

<b>PERIOD</b>	<b>2<sup>nd</sup> HALF</b>
<b>YEAR</b>	<b>2018</b>

**ANNEX I**

**GENERAL**

2<sup>nd</sup>

**SEMESTRAL FINANCIAL INFORMATION TO THE YEAR**

**2018**

**CLOSE OF PERIOD DATE**

**31/12/2018**

**I.- IDENTIFYING DATA**

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

**REGISTERED ADDRESS**

Tuset 10, 7<sup>º</sup> - 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**

<b>Comments on the declaration:</b>	
<b>Person/s who assume or taken responsibility for this information:</b>	
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	
<b>Name/ Corporate Name</b>	<b>Position</b>
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

**Date of signing of this Interim Financial report for the relevant Board of Directors: 25/02/2019**

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

ASSETS		CURRENT YEAR 31/12/2018	PREVIOUS YEAR 31/12/2017
<b>A) TOTAL NON-CURRENT ASSETS</b>	<b>0040</b>	147,708	166,092
1. Intangible fixed assets	0030	719	680
a) Goodwill	0031		
b) Other intangible assets	0032	719	680
2. Tangible fixed assets	0033	71,190	67,992
3. Investment property	0034		
4. Investments in group companies and associated long-term	0035	42,240	33,768
5. Non-current Financial assets	0036	32,211	62,351
6. Deferred tax assets	0037	1,348	1,301
7. Other non-current assets	0038		
<b>B) CURRENT ASSET</b>	<b>0085</b>	<b>152,034</b>	<b>119,583</b>
1. Non-Current Assets Classified as held for sale	0050		
2. Stocks	0055	37,866	29,999
3. Trade debtors and other accounts receivable	0060	40,888	37,486
a) Customers by sales and services	0061	40,307	37,149
b) Other debtors	0062	581	337
c) Current tax asset	0063		
4. Investments in group companies and associated short-term	0064	20,276	14,463
5. Short-term financial investments	0070	36,276	27,975
6. Time Period adjustment a Short-term	0071	1	5
7. Cash and cash equivalent	0072	16,727	9,655
<b>TOTAL ASSETS (A+B)</b>	<b>0100</b>	<b>299,742</b>	<b>285,675</b>

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 31/12/2018	PREVIOUS YEAR 31/12/2017
<b>A) NET EQUITY</b>	<b>0195</b>	190,420	185,018
A.1) Common Stocks	<b>0180</b>	190,201	184,796
1. Capital	<b>0171</b>	62,000	41,300
a) Subscribed capital	<b>0161</b>	62,000	41,300
b) Less: uncalled capital	<b>0162</b>		
2. Share premium	<b>0172</b>	40	40
3. Retained earnings	<b>0173</b>	113,947	152,848
4. Minus: Own Shares	<b>0174</b>	(10,339)	(34,909)
5. Results of previous year	<b>0178</b>		
6. Other contributions from shareholders	<b>0179</b>		
7. Result of the period	<b>0175</b>	30,520	31,399
8. Minus: Interim dividend	<b>0176</b>	(6,200)	(6,000)
9. Other instruments net equity	<b>0177</b>	233	118
<b>A.2) Valuation adjustments</b>	<b>0188</b>		
1. Financial assets available for sale	<b>0181</b>		
2. Hiding Operations	<b>0182</b>		
3. Others	<b>0183</b>		
<b>A.3) Grants, donations and bequests received</b>	<b>0194</b>	219	222
<b>B) NON-CURRENT LIABILITIES</b>	<b>0120</b>	<b>43,991</b>	<b>38,413</b>
1. Long-term provisions	<b>0115</b>	1,750	1,599
2. Long-term debt	<b>0116</b>	40,565	35,010
a) Issue of Debentures and Other Marketable Securities	<b>0131</b>	40,565	35,010
b) Other financial liabilities	<b>0132</b>		
3. Debts with group and associated companies in a long-term	<b>0117</b>		
4. Deferred tax liabilities	<b>0118</b>	1,584	1,780
5. Other liabilities	<b>0135</b>		
6. Time Period adjustment a Long-Term	<b>0119</b>	92	24
<b>C) CURRENT LIABILITIES</b>	<b>0130</b>	<b>65,331</b>	<b>62,244</b>
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	<b>0121</b>		
2. Short-terms Provisions	<b>0122</b>	153	149
3. Short-term financial debt	<b>0123</b>	5,971	8,952
a) Borrowing with banks and bonds and other securities	<b>0133</b>	3,386	7,309
b) Other financial liabilities	<b>0134</b>	2,585	1,643
4. Debts with enterprises and associated short-term	<b>0129</b>	26,191	23,565
5. Trade creditors and other accounts payable	<b>0124</b>	33,016	29,578
a) Suppliers	<b>0125</b>	24,439	19,433
b) Other creditors	<b>0126</b>	7,906	9,923
c) Current earning tax liabilities	<b>0127</b>	671	222
6. Other current liabilities	<b>0136</b>		
07. Time period adjustment short-term	<b>0128</b>		
<b>TOTAL NET LIABILITY</b>	<b>0200</b>	<b>299,742</b>	<b>285,675</b>

Comments:

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

Units: Thousand Euros

		Current Year (2 <sup>ON</sup> half)	Previous Year (2on Half)	Accumulated Current 31/12/2018	Accumulated Previous 31/12/2017
(+) Net Turnover	0205	87,152	78,422	171,817	162,028
(+/-) Variation in stocks of finished goods and work in progress	0206	1,936	(1,409)	5,506	(2,036)
(+) Work done by the company for its active	0207	425	291	694	596
(+) Supplies	0208	(37,485)	(27,934)	(71,557)	(58,682)
(+) Other operating income	0209	2,415	2,305	4,512	4,239
(+) Personnel costs	0217	(12,601)	(12,589)	(27,259)	(26,959)
(-) Other operating expenses	0210	(22,868)	(20,166)	(42,467)	(38,906)
(-) Depreciation of fixed assets	0211	(3,849)	(3,727)	(7,914)	(7,720)
(+) Imputation of capital grants and others	0212	108	104	201	182
(+) Excess of provisions	0213				
(+/-) Result on Disposal or Valuation of Non-Current Assets	0214		4		4
(+/-) Other results	0215				
<b>= OPERATING RESULTS</b>	0245	15,233	15,301	33,533	32,746
(+) Financial income	0250	1,711	1,867	6,996	7,962
(-) Financial expenses	0251	(565)	(547)	(1,012)	(767)
(+/-) Variation in fair value of financial instruments	0252				
(+/-) Exchange rate differences	0254	(78)	54	(53)	(331)
(+/-) Results on Disposal of Financial Assets	0255			(47)	
<b>= FINANCIAL RESULTS</b>	0256	1,068	1,374	5,884	6,864
<b>= PROFITS BEFORE TAX</b>	0265	16,301	16,675	39,417	39,610
(+/-) Profit tax expenses	0270	(4,368)	(3,969)	(8,897)	(8,211)
<b>= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS</b>	0280	11,933	12,706	30,520	31,399
(+/-) Result after discontinued Operations Tax (net)	0285				
<b>= PROFIT OF THE YEAR</b>	0300	11,933	12,706	30,520	31,399

EARNINGS PER SHARE		Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)	Amount (X.XX Euros)
Basic	0290	0.57	0.63	1.53	1.56
Diluted	0295	0.57	0.63	1.53	1.56

Comments:

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

Units: Thousand Euros

		CURRENT YEAR 31/12/2018	PREVIOUS YEAR 31/12/2017
<b>A) PROFIT / LOSS OF FINANCIAL</b>	<b>0305</b>	30,520	31,399
<b>B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY</b>	<b>0310</b>	138	84
1. Valuation of financial instruments	<b>0320</b>		
a) Financial assets classified as held for sale	<b>0321</b>		
b) Other incomes / expenses	<b>0323</b>		
2. Hedging operations	<b>0330</b>		
3. Grants, donations and bequests received	<b>0340</b>	197	127
4. Actuarial gains and losses an other adjustments	<b>0344</b>	(13)	(15)
5. Other income and expenses charged directly to equity	<b>0343</b>		
6. Tax Rate Effect	<b>0345</b>	(46)	(28)
<b>C) TRANSFERS TO THE PROFIT AND LOSS ACCOUNT</b>	<b>0350</b>	(13)	(136)
1. Valuation of financial instruments	<b>0355</b>		
a) Financial assets classified as held for sale	<b>0356</b>		
b) Other / income (expenses)	<b>0358</b>		
2. Hedging operations	<b>0360</b>		
3. Grants, donations and bequests received	<b>0366</b>	(201)	(182)
4. Other income and expenses charged directly to equity	<b>0365</b>		
5. Tax Rate Effect	<b>0370</b>	50	46
<b>TOTAL INCOME (A+B+C)</b>	<b>0400</b>	30,507	31,347

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			
<b>OPENING BALANCE AT 01/07/2017</b>	<b>3010</b>	41,300	146,888	(34,909)	31,399	118		222	185,018
Adjustments for change in accounting principle	<b>3011</b>								
Adjustments by mistake	<b>3012</b>								
<b>Opening balance adjusted</b>	<b>3015</b>	41,300	146,888	(34,909)	31,399	118		222	185,018
<b>I. Total Income / (expenses)</b>	<b>3020</b>		(10)		30,520			(3)	30,507
<b>II. Operations with shareholder</b>	<b>3025</b>	20,700	(70,436)	24,570					(25,166)
1. Increase (Decrease) of capital	<b>3026</b>	20,700	(57,736)	37,036					
2. Conversion of financial liabilities in net liabilities	<b>3027</b>								
3. Distribution of dividends	<b>3028</b>		(12,700)						(12,700)
4. Operations with company's own shares (net)	<b>3029</b>			(12,466)					(12,466)
5. Increase (Decrease) by business combination	<b>3030</b>								
6. Other operation with shareholders	<b>3032</b>								
<b>III. Other changes in equity</b>	<b>3035</b>		31,345		(31,399)	115			61
1. Payment based in equity instruments	<b>3036</b>								
2. Transfers between items of net equity	<b>3037</b>								
3. Other changes	<b>3038</b>		31,345		(31,399)	115			61
<b>Closing Balance at 31/12/17</b>	<b>3040</b>	62,000	107,787	(10,339)	30,520	233		(219)	190,420

Comments:

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<b>IV.- SELECT FINANCIAL INFORMATION</b>
<b>3.- STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL</b>
<b>B.. STATEMENTS OF CHANGE IN EQUITY INDIVIDUAL (2/2)</b> <b>(THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)</b> <b>(THE CURRENT NATIONAL FINANCIAL REPORTING STANDARDS)</b>

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			
<b>OPENING BALANCE AT 01/07/2017</b>	<b>3050</b>	41,300	130,151	(6,578)	28,215	118		263	193,469
Adjustments for change in accounting principle	<b>3051</b>								
Adjustments by mistake	<b>3052</b>								
<b>Opening balance adjusted</b>	<b>3055</b>	41,300	130,151	(6,578)	28,215	118		263	193,469
<b>I.Total Income / (expenses)</b>	<b>3060</b>		(11)					(41)	31,347
<b>II. Operations with shareholder</b>	<b>3065</b>		(11,500)	(28,777)	31,399				(40,277)
1.Increase (Decrease) of capital	<b>3066</b>								
2.Conversion of financial liabilities in net liabilities	<b>3067</b>								
3.Distribution of dividends	<b>3068</b>		(11,500)						(11,500)
4.Operations with company's own shares (net)	<b>3069</b>								(28,777)
5.Increase(Decrease) by business combination	<b>3070</b>								
6.Other operation with shareholders	<b>3072</b>								
<b>III. Other changes in equity</b>	<b>3075</b>		28,248	446	(28,215)				479
1.Payment based in equity instruments	<b>3076</b>		33	446					479
2.Transfers between items of net equity	<b>3077</b>								
3.Other changes	<b>3078</b>		28,215		(28,215)				
<b>Closing Balance at 31/12/2017</b>	<b>3080</b>	41,300	146,888	(34,909)	31,399	118		222	185,018

