

PERIOD	2ND HALF
YEAR	2019

ANNEX I

GENERAL

2ND

SEMESTRAL FINANCIAL INFORMATION TO THE YEAR

2019

CLOSE OF PERIOD DATE

31/12/2019

I.- IDENTIFYING DATA

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

REGISTERED ADDRESS

Tuset 10, 7^a - 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:	
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	
Name/ Corporate Name	Position
Mr. Jorge Mercader Miró	Chairman
Joanfra, S.A.	Director
Mr. Francisco Javier Basañez Villaluenga	Director
Mr. Claudio Aranzadi Martinez	Director
Mr. Álvaro de la Serna Corral	Director
Mrs. Marta Lacambra i Puig	Director
Mr. Eusebio Díaz-Morera Puig-Sureda	Director
Mr. Joaquin Coello Brufau	Director
Mr. Jorge Mercader Barata	Vice President
Mr. Joaquin Faura Batlle	Director
Mr. Emilio Coco Foriscot	Secretary Non-Director
Date of signing of this Interim Financial report for the relevant Board of Directors: 27/02/2020	

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

ASSETS		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
A) TOTAL NON-CURRENT ASSETS	0040	156,730	147,708
1. Intangible fixed assets	0030	759	719
a) Goodwill	0031		
b) Other intangible assets	0032	759	719
2. Tangible fixed assets	0033	79,261	71,190
3. Investment property	0034		
4. Investments in group companies and associated long-term	0035	43,262	42,240
5. Non-current Financial assets	0036	32,230	32,211
6. Deferred tax assets	0037	1,218	1,348
7. Other non-current assets	0038		
B) CURRENT ASSET	0085	146,842	152,034
1. Non-Current Assets Classified as held for sale	0050		
2. Stocks	0055	41,971	37,866
3. Trade debtors and other accounts receivable	0060	37,836	40,888
a) Customers by sales and services	0061	37,752	40,307
b) Other debtors	0062	84	581
c) Current tax asset	0063		
4. Investments in group companies and associated short-term	0064	23,636	20,276
5. Short-term financial investments	0070	37,358	36,276
6. Time Period adjustment a Short-term	0071	1	1
7. Cash and cash equivalent	0072	6,040	16,727
TOTAL ASSETS (A+B)	0100	303,572	299,742

Comments:

IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
A) NET EQUITY	0195	196,713	190,420
A.1) Common Stocks	0180	196,450	190,201
1. Capital	0171	62,000	62,000
a) Subscribed capital	0161	62,000	62,000
b) Less: uncalled capital	0162		
2. Share premium	0172	40	40
3. Retained earnings	0173	131,816	113,947
4. Minus: Own Shares	0174	(21,483)	(10,339)
5. Results of previous year	0178		
6. Other contributions from shareholders	0179		
7. Result of the period	0175	30,321	30,520
8. Minus: Interim dividend	0176	(6,600)	(6,200)
9. Other instruments net equity	0177	356	233
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	263	219
B) NON-CURRENT LIABILITIES	0120	36,675	43,991
1. Long-term provisions	0115	970	1,750
2. Long-term debt	0116	34,009	40,565
a) Issue of Debentures and Other Marketable Securities	0131	34,009	40,565
b) Other financial liabilities	0132		
3. Debts with group and associated companies in a long-term	0117		
4. Deferred tax liabilities	0118	1,600	1,584
5. Other liabilities	0135		
6. Time Period adjustment a Long-Term	0119	96	92
C) CURRENT LIABILITIES	0130	70,184	65,331
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	0121		
2. Short-terms Provisions	0122	557	153
3. Short-term financial debt	0123	12,276	5,971
a) Borrowing with banks and bonds and other securities	0133	10,175	3,386
b) Other financial liabilities	0134	2,101	2,585
4. Debts with enterprises and associated short-term	0129	28,329	26,191
5. Trade creditors and other accounts payable	0124	29,022	33,016
a) Suppliers	0125	19,570	24,439
b) Other creditors	0126	8,917	7,906
c) Current earning tax liabilities	0127	535	671
6. Other current liabilities	0136		
07. Time period adjustment short-term	0128		
TOTAL NET LIABILITY	0200	303,572	299,742

Comments:

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

Units: Thousand Euros

		Current Year (2 ^o n half)	Previous Year (2 ^o n Half)	Accumulated Current 31/12/2019	Accumulated Previous 31/12/2018
(+) Net Turnover	0205	80,916	87,152	168,766	171,817
(+/-) Variation in stocks of finished goods and work in progress	0206	3,923	1,936	4,229	5,506
(+) Work done by the company for its active	0207	379	425	984	694
(+) Supplies	0208	(33,369)	(37,485)	(69,342)	(71,557)
(+) Other operating income	0209	2,947	2,415	5,108	4,512
(+) Personnel costs	0217	(13,326)	(12,601)	(27,699)	(27,259)
(-) Other operating expenses	0210	(21,896)	(22,868)	(41,683)	(42,467)
(-) Depreciation of fixed assets	0211	(4,596)	(3,849)	(8,683)	(7,914)
(+) Imputation of capital grants and others	0212	330	108	603	201
(+) Excess of provisions	0213				
(+/-) Result on Disposal or Valuation of Non-Current Assets	0214				
(+/-) Other results	0215				
= OPERATING RESULTS	0245	15,308	15,233	32,283	33,533
(+) Financial income	0250	1,500	1,711	7,110	6,966
(-) Financial expenses	0251	(368)	(565)	(543)	(1,012)
(+/-) Variation in fair value of financial instruments	0252				
(+/-) Exchange rate differences	0254	(112)	(78)	(238)	(53)
(+/-) Results on Disposal of Financial Assets	0255				(47)
= FINANCIAL RESULTS	0256	1,020	1,068	6,329	5,884
= PROFITS BEFORE TAX	0265	16,328	16,301	38,612	39,417
(+/-) Profit tax expenses	0270	(4,187)	(4,368)	(8,291)	(8,897)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	0280	12,141	11,933	30,321	30,520
(+/-) Result after discontinued Operations Tax (net)	0285				
= PROFIT OF THE YEAR	0300	12,141	11,933	30,321	30,520

