

PERIOD	1ST HALF
YEAR	2018

ANNEX I

GENERAL

1ST

SEMESTRAL FINANCIAL INFORMATION TO THE YEAR

2018

CLOSE OF THE PERIOD

30/06/2018

I.- IDENTIFYING DATA

Corporate Name: Miquel y Costas & Miquel, S.A.

REGISTERED ADDRESS

Tuset 10, 7º - 08006 Barcelona

COMPANY TAX CODE

A-08020729

II.- COMPLEMENTARY INFORMATION PERIODIC INFORMATION TO PREVIOUSLY PUBLISHED

Explanation of the main modifications to the previously published information:

III.- DECLARATION BY OF RESPONSIBLE FOR THE INFORMATION

Comments on the declaration:	
Person/s who assume or taken responsibility for this information:	
Name/ Corporate Name:	
Mr. Jorge Mercader Miró	Chairman
Joanfra, S.A.	Director
Mr. Francisco Javier Basañez Villaluenga	Director and Secretary of the Board
Mr. Antonio Canet Martínez	Director
Mr. Álvaro de la Serna Corral	Director
Mr. Carles-Alfred Gasòliba Böhm	Director
Mr. Eusebio Díaz-Morera Puig-Sureda	Director
Mr. Joaquin Coello Brufau	Director
Mr. Jorge Mercader Barata	Vice President
Mr. Joaquin Faura Batlle	Director

In accordance with the power delegated by the Board of Directors, the Secretary of the Board certifies that the Semestral Annual Financial Report has been signed by the directors.

Date of signing of this interim financial report for the relevant Board of Directors: 17/09/2018

IV.- SELECT FINANCIAL INFORMATION

1.- INDIVIDUAL BALANCE SHEET 1/2 (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

ASSETS		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 31/12/2017
A) TOTAL NON-CURRENT ASSETS	0040	174,125	166,092
1. Intangible fixed assets	0030	707	680
a) Goodwill	0031		0
b) Other intangible assets	0032	707	680
2. Tangible fixed assets	0033	68,470	67,992
3. Investment property	0034		
4. Investments in group companies and associated long-term	0035	34,551	33,768
5. Non-current Financial assets	0036	69,075	62,351
6. Deferred tax assets	0037	1,322	1,301
7. Other non-current assets	0038		
B) CURRENT ASSET	0085	122,016	119,583
1. Non-Current Assets Classified as held for sale	0050		
2. Stocks	0055	35,049	29,999
3. Trade debtors and other accounts receivable	0060	41,427	37,486
a) Customers by sales and services	0061	37,468	37,149
b) Other debtors	0062	3,959	337
c) Current tax asset	0063		
4. Investments in group companies and associated short-term	0064	20,039	14,463
5. Short-term financial investments	0070	18,520	27,975
6. Time Period adjustment a Short-term	0071	5	5
7. Cash and cash equivalent	0072	6,976	9,655
TOTAL ASSETS (A+B)	0100	296,141	285,675

IV.- SELECT FINANCIAL INFORMATION

1.- INDIVIDUAL BALANCE SHEET 2/2 (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 31/12/2017
A) NET EQUITY	0195	192,015	185,018
A.1) Common Stocks	0180	191,780	184,796
1. Capital	0171	41,300	41,300
a) Subscribed capital	0161	41,300	41,300
b) Less: uncalled capital	0162		
2. Share premium	0172	40	40
3. Retained earnings	0173	171,747	152,848
4. Minus: Own Shares	0174	(40,131)	(34,909)
5. Results of previous year	0178		
6. Other contributions from shareholders	0179		
7. Result of the period	0175	18,587	31,399
8. Minus: Interim dividend	0176		(6,000)
9. Other instruments net equity	0177	237	118
A.2) Valuation adjustments	0188		
1. Financial assets available for sale	0181		
2. Hiding Operations	0182		
3. Others	0183		
A.3) Grants, donations and bequests received	0194	235	222
B) NON-CURRENT LIABILITIES	0120	38,261	38,413
1. Long-term provisions	0115	1,242	1,599
2. Long-term debt	0116	35,210	35,010
a) Issue of Debentures and Other Marketable Securities	0131	35,210	35,010
b) Other financial liabilities	0132		
3. Debts with group and associated companies in a long-term	0117		
4. Deferred tax liabilities	0118	1,784	1,780
5. Other liabilities	0135		
6. Time Period adjustment a Long-Term	0119	25	24
C) CURRENT LIABILITIE	0130	65,865	62,244
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	0121		
2. Short-terms Provisions	0122	4,438	149
3. Short-term financial debt	0123	11,846	8,952
a) Borrowing with banks and bonds and other securities	0133	6,495	7,309
b) Other financial liabilities	0134	5,351	1,643
4. Debts with enterprises and associated short-term	0129	22,188	23,565
5. Trade creditors and other accounts payable	0124	27,393	29,578
a) Suppliers	0125	21,225	19,433
b) Other creditors	0126	5,946	9,923
c) Current earning tax liabilities	0127	222	222
6. Other current liabilities	0136		
07. Time period adjustment short-term	0128		
TOTAL NET LIABILITIE	0200	296,141	285,675

IV.- SELECT FINANCIAL INFORMATION
2.- INDIVIDUAL PROFIT AND LOSS ACCOUNT
(THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

		Current Year (2 ^{ON} half)		Previous Year (2on Half)		Accumulated Current 30/06/2018		Accumulated Previous 30/06/2017	
		Amount	%	Amount	%	Amount	%	Amount	%
(+) Net Turnover	0205					84,665	100.00	83,606	100.00
(+/-) Variation in stocks of finished goods and work in progress	0206					3,571	4.22	(627)	(0.75)
(+) Work done by the company for its active	0207					269	0.32	305	0.36
(+) Supplies	0208					(34,072)	(40.24)	(30,748)	(36.78)
(+) Other operating income	0209					2,097	2.48	1,934	2.31
(+) Personnel costs	0217					(14,658)	(17.31)	(14,370)	(17.19)
(-) Other operating expenses	0210					(19,599)	(23.15)	(18,740)	(22.41)
(-) Depreciation of fixed assets	0211					(4,066)	(4.80)	(3,993)	(4.78)
(+) Imputation of capital grants and others	0212					93	0.11	78	0.09
(+) Excess of provisions	0213								
(+/-) Result on Disposal or Valuation of Non-Current Assets	0214								
(+/-) Other results	0215								
= OPERATING RESULTS	0245					18,300	21.61	17,445	20.87
(+) Financial income	0250					5,285	6.24	6,094	7.29
(-) Financial expenses	0251					(447)	(0.53)	(219)	(0.26)
(+/-) Variation in fair value of financial instruments	0252								
(+/-) Exchange rate differences	0254					25	0.03	(385)	(0.46)
(+/-) Results on Disposal of Financial Assets	0255					(47)	(0.06)	5,490	6.57
= FINANCIAL RESULTS	0256					4,816	5.69		
= PROFITS BEFORE TAX	0265					23,116	27.30	22,935	27.43
(+/-) Profit tax expenses	0270					(4,529)	(5.35)	(4,242)	(5.07)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	0280					18,587	21.95	18,693	22.36
(+/-) Result after discontinued Operations Tax (net)	0285								
= PROFIT OF THE YEAR	0300					18,587	21.95	18,693	22.36

EARNINGS PER SHARE		Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)
Basic	0290			0.96	0.92
Diluted	0295			0.96	0.92

