seeks to maintain long-lasting relationships with its operating suppliers, and requires them to share the Group's fundamental values regarding ethics, labour, the environment, quality and a commitment to the customer, also building long-term relationships together that generate value and are transparent and profitable.

There is thus a Purchase Policy in place that affects both the Group's key businesses and those companies associated therewith, based on principles related to ethics, respect for the environment and product quality, best work practices and good client relations, thereby promoting long-lasting relationships with their suppliers based on transparency and the mutual creation of value.

This Purchase Policy was founded upon local regulations in each country where the Group is present, thereby encompassing the diversity of markets in which the Group operates while achieving a centralisation supported by the Group's Annual Purchase Program.

As part of a standing commitment to the continuous improvement of environmental performance, the Logista Group champions the demand for sustainable products and services, including sustainable and energy efficiency criteria in the purchasing of products and services that have an impact on its activities. In this regard, it is worth highlighting that the Logista Group has signed an agreement whereby 100% of the electricity used throughout its direct management centres in Spain, France, Italy and Portugal will come from renewable sources by 2016.

ENVIRONMENT AND SOCIAL ACTION

Commitment to society


05
Logista

COMMITMENT WITH SOCIETY FOR CONTRIBUTING TO SUSTAINABILITY

Environment

Logista integrates environment management into its activities as a major pillar and part of its vocation for quality and continuous improvement.

The Group's Policy for Quality, Environment and Energy Efficiency, articulated through the 2012-2016 Strategic Quality and Environment Plan, envisages seeking, developing and implementing the best practices available, minimising the impact of its activity on the environment through the services rendered by the different business units.

Logista identifies, evaluates and monitors legal requirements in order to assess the environmental risks deriving from the Group's activity and go beyond strict legal compliance.

The Group has had the carbon footprint of all its businesses externally calculated and verified, including the Group's outsourced activities, such as those performed by subcontracted transport vehicles.

Thus, activities which, by their very nature, entail a greater volume of emissions, voluntarily and freely inform their clients regarding the emissions derived from their services.

This carbon footprint calculation and verification is based on the Greenhouse Gas Protocol's reporting system and the standard UNE-EN-16258 to establish the methodology. Emissions were also verified in accordance with standard UNE-EN ISO 14064 by an independent accredited body, ratifying the figures and assuring the reliability and traceability of the process.

In several of its businesses, the company also has environmental management systems in accordance with internationally recognised standards, such as UNE-EN ISO 14001.

In its 2012-2016 Strategic Plan, Logista defined a corporate programme for identifying and prioritising activities that increase its energy efficiency.

As of 2016, Logista has extended the use of renewable electricity to all its directly managed centres in France, Italy and Portugal, as was already the policy in Spain, where all centres use electricity that comes exclusively from renewable sources.

Logista thus extends "green" supply management to 13 of the Group's companies and a total of 145 supply points, thereby reducing emissions by 42%, which in turn helps to increase the demand for renewable energy and avoids emitting over 13,700 tonnes of CO^2e per year, equivalent to the carbon fixation performed by 24,000 trees and the annual electricity consumption of over 15,000 households.

Since 2012, Logista has been participating in the Supply Chain Program run by the Carbon Disclosure Project (CDP), which gathers and discloses quality information that motivates investors, corporations and governments to take measures against climate change. In the fiscal year 2015 and for the first time ever, the Group took it one step further by publicly and independently disclosing the Climate Change questionnaire. CDP awarded the Group its maximum score (100/100) and recognized it as "Climate Disclosure Leader 2015".

In France and Spain, the company has an SDDR (deposit, return and reuse) system for the use of returnable, reusable cardboard boxes, thereby reducing waste. This project is now being introduced in Italy.

Logista estimates that over 75% of boxes will be returned in both Spain and France, with annual savings of around 2.5 million boxes in Spain and 6.6 million in France, whereby the use of cardboard would be cut by over 5,250 tonnes of CO^2e per year.

It can also be highlighted the reductions in waste, the continuous optimisation of routes, the inclusion of efficiency criteria in the renewal of transport fleet agreements, and the ongoing campaigns to raise awareness among employees and carriers.

Logista upholds its commitment to society to contribute towards its sustainable development. To that end, Logista and its different businesses undertake actions and programmes aimed at environmental education and awareness. It also promotes and actively participates in initiatives that raise awareness among society and the company's employees as to the importance of the environment and conservation.

Social Action

Logista's business is part of the community it operates in, and so the company is actively engaged in its development and well-being by supporting cultural, sport and awareness initiatives, primarily through local actions.

The Group is involved in the transport collection and distribution of food for disadvantaged people. Nacex thus participates in the "Entitats amb Cor" (Companies with a Heart) programme run by Cáritas in Barcelona by collecting food to be transported to their centres at Christmas.

Integra2 collaborates with Asociación olVIDAdos by transporting food for charity canteens, parish churches or collection points. It also collaborates with Food Bank in Madrid and Barcelona, helping to collect food at supermarkets, hypermarkets and large retail stores for campaigns held in the run-up to Christmas, for which it received the 2014 Madrid Food Bank Award in the Logistics category.

Nacex, which is a Supporting Member of the Multiple Sclerosis Foundation and sponsors some of its fund-raising initiatives, joined in with Rare Disease World Day along with the Spanish Federation of Rare Diseases and its awareness campaign to improve and facilitate access to diagnosis and treatment for rare conditions. Integra2 Barcelona continued transporting some 2 tonnes of plastic bottle caps for recycling to raise money earmarked exclusively for research into a cure for the rare condition known as Sanfilippo syndrome.

Nacex also collects and delivers toys for hospitalised children as part of the "Que no Falte de Nada" (Let Nothing be Lacking) campaign, while Logesta and its employees collaborate with Juegaterapia (Playtherapy), a foundation dedicated to the use of games for improving the quality of life of hospitalised children diagnosed with cancer, by raising and donating €2,430 to "El jardín de mi hospi" (My Hospital's Garden) at Hospital de la Fe in Valencia.

Nacex also partnered Get Your Dreams Fundació in the "El despertar de la ilusión en la tercera edad" (Awakening of Dreams in Old Age), a project aimed at providing care for the elderly at three homes in Barcelona by accompanying them on outings and activities.

The Group's companies also help in the development and self-sufficiency of communities in need of support in education, culture, food safety, healthcare, infrastructure, production and training.

With such goals in mind, Logesta has been collaborating with the Global Humanitaria association since 2002 by sponsoring children from Cambodia, which is also extended to children from Peru and Guatemala through Fundación Intervida, while Nacex participates in the "Cuaderno de Futuro" (Notebook for the Future) project run by Ayuda en Acción and its Caring Christmas to earmark resources for Comunidad Quirragua school in Matagalpa.

Together with Zacaris.com, Nacex set in motion the first solidarity campaign to collect shoes for Fundación Formació i Treball and, with Recicla Cultura and Fundación Servei Solidari, helped raise awareness about the difficulties faced by immigrants when trying to learn our language.

Lastly, Nacex actively collaborates with numerous sport-related projects, most notably Campus Xavi Hernández and Campus Iniesta children's sports camps, sponsorship of athletes and federations such as the Catalan Tennis Federation, and sponsorship of the Nacex Paddle Tennis Challenge in which veteran footballers from Real Madrid and Barça play together and raise money for charity.

We should also highlight the fact that, in 2015, Nacex was acknowledged at the 3rd Awards for Logistical Efficiency and Social Responsibility, run by the publication Logística Profesional, winning the Corporate Social Responsibility category.


NIKKEI
15.296,82
0,63%
BOLSA
BME
BOLSA

SHAREHOLDERS AND INVESTORS

Good governance, revaluation and dividend increase

THE FISCAL YEAR 2015 DIVIDEND IS €0.74 PER SHARE, REPRESENTING 90% OF NET PROFIT

Logista's main objective is to create value for shareholders. At this aim, the Group seeks out profitability in all its operations, examining them both individually and within the context of their value contribution to the Group.

The Group is very much aware of its shareholders' interests, and therefore endorses the principles of Good Corporate Governance, with special emphasis on transparency and responsibility to the community of shareholders and investors. Accordingly, it is worth noting the work the Group is carrying out in adapting to regulations and codes to comply with the Good Governance Code recommendations for listed companies by the CNMV (Spanish Exchange Stock Market Commission).

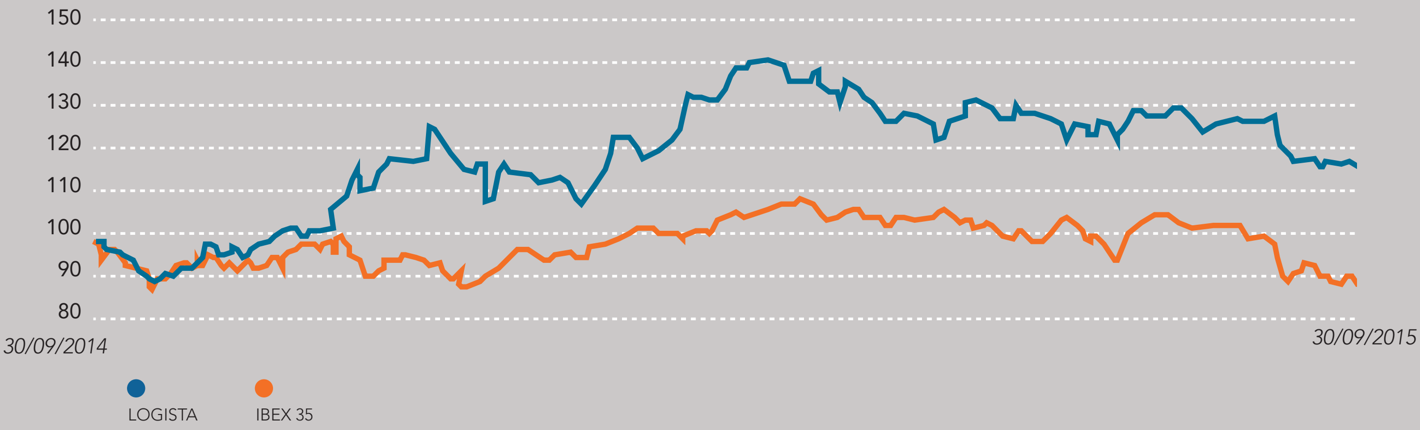
As part of this commitment to the compliance with the Governance Code recommendations for listed companies, the Logista's Board of Directors approved in June 2015 the Policy on Information and Communications with shareholders, the securities markets and public opinion.

At 30 September 2015, the Logista Group had a share capital, fully subscribed and paid, of €26,550,000, represented by 132,750,000 shares of €0.20 per value each. All shares are of a single class and series, and have the same rights. As of such date, and in accordance with the information reported to the CNMV, the most significant shareholdings in the Group are:

NAME OF SHAREHOLDER	NUMBER OF DIRECT VOTING RIGHTS	NUMBER OF INDIRECT VOTING RIGHTS	% OVER TOTAL VOTING RIGHTS
Imperial Tobacco Group PLC	0	92,925,001	70.00%
Allianz Global Investors Gmbh	0	6,716,072	5.06%
Fidelity International Limited	0	1,392,458	1.05%

During the first full fiscal year since the Company's shares were admitted to trading in the Madrid, Barcelona, Valencia and Bilbao Stock Exchange Markets (on July 14th, 2014), the Logista's share price registered a very positive performance.

Specifically, in the period comprising October 1st, 2014 to September 30th, 2015, the Logista's share price increased by 17.1% versus an 11.7% decline of the IBEX 35 index during the same period.



The total traded shares during the fiscal year amounted to 60,184,153, representing a 45.3% turnover of the share capital at fiscal year end, with a trading frequency of 100% and an average volume of 236,016 shares traded per stock market session.

The Group works to offer the best service to its shareholders and investors, providing them with a quality and customized service, independently of the number of shares of each shareholder. For that, the Group maintains communication channels to allow a constant and bidirectional communication with all of them, aiming at knowing the expectations and concerns shareholders and investors could have and attending them quickly and effectively. The Group's Investor Relations and Strategic Analysis Department is in charge of managing these matters with the commitment to maximum transparency in the diffusion of the information, made through different communication channels.

The Group's website, www.grupologista.com, includes basic information of the Group, on its activities, relevant facts and most important news, as well as the Group's results presentations. Also, the Annual Report, Corporate Governance Report and Directors' Remuneration Report are published on the website both in English and Spanish.

Moreover, the Group organizes in-person visits, participates in seminars and forums and makes its e-mail address, investor.relations@grupologista.com and the Investor Relations phone +34 91 481 98 26, available to shareholders and investors to answer any queries they may have.

The Group's management annually holds at least two in-person or through audio-webcast meetings with analysts and investors to inform about its first half results and fiscal year results.

The Logista's dividend policy, subject to approval by the General Meeting of Shareholders, consists in an annual payout of at least 90% of the Consolidated Net Profit.

Thus, in August 2015, Logista paid a €0.24 interim dividend per share. Also, the Logista's Board of Directors has the intention to propose the General Meeting of Shareholders the distribution of a final dividend of 66 million euros (€0.5 per share) which will be paid by the end of the first quarter of 2016.

So, the total dividend of the fiscal year 2015 will amount to 98.2 million euros (€0.74 per share), representing a 90% of the Consolidated Net Profit of the fiscal year.

On 22 December 2014, the Logista Group was included in the IBEX MEDIUM CAP index, which includes the largest companies in terms of market capitalization, adjusted by free float, after those included in the IBEX 35.

MAIN COMPANIES

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS S.A.

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

GRUPO DRONAS (100%)
- T2 Gran Canaria (100%)
- Logista Pharma (100%)
  * Be to Be Pharma (100%)

LOGISTA-DIS (100%)

LOGISTA LIBROS (50%)

LA MANCHA (100%)

LOGESTA (100%)
- Logesta Italia (100%)
- Logesta Francia (50%)
- Logesta Deutschland (100%)
- Logesta Maroc (34%)
- Logesta Lusa (51%)
- Logesta Polska (51%)

LOGISTA PUBLICACIONES (100%)
- Distribuidora del Este (100%)
- Disvesa (50%)
- Cyberpoint (100%)
- Distrisur (50%)
- Distribuidora de Aragón (5%)
- Provadisa (90%)
- Las Rías (90%)
- Distribuidora de Ediciones Sade (100%)
- Dima (12.56%)
- Distriberica (100%)
  * Distribuidora del Noroeste (51%)
  * Pulisa (100%)
  * Provadisa (10%)
  * Las Rías (10%)
  * Distribuidora de Publicaciones Siglo XXI Guadalajara (80%)

DISTRIBUIDORA DEL NOROESTE (49%)

LOGISTA FRANCE HOLDING (100%)
- Logista Promotion et Transport (100%)
  * Logesta Francia (50%)

LOGISTA FRANCE (100%)
- SAF (100%)
  * Supergroup (100%)

LOGISTA ITALIA (100%)
- Terzia (68%)
- Banca ITB (13.33%)

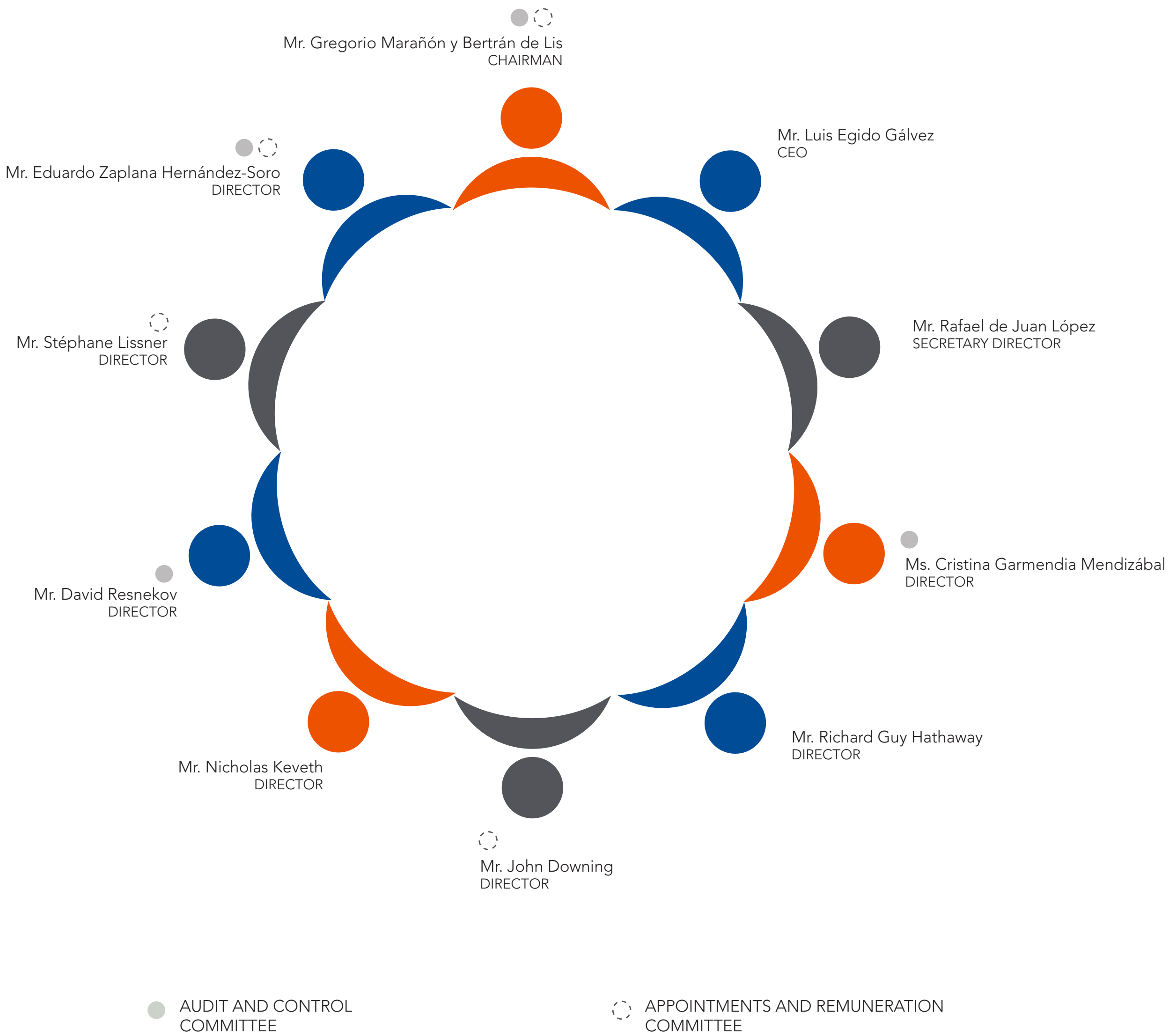
MIDSID (100%)

LOGISTA TRANSPORTES E TRANSITOS (100%)
- Logesta Lusa (49%)

LOGESTA POLSKA (49%)

LOGISTA POLSKA (100%)

BOARD OF DIRECTORS



ANNUAL ACCOUNTS 2015

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

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) AS ADOPTED BY THE EUROPEAN UNION AND DIRECTORS' 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 consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel.: +34 915 14 50 00
Fax: +34 915 14 51 80
www.deloitte.es

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 consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Compañía de Distribución Integral Logista Holdings, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated balance sheet at 30 September 2015, and the 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 ("2015").

The Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for the preparation of the accompanying consolidated financial statements so that they present fairly the equity, financial position and results of operations of the Group 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 in Spain indentified in the accompanying notes to the consolidated financial statements, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of Compañía de Distribución Integral Logista Holdings, S.A. and Subsidiaries at 30 September 2015, 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 in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2015 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 2015. 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 Holdings, S.A. and Subsidiaries.