EARNINGS PER SHARE		Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)
Basic	0290	0.41	0.46	1.01	1.06
Diluted	0295	0.41	0.46	1.01	1.06

Comments:

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

Units: Thousand Euros

		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
A) PROFIT / LOSS OF FINANCIAL	0305	30,321	30,520
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	0310	594	138
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	662	197
4. Actuarial gains and losses an other adjustments	0344	130	(13)
5. Other income and expenses charged directly to equity	0343		
6. Tax Rate Effect	0345	(198)	(46)
C) TRANSFERS TO THE PROFIT AND LOSS ACCOUNT	0350	(452)	(151)
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	(603)	(201)
4. Other income and expenses charged directly to equity	0365		
5. Tax Rate Effect	0370	151	50
TOTAL INCOME (A+B+C)	0400	30,463	30,507

Comments:

IV.- SELECT FINANCIAL INFORMATION

3.- STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL

B. STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL (1/2)
(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	62,000	107,787	(10,339)	30,520	233		219	190,420
Adjustments for change in accounting principle	3011								
Adjustments by mistake	3012								
Opening balance adjusted	3015	62,000	107,787	(10,339)	30,520	233		219	190,420
I. Total Income / (expenses)	3020		98		30,321			44	30,463
II. Operations with shareholder	3025		(13,350)	(11,144)					(24,494)
1. Increase (Decrease) of capital	3026								
2. Conversion of financial liabilities in net liabilities	3027								
3. Distribution of dividends	3028		(13,350)						(13,350)
4. Operations with company's own shares (net)	3029			(11,144)					(11,144)
5. Increase (Decrease) by business combination	3030								
6. Other operation with shareholders	3032								
III. Other changes in equity	3035		30,721		(30,520)	123			324
1. Payment based in equity instruments	3036								
2. Transfers between items of net equity	3037								
3. Other changes	3038		30,721			123			324
Closing Balance at 31/12/17	3040	62,000	125,256	(21,483)	30,321	356		263	196,713

Comments:

IV.- SELECT FINANCIAL INFORMATION

3.- STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL

B.. STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL (2/2)
(THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)
(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	Shares and stocks in their own Equity	Results of exercise	Other equity instrument of net assets			
OPENING BALANCE AT 01/07/2017	3050	41,300	146,888	(34,909)	31,399	118		222	185,018
Adjustments for change in accounting principle	3051								
Adjustments by mistake	3052								
Opening balance adjusted	3055	41,300	146,888	(34,909)	31,399	118		222	185,018
I.Total Income / (expenses)	3060		(10)		30,520			(3)	30,507
II. Operations with shareholder	3065	20,700	(70,436)	24,570					(25,166)
1.Increase (Decrease) of capital	3066	20,700	(57,736)	37,036					
2.Conversion of financial liabilities in net liabilities	3067								
3.Distribution of dividends	3068		(12,700)						(12,700)
4.Operations with company's own shares (net)	3069								(12,466)
5.Increase(Decrease) by business combination	3070								
6.Other operation with shareholders	3072								
III. Other changes in equity	3075		31,345		(31,399)	115			61
1.Payment based in equity instruments	3076								
2.Transfers between items of net equity	3077								
3.Other changes	3078		31,345		(31,399)	115			61
Closing Balance at 31/12/2018	3080	62,000	107,787	(10,339)	30,520	233		219	190,420

Comments:

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

Units: Thousand Euros

		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	0435	32,903	24,766
1. Profit before tax	0405	38,612	39,417
2. Adjusts by results	0410	1,723	1,750
(+) Depreciation of fixed assets	0411	8,683	7,914
(+/-) Others adjustments results	0412	(6,960)	(6,164)
3. Changes in capital flow	0415	(4,314)	(7,775)
4. Cash Flow	0420	(3,118)	(8,626)
(-) Interest payment	0421	(510)	(1,016)
(+) Dividend collection	0422	4,709	
(+) Interest collection	0423	3,051	3,167
(+/-) Payment profit tax	0430	(10,368)	(10,777)
(+/-) Other payment in activities of depreciation and amortization	0425		
B) CASH FLOW FROM INVESTMENT (1+2)	0460	(21,051)	4,375
1. Payment for investment	0440	(82,801)	(57,902)
(-) Companies Group, associates and business units	0441	(4,213)	(7,623)
(-) Intangible fixed assets and investment property	0442	(16,866)	(9,869)
(-) Other financial assets	0443	(61,722)	(40,410)
(-) Non-current assets and liabilities that have been classified as held for sale	0459		
(-) Other assets	0444		
2. Des-investments by collection	0450	61,750	62,277
(+) Companies Group, associates and business units	0451		
(+) Intangible fixed assets and investment property	0452	68	354
(+) Other financial assets	0453	61,682	61,923
(-) Non-current assets and liabilities that have been classified as held for sale	0461		
(+ Other assets	0454		
C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)	0490	(22,539)	(22,069)
1. Collection and payment for equity instruments	0470	(11,047)	(12,408)
(+) Issue	0471		
(-) Depreciation and amortization	0472		
(-) Acquisition	0473	(11,144)	(12,466)
(+) Disposition	0474		
(+) Grants, donations and bequests received	0475	97	58
2. Payment for liability instruments	0480	1,858	1,596
(+) Issue	0481	30,555	11,260
(-) Return and redemption	0482	(28,697)	(9,664)
3. Dividend payment and pay other equity instruments	0485	(13,350)	(11,257)
D) EFFECT OF CHANGES IN EXCHANGE RATES	0492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	0495	(10,687)	7,072
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	0499	16,727	9,655
G) CASH AND EQUIVALENT AT END OF THE PERIOD (E+F)	0500	6,040	16,727