IV.- SELECT FINANCIAL INFORMATION
3.- STATEMENTS OF INCOME AND EXPENSES RECOGNIZED INDIVIDUALLY
STATEMENTS OF INCOME AND EXPENSES RECOGNIZED INDIVIDUALLY (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 30/06/2017
A) PROFIT / LOSS OF FINANCIAL	0305	18,587	18,693
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	0310	83	69
1. Valuation of financial instruments	0320		
a) Financial assets classified as held for sale	0321		
b) Other incomes / expenses	0323		
2. Hedging operations	0330		
3. Grants, donations and bequests received	0340	111	92
4. Actuarial gains and losses an other adjustments	0344		
5. Other income and expenses charged directly to equity	0343		
6. Tax Rate Effect	0345	(28)	(23)
C) TRANSFERS TO THE PROFIT AND LOSS ACCOUNT	0350	(70)	(59)
1. Valuation of financial instruments	0355		
a) Financial assets classified as held for sale	0356		
b) Other / income (expenses)	0358		
2. Hedging operations	0360		
3. Grants, donations and bequests received	0366	(93)	(78)
4. Other income and expenses charged directly to equity	0365		
5. Tax Rate Effect	0370	23	19
TOTAL INCOME (A+B+C)	0400	18,600	18,703

IV.- SELECT FINANCIAL INFORMATION
4.- STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL(1/2)
STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

CURRENT YEAR		OWN FUNDS					Adjustments for change in value	Grants and donations and bequests received	Total Net Equity
		Share Capital	Stock premium and reserves	Shares and stocks in their own Equity	Results of exercise	Other equity instruments of net assets			
OPENING BALANCE AT 01/07/2017	3010	41,300	146,888	(34,909)	31,399	118		222	185,018
Adjustments for change in accounting principle	3011								
Adjustments by mistake	3012								
Opening balance adjusted	3015	41,300	146,888	(34,909)	31,399	118		222	185,018
I. Total Income / (expenses)	3020				18,587			13	18,600
II. Operations with shareholder	3025		(6,500)	(5,222)					(11,722)
1. Increase (Decrease) of capital	3026								
2. Conversion of financial liabilities in net liabilities	3027								
3. Distribution of dividends	3028		(6,500)						(6,500)
4. Operations with company's own shares (net)	3029			(5,222)					(5,222)
5. Increase(Decrease) by business combination	3030								
6. Other operation with shareholders	3032								
III. Other changes in equity	3035		31,399		(31,399)	119			119
1. Payment based in equity instruments	3036					119			119
2. Transfers between items of net equity	3037		31,399		(31,399)				
3. Other changes	3038								
Closing Balance at 31/12/17	3040	41,300	171,787	(40,131)	18,587	237		235	192,015

IV.- SELECT FINANCIAL INFORMATION
4.- STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL(2/2)
STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

PREVIOUS YEAR		OWN FUNDS					Adjustments for change in value	Grants and donations and bequests received	Total net equity
		Share Capital	Stock premium and reserves (1)	Shares and stocks in their own Equity	Results of exercise	Other equity instrument of net assets			
OPENING BALANCE AT 01/07/2016	3050	41,300	130,151	(6,578)	28,215	118		263	193,469
Adjustments for change in accounting principle	3051								
Adjustments by mistake	3052								
Opening balance adjusted	3055	41,300	130,151	(6,578)	28,215	118		263	193,469
I. Total Income / (expenses)	3060				18,693			10	18,703
II. Operations with shareholder	3065		(5,500)	(14,454)					(19,954)
1. Increase (Decrease) of capital	3066								
2. Conversion of financial liabilities in net liabilities	3067								
3. Distribution of dividends	3068		(5,500)						(5,500)
4. Operations with company's own shares (net)	3069			(14,454)					(14,454)
5. Increase(Decrease) by business combination	3070								
6. Other operation with shareholders	3072								
III. Other changes in equity	3075		28,246	446	(28,215)				477
1. Payment based in equity instruments	3076		31	446					477
2. Transfers between items of net equity	3077		28,215		(28,215)				
3. Other changes	3078								
Closing Balance at 31/12/2016	3080	41,300	152,897	(20,586)	18,693	118		273	192,695

IV.- SELECT FINANCIAL INFORMATION
5. - CASH FLOW STATEMENTS INDIVIDUAL (THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)

Units: Thousand Euros

		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 30/06/2017
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	0435	12,759	16,184
1. Profit before tax	0405	23,116	22,935
2. Adjusts by results	0410	(965)	(2,447)
(+) Depreciation of fixed assets	0411	4,066	3,993
(+/-) Others adjustments results	0412	(5,031)	(6,439)
3. Changes in capital flow	0415	(2,686)	1,151
4. Cash Flow	0420	(6,706)	(5,455)
(-) Interest payment	0421	(484)	(250)
(+) Dividend collection	0422		
(+) Interest collection	0423	1,409	1,708
(+/-) Payment profit tax	0430	(7,631)	(6,913)
(+/-) Other payment in activities of depreciation and amortization	0425		
B) CASH FLOW FROM INVESTMENT (1+2)	0460	(5,267)	519
1. Payment for investment	0440	(27,007)	(10,988)
(-) Companies Group, associates and business units	0441	(3,625)	
(-) Intangible fixed assets and investment property	0442	(4,093)	(4,310)
(-) Other financial assets	0443	(13,842)	(6,651)
(-) Other assets	0444	(5,447)	(27)
2. Des-investments by collection	0450	21,740	11,507
(+) Companies Group, associates and business units	0451		344
(+) Intangible fixed assets and investment property	0452		
(+) Other financial assets	0453	6,634	2,248
(+ Other assets	0454	15,106	8,914
C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)	0490	(10,169)	(16,650)
1. Collection and payment for equity instruments	0470	(5,222)	(13,975)
(+) Issue	0471		
(-) Depreciation and amortization	0472		
(-) Acquisition	0473	(5,222)	(14,454)
(+) Disposition	0474		477
(+) Grants, donations and bequests received	0475		3
2. Payment for liability instruments	0480	(2,288)	(466)
(+) Issue	0481	200	390
(-) Return and redemption	0482	(2,488)	(857)
3. Dividend payment and pay other equity instruments	0485	(2,659)	(2,209)
D) EFFECT OF CHANGES IN EXCHANGE RATES	0492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	0495	(2,677)	53
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	0499	9,655	3,897
G) CASH AND EQUIVALENT AT END OF THE PERIOD (E+F)	0500	6,978	3,950

COMPONENTS OF THE CASH AND EQUIVALENT AT THE END OF THE PERIOD		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 31/12/2017
(+) Cash and banks	0550	6,978	3,950
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable in sight	0553		
CASH AND EQUIVALENT AT END OF THE PERIOD	0600	6,978	3,950

IV.- SELECT FINANCIAL INFORMATION
6.- CONSOLIDATED BALANCE SHEET 1/2 (INFI ADOPTED)

Units: Thousand Euros

ASSETS		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 31/12/2017
A) TOTAL NON-CURRENT ASSETS	1040	240,262	229,717
1. Intangible fixed assets	1030	1,600	1,465
a) Goodwill	1031		
b) Other intangible assets	1032	1,600	1,465
2. Tangible Fixed assets	1033	145,260	145,543
3. Investment property	1034		
4. Investments in group companies and associated long-term	1035		
5. Non-current Financial assets	1036	89,839	79,034
6. Deferred tax assets	1037	3,563	3,675
7. Other non-current assets	1038		
B) CURRENT ASSET	1085	149,758	143,058
1. Non-Current Assets Classified as held for sale	1050		
2. Stocks	1055	69,558	59,970
3. Trade debtors and other accounts receivable	1060	45,931	42,322
a) Customers by sales and services	1061	45,477	41,849
b) Other debtors	1062	264	283
c) Current tax asset	1063	190	190
4. Other Current Financial Assets	1070	18,547	27,975
5. Other Current Assets	1075	8,520	2,917
6. Cash and cash equivalent	1072	7,202	9,874
TOTAL ASSETS (A+B)	1100	390,020	372,775

