Condensed Interim financial statements at June 30, 2016

Contributing to people's wellbeing by helping them make informed food choices. Promoting awareness of the health benefits of plant-based foods. Spreading knowledge of healthy eating responsibly and with passion.
That's Valsoia. And that's the mission expressed in our logo with the Italian for 'goodness and health' – "bontà e salute".

A mission everyone can experience in all our deliciously healthy products.
It's this commitment to pleasure and health that has made the Valsoia brands some of Italy's leading and best-loved household names, thanks to the quality of our products and constant research and innovation.

* marchio in distribuzione per l'Italia

Living a better and healthier life thanks to daily food choices: this is the Valsoia Spa PROJECT. An Italian Company committed to offering valid diet-nutritional solutions to the growing demands for health and well-being.

QUALITY AND EXPERIENCE

Valsoia is a strong advocate of "plant-based nutrition", "healthy eating habits" within a culture that values high quality, and the choice of excellent ingredients. Carefully monitored and controlled processes based on decades of expertise and experience. Always active in the continuous search for good, healthy, safe food products, made with valuable and unique ingredients.

FOOD RESEARCH

Constant attention given to the recipes, to the creation of new flavours and to the choice of raw materials, has resulted in the improvement of flavours and the formulation of new products that meet the increasingly diversified and complex food demands.

DIVERSITY OF PRODUCTS

Today the offerings range from soy-based alternatives, beverages, ice creams, yoghurt, desserts, cookies, main dishes, cheeses and dressing under the Valsoia trademark; to Santa Rosa preserves and sorbets, products of excellence in the jam and fruit processing sectors, as well as the Pomodorissimo tomato sauce with its distinct flavour.

ITALIAN TRADITION

All products with a full respect of the Italian food tradition. All healthy and high quality products, ideal for the whole family, that provide nutrition for every meal of the day, from breakfast to dinner. These products contain intact the simplicity of flavours that result from a careful preparation and the knowledge provided by the most renowned health-conscious experts.

new:

YOSOI COCCO

Valsoia presents the new Yosoi Cocco,
the plant-based alternative to one of the most loved flavours among all yoghurts.
Intended for those who want a balanced diet,
without renouncing their sweet tooth.

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Condensed Interim financial statements at June 30, 2016

GENERAL INFORMATION

CORPORATE OFFICES AND POSITIONS

Board of Directors (1)

Chairman	Lorenzo Sassoli de Bianchi
Vice Chairman	Furio Burnelli
Vice Chairman	Ruggero Ariotti
Honorary Chairman	Cesare Doria de Zuliani
Chief Executive Officer and General Manager (2)	Andrea Panzani
Directors	Susanna Zucchelli
	Francesca Postacchini
	Gregorio Sassoli de Bianchi

Board of Statutory Auditors (1)

Chairman	Gianfranco Tomassoli
Statutory Auditors	Claudia Spisni
	Massimo Mezzogori
Alternate Auditors	Massimo Bolognesi
	Simonetta Frabetti

Independent Auditors (3)

KPMG S.p.A.

Manager in charge of financial reporting (4)

Carlo Emiliani

(1) Appointed on April 23, 2014, in office until the approval of the 2016 Financial Statements.

(2) Chief Executive Officer (since April 23, 2015) and General Manager (since February 4, 2014).

(3) Appointed on April 23, 2015, in office until the approval of the 2023 Financial Statements.

(4) Appointed by the Board of Directors on June 7, 2006. Executive of Valsoia S.p.A. since 2001. Auditor. Enrolled in the Register of Chartered Accountants and in the Register of Auditors of Ravenna.

CORPORATE DATA AND GROUP STRUCTURE

Company Name: Valsoia S.p.A.
Registered office: Via Ilio Barontini 16/5 - 40138 Bologna (BO) - Italy
Telephone: +39 051 6086800
Fax: +39 051 248220
Certified email: valsoia@legalmail.it
Website: www.valsoiaspa.com – Investor Relations section

Share Capital - fully paid up: 3,503,024.91
Tax Code and registration number in the Companies Register of Bologna: 02341060289
VAT No.: 04176050377
Member of the Chamber of Commerce of Bologna: no. BO-338352

Production facility:
C.so Matteotti 13 - 13037 Serravalle Sesia (VC) – Italy

The structure of the Valsoia Group, at June 30, 2016, in addition to the parent company Valsoia S.p.A., included the following subsidiaries:

Company Name	Share Capital	Main office	% Held
Valsoia Pronova d.o.o.	€ 100,000	Ljubljana (Slovenia)	100

At the closing of this period, Valsoia does not own any other investments above 10% of the share capital, represented by shares with rights of voting, in non-listed companies, nor does it own shares in limited liability companies.

The Company has no branch offices.

Valsoia S.p.A. The Company has decided to take the option allowed by Art. no. 70, par. 8 and art. 71. par. 1-bis of Consob Regulation no. 11971/99 (as applicable) and therefore to dispense with the obligation to provide disclosure to the public in the event of significant mergers, spin-offs, share capital increases through contributions in kind, acquisitions and disposals.

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Director's report on the first half 2016

DIRECTORS' REPORT ON THE FIRST HALF 2016

KEY FINANCIAL HIGHLIGHTS

Income statement ratios (EUR 000)	30.06.2016		30.06.2015		Change	
	EUR	%	EUR	%	EUR	%
Sales revenue	58,014	100.0	60,413	100.0	(2,399)	(3.97)
Value of production	59,007	101.7	60,472	100.1	(1,465)	(2.42)
Gross Operating Result (EBITDA) (*)	8,124	14.0	9,229	15.3	(1,105)	(11.97)
Operating result (EBIT)	7,174	12.4	8,297	13.7	(1,123)	(13.54)
Pre-tax profit	6,655	11.5	8,175	13.5	(1,520)	(18.59)
Net profit for the period	4,685	8.1	5,660	9.4	(975)	(17.23)
Net adjusted profit (**)	5,041	8.7	5,723	9.5	(682)	(11.92)

(*) The interim result is not defined as an accounting measure pursuant to the IFRSs, therefore the definition criteria for this parameter may not be consistent with those adopted by other companies.
(**) Adjusted net profit: data stated net of the charges related to Stock Option Plans, pertaining to the respective periods and, for 2016, net of the advanced financial charges recognised as at the date of the voluntary extinction of non-current loans.

Equity ratios (EUR 000) (*)	Value			Changes 30.06.2016	
	30.06.2016	31.12.2015	30.06.2015	Vs 31.12.2015	Vs 30.06.2015
Net working capital	4,514	2,115	6,358	2,399	(1,844)
Total non current assets	34,704	37,924	34,123	(3,220)	581
Net financial debt – positive -	13,510	16,137	7,143	(2,627)	6,367

(*) For the breakdown of the above Items, see the Warnings in the footnotes of this Report

MAIN EVENTS FOR THE PERIOD AND BUSINESS PERFORMANCE

In the first half year of 2016, Valsoia recorded a 3.97% decrease in revenue from sales, compared with the same period of the previous year.

The operating margin and net profit for the half year are lower than the same figures in 2015, showing however improvement after the first few months of the year, thanks to the positive results achieved in the second quarter of 2016 (gross operating margin +1.1%, net profit + 8.7% in the April-June period versus the same quarter of 2015).

Net financial debt, as better detailed below, is positive and shows a significant increase - EUR 6.4 million - compared with the figure at the same date of the previous period.
Considering the above, Valsoia decided to repay early, with respect to the original maturity dates, non-current loans amounting to more than EUR 7 million. This repayment involved the early recognition of one-off financial charges amounting to EUR 394 thousand.

The adjusted net profit of extraordinary items stated for the period amounted to EUR 5 million versus 5.7 million in the previous period.

During the first half of the year:

(i) the implementation of significant organisational changes, announced at the beginning of the year and involving the start-up of two Italian Sales Networks, divided into “health” and “food”, was completed;

(ii) the Company further increased Consumer Marketing activities compared with the first six months of 2015, in support, particularly, of the brand “Valsoia Bontà e Salute” as well as its “premium” positioning. This approach is strategic for long term development, following also the increased crowding in the market by numerous players who are often not specialised in the sector as well as being unbranded;

(iii) in spring, important innovations in the health sector were presented, covering all the relevant segments of the business: plant-based yoghurt, plant-based alternatives to meat, alternative frozen foods including already prepared main dishes and pasta dishes, dressings and cream spreads. In addition, the distribution of the almond-based ice-cream line and other plant-based alternatives to cheeses, continued;

(iv) an innovative project, intended for the Preserves market, is currently being introduced to Retailers;

(v) a feasibility analysis for entering the US market was concluded with positive outcomes as regards both the positioning of the “Valsoia Bontà e Salute” brand and for the product tests conducted on some products.