COMPONENTS OF THE CASH AND EQUIVALENT AT THE END OF THE PERIOD		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
(+) Cash and banks	0550	6,040	16,727
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable in sight	0553		
CASH AND EQUIVALENT AT END OF THE PERIOD	0600	6,040	16,727

Comments:

IV.- SELECT FINANCIAL INFORMATION

5.- CONSOLIDATED BALANCE SHEET 1/2 (IFRS ADOPTED)

Units: Thousand Euros

ASSETS		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
A) TOTAL NON-CURRENT ASSETS	1040	220,759	216,365
1. Intangible fixed assets	1030	2,537	1,632
a) Goodwill	1031		
b) Other intangible assets	1032	2,537	1,632
2. Tangible Fixed assets	1033	167,946	159,737
3. Investment property	1034		
4. Investments in group companies and associated long-term	1035		
5. Non-current Financial assets	1036	45,450	51,421
a) air value through profit or loss in its results	1047		
of which "designated at the initial moment"	1041		
b) air value through profit or loss in other integral results	1042	14,535	18,776
of which "designated at the initial moment"	1043		
c) at amortized cost	1044	30,915	32,645
6. Non-current Derivative	1039		
a) hedging derivative	1045		
b) Others	1046		
7. Deferred tax assets	1037	3,043	3,575
8. Other non-current assets	1038	1,783	
B) CURRENT ASSET	1085	183,283	188,660
1. Non-Current Assets Classified as held for sale	1050		
2. Stocks	1055	93,045	82,039
3. Trade debtors and other accounts receivable	1060	42,698	42,279
a) Customers by sales and services	1061	42,460	46,993
b) Other debtors	1062	238	286
c) Current tax asset	1063		
4. Non-current Financial assets	1070	37,366	36,277
d) air value through profit or loss in its results	1080		
of which "designated at the initial moment"	1081		
e) air value through profit or loss in other integral results	1082		
of which "designated at the initial moment"	1083		
f) at amortized cost	1084	37,366	36,277
5. Non-current Derivative	1076		
c) hedging derivative	1077		
d) Others	1078		
6. Other Current Assets	1075	3,227	6,060
7. Cash and cash equivalent	1072	6,947	17,005
TOTAL ASSETS (A+B)	1100	404,042	405,025

Comments:

V.- SELECT FINANCIAL INFORMATION

5.- CONSOLIDATED BALANCE SHEET 2/2 (IFRS ADOPTED)

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
A) NET EQUITY	1195	280,580	269,905
A.1) Common Stocks	1180	277,380	262,472
1. Capital	1171	62,000	62,000
a) Subscribed capital	1161	62,000	62,000
b) Less: uncalled capital	1162		
2. Share premium	1172	40	40
3. Reserves	1173	203,849	179,460
4. Minus: Own shares and equity instruments	1174	(21,483)	(10,338)
5. Results of previous year	1178		
6. Other contributions from shareholders	1179		
7. Equity attributable to results of the Parent	1175	39,218	37,277
8. Minus: Interim dividends	1176	(6,600)	(6,200)
9. Other equity instruments	1177	356	233
A.2) Valuation adjustments	1188	3,200	7,433
1. Items that are not reclassified to the result of the period	1186	3,200	7,433
a) Equity instruments with changes in other comprehensive income	1185		7,433
b) Others	1190		
2. Items that are reclassified to the result of the period	1187		
a) hedging transactions	1182		
b) conversion differences	1184		
c) Investments in other comprehensive income for investments in joint ventures and other	1192		
d) debt instruments at fair value with changes in other comprehensive income	1191		
e) Non-Current Other liabilities	1183		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1189	280,580	269,905
A.3) MINORITY INTERESTS	1193		
B) NON-CURRENT LIABILITIES	1120	60,739	72,796
1. Grants	1117	1,351	1,459
2. Long-Term provisions	1115	1,079	1,705
3. Long-Term debt	1116	54,489	66,145
a) Issue of Debentures and Other Marketable Securities	1131	54,489	66,145
b) Other financial liabilities	1132		
4. Deferred tax liabilities	1118	2,811	3,072
5. Non-current Derivative	1145		
f) hedging derivative	1146		
g) Others	1147		
6. Current Other liabilities	1135	1,009	415
C) CURRENT LIABILITIES	1130	62,723	62,324
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	1121		
2. Short-term provisions	1122	1,760	1,468
3. Short-term financial debt	1123	15,879	9,541
a) Borrowing with banks and bonds and other securities	1133	15,879	8,741
b) Other financial liabilities	1134		800
4. Trade creditors and other accounts payable	1124	32,734	40,179
a) Suppliers	1125	32,435	39,406
c) Other creditors	1126		
c) Current earning tax liabilities	1127	299	773
5. Current Derivative	1145		
h) hedging derivative	1146		
i) Others	1147		
6. Other current liabilities	1136	12,350	11,136
TOTAL LIABILITY AND SHAREHOLDER'S EQUITY (A+B+C)	1200	404,042	405,025

Comments:

IV.- SELECT FINANCIAL INFORMATION

6.- STATEMENT OF THE CONSOLIDATED REGULATIONS (IFRS ADOPTED)