IV.- SELECT FINANCIAL INFORMATION
6.- CONSOLIDATED BALANCE SHEET 2/2 (INFI ADOPTED)

Units: Thousand Euros

LIABILITIES AND EQUITY	CURRENT YEAR 30/06/2018	PREVIOUS YEAR 32/12/2017
A) NET EQUITY	1195	264,937
A.1) Common Stocks	1180	255,862
1. Capital	1171	41,300
a) Subscribed capital	1161	41,300
b) Less: uncalled capital	1162	
2. Share premium	1172	40
3. Retained earnings	1173	234,604
4. Minus: Own Shares	1174	(40,131)
5. Results of previous year	1178	
6. Other contributions from shareholders	1179	
7. Equity attributable to results of the Parent	1175	19,812
8. Minus: Interim dividends	1176	(6,000)
9. Other equity instruments	1177	237
A.2) Valuation adjustments	1188	9,075
1. Financial assets available for sale	1186	
2. Hiding Operations	1187	9,075
3. Exchange rate differences	1181	9,075
4. Others	1183	
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1189	264,937
A.3) MINORITY INTERESTS	1193	
B) NON-CURRENT LIABILITIES	1120	67,766
1. Grants	1117	1,952
2. Long-Term provisions	1115	1,172
3. Long-Term debt	1116	61,646
a) Issue of Debentures and Other Marketable Securities	1131	61,646
b) Other financial liabilities	1132	
4. Deferred tax liabilities	1118	2,699
5. Non-Current Other liabilities	1135	297
C) CURRENT LIABILITIE	1130	57,317
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	1121	
2. Short-term provisions	1122	5,977
3. Short-term financial debt	1123	12,160
a) Borrowing with banks and bonds and other securities	1133	8,660
b) Other financial liabilities	1134	3,500
4. Trade creditors and other accounts payable	1124	30,632
a) Suppliers	1125	30,632
c) Other creditors	1126	
c) Current earning tax liabilities	1127	
6. Other current liabilities	1136	8,548
TOTAL LIABILITY AND SHAREHOLDER'S EQUITY (A+B+C)	1200	390,020

IV.- SELECT FINANCIAL INFORMATION
7.- PROFIT AND LOSS ACCOUNT CONSOLIDATED (INFI ADOPTED)

Units: Thousand Euros

		CURRENT ACTUAL PER. (2 ^{on} half)		CURRENT PREVIOUS PER (2 ^{on} half)		ACUMULATED ACTUAL 30/06/2018		ACUMULATED PREVIOUS 30/12/2017	
		Amount	%	Amount	%	Amount	%	Amount	%
(+) Net Turnover	1205					125,830	100.00	122,720	100.00
(+/-) Variation in stocks of finished goods and work in progress	1206					8,793	6.99	(1,796)	(1.46)
(+) Work done by the company for its active	1207					640	0.51	595	0.48
(+) Supplies	1208					(49,319)	(39.19)	(40,725)	(33.19)
(+) Other operating income	1209					1,213	0.96	1,163	0.95
(+) Personnel costs	1217					(22,223)	(17.66)	(21,368)	(17.41)
(-) Other operating expenses	1210					(31,921)	(25.37)	(28,549)	(23.26)
(-) Depreciation of fixed assets	1211					(8,012)	(6.37)	(7,748)	(6.31)
(+) Imputation of capital grants and others	1212					278	0.22	232	0.19
(+/-) Result on Disposal or Valuation of Non-Current Assets	1214					9	0.01	5	0.00
(+/-) Other results	1215					6	0.00		
= OPERATING RESULTS	1245					25,294	20.10	24,529	19.99
(+) Financial income	1250					1,381	1.11	1,665	1.36
(-) Financial expenses	1251					(618)	(0.49)	(341)	(0.28)
(+/-) Variation in fair value of financial instruments	1252								
(+/-) Exchange rate differences	1254					(182)	(0.14)	(520)	(0.42)
(+/-) Results on Disposal of Financial Assets	1255					15	0.01		
= FINANCIAL RESULTS	1256					596	0.47	804	0.66
Other Results / Loss	1253					6	0.00	12	0.01
= PROFITS BEFORE TAX	1265					25,896	20.58	25,345	20.65
(+/-) Profit Tax Expenses	1270					(6,084)	(4.84)	(5,851)	(4.77)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	1280					19,812	15.75	19,494	15.88
(+/-) Result after discontinued Operations Tax (net)	1285								
= CONSOLIDATED RESULTS OF YEAR	1288					19,812	15.75	19,494	15.88
a) Result attributable to the parent entity	1300					19,812	15.75	19,494	15.88
b) Result attributable to minority interests	1289								

EARNINGS PER SHARE		Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)
Basic	1290			1.02	0.96
Diluted	1295			1.02	0.96

IV.- SELECT FINANCIAL INFORMATION

8.- STATEMENTS OF INCOME AND EXPENDITURE RECOGNIZED CONSOLIDATION (INFI ADOPTED)

Units: Thousand Euros

		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 31/12/2017
A) PROFIT/LOSS FOR THE YEAR	1305	19,812	19,494
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	1310	3,816	
1. Revaluation of tangible and intangible assets	1311		
2. Actuarial gains and losses and other adjustments	1344		
3. Entities rated by the method of participation	1342		
4. Other income and expenses charged directly to equity	1343	3,816	
5. Tax Rate Effect	1345		
C) OTHER GLOBAL RESULTS - ITEMS THAT CAN BE RECLASSIFIED AFTER THE RESULTS OF THE PERIOD	1350		
1. Financial assets available for sales	1355		
a) Valuation profit / losses	1356		
b) Amounts transferred to the profit and loss account	1357		
c) Other classifications	1358		
2. Cash flow hedges	1360		
a) Valuation profit / losses	1361		
b) Amounts transferred to the profit and loss account	1362		
c) Amounts transferred to the initial value of the hedged items	1363		
d) Other classifications	1364		
3. Conversion differences	1365		
a) Valuation profit / losses	1366		
b) Amounts transferred to the profit and loss account	1367		
c) Other classifications	1368		
4. Participation in other comprehensive income recognized by investments in joint and associated businesses	1370		
a) Valuation profit / losses	1371		
b) Amounts transferred to the profit and loss account	1372		
c) Other classifications	1373		
5. Other income and expenses that may be reclassified after the period result	1375		
d) Valuation profit / losses	1376		
e) Amounts transferred to the profit and loss account	1377		
f) Other classifications	1378		
6. Tax Effect	1380		
TOTAL INCOME (A+B+C)	1400	23,628	19,494
a) Attributable to the dominant entity	1398	23,628	19,494
b) Attributable to minority interests	1399		