DELOITTE, S.L.

Registered in ROAC under no. S0692

José Luis Aller

28 October 2015

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 32). In the event of a discrepancy, the Spanish-language version prevails.

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

CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2015 AND 2014

(Thousands of Euros)

ASSETS	NOTE	30-09-2015	30-09-2014 (*)
NON-CURRENT ASSETS:			
Property, plant and equipment	6	202,241	209,922
Investment property		12,632	12,851
Goodwill	7	919,104	919,190
Other intangible assets	8	660,705	713,169
Investments in associates		478	38
Other non-current financial assets	9	9,057	8,755
Deferred tax assets	19	40,904	58,962
Total		**1,845,121**	**1,922,887**
CURRENT ASSETS:			
Inventories	10	1,060,502	1,066,650
Trade and other receivables	11	1,755,996	1,755,497
Tax receivables	19	11,935	15,216
Other current financial assets	9	1,775,550	1,669,125
Cash and cash equivalents	12	22,714	31,816
Other current assets		5,124	6,652
Total		**4,631,821**	**4,544,956**
NON-CURRENT ASSETS HELD FOR SALE		**1,091**	**1,391**
TOTAL ASSETS		**6,478,033**	**6,469.234**

(*) On 1 October 2014 Logista Group has applied IFRS 11 "Joint Arrangements" restating the consolidated balance sheet as of 30 September 2014 for comparative purposes (Note 2.2)
The accompanying Notes 1 to 32 are an integral part of the consolidated balance sheet at 30 September 2015.

EQUITY AND LIABILITIES	NOTE	30-09-2015	30-09-2014 (*)
EQUITY:			
Share capital	13	26,550	26,550
Share premium	14	867,808	942,148
Reserves of the Parent	14	359	(176)
Reorganisation reserves	14	(753,349)	(753,349)
Reserves at consolidated companies	15	204,498	142,676
Translation differences		136	180
Reserve for first-time application of IFRSs	14	19,950	19,950
Consolidated profit for the period		109,193	102,347
Interim dividend	14	(31,860)	(39,825)
Treasury shares		(670)	-
Equity attributable to shareholders of the Parent		442,615	440,501
Minority interests	16	1,815	1,927
TOTAL EQUITY		**444,430**	**442,428**
NON-CURRENT LIABILITIES:			
Other financial non-current liabilities		4,995	4,940
Other non-current liabilities		154	300
Long-term provisions	18	43,011	55,278
Deferred tax liabilities	19	328,131	357,515
Total		**376,291**	**418,033**
CURRENT LIABILITIES:			
Bank borrowings		7	45
Other current financial liabilities	20	31,658	31,560
Trade and other payables	21	897,640	968,314
Tax payables	19	4,600,983	4,537,420
Short-term provisions	18	16,795	16,149
Other current liabilities	22	110,229	55,285
Total		**5,657,312**	**5,608,773**
TOTAL EQUITY AND LIABILITIES		**6,478,033**	**6,469,234**

(*) On 1 October 2014 Logista Group has applied IFRS 11 "Joint Arrangements" restating the consolidated balance sheet as of 30 September 2014 for comparative purposes (Note 2.2)
The accompanying Notes 1 to 32 are an integral part of the consolidated balance sheet at 30 September 2015.

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

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 30 SEPTEMBER 2015 AND 2014

(Thousands of Euros)

	NOTE	FISCAL YEAR 2015	FISCAL YEAR 2014 (*)
Revenue	**24.a**	**9,470,990**	**9,499,336**
Procurements		**(8,460,920)**	**(8,470,610)**
GROSS PROFIT		**1,010,070**	**1,028,726**
Cost of logistics networks:			
Staff costs	24.b	(165,456)	(159,821)
Transport costs		(206,865)	(204,086)
Provincial sales office expenses		(73,776)	(69,755)
Depreciation and amortisation charge	6 and 8	(85,345)	(84,801)
Other operating expenses	24.c	(153,450)	(176,775)
Total cost of logistics networks		**(684,892)**	**(695,238)**
Commercial expenses:			
Staff costs	24.b	(40,817)	(40,910)
Other operating expenses	24.c	(22,072)	(25,398)
Total commercial expenses		**(62,889)**	**(66,308)**
Research expenses		**(2,382)**	**(2,675)**
Head office expenses:			
Staff costs	24.b	(63,944)	(66,416)
Depreciation and amortisation charge	6 and 8	(4,334)	(3,758)
Other operating expenses	24.c	(33,703)	(35,516)
Total head office expenses		**(101,980)**	**(105,690)**
Share of results of companies		258	(1,977)
Net loss on disposal and impairment of non-current assets	6 and 8	1,689	(16,143)
Other expenses		(17)	(2,328)
PROFIT FROM OPERATIONS		**159,857**	**138,367**
Finance income	24.e	12,370	21,779
Finance costs	24.f	(4,284)	(6,917)
PROFIT BEFORE TAX		**167,943**	**153,229**
Income tax	19	(58,033)	(53,670)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**109,910**	**99,559**
Result for the period from discontinued operations net of tax		(300)	2,959
PROFIT FOR THE PERIOD		**109,610**	**102,518**
Attributable to			
Shareholders of the Parent		109,193	102,347
Minority interests	16	417	171
BASIC EARNINGS PER SHARE	**5**	**0.82**	**0.77**

(*) On 1 October 2014 Logista Group has applied IFRS 11 "Joint Arrangements" restating the consolidated income statement as of 30 September 2014 for comparative purposes (Note 2.2).
The accompanying Notes 1 to 32 are an integral part of the consolidated income statements for 2015.

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 SEPTEMBER 2015 AND 2014

(Thousands of Euros)

	NOTE	FISCAL YEAR 2015	FISCAL YEAR 2014 (*)
PROFIT FOR THE YEAR		**109,610**	**102,518**
Net gain (loss) on available for sale financial assets registered in equity		-	-
Net gain (loss) on cash flow hedging instruments registered in equity (Net)		-	-
Net actuarial gain (loss) recognised directly in equity	18	(1,124)	(1,366)
Foreign exchange rate changes		(44)	43
Net gain (loss) on taxes recognised directly in equity		-	-
TOTAL NET GAIN (LOSS) REGISTERED DIRECTLY IN EQUITY		**(1,168)**	**(1,323)**
TOTAL NET GAIN (LOSS) CONSOLIDATED REGISTERED DURING THE YEAR		**108,442**	**101,195**
Attributable to:			
Shareholders of the Parent		108,025	101,024
Minority interests		417	171
TOTAL ATRIBUTABLE		**108,442**	**101,195**

(*) On 1 October 2014 Logista Group has applied IFRS 11 "Joint Arrangements" restating the comprehensive income statement as of 30 September 2014 for comparative purposes (Note 2.2).
The accompanying Notes 1 to 32 are an integral part of the consolidated statement of comprehensive income for 2015.

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 32). In the event of a discrepancy, the Spanish-language version prevails.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 30 SEPTEMBER 2015 AND 2014

(Thousands of Euros)

	SHARE CAPITAL	SHARE PREMIUM	RESERVES OF THE PARENT	REORGANISATION RESERVES
Balance at 30 September 2013 (*)	**26,550**	**178,814**	**7,172**	**-**
Net profit for 2014 attributable to the Parent	-	-	-	-
Loss attributable to minority interests	-	-	-	-
Actuarial losses (Note 18)	-	-	-	-
Income and expenses recognised in the period	**-**	**-**	**-**	**-**
I. Transactions with Shareholders:				
Distribution of profit:				
To reserves	-	-	2,753	-
Dividends (Note 15)	-	-	-	-
Increase/Decrease arising from reorganisation (Note 15)	-	763,334	(10,101)	(753,349)
Interim dividend (Note 15)	-	-	-	-
Acquisition of non-controlling interests (Note 16)	-	-	-	-
Balance at 30 September 2014 (*)	**26,550**	**942,148**	**(176)**	**(753,349)**
Net profit for 2015 attributable to the Parent	-	-	-	-
Loss attributable to minority interests	-	-	-	-
Actuarial losses (Note 18)	-	-	-	-
Income and expenses recognised in the period	-	-	-	-
I. Transactions with Shareholders:				
Distribution of profit:				
To reserves	-	-	(424)	-
To dividends (Note 14)	-	-	-	-
Dividends (Note 14)	-	(74,340)	-	-
On treasury shares operations (Note 14)	-	-	-	-
Disposal of non-controlling interests (Note 16)	-	-	-	-
Long-Term Incentive Plan	-	-	959	-
Balance at 30 September 2015	**26,550**	**867,808**	**359**	**(753.349)**

(*) On 1 October 2014 Logista Group has applied IFRS 11 "Joint Arrangements" restating the consolidated statement of changes in equity as of 30 September 2014 for comparative purposes (Note 2.2)
The accompanying Notes 1 to 32 are an integral part of the consolidated statement of changes in equity for 2015.

RESERVES AT CONSOLIDATED COMPANIES	TRANSLATION DIFFERENCES	RESERVE FOR FIRST-TIME APPLICATION OF IFRSs	PROFIT FOR THE YEAR	INTERIM DIVIDEND	TREASURY SHARE	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	MINORITY INTERESTS	TOTAL EQUITY
138,882	**137**	**19,950**	**87,605**	**-**	**-**	**459,110**	**1,714**	**460,824**
-	43	-	102,347	-	-	102,390	-	102,390
-	-	-	-	-	-	-	171	171
(1,366)	-	-	-	-	-	(1,366)	-	(1,366)
(1,366)	**43**	**-**	**102,347**	**-**	**-**	**101,024**	**171**	**101,195**
5,202	-	-	(7,955)	-	-	-	-	-
-	-	-	(79,650)	-	-	(79,650)	-	(79,650)
-	-	-	-	-	-	(116)	-	(116)
-	-	-	-	(39,825)		(39,825)	-	(39,825)
(42)	-	-	-	-	-	(42)	42	-
142,676	**180**	**19,950**	**102,347**	**(39,825)**		**440,501**	**1,927**	**442,428**
-	(44)	-	109,193	-	-	109,149	-	109,149
-	-	-	-	-	-	-	417	417
(1,124)	-	-	-	-	-	(1,124)	-	(1,124)
(1,124)	(44)	-	109,193	-	-	108,025	417	108,442
102,771	-	-	(102,347)	-	-	-	-	-
(39,825)	-	-	-	39,825	-	-	-	-
-	-	-	-	(31,860)	-	(106,200)	-	(106,200)
-	-	-	-	-	(670)	(670)	-	(670)
-	-	-	-	-	-	-	(529)	(529)
-	-	-	-	-	-	959	-	959
204,498	**136**	**19,950**	**109,193**	**(31,860)**	**(670)**	**442,615**	**1,815**	**444,430**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 30 SEPTEMBER 2015 AND 2014

(Thousands of Euros)

	NOTE	FISCAL YEAR 2015	FISCAL YEAR 2014 (*)
OPERATING ACTIVITIES:		**230,911**	**180,407**
Consolidated profit before tax from continuing operations		**167,943**	**153.229**
Adjustments for:			
Result of companies accounted for using the equity method		(258)	1,977
Depreciation and amortisation charge	6 and 8	89,885	89,200
Impairment losses	6	72	15,501
Provisions recognised (reversed)		9,833	(13,901)
Proceeds from disposal of non-current assets	6 and 8	(1,761)	567
Financial profit		(8,086)	(14.862)
Net change in assets / liabilities-			
(Increase)/Decrease in inventories		8,367	137,531
(Increase)/Decrease in trade and other receivables		(6,221)	(209,950)
Increase/(Decrease) in trade payables		(67,871)	(58,144)
Increase/(Decrease) in other current liabilities		121,047	183,560
Increase (Decrease) in other non-current liabilities		(20,421)	(56,149)
Income tax paid		(69,800)	(56,014)
Finance income and costs		8,182	7,862
INVESTING ACTIVITIES:		**(133,258)**	**(93,678)**
Payment for investment			
Property, plant and equipment	6	(16,852)	(18,767)
Intangible assets	8	(13,856)	(15,942)
Other current financial assets		(106,307)	(63,069)
Proceeds from financial divestments			
Property, plant and equipment	6	3,077	-
Group companies, net of cash in consolidated companies	16	680	-
Sale of non-current assets held for sale		-	4,100
FINANCING ACTIVITIES:		**(106,755)**	**(204,744)**
Payment of dividends and remuneration of other equity instruments			
Dividends	14	(106,200)	(119,475)
Proceeds and payments of equity instruments			
Acquisition of treasury shares	14	(670)	-
Proceeds and payments for financial liability instruments			
Repayment and amortization of:			
Current borrowings		(38)	(229)
Other payables		-	(85,040)
Debt issuance		153	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(9,102)**	**(118,015)**
Cash and cash equivalents at beginning of year		**31,816**	**149,831**
Net change in cash and cash equivalents during the year		(9,102)	(118,015)
Total cash and cash equivalents at end of year		**22,714**	**31,816**

(*) On 1 October 2014 Logista Group has applied IFRS 11 "Joint Arrangements" restating the consolidated balance sheet as of 30 September 2014 for comparative purposes (Note 2.2)
The accompanying Notes 1 to 32 are an integral part of the consolidated cash flow statement for 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. GENERAL INFORMATION ON THE GROUP

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

The reporting period of most of the Group companies starts on 1 October of each year and ends on 30 September of the following year. The twelve-month period ended 30 September 2014 will hereinafter be referred to as "2014", the period ended 30 September 2015 as "2015", and so on.

The Company has registered office at Polígono Industrial Polvoranca, calle Trigo, no. 39, Leganés (Madrid), being the Parent of the Group, the operating company of which is Compañía de Distribución Integral Logista, S.A.U.

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

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

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

A detail of the investees included in the scope of consolidation comprising the Logista Group at 30 September 2015 and 2014 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 majority shareholder of the Parent, belongs to the Imperial Tobacco Group PLC. 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 PLC for 2014 were formally prepared by its Directors at the Board of Directors meeting held on 4 November 2014.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS AND BASIS OF CONSOLIDATION

2.1 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.

a) 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 2015. These consolidated financial statements were formally prepared by the Board of Directors at its meeting on 27 October 2015. The directors of Compañía de Distribución Integral Logista Holdings, S.A. will submit these consolidated financial statements for approval by the Shareholders, and it is considered that they will be approved without any changes.

The consolidated financial statements for 2014 were formally approved by the General Shareholders' Meeting on 17 February 2015.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2015 are summarised in Note 4.

2.2 Standards and interpretations effective in the current period

In the year ended 30 September 2015 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:

STANDARDS AND MODIFICATIONS THEREOF:		MANDATORY APPLICATION FOR PERIODS BEGINNING FROM
IFRS 10 – Consolidated Financial Statements (published in May 2011)	Replaces the current consolidation requirements of IAS 27.	1 January 2014
IFRS 11 – Joint Arrangements (published in May 2011)	Replaces the current consolidation requirements of IAS 31.	1 January 2014
IFRS 12 – Disclosure of interests in other entities (published in May 2011)	Single standard that sets out disclosures related to interests in subsidiaries, associates, joint ventures and non-consolidated entities.	1 January 2014
IAS 27 – Separate Financial Statements (Revised) (published in May 2011)	The standard is revised because, following the issuance of IFRS 10, it will now only include the separate financial statements of an entity.	1 January 2014
IAS 28 (revised) – Investments in Associates and Joint Ventures (published in May 2011).	Simultaneous revision related to the issuance of IFRS 11 Joint Arrangements.	1 January 2014
Transition rules: Amendments to IFRS 10, 11 and 12 (published in June 2012)	Clarification of the transition rules of these standards.	1 January 2014
Investment entities: Amendments to IFRS 10, IFRS 12 and IAS 27 (published in October 2012)	Exception in consolidation for parent companies whose businesses qualify as investment entities.	1 January 2014
Amendment to IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (published in December 2011)	Further clarifications of the rules for offsetting financial assets and financial liabilities of IAS 32.	1 January 2014
Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (published in May 2013)	Clarifies when certain disclosures are required and broadens those required when recoverable amount is based on fair value less costs of disposal.	1 January 2014
Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting (published in June 2013)	The amendments determine in which cases and under what criteria the novation of a derivative does not make the interruption of hedge accounting necessary.	1 January 2014
Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions (published in November 2013)	The amendment allows these contributions to be recognised as a reduction in the service cost in the period in which payment for the related service is made if certain requirements are met.	1 July 2014
Improvements to the IFRS 2010-2012 Cycle and 2011-2013 Cycle (published in December 2013)	Minor amendments to certain standards.	1 July 2014
IFRIC 21 Levies (published in May 2013)	Interpretation on when to recognise a liability for levies charged for participation by an entity in an activity on a specified date.	17 June 2014

Entry into force of IFRS 11 – Joint Arrangements

IFRS 11 "Joint Arrangements", mandatory for Logista Group from 1 October 2014, affects the consolidation of joint ventures, standard that replaces IAS 31, which are consolidated by the equity method rather than the proportionate consolidation method (see note 2.7.2).

As a result of its application, changes in the consolidated balance sheet at 30 September 2014 and the consolidated income statement are as follows:

CONSOLIDATED BALANCE

THOUSANDS OF EUROS	SEPT. 2014 RESTATED	SEPT. 2014	VARIATION
Non-current assets	1,924,278	1,929,506	(5,228)
Current assets	4,544,956	4,558,788	(13,832)
Total Assets	**6,469,234**	**6,488,294**	**(19,060)**
Equity	442,428	442,428	-
Non-current liabilities	418,033	418,033	-
Current liabilities	5,608,773	5,627,833	(19,060)
Total Equity and Liabilities	**6,469,234**	**6,488,294**	**(19,060)**

CONSOLIDATED INCOME STATEMENT

THOUSANDS OF EUROS	SEPT. 2014 RESTATED	SEPT. 2014	VARIATION
Revenue	9,499,336	9,506,567	(7,231)
Gross profit	1,028,726	1,036,013	(7,287)
Profit from operations	138,367	138,964	(597)
Profit before tax	153,229	153,630	(401)
Profit for the period	**102,518**	**102,518**	**-**

Entry into force of IFRIC 21 – Levies

Application of IFRIC 21 issued in May 2013 commenced on 17 June 2014. IFRIC 21 addresses the accounting for a liability to pay a levy imposed by the government that is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

The effect of that modification is not significant for the Group.

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 become effective, either because their effective date is subsequent to the date of the consolidated financial statements or because they had yet to be endorsed by the European Union:

STANDARDS AND MODIFICATIONS THEREOF:		MANDATORY APPLICATION FOR PERIODS BEGINNING FROM
IFRS 9, Financial Instruments: Classification, Measurement and Hedge Accounting (issued in July 2014) (a)	Replaces the requirements for classification and measurement of financial assets and financial liabilities, derecognitions and hedge accounting of IAS 39.	1 January 2018
IFRS 15 – Revenue from Contracts with Customers (published in May 2014)	New standard on revenue recognition (replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31)	1 January 2018

STANDARDS AND MODIFICATIONS THEREOF:		MANDATORY APPLICATION FOR PERIODS BEGINNING FROM
Amendments to IAS 16 and IAS 38 - Acceptable Methods of Depreciation and Amortisation (published in May 2014) (a)	Clarifies acceptable methods of depreciation of property, plant and equipment and amortisation of intangible assets.	1 January 2016
Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (published in May 2014) (a)	Specifies how to recognise acquisitions of interests in jointly controlled operations whose activity constitutes a business.	1 January 2016
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in May 2011), (a)	These amendments specify the accounting for a sale or contribution of assets between an investor and its associate or joint venture.	1 January 2016
Amendments to IAS 27 – Amounts Relating Only to the Separate Financial Statements of the Parent	Amendments to address the application of the equity method in separate financial statements.	1 January 2016
Improvements to the IFRS 2012-2014 Cycle and 2012-2014 Cycle (published in December 2013) (a)	Minor amendments to certain standards.	1 July 2016

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

The assessment made by the Parent's directors of the main effects that the application of the aforementioned standards might have on the accompanying consolidated financial statements is as follows:

IFRS 9 – Financial Instruments

This IFRS 9 supersedes IAS 39, Financial Instruments: Recognition and Measurement issued by the IASB. This version replaces all the previous versions and becomes mandatorily effective for reporting periods beginning on or after January 2018.