Comments:

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

Units: Thousand Euros

		CURRENT YEAR 31/12/2018	PREVIOUS YEAR 31/12/2017
<b>A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX</b>	<b>0435</b>	24,766	33,383
<b>1. Profit before tax</b>	<b>0405</b>	39,417	39,610
<b>2. Adjusts by results</b>	<b>0410</b>	1,750	211
(+) Depreciation of fixed assets	0411	7,914	7,720
(+/-) Others adjustments results	0412	(6,164)	(7,509)
<b>3. Changes in capital flow</b>	<b>0415</b>	(7,775)	754
<b>4. Cash Flow</b>	<b>0420</b>	(8,626)	(7,192)
(-) Interest payment	0421	(1,016)	(773)
(+) Dividend collection	0422		
(+) Interest collection	0423	3,167	3,464
(+/-) Payment profit tax	0430	(10,777)	(9,883)
(+/-) Other payment in activities of depreciation and amortization	0425		
<b>B) CASH FLOW FROM INVESTMENT (1+2)</b>	<b>0460</b>	4,375	(10,941)
<b>1. Payment for investment</b>	<b>0440</b>	(57,902)	(73,867)
(-) Companies Group, associates and business units	0441	(7,623)	
(-) Intangible fixed assets and investment property	0442	(9,869)	(10,329)
(-) Other financial assets	0443	(40,410)	(63,358)
(-) Non-current assets and liabilities that have been classified as held for sale	0459		
(-) Other assets	0444		
<b>2. Des-investments by collection</b>	<b>0450</b>	62,277	62,926
(+) Companies Group, associates and business units	0451		9,175
(+) Intangible fixed assets and investment property	0452	354	4
(+) Other financial assets	0453	61,923	53,747
(-) Non-current assets and liabilities that have been classified as held for sale	0461		
(+ Other assets	0454		
<b>C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)</b>	<b>0490</b>	(22,069)	(16,685)
<b>1. Collection and payment for equity instruments</b>	<b>0470</b>	(12,408)	(28,342)
(+) Issue	0471		
(-) Depreciation and amortization	0472		
(-) Acquisition	0473	(12,466)	(28,777)
(+) Disposition	0474		446
(+) Grants, donations and bequests received	0475	58	(11)
<b>2. Payment for liability instruments</b>	<b>0480</b>	1,596	21,837
(+) Issue	0481	11,260	31,194
(-) Return and redemption	0482	(9,664)	(9,357)
<b>3. Dividend payment and pay other equity instruments</b>	<b>0485</b>	(11,257)	(10,180)
<b>D) EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>0492</b>		
<b>E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS</b>	<b>0495</b>	7,072	5,757
<b>F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>0499</b>	9,655	3,898
<b>G) CASH AND EQUIVALENT AT END OF THE PERIOD (E+F)</b>	<b>0500</b>	16,727	9,655

COMPONENTS OF THE CASH AND EQUIVALENT AT THE END OF THE PERIOD		CURRENT YEAR 31/12/2018	PREVIOUS YEAR 31/12/2017
(+) Cash and banks	0550	16,727	9,655
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable in sight	0553		
<b>CASH AND EQUIVALENT AT END OF THE PERIOD</b>	<b>0600</b>	16,727	9,655

Comments:

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

ASSETS		CURRENT YEAR 31/12/2018	PREVIOUS YEAR 31/12/2017
<b>A) TOTAL NON-CURRENT ASSETS</b>	<b>1040</b>	216,365	229,717
1. Intangible fixed assets	<b>1030</b>	1,632	1,465
a) Goodwill	<b>1031</b>		
b) Other intangible assets	<b>1032</b>	1,632	1,465
2. Tangible Fixed assets	<b>1033</b>	159,737	145,543
3. Investment property	<b>1034</b>		
4. Investments in group companies and associated long-term	<b>1035</b>		
5. Non-current Financial assets	<b>1036</b>	51,421	79,034
a) air value through profit or loss in its results	<b>1047</b>		
of which "designated at the initial moment"	<b>1041</b>		
b) air value through profit or loss in other integral results	<b>1042</b>	18,671	16,206
of which "designated at the initial moment"	<b>1043</b>		
c) at amortized cost	<b>1044</b>	32,750	62,828
6. Non-current Derivative	<b>1039</b>		
a) hedging derivative	<b>1045</b>		
b) Others	<b>1046</b>		
7. Deferred tax assets	<b>1037</b>	3,575	3,675
8. Other non-current assets	<b>1038</b>		
<b>B) CURRENT ASSET</b>	<b>1085</b>	188,735	143,058
1. Non-Current Assets Classified as held for sale	<b>1050</b>		
2. Stocks	<b>1055</b>	82,114	59,970
3. Trade debtors and other accounts receivable	<b>1060</b>	47,279	42,322
a) Customers by sales and services	<b>1061</b>	46,993	41,849
b) Other debtors	<b>1062</b>	286	283
c) Current tax asset	<b>1063</b>		190
4. Non-current Financial assets	<b>1070</b>	36,277	27,975
d) air value through profit or loss in its results	<b>1080</b>		
of which "designated at the initial moment"	<b>1081</b>		
e) air value through profit or loss in other integral results	<b>1082</b>		
of which "designated at the initial moment"	<b>1083</b>		
f) at amortized cost	<b>1084</b>	36,277	27,975
5. Non-current Derivative	<b>1076</b>		
c) hedging derivative	<b>1077</b>		
d) Others	<b>1078</b>		
6. Other Current Assets	<b>1075</b>	6,060	2,917
7. Cash and cash equivalent	<b>1072</b>	17,005	9,874
<b>TOTAL ASSETS (A+B)</b>	<b>1100</b>	405,100	372,775

Comments:

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

LIABILITIES AND EQUITY		CURRENT YEAR 31/12/2018	PREVIOUS YEAR 31/12/2017
<b>A) NET EQUITY</b>	<b>1195</b>	270,494	254,184
A.1) Common Stocks	1180	263,061	248,925
1. Capital	1171	62,000	41,300
a) Subscribed capital	1161	62,000	41,300
b) Less: uncalled capital	1162		
2. Share premium	1172	40	40
3. Reserves	1173	180,049	211,298
4. Minus: Own shares and equity instruments	1174	(10,338)	(34,909)
5. Results of previous year	1178		
6. Other contributions from shareholders	1179		
7. Equity attributable to results of the Parent	1175	37,277	37,073
8. Minus: Interim dividends	1176	(6,200)	(6,000)
9. Other equity instruments	1177	233	123
<b>A.2) Valuation adjustments</b>	<b>1188</b>	7,433	5,259
1. Items that are not reclassified to the result of the period	1186	7,433	5,259
a) Equity instruments with changes in other comprehensive income	1185	7,433	5,259
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		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>1189</b>	270,494	254,184
<b>A.3) MINORITY INTERESTS</b>	<b>1193</b>		
<b>B) NON-CURRENT LIABILITIES</b>	<b>1120</b>	72,796	67,641
1. Grants	1117	1,459	1,592
2. Long-Term provisions	1115	1,705	1,686
3. Long-Term debt	1116	66,145	61,373
a) Issue of Debentures and Other Marketable Securities	1131	66,145	61,373
b) Other financial liabilities	1132		
4. Deferred tax liabilities	1118	3,072	2,698
5. Non-current Derivative	1145		
f) hedging derivative	1146		
g) Others	1147		
6. Current Other liabilities	1135	415	292
<b>C) CURRENT LIABILITIES</b>	<b>1130</b>	61,810	50,950
1. Liabilities Directly Associate with Non-Current Assets classified as held for sale	1121		
2. Short-term provisions	1122	1,468	559
3. Short-term financial debt	1123	9,541	10,891
a) Borrowing with banks and bonds and other securities	1133	8,741	10,891
b) Other financial liabilities	1134	800	
4. Trade creditors and other accounts payable	1124	39,665	27,090
a) Suppliers	1125	38,892	27,090
c) Other creditors	1126		
c) Current earning tax liabilities	1127	773	
5. Current Derivative	1145		
h) hedging derivative	1146		
i) Others	1147		
6. Other current liabilities	1136	11,136	12,410
<b>TOTAL LIABILITY AND SHAREHOLDER'S EQUITY (A+B+C)</b>	<b>1200</b>	405,100	372,775

Comments:

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED	PREVIOUS ACCUMULATED
(+) Net Turnover	1205	133,427	120,175	259,257	242,895
(+/-) Variation in stocks of finished goods and work in progress	1206	5,057	(4,707)	13,850	(6,503)
(+) Work done by the company for its active	1207	779	661	1,419	1,256
(+) Supplies	1208	(52,731)	(38,762)	(102,050)	(79,487)
(+) Other operating income	1209	1,438	1,458	2,660	2,621
(+) Personnel costs	1217	(20,198)	(18,885)	(42,420)	(40,253)
(-) Other operating expenses	1210	(37,171)	(31,141)	(69,093)	(59,690)
(-) Depreciation of fixed assets	1211	(7,692)	(7,453)	(15,703)	(15,201)
(+) Imputation of capital grants and others	1212	425	405	702	637
(+/-) Impairment losses	1214				
(+/-) Result from disposals of fixed asset	1216	1	(2)	7	3
(+/-) Other results	1215			1,171	46,278
<b>= OPERATING RESULTS</b>	<b>1245</b>	<b>24,506</b>	<b>21,749</b>	<b>49,800</b>	<b>3,245</b>
(+) Financial income	1250	1,312	1,580	2,694	
a) Interest income calculated according to the effective interest rate method	1262	198	528	2,102	
b) Others	1263	1,114	1,052	592	3,245
(-) Financial expenses	1251	(220)	(368)	(838)	(709)
(+/-) 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	(1,826)	(317)	(2,008)	(837)
(+/-) 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				
<b>= FINANCIAL RESULTS</b>	<b>1256</b>	<b>(749)</b>	<b>895</b>	<b>(152)</b>	<b>1,699</b>
Other Results / Loss	1253		(3)	6	9
<b>= PROFITS BEFORE TAX</b>	<b>1265</b>	<b>23,757</b>	<b>22,641</b>	<b>49,654</b>	<b>47,986</b>
(+/-) Profit Tax Expenses	1270	(6,293)	(5,062)	(12,377)	(10,913)
<b>= PROFITS / (LOSS) FOR THE PERIOD OF CONTINUING OPERATIONS</b>	<b>1280</b>	<b>17,464</b>	<b>17,579</b>	<b>37,277</b>	<b>37,073</b>
(+/-) Result after discontinued Operations Tax (net)	1285				
<b>= CONSOLIDATED RESULTS OF YEAR</b>	<b>1288</b>	<b>17,464</b>	<b>17,579</b>	<b>37,277</b>	<b>37,073</b>
a) Result attributable to the parent entity	1300	17,464	17,579	37,277	37,073
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	0.85	0.88	1.87	1.85
Diluted	1295	0.85	0.88	1.87	1.85

Comments:

## IV.- SELECT FINANCIAL INFORMATION

## 7.- OTHER CONSOLIDATED COMPREHENSIVE RESULT (IFRS ADOPTED)

Units: Thousand Euros

		CURRENT YEAR	PREVIOUS YEAR	CURRENT ACCUMULATED	PREVIOUS ACCUMULATED
<b>A) PROFIT/LOSS FOR THE YEAR</b>	<b>1305</b>	17,464	17,579	37,277	37,073
<b>B) INCOME AND EXPENSES CHARGED DIRECTLY TO EQUITY</b>	<b>1310</b>	(1,642)		2,153	5,256
1. Revaluation of tangible and intangible assets	1311				
2. Actuarial gains and losses and other adjustments	1344			(28)	(4)
3. Entities rated by the method of participation	1342				
4.	1346	(1,642)		1,174	5,259
5. Other income and expenses charged directly to equity	1343				
6. Tax Rate Effect	1345			7	1
<b>C) OTHER GLOBAL RESULTS - ITEMS THAT CAN BE RECLASSIFIED AFTER THE RESULTS OF THE PERIOD</b>	<b>1350</b>				(31)
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				(31)
a) Valuation profit / losses	1366				(31)
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				
<b>TOTAL INCOME (A+B+C)</b>	<b>1400</b>	15,822	17,579	39,430	42,298
a) Attributable to the dominant entity	1398	15,822	17,579	39,430	42,298
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			
<b>OPENING BALANCE 01/07/2016</b>	<b>3110</b>	41,300	205,343	(34,909)	37,073	118	5,259	254,184	
Adjustments for change in accounting principle	<b>3111</b>		1,401					1,401	
Adjustments by mistake	<b>3112</b>								
<b>Opening balance adjusted</b>	<b>3115</b>	41,300	206,744	(34,909)	37,073	118	5,259	255,585	
Total Income	<b>3120</b>		(21)		37,277		2,174	39,430	
Operations with shareholder	<b>3125</b>	20,700	(69,265)	24,570				(23,995)	
Increase/( Decrease) of capital	<b>3126</b>	20,700	(57,736)	37,036					
Conversion of financial liabilities in net liabilities	<b>3127</b>								
Distribution of dividends	<b>3128</b>		(12,700)					(12,700)	
Operations with company's own shares (net)	<b>3129</b>			(12,466)				(12,466)	
Increase/ (Decrease) by business combination	<b>3130</b>		1,171					1,171	
Other operation with shareholders	<b>3132</b>								
Other changes in equity	<b>3135</b>		36,432		(37,073)	115		(526)	
Payment based in equity instruments	<b>3136</b>								
Transfers between items of net equity	<b>3137</b>								
Other changes	<b>3138</b>		36,432		(37,073)	115		(526)	
<b>Closing Balance 31/12/2016</b>	<b>3140</b>	62,000	173,890	(10,339)	37,277	233	7,433	270,494	

**Comments:**

Box 3111 of 1401 thousand euros corresponds to the adjustment for the initial impact of the hyperinflation in Argentina.

Box 3131 with an amount of 1,171 thousand euros, contains 672 thousand euros corresponding to the business combination for the acquisition of Clariana.

## 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				
<b>OPENING BALANCE 01/07/2016</b>	<b>3150</b>	41,300	183,812	(6,578)	34,233	118			252,885
Adjustments for change in accounting principle	3151								
Adjustments by mistake	3152								
<b>Opening balance adjusted</b>	<b>3155</b>	41,300	183,812	(6,578)	34,233	118			252,885
Total Income	3160		(34)		37,073				42,298
Operations with shareholder	3165		(11,500)	(28,777)					(40,277)
Increase/( Decrease) of capital	3166								
Conversion of financial liabilities in net liabilities	3167								
Distribution of dividends	3168		(11,500)						(11,500)
Operations with company's own shares (net)	3169								(28,777)
Increase/ (Decrease) by business combination	3170								
Other operation with shareholders	3172								
<b>Other changes in equity</b>	<b>3175</b>		33,065	446	(34,233)				(722)
Payment based in equity instruments	3176		18	446					464
Transfers between items of net equity	3177		34,233		(34,233)				
Other changes	3178		(1,186)						(1,186)
<b>Closing Balance 31/12/2016</b>	<b>3180</b>	41,300	205,343	(34,909)	37,073	118			254,184

Comments:

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR 31/12/2018	PREVIOUS YEAR 31/12/2017
<b>A) CASH FLOWS FROM THE ACTIVITIES OF PROFIT TAX</b>	<b>1435</b>	30,404	51,982
<b>1. Profit before tax</b>	<b>1405</b>	49,654	47,986
<b>2. Adjusts by results</b>	<b>1410</b>	12,628	12,956
(+) Depreciation of fixed assets	1411	15,703	15,201
(+/-) Others adjustments results	1412	(3,075)	(2,245)
<b>3. Changes in capital flow</b>	<b>1415</b>	(22,109)	(1,341)
<b>4. Cash Flow</b>	<b>1420</b>	(9,769)	(7,619)
(-) Interest payment	1421	(832)	(702)
(+) dividend payments and pay other equity instruments	1430		
(+) Dividend collection	1422		
(+) Interest collection	1423	2,804	2,966
(+/-) Payment / collect profit tax	1424	(10,945)	(9,883)
(+/-) Other payment in activities of depreciation and amortization	1425	(796)	
<b>B) CASH FLOW FROM INVESTMENT (1+2)</b>	<b>1460</b>	5,183	(25,055)
<b>1. Payment for investment</b>	<b>1440</b>	(47,682)	(80,824)
(-) Companies Group, associates and business units	1441	(7)	(284)
(-) Intangible fixed assets and investment property	1442	(17,730)	(14,283)
(-) Other financial assets	1443	(29,945)	(66,257)
(-) Other assets	1444		
<b>2. Des-investments by collection</b>	<b>1450</b>	54,865	55,769
(+) Companies Group, associates and business units	1451	336	28
(+) Intangible fixed assets and investment property	1452	760	762
(+) Other financial assets	1453	51,769	54,979
(+) Non-current assets and liabilities that have been classified as held for sale	1461		
(+) Other assets	1454		
<b>3. Other streams assets in investing activities</b>	<b>1455</b>		
(+) Dividends collect	1456		
(+) Investments collect	1457		
(+/-) Others payments / collects in activities of investments	1458		
<b>C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)</b>	<b>1490</b>	(28,456)	(21,145)
<b>1. Collection and payment for equity instruments</b>	<b>1470</b>	(12,466)	(28,331)
(+) Issue	1471		
(-) Depreciation and amortization	1472		
(-) Acquisition	1473	(12,466)	(28,777)
(+) Disposition	1474		446
<b>2. Payment for liability instruments</b>	<b>1480</b>	(4,728)	17,366
(+) Issue	1481	25,645	38,023
(-) Return and redemption	1482	(30,373)	(20,657)
<b>3. Dividend payment and pay other equity instruments</b>	<b>1485</b>	(11,257)	(10,180)
<b>4. Other cash-flows in financial activities</b>	<b>1486</b>	(5)	
(-) Interest payment	1487		
(+/-) Others payments /collect in financial activities	1488	(5)	
<b>D) EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>1492</b>		
<b>E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS</b>	<b>1495</b>	7,131	5,782
<b>F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1499</b>	9,874	4,092
<b>G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)</b>	<b>1500</b>	17,005	9,874