IV.- SELECT FINANCIAL INFORMATION

9.- STATES TOTAL CHANGES IN EQUITY CONSOLIDATION (INFI ADOPTED) 1/2

Units: Thousand Euros

ACTUAL PERIOD		Net patrimony attributed to the dominant entity					Adjustments for change in value	Minority Interests	Total equity
		Own Funds							
		Share Capital	Return of capital	Shares and stocks in their own heritage	Results of exercise attributable to parent company	Other equity instruments			
OPENING BALANCE 01/07/2016	3110	41,300	205,343	(34,909)	37,073	118	5,259	254,184	
Adjustments for change in accounting principle	3111								
Adjustments by mistake	3112								
Opening balance adjusted	3115	41,300	205,343	(34,909)	37,073	118	5,259	254,184	
Total Income	3120				19,812		3,816	23,628	
Operations with shareholder	3125		(6,500)	(5,222)				(11,722)	
Increase/(Decrease) of capital	3126								
Conversion of financial liabilities in net liabilities	3127								
Distribution of dividends	3128		(6,500)					(6,500)	
Operations with company's own shares (net)	3129			(5,222)				(5,222)	
Increase/ (Decrease) by business combination	3130								
Other operation with shareholders	3132								
Other changes in equity	3135		35,801		(37,073)	119		(1,153)	
Payment based in equity instruments	3136					119		119	
Transfers between items of net equity	3137		37,073		(37,073)				
Other changes	3138		(1,272)					(1,272)	
Closing Balance 31/12/2016	3140	41,300	234,644	(40,131)	19,812	237	9,075	264,937	

IV.- SELECT FINANCIAL INFORMATION

9.- STATES TOTAL CHANGES IN EQUITY CONSOLIDATION (INFI ADOPTED) 2/2

Units: Thousand Euros

PREVIOUS PERIOD		Shareholder's Equity					Adjustments for change value	Minority Interests	Total Equity
		Share Capital	Share and premium reserves	Shares and stocks in their own heritage	Results of exercise attributable to parent company	Other equity instruments			
OPENING BALANCE 01/07/2016	3150	41,300	183,813	(6,578)	34,233	118			252,886
Adjustments for change in accounting principle	3151								
Adjustments by mistake	3152								
Opening balance adjusted	3155	41,300	183,813	(6,578)	34,233	118			252,886
Total Income	3160				19,494				19,494
Operations with shareholder	3165		(5,500)	(14,454)					(19,954)
Increase/(Decrease) of capital	3166								
Conversion of financial liabilities in net liabilities	3167								
Distribution of dividends	3168		(5,500)						(5,500)
Operations with company's own shares (net)	3169			(14,454)					(14,454)
Increase/ (Decrease) by business combination	3170								
Other operation with shareholders	3172								
Other changes in equity	3175		33,566	446	(34,233)				(221)
Payment based in equity instruments	3176		31	446					477
Transfers between items of net equity	3177		34,233		(34,233)				
Other changes	3178		(698)						(698)
Closing Balance 31/12/2016	3180	41,300	211,879	(20,586)	19,494	118			252,205

IV.- SELECT FINANCIAL INFORMATION
10. A.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD) 1/2

Units: Thousand Euros

		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 31/06/2017
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	1435	13,488	22,905
1. Profit before tax	1405	25,896	25,345
2. Adjusts by results	1410	6,740	6,474
(+) Depreciation of fixed assets	1411	7,981	7,748
(+/-) Others adjustments results	1412	(1,241)	(1,274)
3. Changes in capital flow	1415	(12,293)	(1,795)
4. Cash Flow	1420	(6,855)	(7,119)
(-) Interest payment	1421	(461)	(340)
(+) Dividend payments and pay other equity instruments	1430		
(+) Dividend collection	1422	315	
(+) Interest collection	1423	922	134
(+/-) Payment / collect profit tax	1424	(7,631)	(6,913)
(+/-) Other payment in activities of depreciation and amortization	1425		
B) CASH FLOW FROM INVESTMENT (1+2)	1460	(4,452)	(2,357)
1. Payment for investment	1440	(27,304)	(16,067)
(-) Companies Group, associates and business units	1441	(6)	(287)
(-) Intangible fixed assets and investment property	1442	(7,050)	(6,410)
(-) Other financial assets	1443	(14,084)	(9,370)
(-) Other assets	1444	(6,164)	
2. Des-investments by collection	1450	22,852	13,710
(+) Companies Group, associates and business units	1451	28	
(+) Intangible fixed assets and investment property	1452		
(+) Other financial assets	1453	7,718	4,136
(+) Other assets	1454	15,106	9,574
3. Other streams assets in investing activities	1455		
(+) Dividends collect	1456		
(+) Investments collect	1457		
(+/-) Others payments / collects in activities of investments	1458		
C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)	1490	(11,708)	(20,448)
1. Collection and payment for equity instruments	1470	(5,222)	(13,977)
(+) Issue	1471		
(-) Depreciation and amortization	1472		
(-) Acquisition	1473	(5,222)	(14,454)
(+) Disposition	1474		477
2. Payment for liability instruments	1480	(3,827)	(4,264)
(+) Issue	1481	10,933	732
(-) Return and redemption	1482	(14,760)	(4,996)
3. Dividend payment and pay other equity instruments	1485	(2,659)	(2,209)
4. Other cash-flows in financial activities	1486		2
(-) Interest payment	1487		
(+/-) Others payments /collect in financial activities	1488		2
D) EFFECT OF CHANGES IN EXCHANGE RATES	1492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	1495	(2,672)	99
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1499	9,874	4,092
G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)	1500	7,202	4,191

IV.- SELECT FINANCIAL INFORMATION
10. A.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD)2/2

Units: Thousand Euros

COMPONENTS AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 30/06/2017
(+) Cash and banks	1550	7,202	4,191
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable in sight	1553		
CASH AND EQUIVALENT AT END OF THE PERIOD	1600	7,202	4,191

IV.- SELECT FINANCIAL INFORMATION

11. CHANGES IN THE COMPOSITION OF THE GROUP

BUSINESS COMBINATIONS AND OTHER ACQUISITIONS OR INCREASE PARTICIPATION IN SEPARATE ENTITIES, JOINT VENTURES AND / OR INVESTMENTS IN ASSOCIATES (CURRENT PERIOD)						
Name of acquired or merged entity	Category	Effective date of the transaction	Net cost of the operation a + b (thousands euros)		% Of voting rights acquired	% Of total voting rights in the company subsequent to the acquisition
			Net amount paid in the acquisition and other costs directly attributable to the combination (a)	Fair value of equity instruments issued for the acquisition of the entity (b)		

DECREASE OF INVESTMENTS IN SUBSIDIARIES AND / OR INVESTMENTS IN ASSOCIATES AND OTHER SIMILAR OPERATIONS (CURRENT PERIOD)					
Name of acquired or merged entity	Category	Effective date of the transaction	% Voting rights sold or derecognized	% Of total voting rights in the company after the sale	Profit / loss generated in thousands euros

IV.- SELECT FINANCIAL INFORMATION

12.- PAYMENT DIVIDENDS

Units: Thousand Euros

		CURRENT YEAR			PREVIOUS YEAR		
		% Nominal	Euros per share	Amount (thousands euros)	% Nominal	Euros per share	Amount (thousands euros)
Ordinary shares	2158	7.75	0.16	3,000	6.20	0.12	2,500
Other shares	2159						
TOTAL DIVIDENDS PAY	2160			3,000			2,500
a) dividends from results	2155	7.75	0.16	3,000	6.20	0.12	2,500
b) dividends from premium account	2156						
c) dividends in kind	2157						