IFRS 9 establishes the requirements for the recognition, measurement, impairment, disposal of, and accounting for, general hedges.

The Group is assessing the impact of the application of this standard and has reached the preliminary conclusion that its entry into force will not have a material effect on the consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers

This IFRS 15 supersedes IAS 11, Construction Contracts and IAS 18, Revenue.

The objective of this standard is to determine the accounting treatment of revenue from the sale of goods and the provision of services to a customer. Revenue that does not arise from a contract with a customer falls outside the scope of IFRS 15. The core principle of the standard is that an entity should recognise its revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group is in the process of assessing the impact of the application of this standard.

2.4 Information relating to 2014

As required by IAS 1, the information relating to 2014 contained in these notes to the consolidated financial statements is presented with the information relating to 2015 for comparison purposes and, accordingly, it does not constitute the Group's consolidated financial statements for 2014.

2.5 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.

2.6 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 2015, 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 fair value of certain assets.
- The calculation of the required provisions.
- The measurement and calculation of deferred tax assets and liabilities.

Although these estimates were made on the basis of the best information available at 2015 year end, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. This would be done prospectively, recognising the effects of the changes in accounting estimates in the relevant future financial statements.

2.7 Basis of consolidation

2.7.1 Subsidiaries

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

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

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

The share of minority interests of the equity and profit of the Group is presented under "Minority Interests" in the consolidated balance sheet and under "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.

2.7.2 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.

In addition, a joint operation (unincorporated joint venture or "UTE") is a joint arrangement whereby the parties have rights to the corresponding assets, and liabilities, relating to the arrangement. Accordingly, the assigned assets and liabilities are presented by the Group in its consolidated balance sheet, in proportion to its ownership interest, 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.

2.7.3 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.

Since the activities of the associates are similar to the Group's habitual management and operations, the results of companies accounted for using the equity method are aggregated to profit or loss from operations.

2.7.4 Translation of foreign currency

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

- Assets and liabilities were translated to euros at the official year-end exchange rates.
- Share capital and reserves were translated to euros at the historical exchange rate.
- Income statement items were translated to euros at the average exchange rate for the year.

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

In 2015 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).

2.7.5. Changes in the scope of consolidation and in the ownership interests

The most significant changes in the scope of consolidation in 2015 and 2014 that affect the comparison between years were as follows:

1. Main changes in the scope of consolidation in 2015

Additions or acquisitions
Be to Be Pharma, S.L.U was incorporated on 16 July 2015, Its sole shareholder is the subsidiary Logista Pharma, S.L.U., with share capital of EUR 3,000 divided into 300 fully subscribed and paid shares of EUR 10 par value each.

Disposals
At the Annual General Meeting on 23 March 2015, the Sole Shareholder of Logista France, S.A.S., Compañía de Distribución Integral Logista S.A.U., approved the merger by absorption of the investees Logista France, S.A.S. and Strator, S.A.S. (absorbed company). Accordingly, Logista France, S.A.S. absorbs Strator, S.A.S., which is dissolved without liquidation, and thereby acquires all of its assets and liabilities by universal succession and is subrogated to all of the rights and obligations thereof, under the French regime provided for in Article 1844-5 of the French Civil Code and Article 5 of the Companies Decree of 23 March 1967. This merger became effective for accounting purposes from 1 October 2014. This transaction did not have any effect on the Group's consolidated financial statements.

On 1 July 2015, the subsidiary Logesta Gestión de Transporte, S.A.U. entered into an agreement for the sale of the ownership interest held by it in Transportes Basegar, S.A. (equal to 60% of its share capital) to Gescrap Desarrollo, S.L. The transaction amounted to EUR 680 thousand. The net loss on the transaction for consolidation purposes amounted to EUR 198 thousand, which were recognised under "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the accompanying consolidated statement of profit or loss for 2015.

On 30 June 2014, the sole shareholder of Avanzalibros, S.L.U approved the dissolution of the company pursuant to Article 363 of the Spanish Limited Liability Companies Law. This company was liquidated in 2015 and the transaction did not have a significant effect on the Group's consolidated financial statements.

On 16 July 2015, the resolutions adopted by the shareholders at the Annual General Meeting of the investee Logista Pharma, S.A.U. on the merger by absorption of Logilenia Distribuidora Farmacéutica, S.L. were executed in a public deed. Accordingly, Logista Pharma, S.A.U. absorbs Logilenia Distribuidora Farmacéutica, S.L. which is dissolved without liquidation, and acquires by way of universal succession all of its assets and liabilities and is subrogated to all the rights and obligations thereof, under the regime provided for under Article 49 of Law 3/2009, of 3 April, on structural changes to companies formed under the Spanish Commercial Code. This merger became effective for accounting purposes from 1 October 2014. This transaction did not have any effect on the Group's consolidated financial statements.

2. Main changes in the scope of consolidation in 2014

Additions or acquisitions

On 10 December 2013, the subsidiary company Logista France, S.A.S. acquired the remaining 15% of the shares of Strator, S.A.S. in a deal worth 1 euro, thereby becoming the full owner of its share capital.

On 9 May 2014, the subsidiary company Compañía de Distribución Integral de Publicaciones Logista, S.L.U. partook in the capital increase of its investee company, whereupon its stake fell to 12,56%.

On 22 September 2014, the General Shareholders Meeting of the subsidiary company Logesta Gestión de Transporte, S.A.U. approved the merger by absorption between the companies Logesta Gestión de Transporte, S.A.U. (surviving company) and Logesta Noroeste, S.A.U. (absorbed company). Thus, Logesta Gestión de Transporte, S.A.U. absorbs Logesta Noroeste, S.A.U., which is dissolved without liquidation of assets, with the former acquiring all its assets by virtue of universal succession and likewise subrogating the rights and obligations of the latter company in accordance with the system set forth in article 49 of Law 3 of 3 April 2009 (Ley 3/2009), on corporate restructurings, The accounting date of this merger was 1 October 2013. This transaction has had no impact on a consolidated level.

2.8 Materiality

In preparing these consolidated financial statements the Group omitted any information or disclosures which, not requiring disclosure due to their qualitative importance, were considered not to be material in accordance with the concept of materiality defined in the IFRS Conceptual Framework.

3. DISTRIBUTION OF PROFIT OF THE PARENT

The distribution of the profit for 2015, amounting to EUR 106,812 thousand, that the Parent's directors will propose for approval by the shareholders at the Annual General Meeting is as follows:

	THOUSAND OF EUROS
To legal reserve	5,310
To voluntary reserves	2,843
Dividends	66,375
Interim dividend	31,860
Offset of prior years' losses	424
Total	**106,812**

In accordance with current legislation, the Parent Company evaluated the liquidity statement at the approval date of the interim dividend. Based on this evaluation, dated June 24, 2015 the Parent Company had available at 41,701 thousand of euros credit line granted by Compañía de Distribución Integral Logista, S.A.U. with a limit of 77 million euros maturing September 30, 2015, expected to renew at maturity for an additional year and by the same amount.

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 2015 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.

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.

4.3 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. 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 Group has defined as cash-generating units, based on the actual management of the Group's operations, each of the relevant business operations carried out in the main geographical areas (see Note 25).

The Group uses the budgets and business plans, which generally cover a three-year period, of the various cash-generating units to which the assets are assigned. The key assumptions on which the budgets and business plans are built are based on each type of business and the experience with and recognition of the performance of each of the markets in which the Group operates (see Note 7).

The estimated cash flows are extrapolated to the period not covered by the business plan using a zero growth rate and an expense structure that is similar to that of the last year of the business plan.

The discount rate applied is usually a pre-tax measurement based on the risk-free rate for 10-year bonds issued by the governments in the relevant markets, adjusted by a risk premium to reflect the increase in the risk of the investment based on the country in question and the systematic risk of the Group. The discount rates applied by the Group in the various markets to calculate the present value of the estimated cash flows ranged from 6% to 7.90% in 2015 (see Note 7).

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 comprises:

Trademarks

"Trademarks" includes the acquisition cost of the rights over certain trademarks and/or the value assigned thereto on consolidation (see Note 8).

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 in 2013, 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. The aforementioned distribution agreements are depreciated on a straight-line basis over 15 years.

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 Group acts as lessor, it 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.

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.

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

The Group companies measure the tobacco 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 other inventories are measured at the lower of cost of purchase and net realisable value. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

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 2015 includes the provisions that the Parent's Directors consider necessary to cover the restructuring plans in progress at year-end (see Note 18).

4.12 Pension and other obligations to employees

Certain Group companies 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 obligations are recognised under "Staff Costs" in the consolidated income statements and amounted to EUR 2,828 thousand and EUR 1,692 thousand in 2015 and 2014 (see Note 24.b).

Under the collective agreements currently in force, Compañía de Distribución Integral Logista, S.A.U. 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, this 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.

Logista France, S.A.S. has retirement obligations to its employees for which it has made provisions calculated on the basis of actuarial studies performed by independent actuaries. 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 2% as the main assumptions (see Note 18).

On 31 January 2012, the Group approved the "2011 Medium-Term Incentive Plan" and "2011 Medium-Term Especial Incentives Plan", for certain employees of the right to receive an amount estimated for each employee at the start of each plan tranche on completion of the end of the third year from the start of each of the three plan tranches and taking into consideration the growth of certain financial parameters, an estimated amount for every worker at the beginning of each tranche.

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 2015 and 2014 which include EUR 1,723 thousand and EUR 2,851 thousand, respectively, in this connection.

On 4 June 2014, the Parent's Board of Directors approved the structure of the "2014 Long-Term Incentive Plan" and "2014 Long-Term Especial Incentives Plan", with remuneration accrued from 1 October 2014 and maturing on 30 September 2019, which are articulated in three 3-year blocks with settlements made at the end of each block.

Under these plans, certain employees of companies of the Group of which the Company is Parent have the right to receive a certain number of Company shares, on completion of the third year from the commencement of the each of the three blocks into which the plans are divided, and taking into account the degree of achievement of certain internal criteria, of a financial and operating nature, as well as the total return for the shareholders and comparative profitability with other companies.

On 29 January 2015, the Board of Directors approved the list of beneficiaries and corporated management estimated cost of the plans. There were 51 beneficiaries included in the General Plan and 10 in the Special Plan. The estimated amount in this connection is recognised under "Equity" in the consolidated balance sheet and the related annual charge is included under "Staff Costs" in the consolidated income statement. The related amounted to EUR 2,007 thousand and EUR 868 thousand, respectively.

In order to cater for this long-term share-based payment plan, and by virtue of the authorisation granted by the Board of Directors, the Group acquired 40,614 treasury shares for EUR 670 thousand (see Note 14f).

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 Foreign currency transactions

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.

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 29,586,310 thousand in 2015 and EUR 29,146,347 thousand in 2014.

In the particular case publishing sector, 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 in relation to products that it is forecast will ultimately be returned (see Note 18).

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

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

4.16 Income tax

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

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

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

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

The Group recognises the deferred tax arising from the deductibility of the amortisation, for tax purposes, of certain items of goodwill generated on the acquisition of companies (see Note 19).

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 19).

The Parent files consolidated income tax returns in Spain as part of the consolidated tax group the ultimate parent of which is Imperial Tobacco España, S.L.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.

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:

	2015	2014 (*)
Net profit for the year (thousands of euros)	109,193	102,347
Weighted average number of shares		
issued (thousands of shares) (**)	132,749	132,750
Earnings per share (euros)	**0.82**	**0.77**

(*)On 4 June 2014, Compañía de Distribución Integral Logista Holding S.A. became Parent of the Group. Therefore, in conformity with the regulatory financial reporting framework applicable to the Group, earnings per share for 2014 are restated in these consolidated financial statements, taking into account the weighted average number of shares outstanding in 2014.
(**) During September 2015, the Parent of the Group acquired through a purchase and sale agreement 40,614 treasury shares.

At 30 September 2015 and 2014, 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 2015 and 2014 were as follows:

2015

THOUSANDS OF EUROS	BALANCE AT 30-09-14	ADDITIONS OR CHARGE FOR THE YEAR	DISPOSALS OR REDUCTIONS	TRANSFERS (NOTE 8)	EXCLUSIONS FROM THE SCOPE OF CONSOLIDATION	BALANCE AT 30-09-15
Cost:						
Land and buildings	235,514	24	(3,958)	660	-	232,240
Plant and machinery	168,201	2,157	(1,034)	9,084	(6)	178,402
Other fixtures, tools and furniture	133,307	1,570	(1,980)	5,634	(36)	138,495
Other items of property, plant and equipment	36,558	130	(51)	1,974	(78)	38,533
Property, plant and equipment in the course of construction	12,339	12,971	(193)	(13,281)	-	11,836
	585,919	16,852	(7,216)	4,071	(120)	599,506
Accumulated depreciation:						
Buildings	(106,977)	(5,261)	3,279	-	-	(108,959)
Plant and machinery	(124,583)	(11,586)	940	(168)	6	(135,391)
Other fixtures, tools and furniture	(103,755)	(9,145)	1,830	342	32	(110,696)
Other items of property, plant and equipment	(21,872)	(1,593)	50	-	78	(23,337)
	(357,187)	(27,585)	6,098	174	116	(378,383)
Impairment losses	(18,810)	(72)	-	-	-	(18,882)
Total	**209,922**	**(10,805)**	**(1,117)**	**4,245**	**(4)**	**202,241**

2014

THOUSANDS OF EUROS	BALANCE AT 30-09-13	ADDITIONS OR CHARGE FOR THE YEAR	DISPOSALS OR REDUCTIONS	TRANSFERS (NOTE 8)	BALANCE AT 30-09-14
Cost:					
Land and buildings	234,876	28	(469)	1,079	235,514
Plant and machinery	156,557	2,156	(3,952)	13,440	168,201
Other fixtures, tools and furniture	131,523	2,286	(1,882)	1,380	133,307
Other items of property, plant and equipment	36,154	297	(637)	744	36,558
Property, plant and equipment in the course of construction	23,193	13,859	-	(24,713)	12,339
	582,303	18,626	(6,940)	(8,070)	585,919
Accumulated depreciation:					
Buildings	(101,428)	(5,633)	465	(381)	(106,977)
Plant and machinery	(117,467)	(10,992)	3,878	(2)	(124,583)
Other fixtures, tools and furniture	(97,034)	(9,286)	1,606	959	(103,755)
Other items of property, plant and equipment	(22,510)	(919)	631	926	(21,872)
	(338,439)	(26,830)	6,580	1,502	(357,187)
Impairment losses	(5,288)	(13,522)	-	-	(18,810)
Total	**238,576**	**(21,726)**	**(360)**	**(6,568)**	**209,922**

Additions
The most notable additions in 2015 related mainly to projects currently underway in relation to safety systems at the warehouses and relating to the fleet of vehicles, the construction of a new building at the Group's head offices at Leganés (Madrid), the development of distribution centres in France and the development of information systems.

In 2014, key additions related chiefly to typical Logista Group projects in progress, in line with investments in previous years. The main investment projects currently under way include improvements to warehouse security systems, and to automated order picking systems in Italy and France, implantation of a new management system (ERP) for managing consumer products and IT enhancements to meet the needs of the Group's clients.

Disposals
In 2015, the Group has alienated the building located in Créteil (France) where the offices were located Strator, S.A.S. (merged with Logista France, S.A.S.). The transaction amounted to 3 million euros and generated a net profit of 2.7 million euros. Disposals for 2014 are mainly concerned disposals of items that were practically amortised or which were not being used for the Group's business, along with the sale of various items of property, plant and equipment. These had no significant impact on the income statement.

Transfers
The transfers in 2015 and 2014 relate to reclassifications between property, plant and equipment accounts and also to "Other Intangible Assets - Computer Software" as a result of the start-up of various items. Also, EUR 357 thousand were reclassified to "Investment Property" in 2014.

Impairment
No significant impairment losses recognized during 2015.

In 2014 the Group recognised impairment losses amounting to EUR 8,100 thousand on the portion attributable to it of the carrying amount 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". This amount was charged to "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the accompanying consolidated income statement.

Also, in 2014 the Group recognised impairment losses amounting to EUR 5,000 thousand on certain items of property, plant and equipment operated by distribution subsidiaries in the publishing industry. This amount was charged to "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the accompanying consolidated income statement.

6.2 Other disclosures

Fully depreciated items of property, plant and equipment in use at 30 September 2015 amounted to EUR 217,545 thousand (EUR 194,710 thousand at 30 September 2014).

At the end of 2015 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. Compañía de Distribución Integral Logista, S.A.U., 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 2015 and 2014, the items of property, plant and equipment located abroad, mainly in Portugal, France, Italy and Poland, amounted to EUR 80,598 thousand and EUR 80,972 thousand, respectively.

7. GOODWILL

Breakdown and significant changes

The breakdown, by identified cash-generating unit, of "Goodwill" at 30 September 2015 and 2014 is as follows:

THOUSANDS OF EURO	30/09/15	30/09/14
Italy, tobacco and related products	662,922	662,922
France, tobacco and related products	237,106	237,107
Iberia, transport	18,269	18,354
Iberia, other business: Pharma	486	486
Iberia, tobacco and related products	321	321
Total	**919,104**	**919,190**

Italy, tobacco and related products
The goodwill associated with Logista Italia S.p.A. arose when Etinera, S.p.A., a leading tobacco distributor in Italy, was acquired in 2004 from BAT Italia, S.p.A., an Italian subsidiary of British American Tobacco, Lda. Subsequently, Etinera, S.p.A.'s company name was changed to Logista Italia, S.p.A. The information relating to the aforementioned acquisition is included in the Group's consolidated financial statements for 2004.

France, tobacco and related products
The goodwill associated with Logista France S.A.S. arose on the acquisition by Compañía de Distribución Integral Logista, S.A.U. of all the shares representing the share capital of Altadis Distribution France, S.A.S. (actually Logista France, S.A.S) from Seita, S.A.S., which belongs to Grupo Imperial Tobacco Limited PLC. The information on this acquisition is included in the Group's consolidated financial statements for 2014 and 2013.

Iberia, transport
The goodwill associated with Dronas 2002, S.L.U, arose when this company merged in 2002 with the Burgal Group, an integrated and express parcel and pharmaceutical logistics service provider, and in 2003 with the Alameda Group, a distributor of pharmaceutical supplies and food products. The information relating to the aforementioned mergers is included in the Group's consolidated financial statements for 2002 and 2003.

Goodwill impairment analysis

The assumptions used in testing for impairment were as follows:

Discount and growth rates

	2015		2014	
	DISCOUNT RATE	GROWTH RATE	DISCOUNT RATE	GROWTH RATE
Italy, tobacco and related products	7.00%	0.00%	9.10%	0.00%
France, tobacco and related products	6.00%	0.00%	7.50%	0.00%
Iberia, transport	6.90%	0.00%	9.10%	0.00%
Iberia, other business: Pharma	7.30%	0.00%	8.50%	0.00%
Iberia, tobacco and related products	7.90%	0.00%	9.90%	0.00%

The parameters considered in defining the foregoing discount rates were as follows:

- Risk-free bonds: 10-year bonds in the benchmark market of the CGU.
- Market risk premium: year-on-year average risk Premium in each country in which the Group is presented.
- Unleveraged Beta: industry average, on a case-by-case basis.
- Debt/equity ratio: industry average.

