



Condensed Interim financial
statements at March 31 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.



To live a better and healthier life through our nutritional choices every day, this is the MISSION of Valsoia Spa. An Italian company that strives every day to offer a sound dietetic-nutritional response to the increasing demand for health and well-being.

QUALITY AND EXPERIENCE

Valsoia champions “plant-based nutrition” and “healthy eating” connected to the cultural values of quality and selecting excellent ingredients. Well-designed and controlled processes back up the precious know how we have gained over decades of experience. Valsoia is always actively researching products that are good, healthy and safe and therefore made with precious and unique ingredients.

NUTRITION RESEARCH

Our constant focus on recipes, the creation of new tastes and the selection of raw materials has led to improvement in the flavours and the realization of new proposals, so as to satisfy the ever-growing variety and complexity of the demand for nutritious foods.

PRODUCT VARIETY

Currently we offer plant-based alternatives, beverages, ice-creams, yoghurt, desserts, cookies, main dishes, cheeses and dressings all sold under the Valsoia trademark; moreover, our products include the Santa Rosa preserves and sorbets, marks of excellence in preserves and fruit processing and the Pomodorissimo tomato sauces, characterised by their unmistakable flavour.

ITALIAN TRADITION

All our products follow the nutritional tradition of Italy. All the products are healthy and of high quality, ideal for the entire family and they are appropriate for every moment of the day, from breakfast to dinner. Our products feature the simplicity of the flavours that are the result of our careful preparation, distilling the experience of the best nutritionists.



New!

IL GELATO ALMOND-BASED

Born from Valsoia's experience **il Gelato Almond-based** is a completely plant-based speciality prepared with 100% Italian almonds, an ideal way to enjoy as a pleasure when you want to indulge in something sweet. It has a light and soft taste, does not contain animal fats and is naturally lactose free.

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General information

Condensed Interim financial statements at March 31 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
Standing 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).

(4) 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 No. 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

Share Capital - fully paid up: 3,450,408.72

Tax Code and registration number in the Companies Register of Bologna: 02341060289

VAT No. 04176050377

Registration at the Chamber of Commerce of Bologna: no. BO-338352

Production facility:

C.so Matteotti No. 13 - 13037 Serravalle Sesia (VC) – Italy

The structure of the Valsoia Group, at the closing date, 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. decided to make use of the rights granted by Art. 70, paragraph 8 and Art. 71, paragraph 1-bis of the Consob Regulation No. 11971/99 (as amended) and therefore to derogate from the obligation to make available to the public any information documents referring to operations concerning major mergers, demergers, share capital increases through contributions in kind, acquisitions and disposals.

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Director's report
on the first quarter 2016

Condensed Interim financial statements at March 31 2016

DIRECTORS' REPORT ON THE FIRST QUARTER 2016

Introduction

The Transparency II Directive (Directive 2013/50/EU) and the relative national law implemented it, abrogated the obligation to prepare Interim financial statements, thereby requiring Consob to eventually introduce additional quarterly periodic disclosure obligations.

While waiting for Consob to issue its own regulations, Valsoia decided to voluntarily approve the Interim financial statements as at March 31, 2016, as it has done in the past, and in line with national and international best practices.

Key financial highlights

Income statement ratios (EUR 000)	31.03.2016		31.03.2015		Change	
	EUR	% Inc.	EUR	% Inc.	EUR	%
Sales revenue	25,653	100.0	26,936	100.0	(1,283)	(4.8)
Value of production	25,254	98.4	27,427	101.8	(2,173)	(7.9)
Gross Operating Result (EBITDA)	2,774	10.8	3,938	14.6	(1,164)	(29.6)
Operating result (EBIT)	2,300	9.0	3,481	12.9	(1,181)	(33.9)
Pre-tax profit	1,774	6.9	3,584	13.3	(1,810)	(50.5)
Net profit for the period	1,232	4.8	2,484	9.2	(1,252)	(50.4)

Equity ratios (EUR 000)	Value			Changes 31.03.16	
	31.03.16	31.12.15	31.03.15	Vs 31.12.15	Vs 31.03.15
Net working capital	3,901	2,082	6,522	1,786	(2,621)
Total non-current assets	35,076	35,257	35,398	(733)	(322)
Net financial debt Positive/(negative)	16,028	16,137	4,934	(109)	11,094

Main events for the period and business performance

In the first quarter of 2016, the Company had a turnover of Euro 25.6 million, in line with the last quarter of 2015 but posting a slight decrease against the same period last year (-4.8%). The first quarter of 2015 was however characterised by less intense competition, particularly in the health markets.