IV.- SELECT FINANCIAL INFORMATION –

13.- BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY ½

Units: Thousand Euros

FINANCIAL ASSETS NATURE / CATEGORY		CURRENT PERIOD					
		Financial assets held to negotiate	Other financial assets FV with changes in PL	Financial assets available for sale	Loans and receivables	Investments held to maturity	Hedging derivatives
Equity instruments	2061					23,517	
Representative of debt securities	2062					68,954	
Derivates	2063						
Other financial assets	2064				11,034	121	
Long Term non-current	2065				11,034	92,592	
Equity instruments	2066						
Representative of debt securities	2067					18,520	
Derivates	2068						
Other financial assets	2069				27,015		
Short-Term current	2070				27,015	18,520	
TOTAL INDIVIDUAL	2075				38,049	11,112	
Equity instruments	2161			20,031		234	
Representative of debt securities	2162				220	68,955	
Derivates	2163						
Other financial assets	2164					119	
Long Term non-current	2165			20,311	220	69,308	
Equity instruments	2166						
Representative of debt securities	2167					18,547	
Derivates	2168				7,202		
Other financial assets	2169				7,202	18,547	
Short-Term current	2170					25,812	
TOTAL CONSOLIDATED	2175			20,311	7,422	87,855	

FINANCIAL LIABILITIES NATURE / CATEGORY		CURRENT PERIOD			
		Financial liabilities held to negotiate	Other financial liabilities FV with changes in PL	Accounts payable	Hedging derivatives
Bank Debt	2076			35,210	
Bonds and other securities	2077				
Derivates	2078				
Other financial liabilities	2079				
Long Term Debts / Non-current liabilities	2080			35,210	
Bank Debt	2081			6,495	
Bonds and other securities	2082				
Derivates	2083				
Other financial liabilities	2084			25,688	
Short Term Debts / Non-current liabilities	2085			32,183	
TOTAL INDIVIDUAL	2090			67,393	
Bank Debt	2176			61,646	
Bonds and other securities	2177				
Derivates	2178				
Other financial liabilities	2179				
Long Term Debts / Non-current liabilities	2180			61,646	
Bank Debt	2181			8,660	
Bonds and other securities	2182				
Derivates	2183				
Other financial liabilities	2184			3,500	
Short Term Debts / Non-current liabilities	2185			12,160	
TOTAL CONSOLIDATED	2190			73,806	

IV.- SELECT FINANCIAL INFORMATION
13.- BREAKDOWN OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY 2/2

Units: Thousand Euros

FINANCIAL ASSETS NATURE / CATEGORY		PREVIOUS PERIOD					
		Financial assets held to negotiate	Other financial assets FV with changes in PL	Financial assets available for sale	Loans and receivables	Investments held to maturity	Hedging derivatives
Equity instruments	5061					22,706	
Representative of debt securities	5062				11,061	62,351	
Derivates	5063						
Other financial assets	5064					121	
Long Term non-current	5065				11,061	85,058	
Equity instruments	5066						
Representative of debt securities	5067					27,975	
Derivates	5068						
Other financial assets	5069				24,118		
Short-Term current	5070				24,118	27,975	
TOTAL INDIVIDUAL	5075				35,179	113,033	
Equity instruments	5161			16,206		228	
Representative of debt securities	5162					62,233	
Derivates	5163						
Other financial assets	5164					119	
Long Term non-current	5165			16,206	248	62,580	
Equity instruments	5166						
Representative of debt securities	5167					27,975	
Derivates	5168						
Other financial assets	5169				9,874		
Short-Term current	5170				9,874	27,975	
TOTAL CONSOLIDATED	5175			16,206	10,122	90,555	

FINANCIAL LIABILITIES NATURE / CATEGORY		PREVIOUS PERIOD			
		Financial liabilities held to negotiate	Other financial liabilities FV with changes in PF	Accounts payable	Hedging Derivates
Bank Debt	5076			35,010	
Bonds and other securities	5077				
Derivates	5078				
Other financial liabilities	5079				
Long Term Debts / Non-current liabilities	5080			35,010	
Bank Debt	5081			7,308	
Bonds and other securities	5082				
Derivates	5083				
Other financial liabilities	5084			23,565	
Short Term Debts / Non-current liabilities	5085			30,873	
TOTAL INDIVIDUAL	5090			65,883	
Bank Debt	5176			61,373	
Bonds and other securities	5177				
Derivates	5178				
Other financial liabilities	5179				
Long Term Debts / Non-current liabilities	5180			61,373	
Bank Debt	5181			10,891	
Bonds and other securities	5182				
Derivates	5183				
Other financial liabilities	5184				
Short Term Debts / Non-current liabilities	5185			10,891	
TOTAL CONSOLIDATED	5190			72,264	

IV.- SELECT FINANCIAL INFORMATION

14.- INFORMATION BY SEGMENT

Units: Thousand Euros

GEOGRAPHICAL AREA		DISTRIBUTION OF NET AMOUNT OF TURNOVER BY GEOGRAPHICAL AREA			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Domestic Market	2210	17,062	13,420	20,099	13,821
Export	2215	67,603	70,186	105,731	108,899
a) European Union	2216	14,652	14,797	24,017	22,573
b) Countries: OCDE	2217	24,992	30,590	36,158	41,461
c) Other Countries	2218	27,959	24,799	45,556	44,865
TOTAL	2220	84,665	83,606	125,830	122,720

SEGMENTS		ORDINARY INCOME					
		CONSOLIDATED					
		Ordinary income coming from external customers		Ordinary income between segments		Total Ordinary Income	
CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR		
Tobacco Industries	2221	80,373	79,899	16,613	16,934	96,986	96,293
Industrial Products	2222	38,986	35,776	5,524	4,380	44,510	40,156
Others	2223	6,471	7,045	3,765	3,963	10,236	11,008
	2224						
	2225						
	2226						
	2227						
	2228						
	2229						
	2230						
(-) Adjustments and eliminations of ordinary income between segments	2231			(25,902)	(24,737)	(25,902)	(24,737)
TOTAL	2235	125,830	122,720			125,830	122,70

SEGMENTS		RESULTS	
		CONSOLIDATE	
		CURRENT YEAR	PREVIOUS YEAR
Tobacco Industries	2250	21,823	20,592
Industrial Products	2251	3,018	3,004
Others	2252	704	962
	2253		
	2254		
	2255		
	2256		
	2257		
	2258		
	2259		
Total result of the segments on which report	2260	25,545	24,558
(+/-) Unallocated results	2261	602	814
(+/-) Elimination of internal results / segments	2262	(251)	(27)
(+/-) Other results	2263		
(+/-) Tax Benefits and results of operations interrupted	2264		
RESULTS BEFORE TAXES	2270	25,896	25,345

IV.- SELECT FINANCIAL INFORMATION
15.- PERSONAL AVERAGE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
AVERAGE WORKFORCE	2295	519	527	803	812
Men	2296	344	348	564	564
Women	2297	175	179	239	248

IV.- SELECT FINANCIAL INFORMATION
17.- REMUNERATION RECEIVED BY DIRECTORS AND MANAGERS

Administrators		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Salary / Wages fixed	2310	530	511
Variable Salary	2311		
Expenses	2312	89	86
Statutory attentions	2313		
Operations on actions and financial instruments	2314		445
Others	2315	2	2
TOTAL	2320	621	1,044

OTHER PROFIT:

Advances	2326	0	0
Loans	2327	0	0
Contributions to pension fun	2328	0	0
Debentures	2329	0	0
Life insurance premium	2330	0	0
Warranties to Directors	2331	0	0

MANAGEMENT		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Total remuneration received by management	2325	900	649