The following table shows sales revenue broken down by the main product lines.

Products (EUR 000)	30.06.2016		30.06.2015		Change
	EUR	% Inc.	EUR	% Inc.	%
Valsoia Bontà e Salute Products	30,619	52.8%	31,617	52.3	(3.16)
Santa Rosa Products	13,623	23.5%	15,203	25.2	(10.39)
Other plant-based products (a)	11,904	20.5%	11,883	19.7	0.18
TOTAL ITALIAN REVENUE	56,146	96.8%	58,703	97.2	(4.36)
Sales abroad	1,868	3.2%	1,710	2.8	9.25
TOTAL REVENUE	58,014	100.0%	60,413	100.0	(3.97)

The "Valsoia Bontà e Salute" brand, shows, overall, a decline in sales revenue (-3.16%) compared with the first six months of 2015. In this regard, an increased competitive crowding is noted compared with 2015, as well as, in the months of May and June, the negative performance of ice-creams due to adverse climate conditions.

The first half year shows positive results for the Weetabix brand, and a positive performance also of the Santa Rosa Preserves. However, tomatoes showed again an unsatisfactory performance due to the negative trend in consumption and to the significant drop in transfer prices currently occurring in the market.

Exports showed positive results in the first half year.

ANALYSIS OF THE STATEMENT OF FINANCIAL DEBT

The following table shows the breakdown of the Net financial debt at June 30, 2016, December 31, 2015 and June 30, 2015:

Description (EUR 000)	30.06.2016	31.12.2015	30.06.2015
	EUR	EUR	EUR
Cash	4	2	3
Cash and bank deposits	14,517	24,616	16,806
Total cash and cash equivalents (A)	14,521	24,618	16,809
Payables due to bank (B)	(99)	(2,406)	(2,235)
Current net financial debt (C=A-B)	14,422	22,212	14,574
Non current payables due to bank (D)	(912)	(6,075)	(7,431)
NET FINANCIAL DEBT (E=C+D)	13,510	16,137	7,143

The overall Net financial debt of the Company at the end of the period, is positive and shows a significant improvement - EUR 6.4 million - compared with the figure at the same date of the previous period.

As already described above, following the positive statement of financial position, the Company, based on a prudent assessment of the financial market trend, on March 31, 2016, decided to repay early, with respect to the original maturity dates, loans amounting to approximately EUR 7 million, of which 5.2 million with maturity dates after 12 months, acquired in previous periods for potential acquisition. This repayment involved the recognition, at said date, of early financial charges amounting to EUR 394 thousand and deriving primarily from the simultaneous extinction of the related derivative contracts executed for hedging interest rate risk.
In the first half year of 2016, current operations generated a primary operating cash flow of EUR 8.3 million while the increase in net working capital, physiological in consideration of the seasonal nature of ice-cream related activities, absorbed liquidity in the amount of EUR 1.1 million.
In the same period, dividends were distributed in the amount of EUR 5.8 million - of which EUR 2.6 million referred to an extraordinary dividend contrary to the normal processes applied to dividends by the Company.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE COMPANY IS EXPOSED

Risks of a financial nature and derivative instruments

Foreign Exchange Risk

The Company purchases raw materials for its production in the international market and carries out business transactions in Euros and, as regards foreign currencies, in US dollars.
The foreign exchange risk derives primarily from soy purchase transactions on the US dollar markets.
During the period, the Company carried out currency forward purchase operations. The financial impact of these operations, carried out for hedging purposes but not meeting all requirements set forth in the IAS/IFRS standards, are fully recognised in the statement of comprehensive income for the period; in particular, at the closing date of the period, some foreign exchange transactions on financial derivative products (forward purchases), the designation of which at fair value involved the recognition, in the income statement, of profits for EUR 7 thousand, were in place.

Credit Risk

The Company deals with customers who belong primarily to the large-scale retail sector, and which have historically shown a limited insolvency rate, although in the last periods, due to the current economic crisis, such rate has slightly increased.
Therefore, the Company monitors carefully the quality of its receivables in terms of risk control.

Interest Rate Risk

Given the capital and financial structure of the Company, also following the early extinction of non-current loans, occurring in this period, it is deemed that Valsoia is not particularly exposed to the risk of interest rate fluctuations.

Cash and changes in Cash Flows risk

Considering the positive net financial debt and the strong capacity to generate cash flows from operations, the risk from changes in the cash flows is estimated to be relatively low. Valsoia was also granted significant credit facilities, not used to date, granted by the banks, which are more than adequate with respect to its current needs.

Operating risks

Risks related to the food/health sector

Although Valsoia guarantees effective quality control on its own production and on externally acquired products through a constant monitoring of raw materials, production processes and finished products, it cannot be excluded that, similarly to any other company operating in the food sector, the accidental contamination of the product by external agents, unpredicted in the formulation of the product, may occur.

In particular, Valsoia has always chosen to use only raw materials that are not genetically modified. For this purpose, the Company requires certifications from all the suppliers of raw materials, as a proof of their GMO-free status. In addition, the Company requires CSQA certifications to confirm the absence of genetically modified organisms both in the raw materials used and in finished products; however, Valsoia cannot exclude their accidental presence in marketed products.

In general, contamination of products by external agents, including genetically modified organisms above the tolerance threshold, would involve a recall of the products from the market, with related financial burdens, as well as the risk of penalties charged to the Company and to any responsible individual. It also cannot be excluded that, if the use of food produced by Valsoia causes harm to the health of the consumers, the Company may be subject to compensation claims or actions due to these events.

Risks related to safety at the workplace and environmental damages

Valsoia owns and manages a production facility in Italy, Serravalle Sesia (VC) for the production of some of the main products of the Company. Valsoia believes that it operates in full compliance with the regulations concerning occupational safety and the protection of the environment. However, it cannot be excluded that, for accidental reasons, the operations at the facility may cause harm to the employees of the Company, to third parties or to the surrounding environment.

Risks related to operations carried out at the production facilities of third parties and providers of logistic services

In addition to the Serravalle Sesia production facility, the Company partners with third parties for the supply of some products.

The marketing of products in Italy is carried out through a network of distribution centres specialised in the distribution logistics of food products.

The production facility, the suppliers and the distribution centres are subject to ordinary operating risks, including, but not limited to: malfunctioning of the equipment, non-compliance with applicable regulations,

revocation of permits and licenses, insufficient labour force or work disruptions, circumstances that may involve an increase in production or transport costs, natural disasters, significant disruptions in the supply of raw materials or semi-finished products, and terrorist attacks.
Any sudden and extended business disruption due to the aforementioned events and other events, may have a negative impact on the financial results of the Company. The use of products and distributors involves also some additional risks and charges among which are the resolution of a contract and less control on the supply/production chain. Any delay or defect in the supplied products or services, as well as the disruption or termination of existing agreements without alternative solutions available in the short term, can have a negative impact on the activities and financial results of Valsoia.

Risks related to relationships with purchasing centres
Valsoia offers its products to large scale retail distribution and boasts several hundred customers. In Italy, within large scale retail distribution, it is normal practice that the execution of trade agreements with the suppliers is carried out for the most part by a limited number of purchasing centres affiliating a large portion of the Italian current distribution. Even if, despite the relative degree of independence of each single affiliate, the possibility of the direct contact of Valsoia with the individual customers cannot be excluded, each centre avails itself of a significant contractual power in defining terms and conditions, and a possible termination of relationships with one or more of these centres may have a strong negative impact on the financial results of the Company.
Therefore, Valsoia, given the recognition of its trademarks, the high reputation of the services associated with its products and the efficient distribution network, has maintained for many years strong business relationships with all the main Italian purchasing centres.

Risks related with the termination of distribution contracts on behalf of third parties
Currently, 2.5% of the Company's revenue derives from the distribution of third party products.
A termination of these relationships would have a negative impact on the financial results of the Company.

Other general risks

Risks related to the current economic situation
The continuing uncertainty of the economic environment could result in a further contraction in consumption with negative effects on the company sales.