Other salient matters

a) Italy, tobacco and related products:

– Volume of cigarettes, rolling tobacco and cigars.

– Changes in tobacco retail prices.

– Changes in excise taxes on tobacco and VAT.

– Investments.

b) France, tobacco and related products:

– Volume of cigarettes, rolling tobacco and cigars.

– Changes in tobacco retail prices.

– Changes in excise taxes on tobacco and VAT.

– Investments.

c) Iberia, transport:

– Fuel costs.

d) Iberia, other business: Pharma

– Regulation of the pharmaceutical industry.

e) Iberia, tobacco and related products:

– Volume of cigarettes, rolling tobacco and cigars.

– Changes in tobacco retail prices.

– Changes in excise taxes on tobacco and VAT.

– Investments.

Based on the methods used and the estimates, projections and valuations available to the Parent's directors, no impairment losses were recognised in relation to these assets in 2015.

With regard to the sensitivity analysis of the impairment tests on goodwill, the Group performed an analysis of sensitivity of the impairment test result to changes in the following assumptions:

- Increase of 100 basis points in the discount rate.
- 1% decrease in the growth rate.

These sensitivity analyses performed separately for each of the aforementioned assumptions did not disclose any impairment losses.

8. OTHER INTANGIBLE ASSETS

The changes in "Other Intangible Assets" in 2015 and 2014 were as follows:

2015

THOUSANDS OF EUROS	BALANCE AT 30-09-14	ADDITIONS OR CHARGE FOR THE YEAR	DISPOSALS OR REDUCTIONS	TRANSFER (NOTE 6)	EXCLUSIONS FROM THE SCOPE OF CONSOLIDATION	BALANCE AT 30-09-15
Cost:						
With indefinite useful life-						
Trademarks	104	-	-	(101)	(3)	-
With finite useful life-						
I+D expenses	2,223	-	-	-	-	2,223
Computer software	153,182	287	(93)	14,782	(35)	168,123
Concessions, rights and licences	779,365	-	-	361	-	779,726
Advances and intangible assets in progress	18,854	13,569	-	(19,079)	-	13,344
	953,728	13,856	(93)	(4,037)	(38)	963,416
Accumulated amortisation-						
I+D expenses	(2,066)	(139)	-	11	2	(2,192)
Computer software	(130,396)	(9,971)	93	(208)	35	(140,447)
Concessions, rights and licences	(105,474)	(51,964)	-	(11)	-	(157,449)
	(237,936)	(62,074)	93	(208)	37	(300,088)
Impairment losses	(2,623)	-	-	-	-	(2,623)
Total	**713,169**	**(48,218)**	**-**	**(4,245)**	**(1)**	**660,705**

2014

THOUSANDS OF EUROS	BALANCE AT 30-09-13	ADDITIONS OR CHARGE FOR THE YEAR	DISPOSALS OR REDUCTIONS	TRANSFER (NOTE 6)	BALANCE AT 30-09-14
Cost:					
With indefinite useful life-					
Trademarks	106	-	-	(2)	104
With finite useful life-					
I+D expenses	2,223	-	-	-	2,223
Computer software	141,332	2,138	(855)	10,567	153,182
Concessions, rights and licences	779,169	-	(167)	363	779,365
Advances and intangible assets in progress	9,927	13,804	(84)	(4,793)	18,854
	932,757	15,942	(1,106)	6,135	953,728
Accumulated amortisation-					
I+D expenses	(1,511)	(584)	-	29	(2,066)
Computer software	(121,096)	(9,644)	297	47	(130,396)
Concessions, rights and licences	(53,722)	(51,912)	160	-	(105,474)
	(176,329)	(62,140)	457	76	(237,936)
Impairment losses	(644)	(2,067)	88	-	(2,623)
Total	**755,784**	**(48,265)**	**(561)**	**6,211**	**713,169**

Additions

The additions to "Other intangible assets" relate mainly to functional development projects for the Logista Group's existing applications to improve or increase the services provided to its customers and the implementation of new management systems (SAP) in certain business segments.

Transfers

The transfers to "Computer Software" in 2015 and 2014 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.

Impairment

In 2015 the Group did not recognise any impairment losses on items classified as "Other Intangible Assets".

In 2014 the Group recognised mainly impairment losses of EUR 2,000 thousand on items classified as "Other Intangible Assets", relating to the computer software registered at Compañía de Distribución Integral Logista, S.A.U. y GTECH Global Lottery, S.L.U., Unión Temporal de Empresas (see Note 6).

At 30 September 2015 and 2014, fully amortised intangible assets in use amounted to approximately EUR 119,966 thousand and EUR 108,886 thousand, respectively.

9. FINANCIAL ASSETS

The detail of "Other Non-Current Financial Assets" and "Current Financial Assets" in the accompanying consolidated balance sheets at 30 September 2015 and 2014 is as follows:

2015

	THOUSANDS OF EUROS				
	30-09-2015				
FINANCIAL ASSETS: NATURE/CATEGORY	LOANS GRANTED TO THIRD PARTIES	LOANS GRANTED TO RELATED COMPANIES	SHORT-TERM DEPOSITS AND GUARANTEES	AVAILABLE-FOR-SALE FINANCIAL ASSETS	TOTAL
Equity instruments	-	-	-	3,891	3,891
Financial debts	1,023	-	-	-	1,023
Other financial assets	-	-	4,143	-	4,143
Non-current	**1,023**	**-**	**4,143**	**3,891**	**9,057**
Financial debts	31,820	1,743,488	-	-	1,755,308
Other financial assets	-	-	242	-	242
Current	**31,820**	**1,743,488**	**242**	**-**	**1,775,550**
Total	**32,843**	**1,743,488**	**4,385**	**3,891**	**1,784,607**

2014

FINANCIAL ASSETS: NATURE/CATEGORY	THOUSANDS OF EUROS 30-09-2014 LOANS GRANTED TO THIRD PARTIES	LOANS GRANTED TO RELATED COMPANIES	SHORT-TERM DEPOSITS AND GUARANTEES	AVAILABLE-FOR-SALE FINANCIAL ASSETS	TOTAL
Equity instruments	-	-	-	3,464	3,464
Financial debts	1,325	-	-	-	1,325
Other financial assets	-	-	3,966	-	3,966
Non-current	**1,325**	**-**	**3,966**	**3,464**	**8,755**
Financial debts	31,922	1,636,866	-	-	1,668,788
Other financial assets	-	-	337	-	337
Current	**31,922**	**1,636,866**	**337**	**-**	**1,669,125**
Total	**33,247**	**1,636,866**	**4,303**	**3,464**	**1,677,880**

Loans granted to third parties
The venturers of "Compañía de Distribución Integral Logista, S.A.U., y GTECH Global Lottery, S.L.U., Unión Temporal de Empresas" granted a loan to this joint venture divided into equal shares which at 30 September 2015 totalled EUR 123,636 thousand, Compañía de Distribución Integral Logista, S.A.U. recognised EUR 30,909 thousand (2014: EUR 31,109 thousand) in this connection, which are presented under "Other Current Financial Assets" and "Other Current Financial Liabilities" in the accompanying consolidated balance sheet at 30 September 2014, for the receivables from and payables to the aforementioned joint venture that correspond to the other venturer (see Note 20).

Credits granted to related parties
As of 12 June 2014, Imperial Tobacco Enterprise Finance Limited, Compañía de Distribución Integral Logista Holdings, S.A.U., Compañía de Distribución Integral Logista, S.A.U. and Logista France, S.A.S., which until 11 June 2014 was the company that consolidated the funds on a daily basis and as of that date assigned the rights and obligations with regard to the outstanding balances to Logista, S.A.U., entered into a new mutual agreement for a five-year credit line (automatically renewable for one year, unless either of the parties sends a notice opposing such renewal at least one year prior to maturity), with a maximum draw down limit of EUR 2,000 million. The purpose of this agreement is to govern the terms and conditions under which Logista will lend, on a daily basis, its cash surpluses to Imperial Tobacco Enterprise Finance Limited for the purpose of optimising its cash flow, and the loans from Imperial Tobacco Enterprise Finance Limited to Logista in order for the latter to be able to meet its cash needs arising from its operations. In accordance with this agreement, Logista, S.A.U. will lend, on a daily bases, its cash surpluses to Imperial Tobacco Enterprise Finance Limited or will receive the cash necessary to meet its payment obligations. Each of these two companies will therefore open an internal current account in which the daily movements between both companies will be recorded.

The daily balance of this internal current account earns interest at the European Central Bank interest rate, plus a spread of 0.75%, Interest is calculated on a daily basis, based on 360 days, and is capitalised every quarter.

Under this agreement the Parent has undertaken to refrain from obtaining financing from third parties and from encumbering in any way its assets unless the aforementioned transaction is approved by a qualified majority of the Board of Directors.

10. INVENTORIES

The detail of the Group's inventories at 30 September 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Tobacco	983,240	1,000,717
Published materials	10,078	9,393
Other merchandise	76,769	68,344
Write-downs	(9,585)	(11,804)
Total	**1,060,502**	**1,066,650**

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 2015, for a total amount of EUR 395,168 thousand (2014: EUR 390,446 thousand).

The write-down in year 2015 and 2014 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
Accumulated write-down at 30 September 2013	8,111
Period write-downs	6,176
Reversals	(2,483)
Accumulated write-down at 30 September 2014	11,804
Period write-downs	3,620
Reversals	(2,061)
Amounts used	(3,778)
Accumulated write-down at 30 September 2015	**9,585**

At 30 September 2015, the Group had arranged insurance policies to cover the value of its inventories.

11. TRADE AND OTHER RECEIVABLES

The detail of "Trade and Other Receivables" in the accompanying consolidated balance sheets at 30 September 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Trade receivables for sales and services	1,764,987	1,776,827
Related companies (Note 27)	6,077	6,119
Sundry accounts receivable	44,258	29,023
Employee receivables	1,083	688
Less- Allowances for doubtful debts	(60,409)	(57,160)
	1,755,996	**1,755,497**

The changes in the "Allowances for Doubtful Debts" in 2015 and 2014 were as follows:

	THOUSANDS OF EUROS
Allowance for doubtful debts at 30 September 2013	53,146
Period write-downs	9,280
Reversals	(4,725)
Amounts used	(541)
Allowance for doubtful debts at 30 September 2014	57,160
Period write-downs	6,411
Reversals	(2,438)
Amounts used	(645)
Changes in the Scope of Consolidation	(79)
Allowance for doubtful debts at 30 September 2015	**60,409**

The additions to and reversals from the allowance for doubtful debts in 2015 are recognised under "Cost of Logistics Networks - Other Operating Expenses" in the accompanying consolidated income statement.

At 30 September 2015, 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.

The detail of the past-due receivables for which no allowance had been recognised at 30 September 2015 and 2014 is as follows:

	THOUSANDS OF EUROS	
TRANCHE	2015	2014
0-30 days	33,020	45,504
30-90 days	10,735	12,593
90-180 days	4,399	6,448
180-360 days	2,109	2,741
More than 360 days	2,156	917

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

12. CASH AND CASH EQUIVALENTS

"Cash and Cash Equivalents" in the consolidated balance sheets at 30 September 2015 and 2014 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 0.80% in 2015 (0.93% in 2014).

13. EQUITY

At the end of 2015, the Parent's share capital amounted to EUR 26,550 thousand and was represented by 132,750,000 fully subscribed and paid shares of EUR 0.2 par value each, all of the same class.

As indicated in Note 1, the Parent was incorporated on 13 May 2014, with a share capital of EUR 60 thousand, divided into 300,000 shares of EUR 0.20 par value each, all of which are of the same class and fully subscribed and paid in cash by its sole shareholder.

On 4 June 2014, the sole shareholder approved the share capital increase through a non-monetary contribution of EUR 26,490 thousand, through the issue of 132,450,000 new shares of EUR 0.20 par value each, together with a total share premium of EUR 942,148 thousand. The shares issued were of the same class as the outstanding shares and were fully subscribed and paid by Altadis, S.A.U. through the contribution to the Company of 44,250,000 registered shares representing all of the share capital of Compañía de Distribución Integral Logista, S.A.U. For these purposes, it should be noted that the aforementioned non-monetary contribution was subject to the required assessment by an independent expert appointed by the Mercantile Registry, pursuant to the Spanish Capital Companies Law and the Mercantile Registry Regulations.

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

The only shareholder with an ownership interest of 10% or more in the Parent's share capital at 30 September 2014 was Altadis, S.A.U., with an ownership interest of 70%.

At 30 September 2015, all shares of the Parent have the same voting and dividend rights.

Capital Management

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

At 30 September 2015, the Group had a net cash position amounting to EUR 1,767 million (30 September 2014: EUR 1,669 million), the detail being as follows:

THOUSANDS OF EUROS	2015	2014
Bank borrowings	(7)	(45)
Other current financial liabilities	(31,658)	(31,560)
Gross debt	**(31,665)**	**(31,605)**
Current financial assets (Note 9)	1,775,550	1,669,125
Cash and cash equivalents	22,714	31,816
Financial assets and cash	**1,798,264**	**1,700,941**
Total net financial position	**1,766,599**	**1,669,336**

14. RESERVES

a) 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.

b) Reserves of the Parent

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 2015, no appropriations had yet been made to the Parent's legal reserve.

Other reserves

The capital increase expenses incurred by the Company in 2014 in the transaction described under "Share capital", which were taken to reserves, amount to EUR 176 thousand, net of the related tax effect. This heading also includes the amounts relating to the Share Plan for 2014, amounted EUR 959 thousand (see Note 4.12).

c) Reorganisation reserve

This line item includes the net effect which arose in the Parent's reserves as a result of the corporate reorganisation that took place during the year, as described in Note 1, in conformity with the regulatory financial reporting framework applicable to the Group.

d) Reserve for first-time application of IFRSs

As a result of the transition to International Financial Reporting Standards (IFRSs), the Group revalued a plot of land assigned to its operations by EUR 28,500 thousand, based on the appraisal of an independent valuer, considering the fair value of this plot of land to be the deemed cost thereof in the transition to IFRSs. The impact of this revaluation on reserves amounted to EUR 19,950 thousand.

e) Dividends

On February 17, 2015 the Shareholders´ General Meeting approved the distribution of the result of 2014, which included an interim dividend of result of that year that was approved by the Board of Directors and paid in May 2014, of EUR 39,825 thousand. The aforementioned Shareholders´ General Meeting also approved of a dividend of EUR 74,340 thousand, charged to Share premium.

On 24 July 2015, the Parent's Board of Directors approved the distribution of a dividend out of profit for 2015 amounting to EUR 31,860 thousand.

f) Treasury shares

In order to cater for the long-term incentive plan discussed in Note 4.12, on 23 September 2015, the Company purchased 40,614 treasury shares for EUR 670 thousand.

15. RESERVES AT CONSOLIDATED COMPANIES

The detail of "Reserves of Group Companies and Associates" in the consolidated balance sheets at 30 September 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Reserves in fully consolidated companies	209,033	145,163
Reserves in companies consolidated by the equity method	(4,535)	(2,487)
Total	**204,498**	**142,676**

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.

16. MINORITY INTERESTS

The detail, by company, of "Minority interests" and "Profit/loss attributed to minority interests" in the consolidated balance sheets is as follows:

	THOUSANDS OF EUROS			
	2015		2014	
COMPANY	MINORITY INTERESTS	INCOME ATRIBUTABLE TO MINORITY SHAREHOLDERS	MINORITY INTERESTS	INCOME ATRIBUTABLE TO MINORITY SHAREHOLDERS
Distribuidora Valenciana de Ediciones, S.A.	412	28	384	39
Terzia, S,p,A.	1,042	197	844	32
Distribución de Publicaciones Siglo XXI Guadalajara, S.L.	50	6	44	13
Transportes Basegar, S.L. (Note 2.7.5)	-	105	424	65
Distribuidora de Publicaciones del Sur, S.L.	153	30	123	22
Otras entities	158	51	108	-
Total	**1,185**	**417**	**1,927**	**171**

The changes in this heading in 2015 and 2014 were as follows:

THOUSANDS OF EUROS	2015	2014
Beginning balance	1,927	1,714
Exits of the scope of consolidation (Nota 2.7.5)	(529)	-
Acquisition of non-controlling interests	-	42
Change due to profit for the year	417	171
Ending balance	**1,815**	**1,927**

17. FINANCIAL RISK EXPOSURE

The management of the financial 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 activities are exposed to various financial risks: market risk (including exchange risk), credit risk, liquidity risk and cash flow interest rate risk.

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.

Credit risk

The Company's main financial assets are cash, loans to Group companies and trade and other receivables. In general, the Group holds its cash and cash equivalents at banks with high credit ratings. Also, the Group is exposed to the credit risk or counter-party risk of the group Imperial Tobacco Group, PLC, as a result of the cash transfer agreements entered into therewith.

The Group controls the risks of doubtful debts and default by setting credit limits and establishing demanding conditions with respect to collection periods; this commercial risk is distributed among a large number of customers with short collection periods and historically very low rates of non-payment and, therefore, the exposure to credit risk vis-á-vis non-Group third parties is not significant.

The Group considers that at 30 September 2015 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 1.3 million.

Foreign currency risk

The level of exposure of equity and the income statement to the effects of future changes in the foreign currency exchange rates in force is not significant because the volume of the Group's transactions in currencies other than the euro is not material (see Note 26).

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.

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 2015, the Group had a working capital deficiency amounting to EUR 1,025,491 thousand (30 September 2014: EUR 1,063,817 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.

18. PROVISIONS

The detail of the balance of short- and long-term provisions in the accompanying consolidated balance sheets at 30 September 2015 and 2014 and of the main changes therein in the periods is as follows:

Fiscal year 2015

	THOUSANDS OF EUROS					
	BALANCE AT 30-09-14	ADDITIONS	REVERSIONS	PROVISIONS USED	TRANSFERS	BALANCE AT 30-09-15
Customs and excise duty assessments	16,478	516	-	(3,418)	-	13,576
Obligations to employees	14,124	2,469	(17)	(775)	(200)	15,601
Provision for restructuring costs	2,483	-	-	(583)	-	1,900
Provision for contingencies and charges	13,782	130	(9,279)	(778)	-	5,380
Other	8,411	1,671	(989)	(670)	(344)	6,554
Non-current provisions	**55,278**	**4,786**	**(10,285)**	**(6,224)**	**(544)**	**43,011**
Provision for restructuring costs	10,737	8,925	-	(9,384)	-	10,278
Customer Refunds	2,453	197	-	-	-	2,650
Other	2,959	3,832	(1,514)	(2,420)	1,010	3,867
Current provisions	**16,149**	**12,954**	**(1,514)**	**(11,804)**	**1,010**	**16,795**

Fiscal year 2014

	THOUSANDS OF EUROS					
	BALANCE AT 30-09-13	ADDITIONS	REVERSIONS	PROVISIONS USED	TRANSFERS	BALANCE AT 30-09-14
Customs and excise duty assessments	109,755	9,301	(47,249)	(55,329)	-	16,478
Obligations to employees	14,209	1,534	(374)	(701)	(544)	14,124
Provision for restructuring costs	12,925	1,550	-	-	(11,992)	2,483
Provision for contingencies and charges	18,608	8,285	(3,904)	(4,624)	(3,058)	15,307
Others	5,683	212	(1,005)	(31)	2,027	6,886
Non-current provisions	**161,180**	**20,882**	**(52,532)**	**(60,685)**	**(13,567)**	**55,278**
Provision for restructuring costs	5,138	5,096	(9)	(11,480)	11,992	10,737
Customer Refunds	2,436	17	-	-	-	2,453
Other	829	1,393	(406)	(1,240)	2,383	2,959
Current provisions	**8,403**	**6,506**	**(415)**	**(12,720)**	**14,375**	**16,149**

Provision for excise tax on tobacco products and for customs duty assessments
Compañía de Distribución Integral Logista, S,A,U, has recognised provisions for assessments as a result of audits by the Spanish customs authorities of the returns for excise tax on tobacco products for 2007 to 2009. The Company signed the assessments on a contested basis and filed appeals against them, however, it has recognised provisions for the possible deficiency and interest in this connection in order to cater for the possibility of unfavourable decisions being handed down on the appeals.