IV.- SELECT FINANCIAL INFORMATION

16.- OPERATED RELATED PARTY 1/2

Units: Thousand Euros

EXPENSES AND INCOMES		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
1) Financial expenses	2340					
2) Contract management	2341					
3) I+D Transfers and license agreement	2342					
4) Rent	2343					
5) Reception service	2344					
6) Purchase of goods	2345					
7) Correction value for bad debts or doubtful debts	2346					
8) Losses by low or disposition of assets	2347					
9) Other expenses	2348					
EXPENSES (1+2+3+4+5+6+7+8+9)	2350					
10) Income financial	2351					
11) Contract management	2352					
12) I+D Transfers and license agreement	2353					
13) Dividends received	2354					
14) Rents	2355					
15) Provide service	2356					
16) Sale of assets	2357					
17) Losses by low or disposition of assets	2358					
18) Other expenses	2359					
INCOME (10+11+12+13+14+15+16+17+18)	2360					

OTHERS		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
Purchase of tangible assets or other intangible assets	2371					
Financing agreement credits	2372					
Leasing Contract	2373					
Depreciation and amortization or cancellation of credits and leases	2377					
Sales of tangible assets or other intangible assets	2374					
Financing agreement credits	2375					
Leasing Contract	2376					
Depreciation and amortization or cancellation of credits and leases	2378					
Warranties and guaranties provided	2381					
Warranties and guaranties received	2382					
Commitments made	2383					
Commitments / Guaranties cancelled	2384					
Dividends and other profit distributions	2386	896	1,211			2,107
Other operations	2385					

IV.- SELECT FINANCIAL INFORMATION

17.- OPERATED RELATED PARTY 2/2

Units: Thousand Euros

EXPENSES AND INCOME		PREVIOUS YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
1) Financial expenses	6340					
2) Contract management	6341					
3) I+D Transfers and license agreement	6342					
4) Rent	6343					
5) Reception service	6344					
6) Purchase of goods	6345					
7) Correction value for bad debts or doubtful debts	6346					
8) Losses by low or disposition of assets	6347					
9) Other expenses	6348					
EXPENSES (1+2+3+4+5+6+7+8+9)	6350					
10) Income financial	6351					
11) Contract management	6352					
12) I+D Transfers and license agreement	6353					
13) Dividends received	6354					
14) Rents	2355					
15) Provide service	6356					
16) Sale of assets	6357					
17) Losses by low or disposition of assets	6358					
18) Other expenses	6359					
INCOME (10+11+12+13+14+15+16+17+18)	6360					

OTHER COMMUNICATIONS		PREVIOUS YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
Purchase of tangible assets or other intangible assets	6371		1			1
Financing agreement credits	6372					
Leasing Contract	6373					
Depreciation and amortization or cancellation of credits and leases	6377					
Sales of tangible assets or other intangible assets	6374		357			357
Financing agreement credits	6375					
Leasing Contract	6376					
Depreciation and amortization or cancellation of credits and leases	6378					
Warranties and guaranties provided	6381					
Warranties and guaranties received	6382					
Commitments made	6383					
Commitments / Guaranties cancelled	6384					
Dividends and other profit distributions	6386	844	959			1,802
Other operations	6385					

V.- EXPLANATORY NOTES ON THE INTERMEDIATE FINANCIAL STATEMENTS

According to the Instructions for completing the general model of half financial report of the CNMV in relation to the Notes to the Interim Financial Statements of Chapter V and paragraph 16 of IAS 34 in force Notes, are described below events and transactions, accordance with the principle of materiality, produced from the date of the last annual report, which are relevant for understanding the changes in financial position, business performance or significant changes in the quantities and comparability with the annual financial statements.

1. BASIS OF PRESENTATION

The Consolidated Intermediate Financial Statements in this included in the first half of 2018, that they have been reviewed and approved by the directors, which have been obtained based on the Company's accounting records and those of its subsidiary companies, have been prepared by the Corporate management in accordance with what is established in the International Accounting Standard 34 "Intermediate Financial Information" and with the principles contained in accounting standards IFRS 9 and NIFF 15, in force since the beginning of the year.

The amounts contained in these Consolidated Intermediate Financial Statements are expressed, unless otherwise, indicate in thousand Euros. The Euro is the Group's operational and business currency.

The accounting policies, principles and methods used by the Group in the creation of the Consolidated Intermediate Financial Statements included in this Intermediate Financial Report does not significantly differ from those used in the preparation of the Company's Consolidated Annual Accounts corresponding with the tax year which ended on 31 December 2017. However, this Semi-annual Financial Report does not include the information and breakdown required in the consolidated Annual Accounts, which are exposed and available in the aforementioned Accounts.

2. SEASONALITY

The activities carried out by the Parent Company and its subsidiary companies do not have a seasonal nature nor are the cycles within the annual economic tax year significantly affect the assets their equity, result or financial situation.

3. UNUSUAL ENTRIES

During the exercise 2018 there were no unusual items that significantly affect the assets, liabilities, equity, net income or cash flows of the Group except for the subsequent events described in Note 9 of this document.

In particular:

- There has been no significant valorative adjustment of inventories to net realizable value.
- There have been no significant acquisitions and provisions of items of property, plant and equipment.
- No payments have resulted from litigations.
- No they have been no significant corrections of previous periods errors. It is worth mentioning, however, the reclassifications in the tables of the segmented information, detailed in Note 7 and those made in the financial instrument tables, detailed in Note 8, both notes of this document.

4. ACCOUNTING ESTIMATES.

There have been no changes carried out with significant effects in accounting estimates of items of prior interim periods within the same accounting period or on estimates of amounts presented for prior periods.

In relation to IFRS 9, whose application is reported in Note 1 above, the rating and valuation of its financial assets has been evaluated and considers that its implementation does not require any adjustment to be made since the resulting values are not significant.

Additionally, as indicated in note 2.1.1 of the Consolidated Annual Accounts for the year ended December 31, 2017, based on the analyses carried out in relation to the application of IFRS 15, it has been concluded that its impact is not significant either.

5. ISSUANCES, REPURCHASES, AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

During the first half 2018, the Company, using the authorization for the derivative purchase of its own shares granted by the General Shareholders' Meetings of June 22, 2016, of June 20, 2018, has acquired 153,666 shares on the stock market, representing 0.74% of the Share Capital (498,138 in the first half of 2017, 2.41% of the share capital). The amount of acquisitions amounted to EUR 5.2 million (EUR 14.4 million in the first half of 2017). The Stock Option Plan 2011 ended in 2017, so consequently no delivery has been made under it in the first half of 2018 (37,275 shares in the first half of 2017, representing 0.18% of the share capital).

6. PAYMENT DIVIDENDS

Dividends paid during 2018 amounted to EUR 3.0 million (EUR 2.5 million in the first half of 2017), resulting in nominal DPA of EUR 0.15 per share effective (in the first half of 2017 was EUROS 0.12 per share) and DPA 0.16 per share per share effective (0.12 EUROS per share in 2017), following the attribution of the economics rights of the treasury shares in accordance with the provisions of Article 148 of the LSC.

7. SEGMENT INFORMATION

The criteria for identifying operating segments are based on the management information prepared for the decision-taking that, in turn, is based on the organizational structure of the Group. Such organizational structure consists of three lines of business from which the general policies are established and which are as follows:

- Tobacco industry
- Industrial products
- Others

In the current year, due to a change in the attribution of the economic effect of an activity to a different segment, since it is considered more appropriate, the information corresponding to the same period of 2017 has been reclassified so that both periods are comparable. . This information is detailed in Chapter IV, Section 14, of the Semi-Annual Financial Report.