Risks related to the competition
Given the fact that the Company operates in the consumer packaged food products sector, currently characterised by increased dynamics without particularly high entry barriers from a production perspective, an increase in competition by current and new competitors operating in related sectors, cannot be excluded.
An additional increase in competition could have negative impacts on the profitability of the company; therefore, Valsoia, a company leader in the main market segments in which it operates, has been developing for years a

careful marketing policy aimed at strengthening its trademarks, already widely recognised and established.

Risks related to the price volatility of raw materials

The prices of the raw materials that are used by the Company have experienced significant volatility over the last few years. This situation concerns also the other costs for production, transport and distribution of the products that are directly affected by the fluctuations in oil prices.

In this uncertain scenario, an increase in the prices of the raw materials used that would result in a negative impact on the Company's margins cannot be precluded.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD AND BUSINESS OUTLOOK

In July, the following should be noted: a positive recovery in ice-cream sales, the confirmation of the success of the Valsoia beverages and of the Santa Rosa Preserves, an upward trend compared with the same period of the previous year and on an annual basis, together with an interesting improvement in the sales of tomatoes.

OTHER INFORMATION

Research and development

During the period, research and development activities continued in the pursuit of the following objectives:

- Research and development of new 100% plant-based products which represent a plant-based alternative to existing and established animal-based products, and have a great health or functional value in addition to high organoleptic properties;
- Research on new formulations for preserves, in order to further improve on the organoleptic properties and healthy contents;
- Studies and research aimed at improving the production processes and the selection of raw materials used in the developed products;
- Research of new variants in terms of flavour and/or nutritional or health properties of the products that are already included in the portfolio.

Transactions with related parties

During the period, Valsoia has not carried out, with related parties, any transaction of any particular financial and equity relevance. For a complete analysis, please refer to the notes to the Condensed Interim Financial Statements at June 30, 2016.

WARNINGS

The Condensed Interim Financial Statements of Valsoia S.p.A. for the six months ended June 30, 2016 were drawn up in compliance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and ratified by the European Union, and with the measures issued in compliance with Art. 9 of Italian Legislative Decree No. 38/2005.
IFRS are understood to include all the revised international accounting standards ("IAS") and all the interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"), formerly known as the Standing Interpretations Committee ("SIC").

In particular, this Condensed Interim Financial Statements were prepared in compliance with the IAS 34 "Interim Financial Reporting", which provide for a level of information that is significantly lower than the one required for the preparation of the Yearly Financial Statements, if complete financial Statements, prepared in compliance with the IFRS standards, were previously made available to the public.

The equity ratios mentioned in this report, are:

- Net working capital: Total Current assets (excluding Cash and cash equivalents) – Total Current liabilities (excluding current payables due to banks); included in the Net working capital is also the Provision for post-employment benefits, as well as Deferred tax assets/Provision for deferred taxes.
- Fixed assets: Total non-current assets.
- Net financial debt: see the above table.

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Bologna, August 3, 2016

The Chairman
Lorenzo Sassoli de Bianchi

3 / Condensed Interim Financial Statements as at and for the six months ended June 30, 2016

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS OF EUROS

STATEMENT OF FINANCIAL POSITION	Notes	June 30, 2016	December 31, 2015
CURRENT ASSETS			
Cash and cash equivalents	(1)	14,521	24,618
Trade receivables	(2)	21,991	13,664
Inventories	(3)	8,682	7,485
Other current assets	(4)	672	977
Total current assets		**45,866**	**46,744**
NON-CURRENT ASSETS			
Goodwill	(5)	3,230	3,230
Intangible fixed assets	(6)	20,637	20,703
Property, plant and equipment	(7)	10,564	11,048
Financial assets	(8)	110	110
Deferred tax assets	(9)	0	553
Other non-current assets	(10)	163	165
Total non-current assets		**34,704**	**35,809**
TOTAL ASSETS		**80,570**	**82,553**

STATEMENT OF FINANCIAL POSITION	Notes	June 30, 2016	December 31, 2015
CURRENT LIABILITIES			
Current payables due to banks	(11)	99	2,406
Trade payables	(12)	21,750	15,036
Tax payables	(13)	1,928	2,774
Provision for risks	(14)	92	121
Other current liabilities	(15)	2,421	2,080
Total current liabilities		**26,290**	**22,417**
NON-CURRENT LIABILITIES			
Non-current payables due to banks	(16)	912	6,075
Provision for deferred taxes	(17)	72	0
Provision for post employment benefits	(18)	566	586
Total non-current liabilities		**1,550**	**6,661**
SHAREHOLDERS' EQUITY	**(19)**		
Share Capital		3,503	3,450
Legal Reserve		690	690
Revaluation reserve		13,596	5,401
Other IAS/IFRS adjustments reserve		(1,002)	(1,002)
Other reserves		31,258	32,958
Profit (loss) for the period		4,685	11,978
Total Equity		**52,730**	**53,475**
TOTAL		**80,570**	**82,553**

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS OF EUROS

INCOME STATEMENT	Notes	June 30, 2016	June 30, 2015
VALUE OF PRODUCTION	(20)		
Revenue from sales and services		58,014	60,413
Changes in inventories of finished products		861	(196)
Other revenue and income		132	255
Total Value of production		**59,007**	**60,472**
OPERATING COSTS	(21)		
Purchases		(30,565)	(31,031)
Services		(15,413)	(15,566)
Cost of use of assets owned by other, of third party assets		(275)	(276)
Labour costs		(4,465)	(4,348)
Changes in raw materials inventory		335	522
Other overheads		(500)	(544)
Total operating costs		**(50,883)**	**(51,243)**
GROSS OPERATING RESULT (EBITDA)		**8,124**	**9,229**
Amortisation and depreciation	(22)	(950)	(932)
NET OPERATING RESULT		**7,174**	**8,297**
Net financial income/(charges)	(23)	(519)	(122)
PRE-TAX PROFIT (LOSS)		**6,655**	**8,175**
TAXES	(24)		
Income taxes		(1,409)	(1,898)
Deferred tax assets/liabilities		(561)	(617)
Total Taxes		**(1,970)**	**(2,515)**
PROFIT (LOSS) FOR THE PERIOD		**4,685**	**5,660**
Basic EPS	(25)	0	1
Non-current payables due to banks	(25)	0	1

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS OF EUROS

STATEMENT OF COMPREHENSIVE INCOME	Notes (26)	June 30, 2016	June 30, 2015
PROFIT (LOSS) FOR THE PERIOD		**4,685**	**5,660**
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH MAY BE SUBSEQUENTLY			
RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD			
Valuation of MtM derivatives on interest rate hedging operations		0	101
Tax effect		0	(28)
Total		**0**	**73**
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH WILL NOT BE SUBSEQUENTLY			
RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD			
Actuarial gains/(losses) for IAS 19		0	35
Total		**0**	**35**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (LOSS)		**4,685**	**5,768**

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS OF EUROS

	STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AT	June 30, 2016	June 30, 2015
	(AMOUNTS IN THOUSANDS OF EUR)		
A	**Opening short-term net cash**	**22,212**	**16,183**
B	**Cash flow from operating activities for the period**		
	. Profit (loss) for the period	4,685	5,660
	. Profit (loss) from statement of comprehensive income	0	73
	. Net financial gain/(losses) and taxes for the period	2,489	2,637
	. Amortisation, depreciation and impairment losses	950	932
	. (Capital gains) - Capital loss from asset disposal	(2)	(3)
	. Charges for SOP (Stock Option Plans)	97	87
	. Net change in provision for post employment benefits and other provisions	113	323
-	*Cash flow from operating activities before changes in working capital*	*8,332*	*9,709*
	(Increase) / decrease in Trade receivables	(8,453)	(5,541)
	(Increase) / decrease in Inventory	(1,213)	(561)
	Increase / (decrease) in Trade payables	6,714	2,589
	Net change in other current assets/liabilities	1,869	377
-	*Change in Working Capital*	*(1,083)*	*(3,136)*
	Total (B)	**7,249**	**6,573**
C	**Taxes paid**	**(3,434)**	**(2,924)**
D	**Cash flow used in investment activities**		
-	Net increases in property, plant and equipment	(367)	(375)
-	Net increases in intangible fixed assets	(30)	(296)
-	Net change in other non-current assets/liabilities	1	(123)
	Total (D)	**(396)**	**(794)**
E	**Cash flow used in financial activities**		
	Increase/(decrease) in loans and borrowings	(5,163)	(1,205)
	Net financial income/(charges)	(519)	(122)
	Release of cash flow hedging reserve	170	0
	Share Capital Increase	53	0
	Dividends	(5,750)	(3,137)
	Total (E)	**(11,209)**	**(4,464)**
F	**Cash flow for the period (B+C+D+E)**	**(7,790)**	**(1,609)**
G	**Closing short-term net cash (A+F)**	**14,422**	**14,574**