During 2015, the Company has paid EUR 3,418 thousand related to the customs duty and import VAT 2003, and debited to the related provision accrued for in prior years for this purpose. Also during the same period has received proceedings relating to settlement of customs duty for the year 2012 and 2013 amounting to EUR 3,188 and 9,400 thousand, respectively. The Group, based on the opinion of its external advisors has not accrued it, no provisions were recognised in relation to the former and payment of the latter was recognised as an asset in the accompanying balance sheet at 30 September 2015, since it was considered that the appeals filed would be successful.

In 2014 the Central Economic-Administrative Tribunal handed down favourable judgments to Compañía de Distribución Integral Logista, S,A,U, 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 Company'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, The impact of this reversal is recognised under "Procurements" and "Finance Income" in the accompanying consolidated income statement.

In addition, during the same period the Supreme Court dismissed several appeals lodged by Compañía de Distribución Integral Logista, S.A.U., in relation to certain of the aforementioned excise duty assessments for the years 2004 and 2005 as well as some customs assessments, consequently, the Company paid the amount of these assessments, which totalled EUR 55,329 thousand, and was debited to the related provision.

On the basis of the most recent judgments received, Compañía de Distribución Integral Logista, S.A.U 's Directors re-estimated the level of provision related to the tax assessments under appeal and recognised an additional amount of EUR 9,301 thousand in view of their revised estimate of the related risk, of which EUR 8,201 thousand related to the principal and initial claim and interest related to the excise duty settlements for 2007, 2008 and 2009 and were charged to "Procurements" in the accompanying consolidated income statement, The remaining EUR 1,100 thousand related to the late-payment interests accrued by the opened litigations as of 30 September 2014, and were charged to "Finance costs" of the consolidated income statement.

Provisions for employee benefit obligations
This line item includes mainly the present value of the obligations assumed by Compañía de Distribución Integral Logista, S.A.U. in relation to long-service bonuses and the "tobacco gift", as well as the retirement bonus obligations recorded by the subsidiaries of the Group in order to cover the retirement benefits. Of the provision recognised in 2015, EUR 1,124 thousand were recorded with a charge to "Reserves of Consolidated Companies", since they relate to changes in the actuarial assumptions used to calculate the present value of the total obligation assumed by those companies.

Provision for restructuring costs
This account includes mainly the estimate of the payments to be made in relation to the restructuring plans that are being implemented at the Group. In 2015 and 2014, provisions were recognised amounting to EUR 8,925 thousand and EUR 6,646 thousand, respectively, and indemnity payments were made amounting to EUR 9,967 thousand and EUR 11,480 thousand, respectively, with a charge to the provisions that were recognised for that purpose.

The Company's Directors consider that both processes will be completed at short term and, therefore, in 2015 the related provision was reclassified to current liabilities in the accompanying consolidated balance sheet.

Provisions for contingencies and charges
This heading includes mainly the various litigation proceedings in progress involving the Group and third parties. In 2015 provisions were reversed amounting to EUR 9,279 thousand since the favourable judgments received by the Group had been made final.

Provisions for customer refunds
The customers of publishing sector are entitled to the refund of those products which are finally not sold, and the Group may in turn exercise this entitlement to a refund vis-à-vis its suppliers. At each 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.

19. TAX MATTERS

Consolidated Tax Group
Certain Group companies file consolidated tax returns with Imperial Tobacco España, S.L.U. (see Note 4.16). In addition to Imperial Tobacco España, S.L.U., the companies included in the consolidated tax group for income tax purposes are as follows: Compañía de Distribución Integral Logista, S.A.U., Compañía de Distribución Integral Logista Holdings, S.A., Distribérica, S.A.U., Publicaciones y Libros, S.A., Distribuidora de las Rías, S.A., Logista-Dis, S.A.U., La Mancha 2000, S.A.U., Dronas 2002, S.L.U., T2 Gran Canaria, S.A.U., Logista Pharma, S.A.U., Cyberpoint, S.L.U., Distribuidora del Noroeste, S.L., 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. and Be to Be Pharma, S.A.U, together with other Imperial Tobacco España Group companies.

In addition, Logista France, S.A.S., Société Allumetiére Française, S.A.S., Supergroup, S.A.S. file consolidated income tax returns in France as part of the group headed by Logista France, S.A.S.

Also, Logista Italia, S.p.A., Terzia, S.p.A. and Logesta Italia, S.r.l. file consolidated income tax returns in Italy as part of the group headed by Logista Italia, S.p.A.

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

Law 27/2014 introducing certain amendments to tax legislation in relation to income tax was published in Spain on 27 November 2014, and came into force on 1 January 2015. The principal change introduced, which directly affects the amount of deferred tax assets recognised by the Parent at 31 September 2014, arises from the reduction in the standard tax rate from 30% to 28% for the tax period beginning immediately following 1 January 2015 and to 25% for the tax periods beginning on or after 1 January 2016.

As a result of this change, the Parent adjusted its deferred tax assets and liabilities to the corresponding tax rate on the basis of when they are expected to be reversed. The impact of this adjustment on the income tax expense for 2015 totalled EUR 8,651 thousand.

Years open for review by the tax authorities
At 30 September 2014, the Parent Company had the last three years open for review for income tax, since 2014 or customs duties, since 2013 for excise duties, and the remaining four years for the other taxes applicable to it.

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

In 2014 the tax authorities initiated a tax audit of income tax for 2009, 2010 and 2011, VAT and personal income tax withholdings for 2010, 2011 and 2012, excise tax for 2011 and tax on foreign trade for 2012.

In 2014 the tax authorities initiated tax audits of income tax for 2009, 2010 and 2011, VAT and personal income tax withholdings for 2010, 2011 and 2012, excise duty for 2011 and tax on foreign trade for 2012. In addition, in 2015 the tax authorities initiated an audit of foreign trade activities relating to 2013.

The situation at the date of preparation of these consolidated financial statements is as follows:

– The audit of income tax for 2009, 2010 and 2011 gave rise to two adjustments, The first relates to a reduction of the base of the financial goodwill that may be applied by the Group and the second to the amounts deducted as a result of the application of the policy relating to the collective layoff procedure of 2001/2002 which will be deducted in future years, The net effect of the tax assessment totalled EUR 1.4 million, no penalties or late-payment interest were incurred and it is not payable to the Tax Agency since it will be offset against the tax losses of the part of the Group that reports directly to Imperial Tobacco España.

– In relation to the audit of VAT and personal income tax withholdings for 2010, 2011 and 2012, the tax authorities' agreed with the amounts recognised by the Group except in relation to personal income tax withholdings for 2012 for which an assessment of EUR 1 million was issued which the Group signed on an uncontested basis and paid,

Lastly, in relation to the audit of the tax on foreign trade for 2012 and 2013, assessments signed on a contested basis totalling EUR 3.2 million and EUR 9.4 million, respectively, were issued (see Note 18).

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,

Tax receivables and payables

The detail of the tax receivables at 30 September 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Deferred tax assets:		
Provision for restructuring costs	6,615	12,477
Goodwill	8,789	12,747
Impairment losses and other	10,933	17,143
Provision for third-party liability	3,438	3,064
Other deferred tax assets	11,129	13,531
	40,904	**58,962**
Tax receivables (current):		
VAT refundable	8,915	8,873
Income tax refundable	526	2,179
Other	2,494	4,164
	11,935	**15,216**

The deferred tax assets relate mainly to provisions recognised for restructuring plans, termination benefits and obligations to employees that will become tax deductible in the coming years, as well as to adjustments due to the application of transitional tax legislation in 2013-2014 as a result of which 30% of the depreciation and amortisation charge was not deductible but will become so in future years.

The detail of the tax payables at 30 September 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Deferred tax liabilities:		
Assets contributed by Logista	732	884
Revaluation of land owned by the Parent (Note 14d)	7,125	8,550
Goodwill	85,180	95,640
Business Combination	230,732	250,282
Other	4,362	2,159
	328,131	**357,515**
Tax payables (current):		
Excise duty on tobacco products	3,624,775	3,581,735
VAT payable	888,973	867,808
Customs duty settlements	4,801	4,507
Income tax, net of prepayments	26,835	29,375
Personal income tax withholdings	3,716	2,772
Social security taxes payable	16,827	15,758
Tax retention to tobacconists (France)	30,002	30,748
Other	5,054	4,717
	4,600,983	**4,537,420**

Short-term balances include mainly the “Excise Duty on Tobacco Products” accrued by Compañía de Distribución Integral Logista, S.A.U., Logistra France, S.A.S. and by Logista Italia, S.p.A. and pending payment to the tax authorities.

Until 2011, each year Compañía de Distribución Integral Logista, S.A.U 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 accounting profit before tax to the aggregate taxable profit and of the accounting profit before tax to the income tax expense resulting from the application of the standard tax rate in force in Spain for the years ended 30 September 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Accounting profit before tax	167,943	153,229
Permanent differences:		
- Individual companies	(13,472)	2,657
Temporary differences:		
- Individual companies	(15,026)	2,333
- Consolidation adjustments	53,165	52,235
Taxable profit	**192,610**	**210,454**

The temporary differences arising from consolidation adjustments relate mainly to the depreciation and amortisation of assets recognised in the accounting for the acquisition of Logista France, S.A.S.

THOUSANDS OF EUROS	2015	2014
Accounting profit before tax	167,943	153,229
Permanent differences	(13,472)	2,657
Tax charge at 30%	46,341	46,766
Effect of different tax rates	10,621	8,572
Tax adjustment and Other adjustments	2,345	-
Tax credits:		
Reinvestment of gains	-	(378)
Other	(1,274)	(1,009)
Total income tax expense recognised in profit or loss	**58,033**	**53,951**

The Group is affected by the different income tax rates to which the Group companies' activities are subject:

- Spain: the tax rate for 2015 is 30%, reduced from 28% and 25% for 2016 and subsequent years pursuant to Law 27/2014, of 27 November 2014.

- France: the standard tax rate is 38%, although certain companies are taxed at 33.33% and there is also a supplementary business tax (CVAE TAX) which can represent an additional 2%-3%.

- Italy: the income tax rate is 27.5% and, as in France, there is a supplementary business tax which can represent an additional 4.6651%.

- Portugal: the income tax rate is 26.5%, and there is an obligation to make pre-payments even if an entity is reporting a loss.

- Poland: the income tax rate is 19%.

Breakdown of the income tax expense

THOUSANDS OF EUROS	2015	2014
Current tax:		
Continuing operations	69,359	73,223
Deferred tax:		
Continuing operations	(2,675)	(19,553)
Tax adjustment	(8,651)	-
Total tax expense	**58,033**	**53,670**

Changes in deferred tax assets and liabilities

The changes in deferred tax assets and liabilities in 2015 and 2014 were as follows:

2015

THOUSANDS OF EUROS	BALANCE AT 30/09/14	CHANGE IN PROFIT OR LOSS	TAX RATE ADJUSTMENTS	BALANCE AT 30/09/15
Deferred tax assets:				
Provision for restructuring costs	12,477	(5,331)	(531)	6,615
Goodwill	12,747	(2,785)	(1,173)	8,789
Impairment losses and other	17,143	(4,984)	(1,226)	10,933
Provision for third-party liability	3,064	391	(17)	3,438
Other deferred tax assets	13,531	(1,621)	(781)	11,129
	58,962	**(14,330)**	**(3,728)**	**40,904**
Deferred tax liabilities:				
Assets contributed by Logista	(884)	27	125	(732)
Revaluation of land	(8,550)	-	1,425	(7,125)
Goodwill	(95,640)	(325)	10,785	(85,180)
Business combination	(250,282)	19,550	-	(230,732)
Other	(2,159)	(2,247)	44	(4,362)
	(357,515)	**17,005**	**12,379**	**(328,131)**

2014

THOUSANDS OF EUROS	BALANCE AT 30/09/13	CHANGE IN PROFIT OR LOSS	BALANCE AT 30/09/14
Deferred tax assets:			
Provision for restructuring costs	11,189	1,288	12,477
Goodwill	14,763	(2,016)	12,747
Impairment losses and other	15,267	1,876	17,143
Provision for third-party liability	3,577	(513)	3,064
Other deferred tax assets	11,868	1,663	13,531
	56,664	**2,298**	**58,962**
Deferred tax liabilities:			
Assets contributed by Logista	(916)	32	(884)
Revaluation of land	(8,550)	-	(8,550)
Goodwill	(94,098)	(1,542)	(95,640)
Business combination	(269,138)	18,856	(250,282)
Other	(2,009)	(150)	(2,159)
	(374,711)	**17,196**	**(357,515)**

Tax credit and tax loss carryforwards

At 30 September 2015, the Group did not have any unused tax credits.

The Group's tax loss carryforwards at the end of 2014 were basically as follows:

- Spain: the tax losses not yet offset amount to EUR 6.4 million and were incurred mainly mainly by Distribuidora de Ediciones, S.A. and Logista Pharma, S.A.U.

- Portugal: the tax losses not yet offset amount to EUR 7.4 million and were incurred mainly by Logista Transportes, Transitarios e Pharma, Lda.

- France: the tax losses not yet offset amount to EUR 2.8 million and were incurred by Strator, S,A,S,, absorbed by Logista France, S.A.S during 2015. (Note 2.7.5)

- Poland: the tax losses not yet offset amount to EUR 4.6 million.

20. OTHER CURRENT FINANCIAL LIABILITIES

This line item includes mainly the balance at Compañía de Distribución Integral Logista, S.A.U relating to the credit facility granted by it to "Compañía de Distribución Integral Logista, S.A.U. y GTECH Global Lottery, S.L.U., Unión Temporal de Empresas", which amounted to EUR 30,909 thousand at 30 September 2014 (30 September 2014: EUR 31,109 thousand). This amount represents the balance payable by the Group to "Compañía de Distribución Integral Logista, S.A.U and GTECH Global Lottery S.L.U., Unión Temporal de Empresas" as a result of the account payable to the other venturer of the UTE assumed by the Group (see Note 9).

21. TRADE AND OTHER PAYABLES

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheet at 30 September 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Accounts payable for purchases and services	716,810	783,887
Notes payable	18,685	19,771
Payable to related companies (Note 27)	162,142	164,470
Advances received on orders	3	186
	897,640	**968,314**

Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs. The average payment period for trade purchases in 2015 and 2014 was approximately 40 days (38 days in 2014).

22. OTHER CURRENT LIABILITIES

At 30 September 2015 and 2014 "Other Current Liabilities" includes mainly the remuneration payable to the employees of the various Group companies, deferred liabilities and other non-trade payables as well as a bank deposit received on the part of two manufacturers of tobacco, amounted EUR 51,722 thousand.

23. GUARANTEE COMMITMENTS TO THIRD PARTIES

At 30 September 2015, the Group has been provided with bank guarantees totalling EUR 171,865 thousand (30 September 2014: EUR 154,060 thousand) which, in general, secure the fulfilment of certain obligations assumed by the consolidated companies in the performance of their business activities.

Also, the Group has provided guarantees for its ordinary trading operations; in this regard, the Parent's directors consider that any liabilities not foreseen at 30 September 2015 that might arise from the aforementioned guarantees would not in any event be material.

At 30 September 2015, 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.

24. INCOME AND EXPENSES

a) Income

The detail of "Revenue" in the consolidated income statements for 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Iberia	2,576,708	2,546,017
Italy	2,518,937	2,529,752
France	4,406,866	4,454,496
Corporative	10,976	10,781
Adjustment due to inter-segment sales	(42,497)	(41,710)
Total	**9,470,990**	**9,499,336**

b) Staff costs

The detail of the Group's "Staff Costs" in 2015 and 2014 is as follows:

THOUSANDS OF EUROS	2015	2014
Wages, salaries and similar expenses	181,142	186,345
Termination benefits	13,136	3,690
Employer social security costs	61,488	62,677
Other employee benefit costs (Note 4.12)	2,828	1,692
Other social costs	12,980	14,110
	271,574 (*)	**268,514**

(*) "Research Expenditure" includes EUR 1,357 thousand of staff costs.

The average number of employees at the Group, by professional category, in 2015 and 2014, as well as the number of employes as of 30 September 2015 and 30 September 2014 was as follows:

2015

	NUMBER OF PERSONS							
	AVERAGE HEADCOUNT				HEADCOUNT AT 30/09/15			
	PERMANENT EMPLOYEES		TEMPORARY EMPLOYEES		PERMANENT EMPLOYEES		TEMPORARY EMPLOYEES	
CATEGORY	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Management	22	2	-	-	20	2	-	-
Line personnel and clerical staff	1,449	1,144	119	138	1,458	1,142	160	160
Messengers	1,556	592	354	86	1,527	776	379	81
	3,027	1,738	473	224	3,005	1,720	578	241
Total	**4,765**		**697**		**4,725**		**780**	

2014

	NUMBER OF PERSONS							
	AVERAGE HEADCOUNT				HEADCOUNT AT 30/09/14			
	PERMANENT EMPLOYEES		TEMPORARY EMPLOYEES		PERMANENT EMPLOYEES		TEMPORARY EMPLOYEES	
CATEGORY	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Management	25	1	-	-	25	1	-	-
Line personnel and clerical staff	1,493	1,180	127	158	1,472	1,163	110	132
Messengers	1,568	577	315	89	1,557	603	324	92
	3,086	1,758	442	247	3,054	1,767	434	224
Total plantilla	**4,844**		**689**		**4,821**		**658**	

The average number of disabled employees with a handicap higher than 33% at the Group in 2015 and 2014 was 62 and 64, respectively.

Remuneration of senior executives

The senior executive functions are discharged by members of the Management Committee.

The remuneration earned in 2015 by the members of the Management Committee of the Parent amounted to EUR 5,480 thousand (2014: EUR 5,136 thousand). The aforementioned amounts include the amounts vested in the members of the Management Committee in 2015 and 2014 under the incentive plan described in Note 4.12.

The period contributions to the pension plans for members of the Management Committee for 2014 and 2015 amounted to EUR 45 thousand.