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED 31/12/2019	PREVIOUS ACCUMULATED 31/12/2018
(+) Net Turnover	1205	124,143	133,427	262,633	259,257
(+/-) Variation in stocks of finished goods and work in progress	1206	8,898	5,057	15,661	13,850
(+) Work done by the company for its active	1207	601	779	1,670	1,419
(+) Supplies	1208	(46,760)	(52,731)	(101,357)	(102,050)
(+) Other operating income	1209	2,669	1,438	4,027	2,660
(+) Personnel costs	1217	(20,795)	(20,198)	(45,048)	(42,420)
(-) Other operating expenses	1210	(36,192)	(37,171)	(71,492)	(69,093)
09(-) Depreciation of fixed assets	1211	(9,253)	(7,692)	(17,584)	(15,703)
(+) Imputation of capital grants and others	1212	833	425	1,777	702
(+/-) Impairment losses	1214				
(+/-) Result from disposals of fixed asset	1216		1		7
(+/-) Other results	1215	31	1,171	66	1,171
= OPERATING RESULTS	1245	24,175	24,506	50,353	49,800
(+) Financial income	1250	1,184	1,312	2,069	2,694
a) Interest income calculated according to the effective interest rate method	1262	899	198	1,635	2,102
b) Others	1263	285	1,114	434	592
(-) Financial expenses	1251	(172)	(220)	(560)	(838)
(+/-) Variation in fair value of financial instruments	1252				
(+/-) Result derived from the reclassification of financial assets at amortized cost to financial assets at fair value	1258				
(+/-) Result derived from the reclassification of financial assets at fair value with changes in other comprehensive income to financial assets at fair value	1259				
(+/-) Exchange rate differences	1254	(121)	(1,826)	(813)	(2,008)
(+/-) Results on Disposal of Financial Assets	1255		(15)		
(+/-) Result from disposals of financial instruments	1257				
a) financial instruments at amortized cost	1260				
b) Others financial instruments	1261				
= FINANCIAL RESULTS	1256	891	(749)	696	(152)
Other Results / Loss	1253	8		17	6
= PROFITS BEFORE TAX	1265	25,074	23,757	51,066	49,654
(+/-) Profit Tax Expenses	1270	(5,924)	(6,293)	(11,848)	(12,377)
= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS	1280	19,150	17,464	39,218	37,277
(+/-) Result after discontinued Operations Tax (net)	1285				
= CONSOLIDATED RESULTS OF YEAR	1288	19,150	17,464	39,218	37,277
a) Result attributable to the parent entity	1300	19,150	17,464	39,218	37,277
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	0.64	0.65	1.30	1.29
Diluted	1295	0.64	0.65	1.30	1.29

Comments:

IV.- SELECT FINANCIAL INFORMATION

7.- OTHER CONSOLIDATED COMPREHENSIVE RESULT (IFRS ADOPTED)

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED	PREVIOUS ACCUMULATED
A) PROFIT/LOSS FOR THE YEAR	1305	19,150	17,464	39,218	37,277
B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY	1310	(1,173)	(1,642)	(4,112)	2,153
1. Revaluation of tangible and intangible assets	1311				
2. Actuarial gains and losses and other adjustments	1344	161		161	(28)
3. Entities rated by the method of participation	1342				
4.	1346	(1,294)	(1,642)	(4,233)	2,174
5. Other income and expenses charged directly to equity	1343				
6. Tax Rate Effect	1345	(40)		(40)	7
C) OTHER GLOBAL RESULTS - ITEMS THAT CAN BE RECLASSIFIED AFTER THE RESULTS OF THE PERIOD	1350				
1. 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				
2. Conversion differences	1365				
a) Valuation profit / losses	1366				
b) Amounts transferred to the profit and loss account	1367				
c) Other classifications	1368				
3. 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				
4. Debt instruments at fair value with changes in other comprehensive income	1381				
d) Valuation profit / losses	1382				
e) Amounts transferred to the profit and loss account	1383				
f) Other classifications	1384				
5. Other income and expenses that may be reclassified after the period result	1375				
g) Valuation profit / losses	1376				
h) Amounts transferred to the profit and loss account	1377				
i) Other classifications	1378				
6. Tax Effect	1380				
TOTAL INCOME (A+B+C)	1400	17,977	15,822	35,106	39,430
a) Attributable to the dominant entity	1398	17,977	15,822	35,106	39,430
b) Attributable to minority interests	1399				

Comments:

IV.- SELECT FINANCIAL INFORMATION

8.- STATES OF CHANGES IN EQUITY CONSOLIDATION (IFRS 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	62,000	173,301	(10,339)	37,277	233	7,433	269,905	
Adjustments for change in accounting principle	3111								
Adjustments by mistake	3112								
Opening balance adjusted	3115	62,000	173,301	(10,339)	37,277	233	7,433	269,905	
Total Income	3120		121		39,218		(4,233)	35,106	
Operations with shareholder	3125		(13,350)	(11,144)				(24,494)	
Increase/(Decrease) of capital	3126								
Conversion of financial liabilities in net liabilities	3127								
Distribution of dividends	3128		(13,350)					(13,350)	
Operations with company's own shares (net)	3129			(11,144)				(11,144)	
Increase/ (Decrease) by business combination	3130								
Other operation with shareholders	3132								
Other changes in equity	3135		37,218		(37,277)	122		63	
Payment based in equity instruments	3136								
Transfers between items of net equity	3137								
Other changes	3138		37,218		(37,277)	122		63	
Closing Balance 31/12/2016	3140	62,000	197,290	(21,483)	39,218	355	3,200	280,580	

Comments:

Box 3151 with an amount of 1401 thousand euros corresponds to the adjustment of the initial impact due to hyperinflation in Argentina.

Box 3170 with an amount of 1171 thousand euros corresponds to the negative difference due to the business combination due to the acquisition of the Company Clariana S.A.

IV.- SELECT FINANCIAL INFORMATION

8.- 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	205,343	(34,909)	37,073	118	5,259	254,184	
Adjustments for change in accounting principle	3151		1,401					1,401	
Adjustments by mistake	3152								
Opening balance adjusted	3155	41,300	206,744	(34,909)	37,073	118	5,259	255,585	
Total Income	3160		(21)		37,277		2,174	39,430	
Operations with shareholder	3165	20,700	(69,265)	24,570					
Increase/(Decrease) of capital	3166	20,700	(57,736)	37,036					
Conversion of financial liabilities in net liabilities	3167								
Distribution of dividends	3168		(12,700)					(12,700)	
Operations with company's own shares (net)	3169			(12,466)				(12,466)	
Increase/ (Decrease) by business combination	3170		1,171					1,171	
Other operation with shareholders	3172								
Other changes in equity	3175		35,843		(37,073)	115		(1,115)	
Payment based in equity instruments	3176								
Transfers between items of net equity	3177								
Other changes	3178		35,843		(37,073)	115		(1,115)	
Closing Balance 31/12/2016	3180	62,000	173,301	(10,339)	37,277	37,277	7,453	269,905	