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS OF EUROS

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	REVALUATION RESERVE	IAS/IFRS ADJUST. RESERVE	OTHER RESERVES	PROFIT/ (LOSS) FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS AT DECEMBER 31, 2014	**3,450**	**690**	**5,401**	**(1,002)**	**25,061**	**10,701**	**44,301**
Changes in 1st half of 2015							
Allocation of 2014 profit					7,564	(7,564)	0
Dividends						(3,137)	(3,137)
SOP 2011-2016 charges					87		87
Comprehensive income (loss)							
- Result for the period						5,660	5,660
- Other items of the income statement					108	0	108
BALANCE AS AT JUNE 30, 2015	**3,450**	**690**	**5,401**	**(1,002)**	**32,820**	**5,660**	**47,019**
BALANCE AS AT DECEMBER 31, 2015	**3,450**	**690**	**5,401**	**(1,002)**	**32,958**	**11,978**	**53,475**
Changes in 1st half of 2016							
Allocation of 2015 profit					6,228	(6,228)	0
Dividends						(5,750)	(5,750)
SOP 2016-2019 charges					97		97
Share Capital Increase	53						53
Release of cash flow hedging reserve					170		170
Creation of Reserve for suspension of tax			8,195		(8,195)		0
Comprehensive income (loss)							
- Result for the period						4,685	4,685
- Other items of the income statement					0	0	0
BALANCE AS AT JUNE 30, 2016	**3,503**	**690**	**13,596**	**(1,002)**	**31,258**	**4,685**	**52,730**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2016

Introduction

Valsoia S.p.A. (hereinafter also "Valsoia" or the "Company") is a joint stock company established in Italy, registered in the Companies Register of Bologna, with fully paid-up share capital of EUR 3,503,024.91, with registered office in Italy, Bologna, Via Barontini No. 16/5, listed on the MTA of Borsa Italiana S.p.A.

The Condensed Interim Financial Statements were prepared in compliance with Art. 154-ter of Legislative Decree No. 58/1998 and in compliance with the applicable International Accounting Standards (IFRS) ratified by the European Parliament and Council, of 19 July 2002, and in particular with IAS 34 - Interim Financial Reporting, as well as with the provisions issued in compliance with Art. 9 of Legislative Decree no. 38/2005.

Valsoia, at the closing date of the half-year, holds a controlling equity investment in the Valsoia Pronova d.o.o. (SLO) company. In consideration of the non-substantial impact of the financial figures of this subsidiary, Valsoia does not prepare consolidated financial statements.
As provided for in the relevant accounting standards, Group reports will be prepared when considered relevant in terms of complete information on the financial and business results of the Group. The relevance will be based, inter alia, on the impact of the financial debt and business volume shown by the subsidiaries, any indebtedness pertaining to them and any other factor that may be relevant for the user of the financial statements or Interim Financial Reporting.

The Condensed Interim Financial Statements include:

- The statement of financial debt at June 30, 2016, compared with the same figures at December 31, 2015. In the tables of this chapter, the statements of financial debt show a classification based on the current or non-current nature of the items composing said statements:
  - current assets are represented by cash or cash equivalents, by assets that are expected to be realised, sold or consumed during the ordinary operations of the company, by assets held for trading, by assets that are expected to be realised within 12 months from the reporting date. All other assets are classified as non-current;
  - current liabilities are the liabilities that will be presumably extinguished during the ordinary operations of the company or within 12 months from the reporting date, or the liabilities that do not have an unconditional right to the deferral of their extinction beyond twelve months. All other liabilities are classified as non-current;

Pursuant to the Consob resolution No. 15519 of July 27, 2006, the financial effects of the transactions with related parties, if significant, are recognised separately, in the statement of financial debt section.

- Income statement of the first six months of 2016, compared with the income statement of the same period of the previous year. In particular, it must be noted that the adopted income statement, compliant with the IAS 1 provisions, shows the following interim result, not defined as an accounting measurement according to the IFRSs (therefore it is possible that the definition criteria of such interim results are not consistent with those adopted by other companies), since the Company's management believes that it contains significant information for understanding the Company's results:
  - Gross operating result: comprises the Net profit (loss) for the period, before taxes, gains and losses arising from financial management, amortisation/depreciation and write-downs of fixed assets carried out during the relevant period.

- The statement of comprehensive income for the first six months of 2016, compared with the statement of comprehensive income of the same period of last year and prepared according to the IAS 1.

- The statement of cash flows for the first six months of 2016, compared with the statement of cash flows of the same period of last year. In preparing the statement of cash flows, the indirect method – by which the profit or loss of the period is adjusted based on the effects of non-monetary operations, by any deferral or allocation of previous or future operating income or payments and by items of costs and revenues related to the financial flows arising from investment or financial activities – was adopted.

- The Statement of changes in equity for the first half of 2016 and the first half of 2015.

- These notes to the Condensed Interim Financial Statements at June 30, 2016.

This information, as a whole, represents the Condensed Interim Financial Statements at June 30, 2016 of Valsoia S.p.A., in compliance with the IAS 34 and Art. 154-ter of Legislative Decree no. 58/1998.

The amounts are expressed in thousands of Euros.

Measurement criteria and accounting standards

These Condensed Interim Financial Statements have been drawn up in compliance with the International Accounting Standards ("IFRS") issued by the Accounting Standards Board ("IASB") and ratified by the European Union. For this purpose, "IFRS" include also the International Accounting Standards (IAS) currently in effect, as well as all interpretation documents issued by the International Financial Reporting Interpretations Committee

(“IFRIC”), known formerly as the Standing Interpretations Committee (“SIC”). In preparing these Condensed Interim Financial Statements, drawn up according to the “IAS 34 – Interim Financial Reporting”, the accounting standards adopted are not substantially different from those used for the financial statements at December 31, 2015, which can be consulted for additional information.

It must be noted that some valuation processes, in particular the most complex ones, such as the determination of any impairment loss in non-current assets, are normally fully carried out while preparing the annual financial statements, when all the necessary information is available, unless there are impairment indicators that require an immediate assessment of any impairment.

Income taxes are recognised on the basis of the best estimate of the expected weighted average rate applicable to the entire period.

It should be noted that the Condensed Interim Financial Statements were prepared on a historical-cost basis, except for any designation at fair value, as specifically indicated in the notes to the Condensed Interim Financial Statements at June 30, 2016, as well as on the assumption that the company is a going concern. In fact, the Directors have evaluated the applicability of the assumption of the company's going concern during the preparation of these Condensed Interim Financial Statements, concluding that this assumption is valid and that there are no doubts regarding the company's going concern.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EU EFFECTIVE FROM JANUARY 1, 2016

The accounting standards, amendments and interpretations in effect from January 1, 2016, endorsed by the European Commission, are shown below.

Amendments to IAS 19 – Defined benefit plans: employees' contributions (applicable to accounting periods beginning on or after February 1, 2015).
These amendments refer to the simplification of the accounting treatment for contributions to defined benefit plans by employees or third parties and specific cases. The amendments are applicable retrospectively to the financial years beginning on or after February 1, 2015.

Amendments to IFRS – Annual Improvements Cycle 2010-2012 (applicable to accounting periods beginning on or after February 1, 2015). Among other things, the major items to which these amendments refer are: the definition of vesting conditions in IFRS 2 – Share-based Payments, the information on the estimates and judgements used in grouping the operating segments in IFRS 8 – Operating Segments, identification and disclosure of a transaction with the related party that arises when a service company provides the management service of the managers with strategic responsibilities to the company that prepares the financial statements in IAS 24 – Related Party

Disclosures.

Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (applicable to accounting periods beginning on or after January 1, 2016).
The amendment provides clarifications regarding the accounting by entities with an interest in a joint venture the activity of which constitutes a business pursuant to IFRS 3. The amendment requires that the principles of IFRS 3 be applied to this case.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable to accounting periods beginning on or after January 1, 2016).
The amendments to IAS 16 establish that amortisation based on revenues is not appropriate, since, according to the amendment, the revenues generated by an activity that includes the usage of the asset constituting the object of the amortisation generally reflects factors other than simply consumption of the economic benefits of that asset.
The amendments to IAS 38 introduce a relative assumption, according to which an amortisation criterion based on revenues is usually considered inappropriate for the same reasons that are established by the amendments introduced in IAS 16. For intangible assets this assumption can be overcome, but only under limited and specific circumstances.

Amendments to IFRS – Annual Improvements Cycle 2012-2014 (applicable to accounting periods beginning on or after January 1, 2016).
Among other things, the major items discussed in these amendments are the following:

- IAS 19 clarifies that the discount rate of a bond for a defined benefit plan must be determined on the basis of the "high-quality corporate bonds or governments bonds" identified in the same currency used for payment of the benefits;
- IFRS 7 clarifies that with regard to offsetting of financial assets and liabilities, additional information is mandatory only for the annual financial statements.
  It is furthermore clarified that an entity that has transferred financial assets and has eliminated them entirely from its own statement of financial position and income statement is required to provide additional information with regard to its "residual involvement", if it has signed service contracts that indicate that the entity has an interest in the future performance of the financial assets that were transferred;
- IFRS 5 clarifies that there are no accounting effects if, upon changing its retirement plan, an entity reclassifies an asset or group of assets from/to "held for sale" to/from "held for distribution". In the retirement plan, this change is considered to be a continuation of the original plan.

Amendments to IAS 1 – Disclosure Initiative (applicable to accounting periods beginning on or after January 1, 2016).
The amendment provides clarifications regarding the disclosure elements that could be considered as impediments to a clear and intelligible preparation of the financial statements.

Amendments to IAS 27 – Equity Method in Separate Financial Statements (applicable to accounting periods beginning on or after January 1, 2016).
The amendment introduces the option of using the equity method in the separate financial statements of an entity for assessment of the equity investments in subsidiaries, jointly controlled companies and associated companies. Consequently, following the introduction of the amendment, an entity can recognise these equity investments in its own separate financial statements alternatively to cost, as provided by IFRS 9 or using the equity method.

The adoption of these new standards, changes and interpretations did not have any impact on the Interim Financial Statements at June 30, 2016.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLIER

IASB has not published any relevant amendments and interpretations of the Interim Financial Statements at June 30, 2016.

Analysis of the breakdown of the main items of the statement of financial debt

Current assets

Note (1) – Cash and cash equivalents

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Cash	4	2
Current accounts and bank deposits	14,517	24,616
Total cash and cash equivalents	**14,521**	**24,618**

Ay June 30, 2016, floating interest receivable rates for the Company range between 0.0% and 0.3%.

Following are some details on the Net financial debt at June 30, 2016, December 31, 2015 and June 30, 2015. For comments regarding the Net Financial debt, reference should be made to the Directors' Report which is attached to these Condensed Interim Financial Statements.

Description (EUR 000)	30.06.2016	31.12.2015	30.06.2015
Cash	4	2	3
Current accounts and bank deposits	14,517	24,616	16,806
Securities held for trading	-	-	-
Total cash and cash equivalents (A)	14,521	24,618	16,809
Payables due to bank (B)	(99)	(2,406)	(2,235)
Current net financial debt (C=A-B)	14,422	22,212	14,574
Non current payables due to bank (D)	(912)	(6,075)	(7,431)
NET FINANCIAL DEBT (E=C+D)	13,510	16,137	7,143

Note (2) - Trade receivables

Trade receivables derives from ordinary sale transactions, mainly with national operators in the Large-scale retail and Wholesale sectors.

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Trade receivables (nominal value)	23,201	14,905
Allowance for doubtful accounts	(1,210)	(1,241)
Total trade receivables	21,991	13,664

The increase in Trade receivables is physiological, i.e. based on the development of business volume and in consideration of the sales of ice cream concentrated in the summer months, with deferred revenue in the fall months.
The receivables are recognised net of the allowance for doubtful accounts, based on a prudent estimate of collection risk and taking into account the information available as regards the solvency risk of the individual positions, their age and the loss on receivables recognised in the past for similar types of receivables.
The following table shows a summary of the afore-mentioned Trade receivables, broken down by the length of time they have been overdue. No particular changes are noted in the collection conditions, compared with the previous year.

Description	30.06.2016	31.12.2015
Trade receivables (nominal value)		
- past due by over 12 months	548	245
- past due by over 30 days	1,768	1,120
- expired at the date	7,154	2,550
- with subsequent expiry	13,731	10,990
Total trade receivables (nominal value)	23,201	14,905

The receivables that are past due by over 12 months, are represented primarily by receivables pending legal resolution.

Following are the changes in the allowance for doubtful accounts.

Description	30.06.2016	31.12.2015
Opening balance	1,241	1,278
- (usage)	(157)	(133)
- allocations	126	96
Total allowance for doubtful accounts	1,210	1,241

Note (3) – Inventories

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Raw materials, ancillary and consumable materials	1,508	1,242
Work in process	178	108
Finished goods	6,996	6,135
Total Inventories	8,682	7,485

The value of the inventories is up compared with December 31 of last year primarily because of the seasonal nature of the activities related to ice cream.

The measurement of the closing inventory is carried out net of the provision for inventory obsolescence, amounting to a total of EUR 289 thousand, up by EUR 17 thousand compared with the closing figure of the previous period, in order to adjust its assessment to the value of the assumed realisation.

Inventories are not subject to any obligations or restrictions related to property rights.

Note (4) - Other current assets

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Tax receivables	7	521
Prepayments and accrued income	312	235
Other current receivables	353	221
Total Other current assets	**672**	**977**

A
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crued income refers primarily to portions of the costs already incurred but pertaining partially to following periods, and referring mostly to insurance premiums, membership fees and maintenance fees.
Other current receivables are composed primarily of payments on account to suppliers and employees expense account provisions.

Non-current assets

Note (5) - Goodwill

The item *Goodwill* shows the following changes for the period:

Description	31.12.2015		30.06.2016
	Net value	Other increases/ (decreases)	Net value
Santa Rosa Goodwill	3,230	-	3,230
Total goodwill	**3,230**	**-**	**3,230**

The recognised goodwill derives from the allocation of the residual amount from the premium of the equity investment value, compared with the fair value of the assets and liabilities of J&T Italia S.r.l., a company owning the Santa Rosa business, following the merger by incorporation of the same executed in a previous period.
The goodwill, in compliance with the provisions of the IAS/IFRS standards, is not amortised but is subject at least annually, during the preparation of the financial statements for the period, to impairment tests, according the requirements of IAS 36. At June 30, 2016, no indications have emerged as regards accumulated impairment losses that would require the performance of these tests during the preparation of the Interim Financial Statements.

Note (6) – Intangible fixed assets

The item Intangible fixed assets shows the following changes for the period:

Description	31.12.2015	Changes for the period		30.06.2016
	Net value	Increases/ (decreases) Net	Amort./Write-downs	Net value
Trademarks	20,068	0	(1)	20,067
Industrial patents and intellectual property rights	594	14	(80)	528
Other	41	16	(15)	42
Intangible fixed assets in progress	0	0	0	0
Intangible fixed assets	**20,703**	**30**	**(96)**	**20,637**

There have been no particular changes during the period.
The item Trademarks refers primarily to the Santa Rosa trademark, designated at fair value within the allocation of the value of the equity investment in J&T Italia S.r.l., following the already mentioned merger by incorporation of the same.
The Santa Rosa trademark, as allowed by the IAS 38 standard and in line with the transactions carried out in the previous periods, has been considered with an indefinite useful life and therefore non-amortised, based on the following reasons:

- it has a priority role in the Valsoia strategy;
- the trademark is owned and appropriately registered and constantly protected, pursuant to the law, with options for the renewal of the legal protection at the expiry of the registration periods, with limited costs incurred;
- the products marketed by the company under this trademark are not subject to technological obsolescence, as is also typical of the food sector in which the Company operates;
- the sector of reference of the Santa Rosa trademark shows characteristics of stability with a limited impact from product innovation or changes in the market demand;
- the level of trade investments needed to obtain the financial benefits expected from this business sector is sustainable for the Company and falls within the scope of the corporate strategies.

The value of the Santa Rosa trademark is subject, at least annually, to impairment tests during the preparation of the financial statements, in compliance with the requirements set forth in IAS 36. At June 30, 2016, no indications of accumulated impairment losses have emerged, which would require the performance of these tests also during the preparation of the Condensed Interim Financial Statements.