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	2015	2014
Leases	32,867	32,955
Security and cleaning	14,950	15,524
Utilities	17,615	19,879
Other operating expenses	88,018	108,417
Total	**153,450**	**176,775**

Commercial expenses

THOUSANDS OF EUROS	2015	2014
Leases	2,490	2,461
Security and cleaning	15	17
Utilities	662	795
Other operating expenses	18,905	22,125
Total	**22,072**	**25,398**

Head Office costs

THOUSANDS OF EUROS	2015	2014
Leases	4,684	4,997
Security and cleaning	718	695
Utilities	473	471
Other operating expenses	27,828	29,353
Total	**33,703**	**35,516**

d) Operating leases

The Group 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	2015	2014
Within one year	24,345	29,245
Between one and five years	60,507	56,441
More than five years	14,657	10,211
Total	**99,509**	**95,897**

e) Finance income

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

THOUSANDS OF EUROS	2015	2014
Interest income (Note 27)	10,897	11,321
Other finance income	1,473	10,458
	12,370	**21,779**

In 2014 EUR 8,126 thousand were recorded under "Other Finance Income" relating to the reversal of the provision for excise tax assessments for 2006 (see Note 18),

f) Finance expenses

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

THOUSANDS OF EUROS	2015	2014
Accrual for late payment interests and financial update of provisions (Note 18)	516	2,034
Negative exchange differences	-	76
Other financial costs	3,768	4,807
	4,284	**6,917**

g) Other disclosures

In 2015 and 2014 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 RENDERED BY THE MAIN AUDITOR		SERVICES RENDERED BY OTHER AUDITORS	
THOUSANDS OF EUROS	2015	2014	2015	2014
Audit services	1,014	1,071	228	209
Other attest services	57	525	-	-
Total audit and related services	1,071	1,596	228	209
Tax advisory services	88	143	-	-
Other services	40	6	-	-
Total professional services	**1,199**	**1,745**	**228**	**209**

25. 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.

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.

Primary segment reporting

	IBERIA		ITALY	
THOUSANDS OF EUROS	2015	2014	2015	2014
Revenue:				
External sales	2,576,708	2,546,021	2,518.937	2,529,752
Tobacco and related products	2,218,194	2,182,692	2,518.937	2,529,752
Transport	329,489	316,279	-	-
Other businesses	116,466	128,342	-	-
Other adjustments	(87,441)	(81,292)	-	-
Inter-segment sales				
Total revenue	**2,576,708**	**2,546,021**	**2,518,937**	**2,529,752**
Procurements:				
External procurements	(2,087,239)	(2,030,833)	(2,288,758)	(2,319,353)
Inter-segment procurements				
Total procurements	**(2,178,273)**	**(2,030,777)**	**(2,288,758)**	**(2,319,353)**
Gross profit:				
External gross profit	489,469	515,188	230,179	210,399
Tobacco and related products	245,135	283,237	230,179	210,399
Transport	220,221	207,669	-	-
Other businesses	66,355	63,022	-	-
Other and adjustments	(42,242)	(38,740)	-	-
Inter-segment gross profit				
Total gross profit	**489,469**	**515,188**	**230,179**	**210,399**
Profit (Loss):				
Segment result	91,588	92,081	62,405	43,765
Share of results of associates	-	-	-	-
Profit (Loss) from operations	**91,588**	**92,081**	**62,405**	**43,765**

Inter-segment sales are made at prevailing market prices.

	FRANCE		CORPORATE AND OTHER		TOTAL GROUP	
	2015	2014	2015	2014	2015	2014
	4,406,866	4,454,496	10,976	10,781	9,513,487	9,541,050
	4,193,016	4,224,889	10,976	10,781	8,941,123	8,948,114
	-	-	-	-	329,489	316,279
	221,577	240,801	-	-	338,043	369,143
	(7,727)	(11,194)	-	-	(95,168)	(92,486)
					(42,497)	(41,714)
	4,406,866	**4,454,496**	**10,976**	**10,781**	**9,470,990**	**9,499,336**
	(4,122,716)	(4,157,584)	-	-	(8,498,713)	(8,507,715)
					37,793	37,160
	(4,122,716)	**(4,157,585)**	**-**	**-**	**(8,460,920)**	**(8,470,554)**
	284,150	296.912	10,976	10,781	1,014,774	1.033,280
	238,566	248,328	10,976	10,781	724,856	752,745
	-	-	-	-	220,221	207,669
	51,734	57,600	-	-	118,089	120,622
	(6,150)	(9,016)	-	-	(48,392)	(47,756)
					(4,706)	(4,554)
	284,150	**296,912**	**10,976**	**10,781**	**1.,010,070**	**1,028,726**
	17,746	23,812	(12,140)	(19,314)	159,599	140,344
	-	-	-	-	258	(1,977)
	17,746	**23,812**	**(12,140)**	**(19,314)**	**159,857**	**138,367**

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

	IBERIA		ITALY	
THOUSANDS OF EUROS	2015	2014	2015	2014
Other disclosures:				
Additions to non-current assets	19,106	19.822	5,064	5,838
Amortizations	(24,544)	(25,144)	(7,801)	(6,319)
Balance sheet:				
Assets-				
Property, plant and equipment, investment properties and non-currents assets held for sale	140,434	147,578	27,466	30.573
Other non-current assets	79,945	94,412	676,005	678,393
Inventories	390,051	387,276	222,954	238,926
Trade receivables	490,458	478,304	336,389	326,271
Other current assets				
Total consolidated assets				
Liabilities-				
Non-current liabilities	97,844	118,825	40,661	42,170
Current liabilities	1,371,511	1,383,777	1.681,189	1,609,154
Equity				
Total consolidated liabilities				

FRANCE		CORPORATE AND OTHERS		TOTAL GROUP	
2015	2014	2015	2014	2015	2014
6,488	8,819	63	89	30,721	34,568
(57.383)	(57,536)	(157)	(201)	(89,885)	(89,200)
47,780	45,671	284	342	215,964	224,164
874,284	927,241	14	68	1,630,248	1,700,114
447,497	440,448	-	-	1,060,502	1,066,650
928,304	950,192	845	730	1,755,996	1,755,497
				1,815,323	1,722,809
				6,478,033	**6,469,234**
237,786	257,038	-	-	376,291	418,033
2.603,706	2.614,224	907	1.618	5,657,312	5,608,773
				444,430	442,428
				6,478,033	**6,469,234**

26. FOREIGN CURRENCY TRANSACTIONS

The Logista Group's foreign currency transactions in 2015 and 2014, measured in euros at the average exchange rate for the year, were as follows:

THOUSANDS OF EUROS	2015	2014
Sales	16,115	13,350
Purchases	9,099	7,049
Services received	4,920	5,498

27. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The balances at 30 September 2015 and 2014 with related companies were as follows:

2015

	RECEIVABLES		PAYABLES	
THOUSANDS OF EUROS	CREDIT FACILITIES	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	LOANS
Altadis, S.A.U.	-	1,575	26,386	-
Altadis Canarias, S.A.	-	655	6,918	-
Imperial Tobacco Enterprise Finance Limited	1,737,144	-	142	-
Imperial Tobacco International Limited	-	512	18,147	-
Imperial Tobacco España, S.L.U.	6,344	-	-	-
Seita, S.A.S.	-	1,024	82,368	-
Imperial Tobacco Italia, Srl	-	215	24,858	-
Otros	-	2,096	3,324	449
	1,743,488	**6,077**	**162,143**	**449**

2014

	RECEIVABLES		PAYABLES
THOUSANDS OF EUROS	CREDIT FACILITIES	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE
Altadis, S.A.U.	-	1,072	29,795
Altadis Canarias, S.A.	-	1,102	9,510
Imperial Tobacco Enterprise Finance Limited	1,630,593	-	-
Imperial Tobacco International Limited	-	-	19,709
Imperial Tobacco España, S.L.U.	5,072	-	-
Seita, S.A.S.	-	956	84,887
Imperial Tobacco Italia, Srl	-	90	17,034
Otros	1,201	2,899	3,535
	1,636,866	**6,119**	**164,470**

The accounts payable and accounts receivable stem from balances payable and receivable, respectively, related to commercial transactions, mainly purchases of tobacco and related products, between Logista Group companies and Imperial Tobacco Group companies.

The "credit facilities" with Imperial Tobacco España, S.L.U., the head of the Imperial Tobacco tax group in Spain, to which Logista belongs, correspond to the account receivable related to the settlement of income tax.

The "Credit Facilities" with Imperial Tobacco Enterprise Finance Limited relate to cash agreements that existed in 2015 and 2014 among Logista Group and the Imperial Tobacco Group PLC, as described in Note 9.

The transactions with related companies in 2015 and 2014 were as follows:

Fiscal year 2015

THOUSANDS OF EUROS	OPERATING INCOME	FINANCE RESULTS	PURCHASES	OTHER OPERATING EXPENSES
Altadis, S.A.U.	7,511	-	397,815	21
Altadis Canarias, S.A	5,990	-	40,444	-
Tabacalera S.L. Central Overheads	4,592	-	-	-
Imperial Tobacco Italy, s.r.l.	1,627	-	65,111	-
Imperial Tobacco Polska, S.A.	3,158	-	6	-
Imperial Tobacco Manufacturing Polska, S.A.	1,405	-	1	-
Imperial Tobacco Enterprise Finance Limited	-	10,883	-	-
Imperial Tobacco International Limited	1,880	-	34,730	-
Imperial Tobacco Portugal SPPLC	928	-	-	-
Macotab, S.A.S.	-	-	-	378
SEITA, S.A.	8,045	-	443,153	165
Otros	9,137	14	357	154
Total	**44,273**	**10,897**	**981,617**	**718**

Fiscal year 2014

THOUSANDS OF EUROS	OPERATING INCOME	FINANCE RESULTS	PURCHASES	OTHER OPERATING EXPENSES
Altadis, S.A.U.	8,801	1,761	396,972	-
Altadis Canarias, S.A	6,546	-	31,590	-
Tabacalera S.L. Central Overheads	4,513	-	-	-
Imperial Tobacco Italy, s.r.l.	933	-	53,169	-
Imperial Tobacco Polska, S.A.	3,227	-	-	-
Imperial Tobacco Manufacturing Polska, S.A.	796	-	-	-
Imperial Tobacco Enterprise Finance Limited	-	9,560	-	-
Imperial Tobacco International Limited	1,664	-	29,994	-
Imperial Tobacco Portugal SPPLC	403	-	-	-
Macotab, S.A.S.	-	-	-	383
SEITA, S.A.	7,470	-	457,127	438
Otros	10,697	42	313	200
Total	**45,050**	**11,363**	**969,165**	**1,021**

Operating income and other operating expenses relate to services provided by Logista for the handling, logistics and storage of goods, In addition, statistical and market information services are occasionally provided.

The purchases are included as a result of acquiring tobacco and related products, as well as convenience products related to tobacco. Specifically, the transactions with Altadis, S.A.U., Imperial Tobacco Italia, Srl, Imperial Tobacco International, Ltd, Altadis Canarias, S.A. and Seita, S.A.S. relate to purchases of tobacco and related products from these companies to then be subsequently sold in the markets where the Group operates.

28. REMUNERATION OF DIRECTORS

Remuneration of the Parent's directors

In 2015 the remuneration earned by the members of the Board of Directors as a result of their membership thereof or of any of its executive committees in all connections, including the remuneration received by the members of the Board who in turn are executives, amounted to EUR 3,439 thousand (2014: EUR 2,929 thousand).

In addition, the employer contributions to pension plans for the executive directors amounted to EUR 11 thousand in 2015 and 2014, respectively.

The life insurance premium corresponding to the Board of Directors amounted to EUR 9 and 4 thousand in 2015 and 2014, respectively.

The Board's composition is nine male directors and one female.

Information regarding situations of conflict of interest involving the directors

Pursuant to Article 229 of the Spanish Capital Companies Law, the directors have not reported any situations of direct or indirect conflict of interest that either they or persons related to them might have with the interests of the Group.

29. DISCLOSURES ON THE PAYMENT PERIODS TO SUPPLIERS, ADDITIONAL PROVISION THREE "DISCLOSURE OBLIGATION" PROVIDED FOR IN LAW 15/2010, OF 5 JULY

	AMOUNTS PAID AND PAYABLE AT YEAR-END			
	2015		2014	
THOUSANDS OF EUROS	AMOUNT	%	AMOUNT	%
Paid within the maximum payment period	3,616,775	99,76	2,647,484	99,68
Remainder	8,699	0,24	8,442	0,32
Total payments made in the year	**3,625,474**	**100**	**2,665,926**	**100**
Payments at year-end not made in the maximum payment period	778		906	

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 for loans, therefore, they include the figures relating to "Accounts payables for purchases and services" and "Notes payable" of the epigraph "Accounts Payable for Purchases and Services - Trade and Other Payables" under current liabilities in the attached 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 14 days in 2015 and 2014.

The maximum pay ment period applicable to the Company in 2015 under Law 11/2013, of 26 July, which, from the date it came into force, provi es for a maximum period of 30 days unless the parties have entered into an agreement for a maximum period of 60 days.

30. 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.

31. EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place since the end of 2015.

32. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis the regulatory financial reporting framework applicable to the Group (see Note 2.1.). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles.

APPENDIX I
SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES OF THE LOGISTA GROUP

The following companies were fully consolidated because they are companies in which the Logista Group holds a majority of the voting power or were accounted for using the equity method:

Fiscal year 2015

COMPANY	AUDIT FIRM	LOCATION
Compañía de Distribución Integral Logista, S.A.U. (a)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (a)	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Distribérica, S.A.U. (a)	No audit	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Publicaciones y Libros, S.A.U. (a)	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Distribuidora del Noroeste, S.L. (a)	BDO	Gandarón, 34 Interior- Vigo
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	No audit	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)
Distribuidora de Publicaciones del Sur, S.L. (a)	BDO	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)
Promotora Vascongada de Distribuciones, S.A. (a)	No audit	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)
Distribuidora de las Rías, S.A. (a)	No audit	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña
Distribuidora Valenciana de Ediciones, S.A. (a)	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia
Cyberpoint, S.L.U. (e)	No audit	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Distribuidora del Este, S.A.U. (a)	BDO	Calle Saturno, 11. Alicante
S.A.U. Distribuidora de Ediciones (a)	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona
La Mancha 2000, S.A.U. (a)	No auditada	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara
Midsid - Sociedade Portuguesa de Distribuiçao, S.A. (a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Logista-Dis, S.A.U. (b)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logesta Gestión de Transporte, S.A.U. (d)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logesta Italia, s.r.l.(d)	Deloitte	Via in Arcione 98. Roma

% OF OWNERSHIP BY THE PARENT COMPANY		NET BOOK VALUE	THOUSANDS OF EUROS			
			DATA ON THE COMPANIES			
DIRECT	INDIRECT		ASSETS	LIABILITIES	EQUITY	PROFIT / LOSS
100	-	969,596	4,091,104	3,828,046	263,058	74,799
-	100	2,420	44,438	42,959	1,479	(362)
-	100	923	2,592	1,911	681	(26)
-	50	530	3,534	3,136	398	(754)
-	100	271	4,301	3,072	1,229	81
-	80	64	986	739	247	28
-	50	5	2,876	2,595	281	60
-	100	-	634	592	42	(29)
-	100	251	1,462	1,090	372	27
-	50	-	3,619	2,788	831	56
-	100	76	73	7	66	(7)
-	100	369	1,518	991	527	(8)
-	100	3,513	10,008	7,010	2,998	694
-	100	1,352	2,864	583	2,281	71
-	100	741	35,337	34,281	1,056	214
-	100	1,202	14,379	13,201	1,178	(455)
-	100	4,510	28,940	20,880	8,060	3,296
-	100	100	9,540	7,699	1,841	1,045

COMPANY	AUDIT FIRM	LOCATION
Logesta Lusa Lda (d)	No audit	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Logesta Polska Sp. z.o.o. (a)	No audit	Flory nr 9, lok 6. kod-00-586 Warszawa--(Poland)
Logesta Deutschland Gmbh (a)	No audit	Pilotystr 4. 80538- München-(Germany)
Logesta France, s.a.r.l.(d)	No audit	25 Av. Du Bois de la Pie. Z.I. Paris Nord. 93290 Tremblay (France)
Dronas 2002, S.L.U. (d)	Deloitte	Pol. Industrial Nordeste, c/ Energía 25-29. Sant Andreu de la Barca
T2 Gran Canaria, S.A.U. (d)	Deloitte	Urbanización El Cebadal. C/ Entrerríos, 3. Las Palmas de Gran Canaria
Logista Pharma, S.A.U. (f)	Deloitte	Polígono Industrial Nordeste. C/ Industria, 53-65. San Andreu de la Barca
Be to be pharma, S.L.U. (f)	No audit	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logista Italia, S.p.A. (a)	Deloitte	Vía in Arciones, 98. Roma (Italy)
Terzia, S.p.A. (a)	Deloitte	Vía in Arciones, 98. Roma (Italy)
Logista Transportes, Transitarios e Pharma, Lda. (d)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Compañía de Distribución Integral Logista Polska, Sp z.o.o. (a)	No audit	Al. Jerozolimskie 133. Warszawa. Poland
Logista France, S.A.S. (a)	Deloitte	27 avenue des Murs du Parc, 94300 Vincennes – France
Société Allumetière Française, S.A.S. (b)	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade77400 Saint-Thibault-des-Vignes – France
Supergroup, S.A.S. (d)	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade77400 Saint-Thibault-des-Vignes - France

(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 is specialised in software development for the management of points of sale for publications,

(f) Companies specialising in the distribution of products from pharmacies and related points of sale

% OF OWNERSHIP BY THE PARENT COMPANY		NET BOOK VALUE	THOUSANDS OF EUROS			
			DATA ON THE COMPANIES			
DIRECT	INDIRECT		ASSETS	LIABILITIES	EQUITY	PROFIT / LOSS
-	100	32	79	18	61	(26)
-	100	128	2,635	1,009	1,626	657
-	100	100	870	349	521	204
-	100	50	2,152	892	1,260	30
-	100	21,292	102,051	67,920	34,131	8,963
-	100	1,657	6,056	2,074	3,982	985
-	100	937	28,356	22,415	5,941	94
-	100	3	15	40	(25)	(27)
-	100	605,629	1,766,425	1,682,618	83,807	48,857
-	100	166	11,679	10,721	958	616
-	100	240	7,929	7,776	153	244
-	100	527	1,448	921	527	315
-	100	920,161	2,951,016	2,714,296	236,720	51,147
-	100	22,128	143,935	29,912	114,023	2,741
-	100	7,986	74,256	65,559	8,697	(1,942)

Fiscal year 2014

COMPANY	AUDIT FIRM	LOCATION
Compañía de Distribución Integral Logista, S.A.U. (a)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (b)	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Distribérica, S.A.U. (b)	No audit	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Publicaciones y Libros, S.A.U. (b)	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Distribuidora del Noroeste, S.L. (b)	BDO	Gandarón, 34 Interior- Vigo
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (b)	No audit	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)
Distribuidora de Publicaciones del Sur, S.L. (b)	BDO	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)
Promotora Vascongada de Distribuciones, S.A. (b)	No audit	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)
Distribuidora de las Rías, S.A. (b)	No audit	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña
Distribuidora Valenciana de Ediciones, S.A. (b)	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia
Cyberpoint, S.L.U.	No audit	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)
Distribuidora del Este, S.A.U. (b)	BDO	Calle Saturno, 11. Alicante
S.A.U. Distribuidora de Ediciones (b)	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona
La Mancha 2000, S.A.U. (a)	Grupo C&O Auditores	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara
Midsid - Sociedade Portuguesa de Distribuiçao, S.A. (b)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Logista-Dis, S.A.U. (c)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logesta Gestión de Transporte, S.A.U. (e)	Deloitte	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logesta Italia, s.r.l.(b)	Deloitte	Via in Arcione 98. Roma (Italy)
Transportes Basegar, S.A. (e)	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)
Logesta Lusa Lda (e)	No audit	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Logesta Polska Sp. z.o.o. (e)	No audit	Flory nr 9, lok 6. kod-00-586 Warszawa--(Poland)
Logesta Deutschland Gmbh (e)	No audit	Pilotystr 4. 80538- München-(Germany)