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
		31/12/2018	31/12/2017
(+) Cash and banks	1550	17,005	9,874
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable in sight	1553		
<b>CASH AND EQUIVALENT AT END OF THE PERIOD</b>	<b>1600</b>	17,005	9,874

Comments:

## IV.- SELECT FINANCIAL INFORMATION

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

Units: Thousand Euros

		CURRENT YEAR 30/06/2018	PREVIOUS YEAR 31/06/2017
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>8435</b>		
(+) 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>B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)</b>	<b>8460</b>		
<b>1. Payment for investment</b>	<b>8440</b>		
(-) Companies Group, associates and business units	8441		
(-) Intangible fixed assets and investment property	8442		
(-) Other financial assets	8443		
	8459		
(-) Other assets	8444		
<b>2. Des-investments by collection</b>	<b>8450</b>		
(+) 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		
<b>3. Other streams assets in investing activities</b>	<b>8455</b>		
(+) Dividends collect	8456		
(+) Investments collect	8457		
(+/-) Others payments / collects in activities of investments	8458		
<b>C) CASH FLOW USED IN FINANCIAL ACTIVITIES (1+2+3)</b>	<b>8490</b>		
<b>1. Collection and payment for equity instruments</b>	<b>8470</b>		
(+) Issue	8471		
(-) Depreciation and amortization	8472		
(-) Acquisition	8473		
(+) Disposition	8474		
<b>2. Payment for liability instruments</b>	<b>8480</b>		
(+) Issue	8481		
(-) Return and redemption	8482		
<b>3. Dividend payment and pay other equity instruments</b>	<b>8485</b>		
<b>4. Other cash-flows in financial activities</b>	<b>8486</b>		
(-) Interest payment	8487		
(+/-) Others payments /collect in financial activities	8488		
<b>D) EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>8492</b>		
<b>E) INCREASE/DECREASE IN NET CASH AND EQUIVALENTS (A+B+C+D)</b>	<b>8495</b>		
<b>F) CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>8499</b>		
<b>G) CASH AND CASH EQUIVALENT AT END OF THE PERIOD (E+F)</b>	<b>7500</b>		

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 30/06/2018	PREVIOUS YEAR 30/06/2017
		(+) Cash and banks	8550
(+) Other financial assets	8552		
(-) Less: bank overdrafts repayable in sight	8553		
<b>CASH AND EQUIVALENT AT END OF THE PERIOD</b>	<b>8600</b>		

Comments:

<b>IV.- SELECT FINANCIAL INFORMATION</b>
<b>10.- PAYMENT DIVIDENDS</b>

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	0.42	12,700		0.36	11,500	
Other shares	2159						
<b>TOTAL DIVIDENDS PAY</b>	<b>2160</b>	<b>0.42</b>	<b>12,700</b>		<b>0.36</b>	<b>11,500</b>	
a) dividends from results	2155	0.42	12,700		0.36	11,50	
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	28,369	24,769	27,884	26,869
Export	2215	143,448	137,259	231,373	216,306
a) European Union	2216	59,402	51,714	89,164	74,959
b) Countries: OCDE	2217	32,323	27,847	52,296	43,380
c) Other Countries	2218	27,079	23,867	36,868	31,579
b) Rest	2219	84,046	85,545	142,209	141,347
TOTAL	2220	171,817	162,028	259,257	242,895

Comments:

SEGMENTS		CONSOLIDATED			
		Ordinary income coming from external customers		Results	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Tobacco Industries	2221	160,601	156,941	42,541	39,317
Industrial Products	2222	81,351	73,116	5,417	5,133
Others	2223	17,305	12,838	1,502	1,801
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
TOTAL	2235	259,257	242,895	49,460	46,251

Comments:

<b>IV.- SELECT FINANCIAL INFORMATION</b>
<b>12.- PERSONAL AVERAGE</b>

		INDIVIDUAL		CONSOLIDATED	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
<b>AVERAGE WORKFORCE</b>	<b>2295</b>	524	518	887	799
<b>Men</b>	<b>2296</b>	348	341	638	551
<b>Women</b>	<b>2297</b>	176	177	249	248

Comments:

<b>IV.- SELECT FINANCIAL INFORMATION</b>
<b>13.- REMUNERATION RECEIVED BY DIRECTORS AND MANAGERS</b>

Administrators		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
<b>Salary / Wages fixed</b>	<b>2310</b>	1,526	1,570
<b>Variable Salary</b>	<b>2311</b>	1,059	1,026
<b>Expenses</b>	<b>2312</b>	990	951
<b>Statutory attentions</b>	<b>2313</b>		445
<b>Compensations</b>	<b>2314</b>		
<b>Operations on actions and financial instruments</b>	<b>2315</b>	262	
<b>Others</b>	<b>2316</b>	3	3
<b>TOTAL</b>	<b>2320</b>	3,840	3,995

MANAGEMENT		INDIVIDUAL	
		CURRENT YEAR	PREVIOUS YEAR
<b>Total remuneration received by management</b>	<b>2325</b>	2,391	1,604

Comments:

As regards the executive Directors, the variable cash remuneration (c.2312) for the 2018 financial year includes extraordinary the amount accrued for the fulfillment of the 2016-2018 Triennial Plan amounting to 143 thousand euros, and the of long-term savings (c.2315) correspond to the Social Security Plan 2016-2018 whose accrual and consolidation occurs in 2018 as this is the one with which the triennium ends. With regard to the Directors (c.2325), the total amount of remuneration for the current period, exceptionally includes compensation and the amounts corresponding to both three-year plans indicated.