Note (7) – Property, plant and equipment

Following is a breakdown of the Property, plant and equipment item at June 30, 2016.

Description	Historical cost	Depreciation provision	Accounting net value
Land and buildings			
Land:			
- located in the Rubano municipality	908	-	908
- located in the Serravalle Sesia municipality	1,529	-	1,529
Buildings:			
- house in Serravalle Sesia	441	(79)	362
- industrial facilities in Serravalle Sesia	4,957	(1,761)	3,196
- light constructions/buildings at the Sanguinetto facility	1	-	1
Total land and buildings	7,836	(1,840)	5,996
Plant and equipment			
- fixed systems for offices	79	(64)	15
- plant/equipment for plant extract products	4,995	(4,179)	816
- plant/equipment for ice cream production	9,634	(8,381)	1,253
- plant/equipment for other food production	661	(545)	116
- generic plant/equipment at the Serravalle facility	1,341	(956)	385
- silos, vats, tanks at the Serravalle facility	496	(400)	96
- photovoltaic system	371	(165)	206
- plants for preserves production	2,621	(1,628)	993
- generic plants at the Sanguinetto facility	121	(43)	78
Total plant and equipment	20,319	(16,361)	3,958
Industrial and commercial equipment			
- furniture and equipment for the laboratory	413	(306)	107
- other small equipment	172	(142)	30
- other transportation means	247	(189)	58
Total Industrial and commercial equipment	832	(637)	195
Other assets			
- electric and electronic machinery	530	(365)	165
- furniture and equipment for the offices	369	(302)	67
- cell phones	54	(36)	18
- vehicles	506	(341)	165
Total other assets	1,459	(1,044)	415
Fixed assets in progress	-	-	-
Total Property, plant and equipment	30,446	(19,882)	10,564

The item Property, plant and equipment shows the following changes for the period.

Description	31.12.2015	Changes for the period			30.06.2016
	Value	Increases / purchases	Other changes	Decreases	Value
<u>Historical cost</u>					
Land and buildings	7,814	22	-	-	7,836
Plant and equipment	20,108	211	-	-	20,319
Industrial and commercial equipment	784	53	-	(5)	832
Other assets	1,437	85	-	(63)	1,459
Fixed assets in progress	0	0	-	-	0
Tot. Historic Cost (A)	30,143	371	-	(68)	30,446
Depreciation					
Land and buildings	1,735	105	-	-	1,840
Plant and equipment	15,730	631	-	-	16,361
Industrial and commercial equipment	611	31	-	(5)	637
Other assets	1,019	87	-	(62)	1,044
Fixed assets in progress	-	-	-	-	0
Tot. Depr. provisions (B)	19,095	854	-	(67)	19,882
Total Property, plant and equipment (A-B)	11,048	(483)	-	(1)	10,564

The increase in property, plant and equipment refers to the purchase of plant and equipment for the production of ice cream and the purchase of other equipment for the production and laboratory facilities. The increase in Other Assets refers to new electronic equipment and to vehicles.

Note (8) – Financial assets

This item is composed of Investments in subsidiaries and shows, for the period, the following changes:

Description	Shareholding in Share Capital	31.12.2015 Value	Changes for the period Increases/	Decreases	30.06.2016 Value
Valsoia Pronova d.o.o. – Slovenia	100%	110	-	-	110
Tot. Financial assets		**110**	**-**	**-**	**110**

In the first six months of 2016, the subsidiary Valsoia Pronova d.o.o. reported a turnover of EUR 221 thousand with substantially balanced results.

Note (9) – Deferred tax assets

See *Note 17) Provision for deferred taxes*

Note (10) - Other non-current assets

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Guarantee deposits	35	37
Investments in other companies	5	5
Due from tax authorities, non-current	38	38
Receivables from subsidiary companies	85	85
Total Other non-current assets	**163**	**165**

The above assets did not show any change in the period.
The non-current receivables due from tax authorities refer to the IRES receivables for failure to deduct IRAP on the cost of labour for the years 2007 through 2011, with regard to which an appeal for a refund was submitted as per art. 2 of Law Decree 201/2011. Receivables from subsidiary companies refer to interest bearing loans, granted to the subsidiary Valsoia Pronova d.o.o.

Liabilities and shareholders' equity

Current liabilities

Note (11) - Current payables due to banks

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Overdraft accounts	1	1
Non-current payables (short term portions)	98	2,405
Total Current payables due to banks	99	2,406

Financial payables are down, primarily due to the effects of the repayment – made before the maturity date, given the market performance and the positive statement of assets and liabilities of the Company – of financial loans acquired in previous years.
This item refers primarily to the instalments with maturity within 12 months, related to a subsidised loan obtained in previous periods.

Note (12) – Trade payables

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Trade payables due to suppliers within 12 months	21,750	15,036
Total Trade payables	21,750	15,036

The increase in Trade payables, at June 30, 2016, derives primarily from the seasonal nature of the production and sale of ice cream. No substantial changes were noted in the payment terms.

Note (13) – Tax payables

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Due to the tax authorities for:		
- virtual revenue stamp tax and other taxes	8	3
- withholding taxes	1,532	443
- direct taxes and VAT	388	0
- substitute taxes	0	2,328
Total Tax payables	1,928	2,774

Tax payables refer to payments due for VAT and to payables due to the tax authorities for withholdings applied to employment and contract work.

The item Substitute taxes is down, due to the payment, during the period, of residual portions after tax relief operations carried out in previous periods.

Note (14) – Provisions for risks

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Sales return provision	92	121
Total Provision for risks	92	121

Provisions for risks comprise only the sales return provision. At June 30, 2016, the estimate involved the usage, compared with December 31, 2015, of EUR 29 thousand.

It should be noted that a dispute is still pending, substantially unchanged from the end of the previous period, with the Tax Authorities. This dispute, arising from an assumed minor registration fee paid in reference to the purchase of J&T Italia S.r.l., which occurred in 2011, finds Valsoia in a potential debit position toward the tax authorities, jointly with the company selling "J&T", for a total amount of EUR 723 thousand.

Valsoia, following the same approach of the previous period and keeping into account the opinion of its consultants, believes that to date there are no reasonable grounds for setting aside a provision for risks related to this pending dispute.

Note (15) - Other current liabilities

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Amounts payable to social security institutions	392	437
Due to employees and on-going collaboration contracts	1,762	1,376
Amounts due to others	267	237
Accrued expenses	-	30
Total Other current liabilities	2,421	2,080

Other current liabilities include primarily amounts due to employees for wages and bonuses pertaining to the period, and for deferred monthly salaries, accrued at June 30, 2016. The item Amounts due to others refers primarily to advances received from customers.

Non-current liabilities

Note (16) - Non-current payables due to banks

This item breaks down as follows:

Description	30.06.2016	31.12.2015
Non-current financial payables (medium/long term portions)	902	5,768
Cash flows and currency hedging payables	10	307
Total non-current payables to other financing	912	6,075

Financial payables are down, mainly due to the effects of the repayment of instalments – made before the original maturity dates, given the markets performance and the positive statement of assets and liabilities of the Company – of instalments related to financial loans acquired in previous years. Consequently, executed derivative agreements for the hedging of interest rate risk, the liquidation counter-entry of which was recognised in the Income Statement, were extinguished.
The item Non-current payables refers primarily to instalments with maturity beyond 12 months, from a subsidised loan received in previous periods.