The detail of the aforementioned reclassification is as follows:

– Ordinary Income:

ORDINARY INCOME									
CONSOLIDATED									
	Ordinary Income from external customers			Ordinary Income between segments			Total Ordinary Income		
	Published June 2017	Adjusted June 2017	Difference	Published June 2017	Adjusted June 2017	Difference	Published June 2017	Adjusted June 2017	Difference
Tobacco Industry	80,553	79.899	654	16,394	16,394	0	96,947	96,293	654
Industrial Products	35,122	35.776	-654	4,380	4,380	0	39,502	40,156	-654
Others	7,045	7.045	0	3,963	3,963	0	11,008	11,008	0
(-) Adjustments and eliminations of ordinary income between segments					0	0	0	0	0
				-24,737	-24,737	0	-24,737	-24,737	0
TOTAL	122,720	122.720	0	0	0		122,720	122,720	0

– Results:

SEGMENTS	Results		
	CONSOLIDATED		
	Published June 2017	Adjusted June 2017	Difference
Tobacco Industry	20,603	20,592	11
Industrial Products	2,993	3,004	-11
Others	962	962	0
Total result of the segments reported	24,558	24,558	0
(+/-) Results not assigned	814	814	0
(+/-) Elimination of internal results (between segments)			
(+/-) Other results	-27	-27	0
RESULTADO (BAI)	25,345	25,345	0

8. REMUNERATIONS RECEIVED BY ADMINISTRATORS AND DIRECTORS

With regard to paragraph IV-13 of the report is noted that the changes detailed below have been made so that the information is directly comparable with respect to that of the first half of 2018:

2 ^{ON} HALF 2017 Published	Available-for-sale financial Assets	Loans and receivables	Investments held to maturity	2 ^º HALF 2017 modified	Available-for-sale financial Assets	Loans and receivables	Investments held to maturity
FINANCIAL ASSETS				FINANCIAL ASSETS			
Equity Instruments			22,706	Equity Instruments			22,706
Representative debt securities				Representative debt securities		11,061	62,231
Other financial assets		11,061	62,351	Other financial assets			121
Long term/ non-current		11,061	85,057	Long term/ non-current		11,061	85,058
Representative debt securities			27,975	Representative debt securities			27,975
Other financial assets		14,463	9,655	Other financial assets		24,118	
Short term/ non-current		14,463	37,630	Short term/ non-current		24,118	27,975
TOTAL INDIVIDUAL		25,524	122,687	TOTAL INDIVIDUAL		35,179	113,033
Equity Instruments	*5,259		228	Equity Instruments	*16,206		228
Representative debt securities			73,181	Representative debt securities		248	62,233
Other financial assets		366		Other financial assets			119
Long term/ non-current	5,259	366	73,409	Long term/ non-current	16,206	248	62,580
Representative debt securities			27,975	Representative debt securities			27,975
Other financial assets			**9,980	Other financial assets		**9,874	
Short term/ non-current			37,955	Short term/ non-current		9,874	27,975
TOTAL CONSOLIDATED	5,259	366	111,364	TOTAL CONSOLIDATED	16,206	10,122	90,555

* In the information published in the second half of 2017, the amount indicated was the adjustment between the acquisition value and fair value, but the full value by EUR 16,206 thousand should have been indicated.

** In the information published in the second half of 2017, the amount indicated that amounted to EUR 9,980 thousand was made up of: cash and other equivalent liquid assets (EUR 9,874 thousand) + accrual (EUR 106 thousand). We have considered to indicate only the amount of treasury.

9. EVENTS SUBSEQUENT TO THE CLOSING OF THE INTERIM PERIOD.

On July 25, 2018, the Group has acquired all the shares of the Spanish company Clariana, S.A., leading manufacturer of coloured paper in Spain. The operation was carried out through its parent company Miquel y Costas & Miquel, S.A. and its affiliate Payá Miralles.

In relation to the Group's subsidiary located in Argentina, it should be noted that, due to the significant growth of inflation in that country, particularly in the second quarter of 2018, and although the measurement by the different indices shows differences, it can be estimated that the accumulated inflation in the last three years approaches or exceeds 100%, a requirement established in section c of the third point of the Scope of IAS 29, reason for which the origin of making adjustments for inflation for this reason in the financial information of the aforementioned subsidiary, whose functional currency is the Argentine peso, as of July 1, 2018.

10. VARIATIONS IN THE CONSOLIDATION PERIMETER.

There were no changes in the consolidation perimeter between June 2018, and 2017.

11. CHANGES IN ASSETS OR LIABILITIES OF CONTINGENT CHARACTER

There have been no changes in contingent assets or liabilities that may have a material effect on the Group's equity, results or financial position that have not been included in the interim financial statements.

12. USE OF ALTERNATIVE PERFORMANCE MEASURES RENDIMIENTO (MARs).

The Group has complied with the ESMA guidelines on las MARs (ESMA/2015/1415 of October 2015), and in this Financial Report, was:

- Release the definitions of each MAR.
 - A detail can be consulted in the section of Additional Information of Audit in the web page to Comisión Nacional del Mercado de Valores (www.cnmv.es)
- Provide comparative information for each MAR submitted, maintaining the coherence of MARs definitions and calculations over time.

VI.- INTERMEDIATE MANAGEMENT REPORT

CONSOLIDATED RESULTS

The consolidated accumulative results for the first half of 2018 are stated in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and the results of the individual companies have been prepared in accordance with the General Accounting Plan approved by the Royal Decree 1514/2007 of 16th November. In both cases the results are compared to those of the same period of the previous year.

The main figures are summarized as follows and compared with the previous year was:

<u>Thousand euros</u>	<u>1st Half</u> <u>2018</u>	<u>1st Half</u> <u>2017</u>	<u>Variation</u> <u>%</u>
Sales	125,830	122,720	2.5
EBITDA	33,306	32,279	3.2
Operating Profit ¹	25,294	24,531	3.1
Profit before tax	25,896	25,345	2.2
Profit after tax	19,812	19,494	1.6
Cash-flow after tax ²	27,824	27,242	2.1

The net turnover consolidated for the first half of the year amounted to EUR 125.8 million, representing an increase EUR 3.1 million to the same period last year.

By business lines, the line of products for the Tobacco Industry increases its sales by 0.6%. This increase, which has taken place in a period of devaluation against the euro of the US dollar and especially the Argentine peso, is mainly explained by the product mix

In the line of Industrial Products sales increased by EUR 3.2 million, which represents an increase of more than 9.0% over the same period of previous year, mainly due to the growth of sales of special pulps of Terranova.

The line of "Others", due to its usual condition of adjustment factor of the other lines, has been placed below the turnover of the previous period

The Parent Company's sales in the semester amounted EUR 84.7 million, representing an increase of 1.3% compared to the first half of the previous year. This increase is mainly due to the better product mix

The Profit before taxes consolidated reached EUR 25.9 million, in the first half, exceeding by EUR 0.6 million the results obtained in the same period of 2017, which represents a growth of 2.2%.

The increase experienced is driven by the improvement of the results in the Tobacco Industry Line, favoured by a better mix and the entry into operation of the investments made in 2017, which has made it possible to compensate the sharp increase experienced by the price of the pulp and energies. In the case of the Industrial Products line, said increases in the prices of the main cost components have been offset by the increase in sales volume.

Furthermore, profit after tax totalled EUR 19.8 million, a result 1.6% higher than that obtained in the same period of the previous year.

The effective tax rate estimated for the period has been of the order of 23.5%, somewhat higher than that of the first half of the previous year due to the lower amount to be deducted due to the application of the current tax advantages.

The parent company has obtained until the month of June a result before tax to EUR 23.1 million, until the month of June, reaching an increase of 0.8% with respect to the same period of the previous year, which is explained by the increase in the operating result

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet is stated in accordance with the current International Financial Reporting Standards in force.