**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					
<b>EXPENSES (1+2+3+4+5)</b>	<b>2350</b>					
6) Income financial	2351					
7) Dividends received	2354					
8) Provide service	2356					
9) Sale of assets	2357					
10) Other expenses	2359					
<b>INCOME (6+7+8+9+10)</b>	<b>2360</b>					

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	3,749	5,181			8,930
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					
<b>TOTAL DEBTS BALANCE</b>	<b>2347</b>					
4) Suppliers and Commercial Creditors	2352					
5) Loans and credits received	2353					
6) Other payment obligations	2355					
<b>TOTAL CREDITORS BALANCE (4 + 5 + 6)</b>	<b>2358</b>					

Comments:

## IV.- SELECT FINANCIAL INFORMATION

## 14.- OPERATED RELATED PARTY 2/2

Units: Thousand Euros

EXPENSES AND INCOME		PREVIOUS YEAR				Total
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	
1) Financial expenses	6340					
2) Rent	6343					
3) Reception service	6344					
4) Purchase of goods	6345					
5) Other expenses	6348					
<b>EXPENSES (1+2+3+4+5)</b>	<b>6350</b>					
6) Income financial	6351					
7) Dividends received	6354					
8) Provide service	6356					
9) Sale of assets	6357					
10) Other expenses	6359					
<b>INCOME (6+7+8+9+10)</b>	<b>6360</b>					

OTHER COMMUNICATIONS		PREVIOUS YEAR				Total
		Relevant shareholders	Administrators and managements	Individuals, companies or entities of the group	Other related parties	
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	3,941	4,539			8,480
Other operations	6385		357			357

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

Comments:

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

		<b>Individual</b>	<b>Consolidated</b>
<b>Explanatory Notes</b>	<b>2376</b>	<b>x</b>	<b>x</b>
<b>Summary biannual account</b>	<b>2377</b>		
<b>Completed biannual account</b>	<b>2378</b>		
<b>Intermediate financial statements</b>	<b>2379</b>	<b>x</b>	<b>x</b>
<b>Auditor Report</b>	<b>2380</b>		

**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 16<sup>th</sup> November standing out the increase in the scope of consolidation due to the acquisition of Clariana and its subsidiary Boncompte and the hyperinflation treatment of the Argentine subsidiary, for the purposes of comparability with 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>2018</u>	<u>2017</u>	<u>Variation%</u>
Sales	259,257	242,895	6,7%
EBITDA	65,503	61,479	6,5%
Operating Profit <sup>1</sup>	49,800	46,278	7,6%
Profit before tax	49,654	47,986	3,5%
Profit after tax	37,277	37,073	0,6%
Cash-flow after tax <sup>2</sup>	52,981	52,274	1,0%

The net turnover consolidated for the second half of the year amounted to EUR 259.3 million, representing an increase EUR 16.4 million to the same period last year.

By business lines, the line of products for the Tobacco Industry increases its sales by 2.3% compared to previous year. Said increase is mainly explained by the product mix, as well as, although to a lesser extent, by the volume traded. This evolution has been framed in a less favourable environment in relation to the previous year of the exchange rates of the dollar and the Argentine peso, the latter having lost a value of 76.7% during 2018, which has been partially offset by the application of various commercial measures.

With regard to sales in the Industrial Products line, which in 2018 includes the proportional part of the new Group company, they have experienced an increase to EUR 8.2 million, representing an increase of 11.3% with respect to the same period of the previous year, driven mainly by the higher volume of sales obtained in Terranova, although in a worse environment of exchange rates than in 2017, and by an upward behaviour of the demand for special pulps.

Sales in the "Other" line amounted to 4.5 million euros, higher than the previous year for incorporating the products marketed by Clariana in this line.

The Parent Company's sales in the current year have reached EUR 171.8 million, which represents an increase of 6.0% compared to the previous period. This increase is basically explained by the product mix and by a higher volume of sales, although affected by a less favourable exchange rate than in 2017.

Profit before consolidated taxes reached EUR 49.7 million, exceeding the 2017 total by EUR 1.7 million, representing an increase of 3.5%. These results were influenced by the effects of hyperinflation at the Argentine subsidiary, which had an adverse effect of EUR 1.6 million on the income statement. Meanwhile, incorporation of the new company, Clariana, has had a virtually neutral effect overall on the year's consolidated figures.

The improvement is attributable to the growth of results in the Tobacco Industry line, driven by investments and a better product-customer mix, factors that have managed to offset the surge in pulp and energy prices. In the Industrial Products line, it is worth noting the positive performance of specialty pulps, sustained by the supply management of commodities and the uptick in activity resulting from higher demand and the performance of Terranova, which has experienced volume improvements and, to a lesser extent, sales price hikes that have enabled it to partially offset the increase of the costs incurred.

Furthermore, profit after tax totalled EUR 37.3 million, a result 0.6% 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 24.9%, higher than that of the second half of the previous year due to the lower amount to be deducted due to the application of the current tax advantages and due to the accounting application of hyperinflation, which has led to a decrease in the accounting result and the outflow of deferred taxes associated with non-monetary assets.

For the parent company, after-tax profits for this fiscal year reached EUR 30.5 million, down 2.8% relative to the same period the previous year, mainly due to lower dividends from subsidiaries on a one-off basis due to transaction costs of the Clariana acquisition and a higher effective tax rate.

## 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>31/12/2018</u>	<u>31/12/2017</u>
Net fix assets <sup>3</sup>	161,369	147,008
Working capital requirement <sup>4</sup>	82,328	65,045
Other Net Assets/Liabilities	(3,076)	(2,594)
<b>Capital employed</b>	<b>240,621</b>	<b>209,459</b>
Equity	270,494	254,184
Net financial debt <sup>5</sup>	(29,873)	(44,725)

Bonds increased on the investments made, the contribution of Clariana and Boncompte-Sierra company assets, and hyperinflation in Argentina as per the IAS 29. In accordance with this accounting standard, the 2017 financial statements have not been reformulated. The variation in fund operating needs is attributable to an expansion of inventories given the Group's incorporation of Clariana and the upsurge in commercial debtors associated with a growth in sales, partially offset by the increase of debts with commercial creditors.