Comments:

IV.- SELECT FINANCIAL INFORMATION

9. A.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD) 1/2

Units: Thousand Euros

		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX	1435	43,735	30,404
1. Profit before tax	1405	51,066	49,654
2. Adjusts by results	1410	14,750	12,628
(+) Depreciation of fixed assets	1411	17,585	15,703
(+/-) Others adjustments results	1412	(2,834)	(3,075)
3. Changes in capital flow	1415	(10,337)	(22,109)
4. Cash Flow	1420	(11,744)	(9,769)
(-) Interest payment	1421	(523)	(832)
(+)dividend payments and pay other equity instruments	1430		
(+) Dividend collection	1422	403	
(+) Interest collection	1423	2,385	2,804
(+/-) Payment / collect profit tax	1424	(13,387)	(10,945)
(+/-) Other payment in activities of depreciation and amortization	1425	(622)	(796)
B) CASH FLOW FROM INVESTMENT (1+2)	1460	(25,556)	5,183
1. Payment for investment	1440	(88,688)	(47,682)
(-) Companies Group, associates and business units	1441	(17)	(7)
(-) Intangible fixed assets and investment property	1442	(26,942)	(17,730)
(-) Other financial assets	1443	(61,729)	(29,945)
(-) Other assets	1444		
2. Des-investments by collection	1450	63,132	54,865
(+) Companies Group, associates and business units	1451	55	336
(+) Intangible fixed assets and investment property	1452	1,456	760
(+) Other financial assets	1453	61,621	51,769
(+)Non-current assets and liabilities that have been classified as held for sale	1461		
(+) Other assets	1454		
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	(28,237)	(28,456)
1. Collection and payment for equity instruments	1470	(11,144)	(12,466)
(+) Issue	1471		
(-) Depreciation and amortization	1472		
(-) Acquisition	1473	(11,144)	(12,466)
(+) Disposition	1474		
2. Payment for liability instruments	1480	(3,855)	(4,728)
(+) Issue	1481	28,863	25,645
(-) Return and redemption	1482	(32,718)	(30,373)
3. Dividend payment and pay other equity instruments	1485	(13,350)	(11,257)
4. Other cash-flows in financial activities	1486	112	(5)
(-) Interest payment	1487		
(+/-) Others payments /collect in financial activities	1488	112	(5)
D) EFFECT OF CHANGES IN EXCHANGE RATES	1492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS	1495	(10,058)	7,131
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1499	17,005	9,874
G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)	1500	6,947	17,005

Comments:

IV.- SELECT FINANCIAL INFORMATION

9. A.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD)2/2

Units: Thousand Euros

COMPONENTS AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT YEAR	PREVIOUS YEAR
		31/12/2019	31/12/2018
(+) Cash and banks	1550	6,947	17,005
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable in sight	1553		
CASH AND EQUIVALENT AT END OF THE PERIOD	1600	6,947	17,005

Comments:

IV.- SELECT FINANCIAL INFORMATION

9. B.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD) 1/2

Units: Thousand Euros

		CURRENT YEAR 31/12/2019	PREVIOUS YEAR 31/12/2018
A) CASH FLOWS FROM OPERATING ACTIVITIES	8435		
(+) Operating charges	8410		
(-) Payments to suppliers and staff for operating expenses	8411		
(-) Interest payments	8421		
(-) Payments of dividends and remunerations of other equity instruments	8422		
(+) Dividends receivable	8430		
(+) Interest charges	8423		
(+/-)Charges / payments for income tax	8424		
(+/-) Other payment in activities of depreciation and amortization	8425		
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)	8460		
1. Payment for investment	8440		
(-) Companies Group, associates and business units	8441		
(-) Intangible fixed assets and investment property	8442		
(-) Other financial assets	8443		
	8459		
(-) Other assets	8444		
2. Des-investments by collection	8450		
(+) Companies Group, associates and business units	8451		
(+) Intangible fixed assets and investment property	8452		
(+) Other financial assets	8453		
(+)Non-current assets and liabilities that have been classified as held for sale	8461		
(+) Other assets	8454		
3. Other streams assets in investing activities	8455		
(+) Dividends collect	8456		
(+) Investments collect	8457		
(+/-) Others payments / collects in activities of investments	8458		
C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)	8490		
1. Collection and payment for equity instruments	8470		
(+) Issue	8471		
(-) Depreciation and amortization	8472		
(-) Acquisition	8473		
(+) Disposition	8474		
2. Payment for liability instruments	8480		
(+) Issue	8481		
(-) Return and redemption	8482		
3. Dividend payment and pay other equity instruments	8485		
4. Other cash-flows in financial activities	8486		
(-) Interest payment	8487		
(+/-) Others payments /collect in financial activities	8488		
D) EFFECT OF CHANGES IN EXCHANGE RATES	8492		
E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS (A+B+C+D)	8495		
F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8499		
G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)	7500		

Comments:

IV.- SELECT FINANCIAL INFORMATION

9. B.- STATE OF CONSOLIDATED CASH FLOWS (INDIRECT METHOD)2/2

Units: Thousand Euros

COMPONENTS AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT YEAR	PREVIOUS YEAR
		31/12/2019	31/12/2018
(+) Cash and banks	8550		
(+) Other financial assets	8552		
(-) Less: bank overdrafts repayable in sight	8553		
CASH AND EQUIVALENT AT END OF THE PERIOD	8600		

Comments:

IV.- SELECT FINANCIAL INFORMATION

10.- PAYMENT DIVIDENDS

Units: Thousand Euros

		CURRENT YEAR			PREVIOUS YEAR		
		Euros per share	Amount (thousands €)	Number of shares to be delivered	Euros per share	Amount (thousands €)	Number of shares to be delivered
Ordinary shares	2158		13,350		12,700		
Other shares	2159						
TOTAL DIVIDENDS PAY	2160		13,350		12,700		
a) dividends from results	2155		13,350		12,700		
b) dividends from premium account	2156						
c) dividends in kind	2157						