% OF OWNERSHIP BY THE PARENT COMPANY		NET BOOK VALUE	THOUSANDS OF EUROS DATA ON THE COMPANIES			
DIRECT	INDIRECT		ASSETS	LIABILITIES	EQUITY	PROFIT / LOSS
100	-	968,638	4,179,053	3,921,616	257,437	82,563
-	100	-	45,914	46,003	(89)	(1,189)
-	100	923	758	51	707	-
-	100	530	3,777	4,409	(632)	(372)
-	100	410	3,063	1,916	1,147	111
-	80	64	942	724	218	64
-	50	5	2,678	2,457	221	43
-	100	-	360	640	(280)	(41)
-	100	251	1,376	1,032	344	41
-	50	-	3,131	2,356	775	79
-	100	76	80	7	73	(4)
-	100	369	1,435	900	535	28
-	100	3,513	9,291	6,987	2,304	501
-	100	1,352	2,926	639	2,287	86
-	100	1,374	31,133	32,391	(1,258)	(2,938)
-	100	1,202	16,739	12,718	4,021	2,381
-	100	4,510	33,101	26,907	6,194	1,438
-	100	100	9,490	7,711	1,780	984
-	60	185	2,795	1,863	932	163
-	100	-	32	71	(39)	(8)
-	100	133	2,050	1,065	985	560
-	100	100	1,284	968	316	265

COMPANY	AUDIT FIRM	LOCATION
Logesta France, s.a.r.l. (e)	No audit	25 Av. Du Bois de la Pie. Z.I. Paris Nord. 93290 Tremblay (France)
Dronas 2002, S.L.U. (d)	Deloitte	Pol. Industrial Nordeste, c/ Energía 25-29. Sant Andreu de la Barca
T2 Gran Canaria, S.A.U. (d)	Deloitte	Urbanización El Cebadal. C/ Entrerríos, 3. Las Palmas de Gran Canaria
Logista Pharma, S.A.U. (f)	Deloitte	Polígono Industrial Nordeste. C/ Industria, 53-65. San Andreu de la Barca
Logilenia Distribuidora Farmacéutica, S.L.U. (f)	No audit	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés
Logista Italia, S.p.A. (b)	Deloitte	Vía in Arciones, 98. Roma (Italy)
Terzia, S.p.A. (b)	Deloitte	Vía in Arciones, 98. Roma (Italiy)
Logista Transportes, Transitarios e Pharma, Lda. (e)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)
Compañía de Distribución Integral Logista Polska, Sp z.o.o. (b)	No audit	Al. Jerozolimskie 133. Warszawa. (Poland)
Logista France, S.A.S. (b)	Deloitte	27 avenue des Murs du Parc, 94300 Vincennes (France)
Société Allumetière Française, S.A.S. (c)	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade77400 Saint-Thibault-des-Vignes
Supergroup, S.A.S. (c)	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade77400 Saint-Thibault-des-Vignes
Strator, S.A.S. (b)	Deloitte	Parc d'activité de la Brèche, 9 rue Olof Palme, Bâtiment Euclide, 94000 Créteil

(a) Compañía de Distribución Integral Logista, S,A,U, is no longer the Parent Company of the Group since 4th June 2014,

(b) 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,

(c) These companies engage in the purchase and sale of consumer products,

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

(e) These companies' object is the performance of transport activities,

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

% OF OWNERSHIP BY THE PARENT COMPANY		NET BOOK VALUE	THOUSANDS OF EUROS			
			DATA ON THE COMPANIES			
DIRECT	INDIRECT		ASSETS	LIABILITIES	EQUITY	PROFIT / LOSS
-	100	50	2,478	1,247	1,231	244
-	100	21,292	111,253	75,001	36,252	3,076
-	100	1,657	6,483	2,479	4,004	1,007
-	100	937	23,282	22,345	937	(2,782)
-	100	246	16,265	16,018	247	(26)
-	100	605,629	1,680,433	1,612,198	68,235	33,289
-	68	166	9,368	9,025	343	98
-	100	-	7,513	8,504	(991)	(306)
-	100	78	1,833	1,618	215	98
-	100	920,161	2,908,774	2,708,989	199,785	48,812
-	100	22,128	152,410	41,128	111,282	5,474
-	100	7,986	79,405	68,766	10,639	(728)
-	100	-	4,239	16,605	(12,366)	(3,083)

APPENDIX II
LOGISTA GROUP ASSOCIATES

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

Fiscal year 2015

COMPANY	AUDIT FIRM	LOCATION
Dima Distribución Integral, S.L. (*)	Deloitte	Polígono Industrial Los Olivos. C/ Confianza, 1. Getafe. Madrid
Logista Libros, S.L.U (**)	Deloitte	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara
Logesta Maroc, S.A. (***)	No audit	87 Rue Ahmed El .Casablanca (Marruecos)

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

(**) Held indirectly through Compañía de Distribución Integral Logista, S.A.U.

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

Fiscal year 2014

COMPANY	AUDIT FIRME	LOCATION
Dima Distribución Integral, S.L. (*)	Deloitte	Polígono Industrial Los Olivos. C/ Confianza, 1. Getafe. Madrid
Logista Libros, S.L.U (****)	Deloitte	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara
Avanza Libros, S.L.U. (***)	No audit	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara
Logesta Maroc, S.A. (**)	No audit	87 Rue Ahmed El .Casablanca (Marruecos)

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

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

(***) Held indirectly through Logista Libros, S.L.U.

(****) Held indirectly through Compañía de Distribución Integral Logista, S.A.U.

ACTIVITY	% OWNERSHIP BY THE PARENT COMPANY		NET BOOK VALUE	THOUSANDS OF EUROS DATA ON THE COMPANIES			
	DIRECT	INDIRECT		ASSETS	LIABILITIES	EQUITY	PROFIT / LOSS
Distribution and dissemination of publications	-	12,56	-	-	18,374	(18,374)	(1,442)
Distribution and dissemination of publications	-	50	-	42,287	39,434	2,853	2,841
Transport	-	34	-	54	-	54	-

ACTIVITY	% OF OWNERSHIP BY THE PARENT COMPANY		NET BOOK COMPANY	THOUSANDS OF EUROS DATA ON THE COMPANIES			
	DIRECT	INDIRECT		ASSETS	LIABILITIES	EQUITY	PROFIT / LOSS
Distribution and dissemination of publications	-	20	-	28,971	35,690	(6,899)	(1,690)
Distribution and dissemination of publications	-	50	-	-	-	-	-
Distribution and dissemination of publications	-	50	-	-	-	-	-
Transport	-	34	9	47	2	45	(4)

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

CONSOLIDATED DIRECTORS REPORT FOR FINANCIAL YEAR ENDED ON SEPTEMBER 30th 2015

1. EVOLUTION OF GRUPO LOGISTA IN 2015 AND POSITION OF THE GROUP.

The Group recorded during fiscal year 2015 a very positive evolution of results. Main highlights:

- Board of Directors intends to propose to the General Shareholders Meeting the distribution of a final dividend of €0.50 per share
- Positive evolution of Net Income, +6.7% growth
- Revenues almost flat, down by 0.3%
- Despite good performance of the recurring activity the evolution of Economic Sales1reflected the positive impact of non-recurring in fiscal year 2014 and declined by 1.8%
- Adjusted Operating Profit in spite of positive non-recurring impact last year recorded a slight increase of 1.1% while Profit from Operations increased by 15.5%

Financial overview

DATA IN MILLION EUROS	OCT. 2014-SEPT. 2015	OCT. 2013-SEPT. 2014	% CHANGE
Revenues	9,471.0	9,499.3	0.3%
Economic Sales	1,010.1	1,028.7	(1.8)%
Adjusted Operating Profit	222.9	220.6	1.1%
Margin over Economic Sales	22.1%	21.4%	+70 b.p.
Profit from operations	159.9	138.4	15.5%
Net Income	109.2	102.3	6.7%

(*) Restated

The macroeconomic environment in the main countries in which the Group operates continued during the year a similar trend to 2014 closing. The Spanish economy showed a strong acceleration of GDP growth contrasting with the slight recovery experienced by that indicator in France and Italy. In particular, consumption in France recorded an irregular evolution along the quarters, not showing at any moment clear upturn signals in the small stores' channel, where the Group mainly operates.

In this context, the Iberia and Italy segments registered a positive performance (excluding in the first case the impact of non-recurring results) while the France segment recorded a weak performance.

[1] *Economic Sales: This term equals Gross Profit and is used without distinction by the Management to refer to the figure resulting of sub-tracting Procurements to the Revenue figure.*

The evolution of Group's Revenues was marked by the increase in Tobacco and related and Transport businesses in Iberia. These increases almost fully offset the decline in Other businesses in Spain (due to change in scope of lottery's contract) and France, and in Tobacco and related in France and Italy derived from the tobacco volumes drop and the evolution of retail selling prices in tobacco. During the fiscal year, no price increases were registered in France and in Italy were burdened by the higher relative weight of low-price brands.

The tobacco sector in the total Group registered much lower drops in volumes than over the last few years being 0.4% (cigarettes and Roll-Your-Own) against the 3.0% registered in the previous fiscal year.

This better performance in volumes was accompanied by a scenario of moderate prices with slight increases in Spain, lack of increases in France and the increase of prices, for the first time in the last 3 years, in Italy. At the same time, the increase of relative weight of low price segments' trend was kept in Italy and, to a lesser extent in Spain.

Economic Sales were below last year mainly as a consequence of the impact that the favourable settlement of some litigations during the previous year in Iberia had on the comparison between both periods. Excluding this non-recurring effect, Economic Sales grew more than 1%.

The important growth recorded in Italy and the good performance of Transport and Pharma in Iberia offset the lower tobacco retail selling price increases and the negative evolution of the Other businesses in France.

The operating costs reduction, despite growth in the recurring activity, resulted on a 1.1% growth in Adjusted Operating Profit.

As has been customary, the vertical wholesaler business model that Group operates, as well as the constant review of operations to adapt the cost structure to the level of activity so to increase its efficiency translated, once more in an increase of the operating margin. Thereby, the Adjusted Operating Profit margin over Economic Sales reached 22.1%, 70 basis points ahead of the 21.4% margin obtained in 2014.

The lack of impairment of non-current assets results due to a better economic context and the recovery experienced by the Share of Results of Companies (that includes now the results from the Books[2] distribution activity) translated into a substantial improvement of Operating Profit that grew by 15.5% despite higher restructuring charges.

Thanks to these growths Net Income increased by 6.7%, although Financial Result reduced by 45.6% compared to the previous year, due lower interest rates during the period vs. previous year and the impact that during that year had the previously mentioned litigation settlement.

These results confirm the Management expectations, already announced at first half closing, for low single digit growth in Adjusted Operating Profit during this fiscal year due to tobacco retail selling prices stability.

---

[2] *In appliance of IFRS 11 "Joint Arrangements", data related to the Fiscal Year 2014 of this document have been restated, to make them comparable to fiscal year 2015 data.*

Revenues Evolution (By Segment and Activity)

DATA IN MILLION EUROS	OCT. 2014 – SEPT. 2015	OCT. 2013 – SEPT. 2014 (*)	% CHANGE
Iberia	**2,576.7**	**2,546.0**	**1.2%**
Tobacco & Related	2,218.1	2,182.7	1.6%
Transport Services	329.5	316.3	4.2%
Other Businesses [3]	116.5	128.3	(9.3)%
Adjustments	(87.4)	(81.3)	(7.6)%
France	**4,406.9**	**4,454.5**	**(1.1)%**
Tobacco & Related	4,193.0	4,224.9	(0.8)%
Other Businesses	221.6	240.8	(8.0)%
Adjustments	(7.7)	(11.2)	31.0%
Italy	**2,518.9**	**2,529.8**	**(0.4)%**
Tobacco & Related	2,518.9	2,529.8	(0.4)%
Corporate & Others	**(31.5)**	**(30.9)**	**(1.9)%**
Total Revenues	**9,471.0**	**9,499.3**	**(0.3)%**

(*) Restated

Economic Sales Evolution (By Segment and Activity)

DATA IN MILLION EUROS	OCT. 2014 – SEPT. 2015	OCT. 2013 – SEPT. 2014 (*)	% CHANGE
Iberia	**489.5**	**515.2**	**(5.0)%**
Tobacco & Related	245.1	283.2	(13.5)%
Transport Services	220.2	207.7	6.0%
Other Businesses[3]	66.4	63.0	5.3%
Adjustments	(42.2)	(38.7)	(9.0)%
France	**284.2**	**296.9**	**(4.3)%**
Tobacco & Related	238.6	248.3	(3.9)%
Other Businesses	51.7	57.6	(10.2)%
Adjustments	(6.2)	(9.0)	31.8%
Italy	**230.2**	**210.4**	**9.4%**
Tobacco & Related	230.2	210.4	9.4%
Corporate & Others	**6.3**	**6.2**	**(0.7)%**
Total Economic Sales	**1,010.1**	**1,028.7**	**(1.8)%**

(*) Restated

3 *Redefinition of activities included in this line: this line includes Pharma activities, lottery and publication distribution (these last activities were previously included in "Other and Adjustments" line) and does not include the book distribution, which is separated from this line and it is consolidated under the equity method. Data related to the fiscal year 2014 of this document have been restated with the goal of being comparable with the data for the fiscal year 2015.*

Adjusted EBIT Evolution (By Segment)

DATA IN MILLION EUROS	OCT. 2014 – SEPT. 2015	OCT. 2013 – SEPT. 2014 (*)	% CHANGE
Iberia	98.1	109.2	(10.2)%
France	73.3	78.4	(6.4)%
Italy	63.1	44.9	40.8%
Corporate & Others	(11.6)	(11.8)	1.7%
Total Adjusted EBIT	**222.9**	**220.6**	**1.1%**

(*) Restated

Adjusted Operating Profit (or indistinctly Adjusted EBIT) is the principal indicator used by Management to assess the recurring results of operations of the business. This indicator is basically calculated by deducting from the Profit from Operations all those expenses that are not directly linked to the Revenue obtained by the Group during each period, which facilitates the analysis of the evolution of operating expenses and typical margins of the Group. In the following table reconciliation between Profit from Operations and Adjusted Operating Profit for fiscal year 2015 and 2014 is shown:

DATA IN MILLION EUROS	OCT. 2014 – SEPT. 2015	OCT. 2013 – SEPT. 2014 (*)
Profit from Operations	**159.9**	**138.4**
Restructuring Costs	12.7	9.5
Amortization of Assets Logista France	52.2	52.2
Net Loss of Disposal and Impairment of Non-Current Assets	(1.7)	16.1
Share of Results of Companies and Others	(0.2)	4.3
Adjusted Operating Profit	**222.9**	**220.6**

(*) Restated

BUSINESS REVIEW

IBERIA: Spain and Portugal

Revenues in Iberia reached €2,576.7 million compared to €2,546.0 million in 2014, recording 1.2% growth. Economic Sales were €489.5 million declining by 5.0% from €515.2 million in the previous year. However, excluding the non-recurring impact recorded in Economic Sales in 2014 fiscal year, these grew a c. 1% in 2015.

Revenues in **Tobacco and related products** registered a positive performance growing by 1.6% despite the decline of tobacco volumes in Spain and the growth of the low price segment. This positive performance was due to the impact of retail selling price increases of these products in the fourth quarter last year and second quarter of current year and the good performance of Revenues in Portugal that allowed offsetting the negative factors previously mentioned.

Although cigarette volumes distributed in Spain continued declining, the rate of fall was significantly lower than in previous years due to, amongst other factors, a lower price increases' situation and to the constant measures against illicit trade that was 10.6% compared to 12.6% in December 20142.

[4] *According to data included in tha empty packs' survey run by IPSOS (September 2015)*

Thus, cigarette distributed volumes were 0.8% below last year compared to a 3.8% reduction recorded in fiscal 2014 vs. fiscal year 2013.

As for RYO volumes, they declined at a substantially lower rate than in the previous year (-0.8% compared to -12.3%) while cigar volumes declined by 1.2% vs. 2.4% in fiscal year 2014.

With respect to tobacco distribution contract renewals, it is worth noting that as is customary, contracts expiring during the year are renewed. This was the case during fiscal year 2015 for Philip Morris Spain's contract that was renewed for 5 years.

Tobacco distribution gross margin growth per unit derived from higher distribution complexity, higher invoicing of value added services used by manufacturers and the evolution of sales of other products to the tobacconists' channel allowed offsetting to a large extent the impact of volumes fall on Economic Sales that, however, including the release of the litigation provision already mentioned, reduced by 13.5% to €245.1 million.

The sales evolution of non-tobacco related convenience products has been very positive recording high double digit growth. During the fiscal year, special emphasis was given to increasing our presence at the point of sale.

The sales of tobacco (RYO) related products, however, experienced a drop compared to last year, reflecting the strong decline in volumes recorded throughout 2014 and the sluggishness that has characterised fiscal year 2015. Sales of e-cigarettes reduced significantly.

The incorporation of new products and clients in e-transactions allowed mitigating the impact of the declining trend that continued recording the telephony top-ups because of the great competition on prices dominating the sector in the last few years.

During the fiscal year a new line of point of sale terminals adapted to the needs of the Spanish tobacconists started to be commercialised under the Strator name (brand owned by the Group and leader in tobacconists channel in France).

This launch is a step further in the omni-channel commercial strategy of the Group looking for facilitating the access of retailers to the products, in this case through a terminal that allows on-line communication with point of sales, for ordering, completing electronic transactions, implementing instant promotions, etc.

Revenues in **Transport** reached €329.5 million up 4.2% compared to the previous year due to a better macroeconomic environment in Iberia and the incorporation of new clients and contracts' extensions in the international full load activity. Economic Sales also grew significantly, increasing 6.0% to €220.2 million. All the activities in transport (long distance, parcel and courier) recorded increases both in Revenues and Economic Sales.

It is to be noted that industrial parcel volumes grew around 8% and in courier, shipments increased above 10%.

Revenues in **Other Businesses** (which includes Pharma, lottery and publications distribution activities) decreased by 9.3% reaching €116.5 million while Economic Sales went up by 5.3% to €66.4 million.

In appliance of IFRS 11 "Joint Arrangements" the activity of our subsidiary Logista Libros participated 50% by the Group is being consolidated using the equity method and not the proportional method and as a consequence, sales of this activity are neither included in Group Revenues nor in Group Economic Sales.

On the other hand, in order to facilitate interpretation of the performance of consolidation adjustments in Iberia, it was decided to separate them from the distribution of lottery and publications, jointly reported in the past and to include these activities in the Other businesses line. All 2014 data has been restated considering these two effects to make them fully comparable to 2015 figures.

The Pharma activity recorded an important increase, with double digit growth, thank to the recovery experienced by the pharmaceutical sector and the increase of market share in distribution to hospitals and especially in distribution to pharmacies.

During the year 3 new agreements for distribution to pharmacies were reached with pharmaceutical companies (Merck, Talika and Procter & Gamble).

These agreements will contribute to the development of the distribution to pharmacies in the next years, as it facilitates the regular access to c. 11,000 pharmacies (more than half of the existing pharmacies in Spain) through the portfolio of products of some of the companies having a greater presence worldwide in the OTC and healthcare category. It is worth noting that the personal care segment experienced the highest growth rate within the pharmacies' sector3 during this year.

The incorporation of new products (flow-packs) to the Publications activity partially offset the impact derived from the sector situation that continued declining.

With respect to sales of the Lottery these were affected during the first quarter of the fiscal year by the change in scope of the contract with ONCE which from December 2013 only includes point of sales' administrative management and logistic services.

Operating expenses reduced significantly despite growth in activity reducing headcount in warehouses, improving productivity both in the tobacco central warehouse in Madrid and in handling activities, reorganising transport routes, consolidating the reusable boxes project and having benefited from cross synergies.