The main figures compared to the previous financial year as follows:

<u>Thousand euros</u>	<u>June 2018</u>	<u>December 2017</u>
Net fix assets ³	146,860	147,008
Working capital requirement ⁴	75,352	65,150
Other Net Assets/Liabilities	(2,556)	(2,594)
Capital employed	219,656	209,564
Equity	264,937	254,184
Net financial debt ⁵	(45,281)	(44,620)

The variation of the Working Capital Requirement has been mainly due to the increase in the stock item, while the commercial items have been compensated among them.

FINANCIAL SITUATION

The financial situation of the consolidated Group, prepared in accordance with the adopted IFR Standards at the end of the first half, and compared to the previous financial year breaks down as follows:

<u>Thousand euros</u>	<u>June 2018</u>	<u>December 2017</u>
Long-term financial debt (*)	(61,646)	(61,373)
Short-term financial debt (*)	(8,660)	(10,851)
Cash and and other current financial assets	25,748	16,311
Non-current financial assets	89,839	77,751
Net financial debt	45,281	39,288
Net equity	264,937	252,885

(*) Credit entities

The net financial debt position to closing the first half, presents a debit balance for EUR 45.3 million, level similar to that of the close of year 2017.

The net cash flow from operating activities generated in the first half of the year amounted to EUR 27.8 million, exceeding EUR 0.6 million obtained in the same period of the previous year. The cash flow of the parent company stood at EUR 22.7 million euros, EUR 2.9 million equal to than the one obtained in the same period of 2017.

The main allocations of the generated funds have been the investment in fixed assets, for an amount of EUR 7.7 million, the acquisition of own shares for treasury stock, for a value of EUR 5.2 million, the payment of dividends and variations in operating capital.

STOCK EXCHANGE SITUATION

The main information on share trading during the first half of 2018, was as follows:

Days of trading	126 days
Number of shares traded	1,999,741
Value of shares traded	€ 67,597 thousand
Maximum price	€ 36.80 per share
Minimum price	€ 31.05 per share
Average price	€ 33.81 per share
Final price	€ 32.30 per share

TREASURY STOCK

The Company, in the first half of 2018 and making use of the authorization for the derivative purchase of its own shares granted by the General Shareholders' Meeting of June 22, 2016 and June 20, 2018, has acquired 153,666 shares on the stock market, which represent 0.74% of the Share Capital (498,138 in the first half of 2017, 2.41% of the share capital).

During the period no delivery of shares has been made since the Stock Options Plan 2011 ended in 2017 (in the first half of 2017, 37,275 shares were delivered under the aforementioned Plan, representing 0.18% of the share capital).

LINKED OPERATIONS

There is no evidence that the Company and the Parent Company have not carried out any significant transactions with their main shareholders during the first half of 2018 that would require disclosure as per EHA 3050/2004 of 15th September.

During that period operations were performed either of the parent company and other companies of the Group and its board members or directors, or with the parties related to them, who must be informed in accordance with the provisions of section 1.a) article 229 of the Capital Companies Act, except dividends paid, the remuneration received by reason of their position as the board members and / or directors.

With the exception of the dividends and contributions of partners to the company Desvi by the two companies of the Group of shareholders, there were no have been produced significant operations between the Group companies other than those which: i) as part of the normal business of the companies or entities in terms of their purpose and conditions, have been eliminated in the process of preparation of the consolidated financial statements; ii) as part of the ordinary business of the company, have been carried out under normal market conditions and are of little relevance, as for example those from whom information is not necessary to express the true and fair view of the financial situation and performance of the Group.

ENVIRONMENT INFORMATION

During the first half of 2018 the Group has continued its actions for the preservation of the environment and responsible use of natural resources.

For its financing, it has applied financial resources for an amount of EUR 1.4 million, aimed at reducing water consumption, energy and waste generation.

R&D+I ACTIVITIES

During the first half of 2018, the Group has allocated to R&D+I, resources, amounted to EUR 1.4 million. In this period the activities have continued to focus mainly on the lines of research aimed at obtaining new products and innovation in the productive processes.

INFORMATION ON STAFF

During the reporting period, the average workforce has decreased by 9 people in the first half of 2018 compared with the same period of 2017, reaching the figure of 803 persons. Has been allocated in the period EUR 534 thousand to safety, health and prevention of labour risks and close to one hundred thousand euros to the various training programs.

MAIN RISKS AND OPPORTUNITIES

The international field in which the society is operating and most of the companies in the group makes that are exposed foreign exchange risk. The effects of exchange rates of fluctuations from their business operations are to some extent cushioned by the outgoing monetary flows generated by imports. In addition to that, as the group is a net exporter in aggregate terms, it mitigates the risks of fluctuation through the recruitment of financial hedging instruments.

At the same time, the Group's activity is carried out in very diverse markets that expose it to risks originating from commercial credit. For its control and, if necessary, minimization, the Group has established and observes a strict internal credit policy and, in addition, protects its debts with credit insurance contracts.

The Group, being petitioner energy sources, mainly electricity and gas, is affected by the volatility of commodity prices. For reduction, spends a significant portion of their investments to technologies to improve production yields and reduce energy consumption, in addition to ensure effective management of these resources.

The parent company and the majority of its subsidiaries have a solid balance sheet structure that provides them with strength and funding capacity of future operations. When it is considered that there is objective evidence that the value of a financial asset is appropriate to be adjusted, the correction is made to values based on the estimates and judgments arising from the information produced by independent third parties.

The continuous effort in research, development and innovation, essential in a global market and competitive, allows the group to have last generation technology, in many cases exclusive, maintaining and increasing the productivity and the production of its range of products as well as getting new ones that can satisfy the highest demands of quality and enabling it to be consistent and to lay the foundations for the growing needs in the future.

The Parent Company and the Group maintain litigation and litigation in the normal course of business. The most outstanding changes since the last published information have occurred in the process of the lawsuit filed by the parent company against the previous commercial distributor in Italy, in which the most relevant event is, once the Preliminary Hearing took place, the signalling of date for the holding of oral trial in the last quarter of this year. The Directors, in accordance with their advisers, continue to maintain that, in accordance with current accounting

regulations, the Parent company should not record any amount in its consolidated financial statements.

SUBSEQUENT EVENTS

On July 25, 2018, the Group has acquired all the shares of the Spanish company Clariana, S.A., leading manufacturer of colored papers in Spain and, among others, of papers with special treatments. Its markets range from consumers of products for luxury packaging to those of laid-down printing and security printing papers and papers with special treatments resistant to humidity and fats that meet the demands of the food sector. It allocates more than 60% of its sales to foreign markets, located in more than 60 countries on 5 continents. The operation was carried out through the parent company Miquel y Costas & Miquel, S.A. and its affiliate Payá Miralles.

On the other hand, it is worth mentioning the significant growth of inflation in Argentina, especially in the second quarter of the current year, which presents a cumulative rate in the last three years of around 100%. For this reason, the Group will examine the appropriateness of applying IAS 29, making, if necessary, the precise adjustments in the financial information of its Argentine subsidiary whose functional currency is the Argentine peso.

There have been no significant additional events since the date of issuance of this Report.

PROSPECTS

The Group considers that the volatility and uncertainty conditions in the markets have continued to grow, adding risks in international trade and in the evolution of emerging economies which, together with the continued increase in the price of raw materials and energy, complicate the general economic situation and unfavorably influence the development of the business.

However, the Group expects a more moderate growth in results, which it estimates will surpass those of the previous year.

Regarding the recent acquisition of Clariana S.A., the Group expects that the magnitude of the operation will not affect the result of the current year and that it will begin to bear fruit in 2019.