As regards the information required by IFRS 7, following is a summary of the nominal amounts due according to the maturity dates set forth in the amortisation plans for the aforementioned loans and borrowings:

Year	EUR
2016	98
2017	98
2018	98
2019	99
2020	100
2021	100
2022	101
2023	101
2024	102
2025	103
Loans and borrowings	1,000

Note (17) – Provision for deferred taxes

At December 31, 2015, the Company had no Provision for deferred taxes, as these items were recognised under Deferred tax assets.
This item breaks down as follows:

Description	30.06.2016		31.12.2015	
	Taxable amount	Taxes	Taxable amount	Taxes
(Provision for deferred taxes)/Deferred tax assets with contra entry in the Income Statement				
IRES/IRAP CHANGES				
- Trademarks and deferred charges not capitalised pursuant to IAS/IFRS	223	62	251	72
- Dealloc. of accounting-tax amounts for SR Trademark	(1,887)	(526)	0	0
- Taxed risk and write-down provisions	1,590	392	1,612	418
- Others	-	-	(3)	(1)
Total A)	(74)	(72)	1,860	489

Description	30.06.2016		31.12.2015	
	Taxable amount	Taxes	Taxable amount	Taxes
Deferred tax assets/(Provision for deferred taxes) with contra entry under Shareholders' Equity Reserve				
- Tax effect on valuation of MtM hedging derivatives	-	-	295	64
Total B)	-	-	295	64
Total (Provision for deferred taxes)	(74)	(72)	2,155	553

The item Provision for deferred taxes refers to the recognition of temporary differences between the values recorded in the statement of financial position of the assets and liabilities and the related amounts recognised for tax purposes. The increase in this item, stated under non-current liabilities, as set forth in the reference standards, derives primarily from the amounts of tax amortisation concerning the Santa Rosa trademark, subject to tax relief transactions, pursuant to applicable laws, carried out in the previous periods.

Note (18) – Provision for post employment benefits

In the first six months of 2016, no relevant changes were recorded in the provisions, except for decreases deriving from the liquidations pertaining to the period, amounting to a total of EUR 20 thousand.

Shareholders' equity - *(Note 19)*

Share capital

The share capital of the Company is fully paid up and amounts to EUR 3,503,024.91, with 10,615,227 ordinary shares of a nominal value of EUR 0.33 each.
During the period, the Company increased its Share Capital following the conclusion, at the maturity date, of the stock option plan for the period 2011-2016 (hereinafter also "Stock Option Plan 2011-2016" or "SOP 2011-2016") and the exercise of 159,443 rights of option by the beneficiaries with concurrent payment by the same of the exercise price (EUR 0.33 per share).

Legal reserve
This is the reserve accrued pursuant to Art. 2430 of the Italian Civil code.

Revaluation reserve
This item is composed of the Revaluation Reserve accrued pursuant to the Law 488/2001 and the Law 350/2003.

The Shareholders' Meeting of April 27, 2016 resolved to create a "Realignment reserve pursuant to Art. 1, par. 895 et seq. Law 208/2015" of EUR 8,194,630, through the corresponding use of the Extraordinary Reserve, due to the tax realignment operation of the Santa Rosa trademark carried out by the Company pursuant to Art. 1 of Law 28/12/2015 no. 218 (Stability Law 2016).

Other IAS/IFRS adjustments reserve

In the IAS/IFRS reserve, the effects deriving from IFRS adjustments on Shareholders' Equity at January 1, 2004, were recognised.

Other reserves

The other reserves include:

- extraordinary reserve deriving from the allocation of profits accrued but not yet distributed on a voluntary basis in previous periods, as set forth by the Shareholders' Meeting;
- earnings brought forward due to the application of IAS/IFRS accounting standards, starting from the transition date of January 1, 2004;
- reserve set up within the scope of the Allowance for doubtful accounts, in application of the IAS 8 accounting standard occurring in 2006;
- actuarial gains/losses reserve: this includes the actuarial gains/losses deriving from the application of the IAS 19 standard;
- stock option reserve. This item includes the 2011-2016 Stock Option Plan reserve set aside for a total amount of EUR 490 thousand, corresponding to the charges applicable to the 5 validity periods of the Plan. This Plan was concluded in the relevant six months, with the issuance of the equity-linked instruments and the related increase of the Share Capital, as described in the previous point;

  The 2016-2019 Stock Option Plan reserve is also stated under this item since in this case it coincides with the recognition of the charge (EUR 97 thousand) related to the first six months of 2016. The Shareholders' Meeting of April 23, 2015, approved in fact a stock option plan (hereinafter "2016-2019 Stock Option Plan" or "2016-2019 SOP") which provides for the assignment of rights of options for the subscription of a maximum amount of 200,000 ordinary shares, deriving from a share capital increase, upon resolution issued pursuant to article 2441, paragraph 8 of the Italian Civil Code, at a subscription price equal to the nominal value (EUR 0.33 per share).

  The plan is intended for the managers/executives of the Company, according to their position and responsibilities, as well as for the General Manager. The purpose is for the retention of those employees who hold key positions and for setting up incentive plans for value creation. Consequently, the assigned Option rights will accrue on an annual basis according to the achievement of business performance objectives, measured on the basis of the resulting net profit. The rights can be exercised exclusively by the beneficiaries who have been, uninterruptedly, employees of the Company up to the time of the subscription of the shares. Such subscription shall occur only after approval of the 2018 financial statements of the

Company. For further details, please refer to the Information Memorandum, for the Stock-Option Plan 2016-2019, published on the website www.valsoiaspa.com, in the Investor Relations section.

The Shareholders' Equity reserve is composed of the charges arising from this plan, which must be recognised in compliance with the IFRS 2 accounting standard. Said charges were estimated on the following basis:

- the percentage of probability in achieving the objectives set out in the plan and the consequent number of option rights accrued by the beneficiaries, based on the plans set out by the company and the estimated probability of their achievement;
- the fair value of the assigned option rights. This value was determined, in reference to the date of the actual assignment of the option rights approved by the Board of Directors on March 14, 2016, by using the Black and Scholes method based on the following assumptions:

Measurement of fair value - 2016-2019 SOP: summary of main data		
Maturity date (range from/to)	20/04/2019	31/12/2019
Measurement Date	14/03/2016	14/03/2016
Average price	€ 21.13	€ 21.13
Exercise price of the share	€ 0.33	€ 0.33
Expected volatility	43.40%	43.40
Estimated duration (years)	3.10	3.80
Days to maturity	1,132	1,387
Free risk rate (Btp 5 years)	0.22%	0.37%
Estimated dividends	1.5%	1.5%
Unit fair value	**€ 19.84**	**€ 19.64**
Average unit fair value		**€ 19.74**

For details on the items composing the Shareholders' Equity, see the table below:

Description	30.06.2016	31.12.2015	Possibility of use
Share capital	3,503	3,450	-
Legal reserve	690	690	B
Revaluation reserve	13,596	5,401	A, B, D
Other IAS/IFRS adjustments reserve	(1,002)	(1,002)	
Other reserves:			
- IAS 8 adjustment reserve	469	469	A, B, C
- Earnings brought forward, according to IAS/IFRS	349	349	A, B, C
- Extraordinary reserve	29,817	31,784	A, B, C

- S.O.P. Reserve 2011/-2016	490	490	A, B, C
- S.O.P. Reserve 2016/-2019	97	0	A, B, C
- Cash flow hedge reserve	0	(170)	
- Actuarial gains/losses reserve	36	36	
Total Other reserves	31,258	32,958	
Profit (loss):			
Profit for the period	4,685	11.978	
Total Shareholders' Equity	52,730	53,475	

Key for possibility of use:

A. Available for share capital increases;

B. Available for coverage of losses;

C. Available for shareholders distribution;

D. Available for the distribution to shareholders with the loss of the benefit of tax suspension.

It should also be noted that, during the first six months, dividends were distributed to the shareholders for a total of EUR 5.75 million, as an appropriation of profits for the year 2015.

Analysis of the breakdown of the main items of the income statement

Note (20) - Value of production

This item breaks down as follows:

Description	30.06.2016	30.06.2015
Revenue from sales and services:		
- Revenue - Italy	56,146	58,703
- Revenue - Abroad	1,868	1,710
Total Revenue from sales	58,014	60,413
Changes in inventories of work in progress, semi-finished and finished products:		
- Opening inventory	(6,330)	(6,101)
- Closing inventory	7,191	5,905
Total changes in finished product inventory	861	(196)
Other revenue and income	132	255
Total Value of production	59,007	60,472

The sales revenue is concentrated essentially within the Italian territory and therefore their geographic breakdown is not believed to be significant.
Please, see the Directors' Report for a description of the sales performance, broken down by the main product lines. It should be noted that, following the same approach of previous periods, the item "Other plant-based products", shown in this table, includes revenues amounting to EUR 6.1 million, related to semi-finished products sold as co-packers and subsequently repurchased by the Company as marketed finished products.

The item "Other revenue and income" is detailed as follows:

Description	30.06.2016	30.06.2015
- Chargeback to third parties	83	139
- Capital gains on sale of assets	4	3
- Other	45	113
Total Other revenue and income	132	255

The "Chargeback to third parties" is to be attributed primarily to the recharging to third parties of business and promotional costs incurred pursuant to distribution agreements.
The item Other revenue and income refers to contingent assets and insurance payments.