Comments:

IV.- SELECT FINANCIAL INFORMATION

11.- 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	26,352	28,369	31,277	27,884
Export	2215	142,414	143,448	231,356	231,373
a) European Union	2216	54,480	59,402	84,382	89,164
b) Countries: OCDE	2217	28,309	32,323	49,414	52,296
c) Other Countries	2218	26,171	27,079	34,968	36,868
b) Rest	2219	87,934	84,046	146,974	142,209
TOTAL	2220	168,766	171,817	262,633	259,257

Comments:

SEGMENTS		CONSOLIDATED			
		Ordinary income coming from external customers		Results	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Tobacco Industries	2221	164,845	160,601	41,840	42,541
Industrial Products	2222	75,631	81,351	7,255	5,417
Others	2223	22,157	17,301	1,507	1,502
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL	2235	262,633	259,257	50,602	49,460

Comments:

IV.- SELECT FINANCIAL INFORMATION

12.- PERSONAL AVERAGE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
AVERAGE WORKFORCE	2295	528	524	902	887
Men	2296	354	348	652	638
Women	2297	174	176	250	249

Comments:

IV.- SELECT FINANCIAL INFORMATION

13.- REMUNERATION RECEIVED BY DIRECTORS AND MANAGERS

Administrators		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Salary / Wages fixed	2310	1,516	1,526
Variable Salary	2311	1,076	1,059
Expenses	2312	898	990
Statutory attentions	2313		
Compensations	2314		
Operations on actions and financial instruments	2315		262
Others	2316	3	3
TOTAL	2320	3,493	3,840

MANAGEMENT		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
Total remuneration received by management	2325	1,475	2,391

Comments:

With regard to the Directors and Directors, in the 2018 financial year, it included in an extraordinary way the amount accrued for the fulfillment of the three-year plans, since that is the year that ended the established term of a triennium. In addition to the directors, the amount included compensation exceptionally.

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) Rent	2343					
3) Reception service	2344					
4) Purchase of goods	2345					
5) Other expenses	2348					
EXPENSES (1+2+3+4+5)	2350					
6) Income financial	2351					
7) Dividends received	2354					
8) Provide service	2356					
9) Sale of assets	2357					
10) Other expenses	2359					
INCOME (6+7+8+9+10)	2360					

OTHERS TRANSACTIONS		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
Financing agreement credits	2372					
Financing agreement credits	2375					
Warranties and guaranties provided	2381					
Warranties and guaranties received	2382					
Commitments made	2383					
Dividends and other profit distributions	2386	3,166	5,819			8,985
Other operations	2385				1	1

		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
1) Customers and commercial debtors	2341					
2) Loans and credits granted	2342					
3) Other collection rights	2346					
TOTAL DEBTS BALANCE	2347					
4) Suppliers and Commercial Creditors	2352					
5) Loans and credits received	2353					
6) Other payment obligations	2355					
TOTAL CREDITORS BALANCE (4 + 5 + 6)	2358					

Comments:

IV.- SELECT FINANCIAL INFORMATION

14.- 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) Rent	6343					
3) Reception service	6344					
4) Purchase of goods	6345					
5) Other expenses	6348					
EXPENSES (1+2+3+4+5)	6350					
6) Income financial	6351					
7) Dividends received	6354					
8) Provide service	6356					
9) Sale of assets	6357					
10) Other expenses	6359					
INCOME (6+7+8+9+10)	6360					

OTHER COMMUNICATIONS		PREVIOUS YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
Financing agreement credits	6372					
Financing agreement credits	6375					
Warranties and guaranties provided	6381					
Warranties and guaranties received	6382					
Commitments made	6383					
Dividends and other profit distributions	6386	3,749	5,181			8,930
Other operations	6385				1	1

		CURRENT YEAR				
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	Total
4) Customers and commercial debtors	6341					
5) Loans and credits granted	6342					
6) Other collection rights	6346					
TOTAL DEBTS BALANCE	6347					
4) Suppliers and Commercial Creditors	6352					
5) Loans and credits received	6353					
6) Other payment obligations	6355					
TOTAL CREDITORS BALANCE (4 + 5 + 6)	6358					

Comments:

V.- INTERMEDIATE FINANCIAL STATEMENTS**Content of that Section**

		Individual	Consolidated
Explanatory Notes	2376	x	X
Summary biannual account	2377		
Completed biannual account	2378		
Intermediate financial statements	2379	x	X
Auditor Report	2380		

INTERMEDIATE FINANCIAL STATEMENTS

CONSOLIDATED RESULTS

The consolidated accumulative results for the second 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. standing out the increase in the scope of consolidation due to the acquisition of Clariana in the middle of the previous year and its absorption by its subsidiary Boncompte-Sierra.

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

<u>Thousand euros</u>	<u>2019</u>	<u>2018</u>	<u>Variation</u>
Sales	262,633	259,257	1.3%
EBITDA	67,937	65,503	3.7%
Operating Profit ¹	50,353	49,800	1.1%
Profit before tax	51,066	49,654	2.8%
Profit after tax	39,218	37,277	5.2%
Cash-flow after tax ²	56,802	52,981	7.2%

The net turnover consolidated for the second half of the year amounted to EUR 262.6 million, representing an increase EUR 3.4 million to the same period last year.

By business lines, the line of products for the Tobacco Industry increases its sales by 4.2% compared to previous year.

With regard to sales in the Industrial Products line, they have experienced a reduction of 5.7 million euros compared to the same period of the previous year due to the shutdown of investments in the factory in Valencia and a lower demand for special pastes to some extent partially offset by Clariana's packaging products and papers for the food industry.

Sales in the "Other" line amounted to EUR 4.9 million, lower than the previous year having been the contribution of Clariana the driver of the increase of this line of business.