## 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>31/12/2018</u>	<u>31/12/2017</u>
Long-term financial debt (*)	(66,145)	(61,373)
Short-term financial debt (*)	(8,741)	(10,891)
Cash and and other current financial assets	53,338	37,955
Non-current financial assets	51,421	79,034
<b>Net financial debt</b>	<b>29,873</b>	<b>44,725</b>
<b>Net equity</b>	<b>270,494</b>	<b>254,184</b>

Consolidated net operating cash flow after taxes also declined due to the effect of hyperinflation, totalling EUR 53 million, an increase of EUR 0.7 million relative to the previous year. The parent company's net cash flow reached EUR 38.4 million, slightly lower than the amount obtained in the same period of 2017.

The net financial position at the close of the fiscal year shows a debit balance of EUR 29.9 million, a decrease relative to the 2017 year-end. The primary applications of the funds generated and of the variation in net financial position were fixed-asset investments totalling EUR 19 million, the acquisition of treasury shares in the amount of EUR 12.5 million, dividend distribution payments amounting to EUR 12.7 million, financial restructuring of the Group's new company, and the financing of working capital.

### STOCK EXCHANGE SITUATION

The main information on share trading during the second half of 2018, 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	7,507,829
Value of shares traded	€ 146,711 thousand
Maximum price	€ 23.00 per share
Minimum price	€ 14.92 per share
Average price	€ 19.54 per share
Final price	€ 16.98 per share

(\*) adjusted values the capital increase charged to freely available reserves made in November 2018

### 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 246,861 shares (equivalent to 394,978 new shares) prior to the capital increase, which took place in November 2018, and 266,820 shares after the extension, with 600,193 being the total number of treasury shares at the end of the year.

The Stock Option Plan 2011 ended in 2017, so in 2018 no delivery has been made under it. For its part, the 2016 Stock Option Plan, currently in force, is in the consolidation 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 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 except of the dividends and contributions of partners to the company Clariana and Boncompte-Sierra that that have become part of the Group, there were no have been produced significant operations between the same 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 2018, 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, boosting the circular economy of its production processes.

The amount of financial resources allocated to these activities has amounted to EUR. 8.7 million.

## **R&D+I ACTIVITIES**

In 2018, the Group has allocated to R&D+I, resources, amounted to EUR 3.3 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**

The average workforce of the Group has reached 887 people, following the increase of 88 people throughout the 2018 financial year. This increase is mainly due to the incorporation of Clariana's staff into the Group.

Has been allocated in the period EUR 1,221 thousand to safety, health and prevention of labour risks and close EUROS 136 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 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.

A new 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.

The 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 2018. 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**

Despite current uncertainty, the Group expects that this year's results will surpass those of last year, though they will continue to be affected by hyperinflation at the Argentine subsidiary. An improvement in the effective tax rate is expected before that impact occurs.

The Group also expressed a degree of caution with regard to the second quarter, given the volatility of the situation and the effects of the work stoppages planned in order to undertake the projected investments

The Group maintains its investment effort in order to consolidate its growth.

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.

## **EXPLANATORY NOTES**

### **1. BASIS OF PRESENTATION**

The Consolidated Intermediate Financial Statements in this included in the second 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".

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 2018. 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 2018 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, on the one hand, 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) 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 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.

On July 25, 2018, the Group acquired all the shares of the Spanish company Clariana, 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.

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.

### **4. 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.

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

On June 20, 2018, the Ordinary and Extraordinary Shareholders' Meeting of Miquel y Costas & Miquel, SA agreed to reduce the share capital of the Company by EUR 2,550 thousand through the redemption of 1,275,000 shares of EUR 2.00 of nominal value each one of them, leaving the social capital set at EUR 38,750 thousand. It is stated that the purpose of the capital reduction was to amortize own shares, previously acquired by the Company. On October 3, 2018, the aforementioned reduction was registered in the Mercantile Registry of Barcelona.

The aforementioned Ordinary and Extraordinary General Shareholders' Meeting also agreed to increase the share capital, from unrestricted reserves (voluntary reserves account), to an amount of EUR 62,000 thousand through the issue and circulation of 11,625,000 new shares, Each of the same series and with the same rights as those currently in circulation, represented by book entries and assigned free of charge to the shareholders of the Company. On November 30, 2018, this extension was registered in the Mercantile Register of Barcelona.

In 2018, 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 246,861 shares (equal to 394,978 new shares) on the stock market before the aforementioned capital increase that took place (November 2018), and 266,820 shares thereafter, for a total number of 600,193 shares at the end of the year. As the 2011 Stock Option Plan ended in 2017, no payout was made relative thereto in 2018. The 2011 Stock Option Plan currently in force is in a period of consolidation.

The earnings per share for the previous period shown in Chapter IV, Sections 2 and 7 of the selected Financial Information is adjusted by the effect of the aforementioned capital increase carried out in 2016, to be comparable with the current period.

## 6. PAYMENT DIVIDENDS

Dividends paid during 2018 was increased in EUR 12.7 million, resulting in an adjusted nominal DPA of EUR 0.40 per share and an adjusted effective EPS of EUR 0.42 per share, following the attribution of the 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

There have been no changes in this identification criterion, which means that the financial information by segment and presented for the year 2018 is comparable to that 2017 and is detailed in Chapter IV, section 14 of "Information Selected financial", with the exception of what has already been indicated in the report corresponding to the first half of this year in relation to a change in the allocation of the segment corresponding to the year 2017, as detailed in chapter IV, section 11 of the "Selected Financial Information".

## 8. 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), include the amount of the accrued remuneration. With regard to the Executive Directors, the variable cash compensation (c.2312) for the year 2018 includes in an extraordinary manner the amount accrued for compliance with the 2016-2018 Triennial Plan amounting to 143 thousand euros, and savings systems in the long term (c.2315) correspond to the Social Security Plan 2016-2018, whose accrual and consolidation occurs in 2018, as the

latter ends the triennium. With regard to the Directors (c.2325), the total amount of remunerations corresponding to the current period includes, exceptionally, compensation and the amounts corresponding to the two three-year plans indicated.

**9. 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.

**10. VARIATIONS IN THE CONSOLIDATION PERIMETER.**

During fiscal year 2018, Clariana, S.A., was incorporated into the consolidation perimeter of the Group and its subsidiary Boncompte-Sierra S.L.U.

**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 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.