Adjusted Operating Profit reached €98.1 million, down by 10.2% compared to previous year, despite the good general performance recorded by the businesses, as a consequence of the provision movements in both periods and, mainly, due to the effect of the litigation provision release on second quarter results last year.

Profit from Operations reached €91.6 million versus €92.1 million recorded in the previous year, down by 0.5%, including a similar level of restructuring costs (around €6 million in both years), but not impairment results that reached €10.6 million in the previous year.

FRANCE

Revenues in France declined by 1.1% to €4,406.9 million while Economic Sales reached €284.2 million falling by 4.3%.

The drop in tobacco consumption and the lack of retail selling price increases on these products caused a slight decline in Tobacco and related products Revenues in addition to the rationalisation of customers' portfolio and the weak general consumption that drove to a reduction in Other businesses Revenues.

Tobacco and related products Revenues were down by 0.8% to €4,193.0 million due to the contraction experienced by distributed tobacco volumes that, nevertheless, was much lower than during 2014.

The stability in retail selling prices during the year and the measures adopted by the Government to control illicit trade favoured a much softer drop in distributed cigarette volumes in France than in the previous year (-0.5% versus -4.6%). During the fiscal year there were no retail selling price increases while in fiscal year 2014 there was an increase of 20 cents per pack in the second quarter.

[5] *According to estimates from hmR España, the accumulated growth rate in value during the period January-August 2015 was 8% vs. 0.8% in prescription products.*

However, the RYO category registered a change in trend in respect of previous year increasing by 4.4% vs. a drop of 2.7% during that year.

The sales of electronic transactions declined well below the telephony top-ups sector's decline thanks to the growth in other e-transaction products whereas the evolution of convenience products reflected the weak general consumption, more pronounced in channels offering a somehow higher retail selling price.

Sales of e-cigarette were substantially lower than the precedent year, contrasting with the good performance of the smoking items category (paper, filter, etc.).

Economic Sales reduced by 3.9% to €238.6 million due to the lack of retail selling price increases already mentioned and the reduction in consumption of tobacco products and the weak evolution on the rest of the products.

Revenues in **Other Businesses** (wholesale distribution of convenience products in non-tobacconist channels) declined by 8.0% to €221.6 million and Economic Sales were down 10.2% to €51.7 million.

During the year, a progressive rationalisation was carried out over the customers' portfolio incorporated after the disappearance of one of the sector's players in 2014. Most of the contracts not reaching the profitability lever usually required by the Group were renegotiated so that those not adjusted to the required parameters were discontinued. This fact and the consumption weakness that affected during the year especially to the small retail stores were the main factors causing the negative performance in this line of activity.

In respect to operating costs, the measures to adapt the cost structure to the reduction of the activity level undertaken in fiscal year 2014 favoured to some extent a better operating margin performance. Also, given the weak consumption situation during fiscal year 2015 we continued advancing in such measures, through the reorganisation of the operations in the South East region of the country.

On the other hand, measures to improve productivity and service level in convenience products distribution and a new ERP (SAP) in our subsidiary dedicated to distribution of other products to the tobacconist channel were implemented during the year.

Adjusted Operating profit in France reduced to €73.3 million versus €78.4 million in the previous year, a drop of 6.4%.

Profit from Operations that during the fiscal year 2014 was €23.8 million reached €17.8 million due to higher restructuring charges (as a consequence of reorganisation measures undertaken to counteract the last quarters' activity contraction) amounting €5.3 million compared to €1.8 million last year. The Assets Amortization related to the Logista France's acquisition was €52.2 million in both years.

ITALY

Revenues in Italy amounted €2,518.9 million compared to €2,529.8 million last year, down by 0.4%.

The 20 cents per pack increase of retail selling price implemented by manufacturers in January, after three years without retail selling price increases in the market, did not fully offset the impact that the progressive growth in market share of the low price brands' segment and the reduction in tobacco consumption had over Revenues.

Cigarette distributed volumes declined by 0.7% compared to the 0.4% drop recorded last year, probably due to the impact of the above mentioned retail selling price increase in a very competitive pricing environment and in which the economy was recovering at a slow pace.

RYO volume grew by 4.2% vs. an increase of 3.4% in the precedent year.

The sale of convenience products to the tobacconist channel continued registering a strong increase in all categories of products thanks to the higher commercial strength derived from the business model that since last year is similar to the business model used in the rest of countries.

Furthermore, this good sales performance was accompanied by the extension of some additional services contracted by manufacturers as well as the incorporation of new contracts for these services. All of it allowed to more than offset the effect of the drop in tobacco distributed volumes over Economic Sales.

Economic sales in Italy reached €230.2 million compared to €210.4 million in the previous year 2014, growing by 9.4%.

Adjusted Operating Profit recorded an important growth. It reached €63.1 million from €44.9 million during 2014, what represents a 40.8% increase. Profit from operations was €62.4 million vs. €43.8 million in the precedent year.

This improvement was due to the good performance in Economic Sales thanks to more services to manufacturers and the expansion of the convenience activity as well as to an important reduction of costs.

As it was indicated in 2014 closing, during that fiscal year there was certain costs duplicity with the aim of ensuring at all times the service level both over the process of changing the business model and during the first months of its operations. During fiscal year 2015 we continue advancing in the network restructuring through continuous measures that will therefore continue in the future thanks to the advantages derived from the vertical business model the Group operates.

In fiscal year 2015, once these duplicities were ceased, and thanks to the progressive incorporation of sales of convenience products, the Adjusted Operating margin over Economic Sales reached levels more in line with that obtained for the same activity in the rest of the Group.

CORPORATE AND OTHERS

Adjusted Operating Profit in this segment that includes corporate expenses and the Polish operations was practically in line with the previous year, slightly improving by 1.7% to reach -€11.6 million.

FINANCIAL RESULT EVOLUTION

Financial results reduced from €14.9 million to €8.1 million mainly due to two factors, lower interest rates and the settlement of litigations during the second quarter of last year mentioned before. The impact of this second factor on the Financial results last year was €7.0 million.

Regarding the evolution of the interest rate used as a reference in the treasury agreement with our majority shareholder, during 2014, the European Central Bank base rate (over which a 75 b.p. spread is obtained under the previously mentioned agreement) moved between 0.5% (until beginning of November 2013), 0.25% (effective during most of November and until beginning of June 2014) and 0.15% (in force until beginning of September 2014) and 0.05% during most of September that year.

During the whole fiscal year 2015 the reference rate was 0.05%, without registering any movement by the European Central Bank. In the same way, the spread continued being 75 b.p. as is set in the contract.

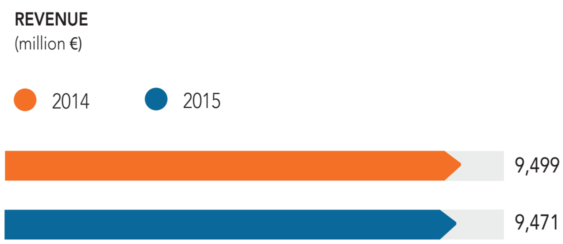
The average cash position during the fiscal year was €1,341 million compared to €1,126 million in the previous fiscal year.

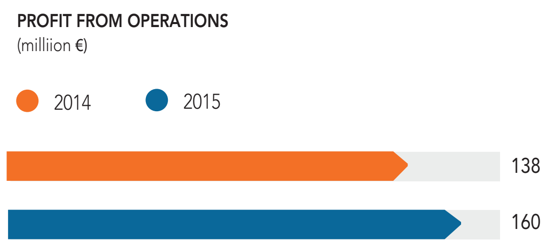
NET INCOME EVOLUTION

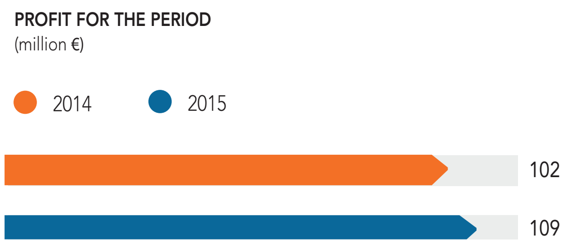
Earnings before Taxes increased by 7.3% to €167.6 million, while Net Income increased by 6.7%. The effective tax rate of the period was 34.6% vs. 35.0% in 2014 mainly due to a lower relative weight of the results in France that holds the highest corporate income tax among the countries in which the Group operates.

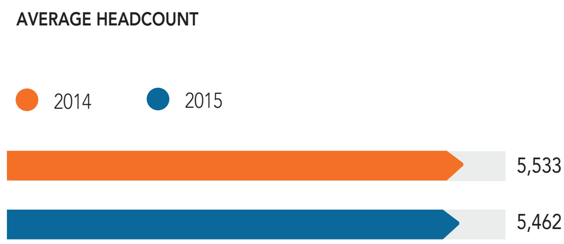
Earnings per Share were €0.82.

The graphs below show the evolution of main indicators for the fiscal year 2015 (October 2014 – September 2015) compared to indicators on fiscal year 2014 (October 2013 – September 2014*):









*) Restated

CASH FLOW

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

During 2014, €53.9 million were paid as a consequence of negative resolutions of litigations mentioned before. This and the increase of results allowed a 1.3% growth in free cash flow generation in 2015, reaching €152 million.

During the second quarter, dividends amounting €74.3 million were paid charged to the premium share and during the fourth quarter, €31.9 million were paid as interim dividend on FY15 results.

DIVIDEND POLICY

The Board of Directors of Logista intends to propose to the General Shareholders Meeting the distribution of a final dividend of €66 million for fiscal year 2015 (€0.50 per share) that will be paid at the end of second quarter of fiscal year 2016. Therefore, total dividend for fiscal 2015 will reach €98.2 million euros (0.74 euros per share), representing 90% of Net profit of the year.

2. OUTLOOK

During the next fiscal year the Group will continue centering its actions on four main axes:

- Reinforcement of its leadership position as distributor to proximity point of sales in Southern Europe
- Keeping a differentiated offer through the extension of the portfolio of added value services to clients
- Increasing market share in distribution of convenience products and in distribution to pharmacies and
- Constant improvement of efficiency in operations

A slightly higher rate of decline in tobacco distributed volumes compared to fiscal year 2015 is expected in the **Iberia segment** with to some extent higher retail selling price increases and no significant variations in these products' taxation.

The enlargement of the portfolio of convenience products that can be sold through the tobacconist channel and the different measures that are being launched to boost market share in these products provide an opportunity for short term growth in the Tobacco and related products line to compensate the impact that the declining trend in tobacco consumption could have in the segment sales during the fiscal year.

The Spanish macroeconomic situation and the GDP growth expectations published by different organisms allow anticipating a positive performance of the Transport activity although at a more moderate multiple on GDP growth due to the strong growth recorded in fiscal year 2015.

The new agreements reached with pharmaceutical companies for the distribution of its personal care products to the pharmacy channel that facilitates the recurring access to an important number of Spanish pharmacies could represent a boost for the distribution to pharmacies that together with the fact that the lottery distribution will not be affected by the change in the distribution contract scope will favour a significant growth in the Other businesses line in fiscal year 2016.

It is expected that the evolution of tobacco distribution in the France segment is marked by a slight increase in the declining rate of volumes with respect to fiscal year 2015 and similar retail selling price increases to those traditional in the market. No significant variations in tobacco taxation or in tobacconist fee are expected as neither is expected any significant impact from the potential plain packaging implementation (that will come into force presumably in fiscal year 2017).

The slight recovery expected in consumption and the various commercial measures undertaken (similar to those in the Iberia segment) would translate into an increase of the Tobacco and related products line.

The above mentioned foreseeable improvement in the economic situation of the country and the gradual stabilization of clients' portfolio would contribute to increase sales of the Other businesses line.

Operating profit will benefit as well from the efficiency improvement measures that are being implemented in the country.

The **Italy segment** would experience another growing fiscal year, after the important growth recorded in 2015, based on moderate tobacco distributed volume drops, retail selling price increases on these products below previous fiscal year, no significant variations on taxation and constant capture of market share in the distribution of convenience products to the tobacconist channel.

The next phase in the restructuring of the distribution network in Italy, planned for the first half of the fiscal year will translate into a new improvement of margins and will contribute to Operating profit growth of the segment.

As previously mentioned, the continuous productivity improvement measures in all segments would result in a slight increase of Adjusted EBIT margin over Economic sales than in addition to the expected performance of Economic sales would translate into Adjusted operating profit (Adj. EBIT) growth in the rage of 4-5%.

If the activity performs in the way mentioned lower restructuring costs can be also expected translating into a significant Operating profit growth. The slight reduction of the average Corporate income tax rate for the Group derived from the new Spanish rate would allow once more to obtain an important growth of the Net profit (reaching almost double digit) and therefore in the distributable dividend that, exceptional situations excepted, will be 90% of Net profit of the fiscal year.

RISK EXPOSURE

The Group complies with all the requirements to operate in the various markets and industries in which it carries on its business activities, and it has established, through its organisational structure, the appropriate procedures and controls to enable it to identify, prevent and mitigate the risks of change in the regulatory framework and, similarly, to comply with the obligations imposed by the various legislations applicable to it. Although in this management report we will focus on the risk management and control systems on a summarized manner, for a broader description of risk management and control systems of the Group see point E of the Annual corporate governance report. Also, in point F, the Internal Control System for the Group's financial information is described.

The main risks and uncertainties facing the Group are related to possible regulatory changes in the industries in which it operates, the normal operational risks arising in the ordinary course of business, which are insured externally, and counterparty risks, highlighting:

- The Group's Businesses are subject to compliance of numerous general and industry laws and regulations, with European, national, regional and local reach, in every country where it operates, exposing the Group to potential failures to comply and the corresponding sanctions or claims and, on the other hand, to increasing costs for supervision of compliance and control.

- European Directive 2014/40/UE (3 April 2014) establishes tighter rules for tobacco products, that could affect the sold volume, related among others, to labelling, ingredients, track and trace and cross-border trade. The transposition period in their respective member States ends on May, 20th 2016.

- Liberalization in the main markets where the Group operates as tobacco derived products authorized distributor where currently exists a State monopoly for retail sale of these products could affect results, if the measures already planned by the Group were not implemented.

- Main operational risks may occur are related to theft of tobacco in facilities and during transport associated to increases in insurance premiums, as well as to technological risks associated to the lack of (or faulty) availability of the Information System.

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

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

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

- Credit risk: The main financial assets of the Group are cash and cash equivalents, credits to Group companies, trade receivables and other receivables. In general, the Group deposits its cash and cash equivalents in entities holding a high credit rating. The Group presents as well a exposure to credit or counterparty risk with the Imperial Tobacco Group by virtue of the subscribed treasury agreements.

  The Group controls the insolvency and delinquency risks establishing credit limits and through the establishment of demanding conditions in respect to collection periods; that commercial risk is spread among a high number of clients with short collection periods, being the main Group's clients newsstands and tobacconists. So, the credit risk exposure to third parties is not very significant, and the Group has, always if considered, Insurance Policies to mitigate the impact of possible defaults, although this default rate in all geographies in which the Group operates is very low.

  The Group estimates that at 30 September 2015 the level of exposure to credit risk of its financial assets is not significant.

- With regard to liquidity risk, the Group maintains enough cash and cash equivalents to face the payments derived from its usual activities. Also, if punctually financing is required, the Group has available credit lines.

- Respect the exposure to interest rate risk, considering the low level of the Group's financial debt, the Management of the Parent Company considers the impact from a potential increase in interest rates which could have in the consolidated annual accounts is not significant. However, the remuneration that the Group obtains on its daily cash positions is linked as well to interest rates evolution and could benefit from a potential increase on them.

- Also, the level of exposure to the net equity and the P&L account in terms of future changes in the current exchange rates is not relevant; due to the volume of transactions of the Group in non-Euro currencies is not significant.

The risk management to which is exposed the Logista Group in the performance of its activities is one of the basic cornerstones of its management in order to preserve the Group's value assets. With a focus on a global management of the Group's risk, the risk management system is structured and defined to reach the strategic and operational objectives. This risk control system is monitored and supervised by the Audit and Control Committee of the Board of Directors. This Audit and Control Committee delegates these competencies in the Internal Control Committee.

This Internal Control Committee is chaired by the Group's Financial Management and has the double objective of i) to ensure the continuous development and implementation of the Group's Internal Control System in all countries and businesses, as well as ii) to promote and coordinate the work for annually updating the Group's risk map and propose approval to the competent bodies.

ENVIRONMENT

The Group seeks, develops and implements the best sustainable practices, minimizing the impact of its activity on the environment through the services provided by the different business units. This bet on environmental sustainability is reflected in the Corporate Policy for Quality, Environment and Energy efficiency articulated through the Environmental Corporate Strategic Plan 2012-2016.

The Group has calculated and externally verified the carbon footprint for all its businesses and services, including the verification not only of the most usual categories (Scope 1 and 2) but the calculation of the report has been voluntarily extended also to several categories of Scope 3.

The methodology applied is based on the GHG Protocol methodology and the UNE-EN-16258:2012 standard, which allows the calculation of greenhouse effect gas emissions in the freight transport services. This calculation and amount of greenhouse effect gas emission has been externally verified according to UNE-ES ISO 14064 standard.

In fiscal year 2015 is worth mentioning the extension to Scope 3 including new categories: emissions derived from leaks during transport and distribution of electricity, the acquisition of goods and services, waste generation and emissions derived from franchises.

The Group has defined as well a corporate program of energy efficiency in the frame of its Strategic Plan 2012-2016 which principal objective is to identify and prioritize the activities that allow a reduction in energy consumption. The development of energy audits of its centers and main activities are planned as an exhaustive technical analysis of those companies and sites in the Group offering a higher potential of energy consumption reduction and identification of best practices.

Moreover, it is to be noted the green energy contract through which 100% renewable guaranteed of origin electricity will be consumed in all centers directly managed in Spain, France, Italy and Portugal in 2016. Currently, the Group is already consuming 100% of renewable guaranteed of origin electricity in its Spanish centers.

On the other hand, since 2012 Logista participates in the CDP's Supply Chain Program organized by Carbon Disclosure Project (CDP), achieving in its last yearly evaluation performed by this entity a 98 over 100 score in disclosure and maximum performance in 3 out of 4 existing categories. In 2015, Logista Group has given a step further reporting for the first time publically and in an independent manner in the questionnaire of Climate Change.

In respect to waste management, the implementation of an integrated system for the use, return and reuse (URRS) of the cardboard boxes in Spain, France and Italy with the goal of reducing cardboard waste through the use of returnable and reusable boxes, could be highlighted. This project is fully implemented in France and Spain and is in the implementation phase in Italy.

The Group counts with quality and environmental management systems under internationally recognized norms in various of its businesses as UNE-EN ISO 14001, UNE-EN ISO 9001; and holds the CCQI certificate (quality indicators of cold chain), GMP (Good Manufacturing Practice) and GDP (Good Distribution Practice) and Authorized Economic Operator (AEO) among others.

3. SIGNIFICANT EVENTS FOR THE GROUP AFTER THE REPORTING PERIOD

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

4. RESEARCH AND DEVELOPMENT ACTIVITIES

The Group invested in I+D+i €4.7 million in fiscal year 2015. Most of these investments were made to adapt the systems to enlarge the portfolio of services offered to its clients, automate processes and develop own software.

5. TREASURY SHARES

At 30 September 2015, the Group did not have any treasury shares.

6. USE OF DERIVATIVE FINANCIAL INSTRUMENTS

No Group company uses derivative financial instruments.

7. CORPORATE GOVERNANCE ANNUAL REPORT

Included below as a Consolidated Directors Reports separate section.

Logista