The Parent Company's sales in the current year have reached EUR 168.8 million, which represents a decrease of 1.8% compared to the previous period. This decrease is basically explained by unemployment due to investment in the factory in Valencia

Profit before consolidated taxes reached EUR 51.1 million, exceeding the 2018 total by EUR 1.4 million, representing an increase of 2.8%. These results were influenced by the effects of hyperinflation at the Argentine subsidiary, which had an adverse effect of EUR 0.4 million on the income statement.

All business lines have been favoured by better pasta prices and the unfavourable evolution of energy. Especially The Tobacco Industry line has seen its results slightly reduced compared to the previous year due to the combination of products. The improvement in the Group's results is supported by the Industrial Products line and especially by Terranova, whose results have been driven by better margins throughout the year compared to the previous year and by the improvement in operations. The Other Line has kept the result in line with that of the previous year.

The benefit after consolidated taxes has had a result that is 5.2% higher than the one obtained in the previous year, reaching a figure of EUR 39.2 million. The effective tax rate for the period was 23.2%, lower than in the previous year due to the lower effect of hyperinflation and the greater deduction derived from the capitalization reserve.

In the Parent Company, the result after tax for this year was EUR 30.3 million, in line with that of the previous year, and a 1.5% higher cash flow compared to the same period.

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>31/12/2019</u>	<u>31/12/2018</u>
Net fix assets ³	170,482	161,369
Working capital requirement ⁴	92,588	81,794
Other Net Assets/Liabilities	(1,885)	(3,076)
Capital employed	261,185	240,087
Equity	280,580	269,905
Net financial debt ⁵	(19,395)	(29,818)

The amount of fixed assets includes the investments made in the period and, to a lower extent and among others, the effect of the application of the International Financial Reporting Standard (IFRS 16) in relation to the recognition, valuation and accounting presentation of leases, which has led to the incorporation of EUR 1.1 million in the fixed assets item at the end of 2019. The variation of the operational needs of funds is mainly explained by the increase in inventories, since the variations of the remaining items are practically offset between them.

FINANCIAL SITUATION

The financial situation of the consolidated Group, prepared in accordance with the adopted IFR Standards at the end of the second half, and compared to the previous financial year, is broken down by means of the following concepts as follows:

<u>Thousand euros</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
Long-term financial debt	(54,489)	(66,145)
Short-term financial debt	(15,879)	(8,740)
Cash and and other current financial assets	44,313	53,282
Non-current financial assets	45,450	51,421
Net financial debt	19,395	29,818
Net equity	280,580	269,905

Consolidated net operating cash flow after taxes was EUR 56.8 million, an increase of EUR 3.8 million relative to the previous year. The parent company's net cash flow reached EUR 39.0 million, by 1.5% higher compared to the same period in 2018.

The net financial position at the close of the fiscal year shows as negative net debt of EUR 19.4 million. The main applications of the funds generated and of the variation in net financial position were fixed-asset investments totalling EUR 24 million, the acquisition of treasury shares in the amount of EUR 11 million, dividend distribution payments amounting to EUR 13 million and the financing of working capital.

STOCK EXCHANGE SITUATION

The main information on share trading during the second half of 2019, is included in the following figures, which are adjusted by the extension of the capital released carried out in November 2018:

Days of trading	255 days
Number of shares traded	4,522,721
Value of shares traded	€ 71,931 thousand
Maximum price	€ 17.68 per share
Minimum price	€ 14.82 per share
Average price	€ 15.91 per share
Final price	€ 16.40 per share

TREASURY STOCK

The parent company, during the 2018 fiscal year and making use of the authorization for the derivative purchase of own shares, granted by the General Shareholders' Meetings of June 22, 2016 and June 20, 2018, acquired on the stock market 696,817 the total number of treasury shares at the end of the year was 1,297,010 shares.

On January 16 of this year, our Company following the recommendations of the CNMV, it has communicated by means of relevant fact the intention to carry out a Stock Repurchase Program that frames its treasury stock operation for a maximum of 620,000 shares and an amount of EUR 11 million to be made within 12 months.

The 2016 Stock Option Plan has not experienced variations in the period.

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 2019 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 except of the dividends and contributions there were no have been produced significant operations between the Group companies 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 financial year 2019, the Group has continued its actions for the preservation of the environment and the responsible use of natural resources, having allocated investments in this area to the optimization of energy and water consumption as well as the reduction of generation of waste, promoting the development of the circular economy of its production processes.

R&D+I ACTIVITIES

In 2019, the Group has allocated to R&D+I, resources, amounted to EUR 3.6 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

The amount of financial resources allocated to these activities has amounted to EUR 12.9 million.

INFORMATION ON STAFF

The average number of employees in the Group was 904, slightly higher than the previous year.

During this period EUR 1,762 thousand to safety, health and prevention of labour risks and close EUR 51 thousand 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 make 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.

A development to take into account is the fact that Argentina's economy became hyperinflationary as of 1 July 2018, upon meeting the quantitative guideline established by IAS 29 in relation to countries whose cumulative 3-year inflation rates exceed 100%. This factor had an impact on the year's results; moreover, it is expected to continue throughout 2019 and create uncertainty in the years to come.

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.

T

he Parent company and the Group are involved in disputes and litigation within the normal course of business. The most notable changes since the last published information have occurred in the legal process of the Parent company with the previous commercial distributor in Italy, having already celebrated the hearing, after which the trial has been seen for sentencing, in which the most relevant event is, once the Prior Hearing has already taken place, the date marking for the oral trial in the last quarter of the current year 2019. 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

Subsequent to the end of the year, there have been no other events that could significantly influence the half-yearly information of the Individual Company or the Consolidated Group, which should be highlighted as having major significance

PROSPECTS

The Group, which has achieved the objectives set for the year 2019, estimates that the trajectory in 2020 will continue to grow in the profits resulting from the investments made, although it could be influenced by the evolution of global economic conditions. This expected forecast incorporates the lower utilization in some factories of the productive capacity due to the realization of investments and demand.