Note (21) – Operating costs

This item breaks down as follows:

Description	30.06.2016	30.06.2015
Purchase costs		
- Raw materials	6,833	7,249
- Ancillary materials	1,140	1,049
- Consumable materials	278	303
- Finished products and goods	22,314	22,430
Total Purchases	30,565	31,031
Services		
- Industrial	2,029	1,963
- Marketing and sales	11,829	12,256
- Administrative and general	1,555	1,347
Total Services	15,413	15,566
Cost of use of assets owned by other, of third party assets	275	276

Labour costs		
- Wage and salaries	3,163	3,024
- Social security charges	1,182	1,175
- Post employment benefits	2	2
- Personnel charges pursuant to SOP	97	87
- Other personnel costs	21	60
Total Labour costs	4,465	4,348
Changes in raw materials inventory	(335)	(522)
Other overheads	500	544
Total Operating costs	50,883	51,243

Purchase and *Service* costs are substantially down, in line with the business volume.
As for *Labour costs*, the item comprises the entire expense for employees including the costs for vacations and personal leave, accrued and not used, additional monthly salaries and related contribution charges. Its increase is due essentially to the consolidation of the trading structure of the Company. This item also includes EUR 97 thousand for charges related to SOP 2016-2019, further detailed in Note 19 - Shareholders' Equity.

The headcount, at the closing date of the period, breaks down as follows:

Description	30.06.2016	30.06.2015
- Executives	10	10
- Employees and managers	81	77
- Factory workers	24	22
- Seasonal workers	30	37
Total Personnel	145	146

During the six month period, the Company has substantially maintained the stability of its business and organisational structure.

The item *Other overheads* breaks down as follows:

Description	30.06.2016	30.06.2015
Other overheads:		
- Taxes and excise license	87	68
- Credit losses/provisions for risks on receivables	126	139
- Contingent liabilities	59	92

- Membership fees	72	69
- Other charges	156	176
Total Other overheads	500	544

Other charges are primarily costs for disposal of obsolete products, contingent liabilities, entertainment expenses and contribution to trade associations.
The item Contingent liabilities refers to operating costs recognised in the current period but pertaining to previous years.

Note (22) – Amortisation and depreciation

This item breaks down as follows:

Description	30.06.2016	30.06.2015
- Amortisation of intangible fixed assets	96	99
- Depreciation of property, plant and equipment	854	833
Total Amortisation and depreciation	950	932

No substantial changes occurred in depreciation/amortisation. For further details in the change in fixed assets, please refer to the descriptions found in *Notes 6) and 7).*

Note (23) – Net financial income/(Charges)

This item breaks down as follows:

Description	30.06.2016	30.06.2015
- Other financial income	12	57
- Interest expense, foreign currency discounts and bank charges	(497)	(284)
- Foreign exchange gains and (losses)	(34)	105
Total Net financial income/(charges)	(519)	(122)

Financial charges are mainly higher due to the recognition of one-off financial charges for EUR 394 thousand, deriving from the early payment of derivative agreements executed to cover the interest rate risk related to non-current loans repaid during the period, as described in the previous *Note 16).*

Note (24) – Taxes

This item breaks down as follows:

Description	30.06.2016	30.06.2015
- Income taxes (IRES - IRAP)	1,409	1,898
- Deferred/(prepaid) taxes	561	617
Total Taxes	1,970	2,515

Income taxes include also pre-paid taxes (net of the deferred tax liabilities) which were calculated on allowances and other temporary differences, the tax benefit of which are deferred. The main impact on the six month period from such allowance is due to the effects deriving from the deduction of the amortisation on the Santa Rosa trademark.

Details about the recognition of deferred taxes are found in Note 17.

The percentage decrease of the tax rate, compared with the same period of the previous year, is due primarily to the increase in tax benefits deriving from the application of the law of 22 December 2011, n. 214 (ACE).

The tax burden for the period is not affected by specific non-recurrent phenomena.

Note (25) -Base profit and diluted profit per share

As set forth in the IAS 33 standard, the base profit per share, recorded in a footnote of the Income Statement, is calculated by dividing the overall profit for the period by the number of shares (10,615,227) composing the share capital, in the amount of EUR 0.441 each at June 30, 2016. The diluted profit per share, amounting to EUR 0.441 represents the profit per share, keeping into account the potential of newly issued shares, from the 2016-2019 Stock Option Plan, approved by the company on April 23, 2015 and exercisable at the closing date of the period.

Non-recurring significant transactions and events

During the period ended June 30, 2016, no significant events/transactions, under Consob communication DEM/6064293 of July 28, 2006, were recorded. The Company's management has interpreted the “non-recurring significant transactions and events” as events/transactions outside of the company's ordinary operations.

Positions or transactions deriving from atypical and/or unusual operations

During the period ended June 30, 2016, no significant events/transactions, under Consob communication DEM/6064293 of July 28, 2006, were recorded. As instructed in said Communication, "atypical and/or unusual transactions are those that, because of their significance, importance, nature of the counterparties, purpose of the transaction, method for determining the transfer price or time of their occurrence (close to the end of the year), could give rise to doubts relating to: the accuracy and completeness of the information in the financial statements, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders."

Information on transactions carried out with the parent company and with related parties

In the relevant period, Valsoia has provided to the parent company, Finsalute S.r.l., services for the storing and processing of accounting data that has generated the following business-financial impact.

Holding company	Revenue/(costs)	Receivables/(payables)		Collection/ (payment)
	First six months 2016	01.01.2016	30.06.2016	First six months 2016
Finsalute S.r.l.	2	1	1	3
Total transactions	2	1	1	3

In the first six month period, the following transactions with related parties, including the subsidiary Valsoia Pronova d.o.o., were carried out under normal market conditions. Here below they are aggregated by their nature:

Related party	Revenue/(costs)	Receivables/(payables)		Collection/ (payment)
	First six months 2016	01.01.2016	30.06.2016	First six months 2016
Membership fees and remunerations	(35)	(27)	(10)	(72)
Transactions with subsidiaries	92	122	155	59
Total Transactions with related parties	57	95	145	(13)

No other relationships between the Company and related parties were reported.

Commitments

At June 30, 2016, there are no other commitments in addition to those included in the Condensed Interim Financial Statements.

/

Bologna, August 3, 2016

The Chairman

Lorenzo Sassoli de Bianchi

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Statement pursuant to Art. 154 bis of Legislative Degree 58/98

STATEMENT PURSUANT TO ART. 154-BIS PARAGRAPH 5 OF LEGISLATIVE DECREE 58/98

The undersigned, Andrea Panzani, General Manager and Chief Executive Officer, and Carlo Emiliani, Manager in charge of financial reporting for Valsoia S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of February 24, 1998:

- the adequacy in the relation to the characteristics of the company, and
- the actual application

of the administrative and accounting procedures in the preparation of the Condensed Interim Financial Statements at June 30, 2016.
No significant aspects have emerged to this regard.

It is also hereby certified that:

a) the Condensed Interim Financial Statements, ended June 30, 2016, fully reflect the accounting records and books;
b) the Condensed Interim Financial Statements, ended June 30, 2016, were prepared in compliance with the International Financial Reporting Standards, ratified by the European Union, as well as all provisions issued in implementation of Legislative Decree No. 38/2005; they provide a truthful and correct representation of the equity, business and financial situation of the issuer;
c) The Interim Directors' Report contains an accurate analysis of the references to important events that have occurred in the first six months of the year and their impact on the condensed interim financial statements, together with a description of the main risks and uncertainties related to the remaining six months of the year. The Interim Directors' Report includes also an accurate analysis of the information regarding relevant transactions carried out with related parties.

Bologna, August 3, 2016

General Manager CEO	Manager in charge of financial reporting
Andrea Panzani	Carlo Emiliani

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Report on review of Condensed Interim Financial Statements

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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim financial statements

To the shareholders of
Valsoia S.p.A.

Introduction

We have reviewed the accompanying condensed interim financial statements of Valsoia S.p.A., comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto, as at and for the six months ended 30 June 2016. The company's directors are responsible for the preparation of these condensed interim financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of Valsoia S.p.A. as at and for the six months ended 30 June 2016 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Bologna, 4 August 2016

KPMG S.p.A.

(signed on the original)

Massimo Tamburini
Director of Audit

www.valsoiaspa.com