The latest events related to the health problem arising from the potential coronavirus pandemic (Covid-19) present new risks that are difficult to assess at the moment.

EXPLANATORY NOTES

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 second half of 2019, 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" in particular with IFRS 16 in force since 1 January 2019 and IFRS 9 and IFRS 15 in force since 1 January 2018.

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 Corporate Management 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 2019 with the exception of the aforementioned application of IFRS 16. Nevertheless, this Intermediate Financial Report does not include the information and breakdown required in the Consolidated Annual Accounts, reason for which they must be read in the said 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, financial result and situation of the Parent Company and its subsidiary companies.

3. UNUSUAL ENTRIES

During the exercise 2019 there were no unusual items that significantly affect the assets, liabilities, equity, net income or cash flows of the Group although it should be noted that some items are affected, with the previous exercise, by the treatment of Argentina as a hyperinflationary economy and consequent application of IAS 29, which has meant that with an inflation of 47.6% in 2018, the result before of taxes in pesos before the treatment indicated was 17.9 million pesos (0.4 million euros) and instead, after its application, the result is 44.6 million pesos of loss (1.0 million euros). euros) and, on the other, that the acquisition of Clariana and its subsidiary have not meant a significant contribution to the consolidated result for the year

In particular:

There has been no significant valorative adjustment of inventories to net realizable value.

- There have been no other significant acquisitions or disposals of property, plant and equipment items other than the investment in the Valencia machine.

- The Payments arising from litigation have only been made in the form of guarantee appropriations

No they have been no significant corrections of previous periods errors.

On July 25, 2018, the Group acquired all the shares of the Spanish company Clariana and the subsidiary Boncompte, a leading manufacturer of colored paper in Spain. The operation was carried out through its parent company Miquel y Costas & Miquel, S.A. and its subsidiary Sociedad Anónima Payá Miralles. Consequently, the 2019 financial year includes, for the first time, a full financial year for this company. In addition, during the current year, in order to simplify the structure of the Group, the merger by absorption of Boncompte-Sierra by Clariana has been carried out.

The application of the International Financial Reporting Standard (IFRS 16) in relation to the recognition, valuation and accounting presentation of leases, resulted in the recognition of EUR 1.6 million in fixed assets at the beginning of the year.

In relation to the Group's subsidiary located in Argentina, as indicated above, the corresponding adjustments have been made for inflation in the financial information resulting from the consideration of the Argentine economy as hyperinflationary for the second consecutive year.

A reclassification has been made in the Cash Flow Statement making explicit the dividends received by the Parent Company.

ACCOUNTING ESTIMATES.

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

ISSUANCES, REPURCHASES, AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

In 2019, the Company, making use of the authorisation for the derivative purchase of its own shares granted by the General Shareholders Meetings of 22 June 2016 and 20 June 2018, the company acquired 696,817 shares, and at the end of the year for a total number of 1,297,010 shares. The 2016 Stock Option Plan currently in force is in a period of consolidation.

PAYMENT DIVIDENDS

The dividends paid in 2019 amounted to a total of EUR 13.4 million, representing a nominal DPA of EUR 0.43 per share, and an effective DPA, increased by the allocation of the rights to the treasury shares in application of the provisions of Article 148 of the LSC, of EUR 0.44 per share.

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

There have been no other changes in this identification criterion except for the incorporation of Clariana's figures for the full year, and therefore the financial information by operating segment presented for 2019 is comparable, taking into account the aforementioned circumstance, to that of 2018.

REMUNERATIONS RECEIVED BY ADMINISTRATORS AND DIRECTORS

In relation to section IV-13 of the Half-yearly Report, it is stated that the remuneration of the Directors (boxes 2310 to 2320) and those of the Directors (box 2325), in addition to the amounts paid, they include the amounts of remuneration accrued during the financial year.

EVENTS SUBSEQUENT TO THE CLOSING OF THE INTERIM PERIOD.

There is no knowledge of subsequent significant events as of the date of issuance of this Semi-Annual Report.

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

VARIATIONS IN THE CONSOLIDATION PERIMETER.

The company Clariana, S.A. acquired in mid-2018, has been integrated in 2019 as the first full year. On 30 July 2019, it absorbed its subsidiary Boncompte-Sierra S.L.U. with effect from 1 January 2019.

There have been no other changes to the Group's scope of consolidation.

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.

USE OF ALTERNATIVE PERFORMANCE MEASURES RENDIMIENTO (MARs).

The Company has complied with the ESMA guidelines on las MARs (ESMA/2015/1415 of October 2015):

Release the definitions of each MAR.

Provide comparative information for each MAR submitted, maintaining the coherence of MARs definitions and calculations over time.

The breakdown of all MARs including their denomination, definition and use is as follows:

NAME	DEFINITION	USE	
Net fixed assets	Net Property plant and equipment	Information on the position of these assets including the investments made	
	Net Intangible Assets		
NOF	Inventories	(+)	To analyse the need for operating funds of current activity
	Trade and other receivables	(+)	
	Other current assets	(+)	
	(Current liabilities)	(-)	
	(Trade and other payables)	(-)	
	Other current liabilities	(-)	
Other Assets/(Liabilities) Non-current net	Deferred tax assets	(+)	Result of compensation of current balance sheet items that complement the capital employed
	(Other non-current liabilities)	(-)	
	(Deferred tax liabilities)	(-)	
Own resources	Net Equity is understood as such.		Information to explain the financing of the capital employed
Total net Financial Position	Long term borrowings	(+)	Determination of the Group's net financial position
	Short term borrowings	(+)	
	Cash and financial investments	(-)	
	Long Term financial investments	(-)	
EBITDA	Operating profit and loss	(+)	To analyse the company's ability to generate profit considering only its productivity activity.
	Depreciation and amortization	(+)	
CFDI	Profit/loss after tax	(+)	To know the operational capacity of the company to generate liquidity
	Depreciation and amortization	(+)	