In order to counter the intensifying competition, Valsoia announces and implemented important changes in its own Sales structures in the initial months of 2016. In particular, two separate Italian Sales Networks were established ("Health" and "Food") in order to allow better focusing of the policies and resources considered to be appropriate for the respective reference markets.

Furthermore, the International sales structure was enhanced concurrently with the deployment of the Consumer Marketing and Trade Marketing in Italy and abroad.

In the first quarter:

- (I) the Company further increased its advertising expenses compared to the same period in the previous year. In particular, communication spending was increased on the Valsoia Bontà e Salute Brand, in order to further strengthen its values and relative premium positioning, supporting the Valsoia Brand and the market as a whole;
- (Ii) an innovative line of almond based, non-dairy Ice Creams was introduced. This significant product launch will be supported in upcoming months by significant investments in communication;
- (Iii) the distribution on the market of the new "Vegetable Alternatives" to cheese is continuing successfully, with good sales results that are in line with expectations.

Finally, intense R&D activity is taking place, pursuant to the development plans for the year.

Analysis of the statement of financial debt

On March 31, Valsoia had a Net Financial Debt of over Euro 16 million, in line with December 31, last year and significantly higher than the figure on the same date last year (Euro +11 million).

Given its positive financial position and considering the performance of the financial markets, on March 31, the Company decided to refund early loans of over Euro 7 million which had been taken out in previous years for acquisition purposes. This transaction resulted in the recognition of one off financial charges of Euro 400 thousand, arising mainly from the early redemption of the relative derivative contracts which had been stipulated to hedge the interest rate risk.

The company's Financial Debt as at March 31, had a primary cash flow from operations of Euro 2.9 million. Euro 2.2 million of this cash flow was partially absorbed by the increase in the Net Working Capital, which is normal during this period of the year, due to the seasonal nature of the Ice Cream related operations, and Euro 300 thousand was used for investments in plants and other equipment.

The following table shows the breakdown of the Net Financial Debt at March 31, 2016 and 2015, and at December 31, 2015.

Description (EUR 000)	31.03.2016	31.12.2015	31.03.2015
	EUR	EUR	EUR
Cash	3	2	2
Current accounts and bank deposits	17,106	24,616	15,153
Total cash and cash equivalents (A)	17,109	24,618	15,155
Current bank loans (B)	(98)	(2,406)	(2,297)
Current net financial debt (C=A-B)	17,011	22,212	12,858
Non-current loans and borrowings	(983)	(6,075)	(7,924)
Non-current financial indebtedness (D)	(983)	(6,075)	(7,924)
NET FINANCIAL DEBT (E=C+D)	16,028	16,137	4,934

Significant events after the quarter end and business outlook

The Company's Health Products are experiencing a good recovery including a progressive and positive deployment of the new sales organisation.

In May, at the "CIBUS" International Food Exhibition, at the Parma Exhibitions, the Company will present to the Market and to Retailers the significant New Vegetable based Product Lines launches.

The gradual implementation of the new sales organisation which is completely focused on "Food" (Santa Rosa and Pomodorissimo Brands) is also very positive. This Sales Network also involves the addition of new professionals recruited from outside the company with experience in significant companies with brands sold in the Consumer packaged sector.

As regards the Santa Rosa brand, the initiation of negotiations with significant retailers aiming to significantly improve Weighted Distribution in the Large-Scale Retail channels, holds much promise.

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Bologna, May 5, 2016

The Chairman of the Board of Directors
Lorenzo Sassoli de Bianchi

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Condensed Interim
Financial Statements as at
and for the three months
ended March 31, 2016

Condensed Interim financial statements at March 31 2016

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF FINANCIAL POSITION	Notes	31.03.2016	31.12.2015
CURRENT ASSETS	(1)		
Cash and cash equivalents		17.109	24.618
Securities held for trading		0	0
Trade receivables		17.196	13.664
Inventories		7.463	7.485
Total value of production		740	977
Total current assets		42.508	46.744
NON-CURRENT ASSETS	(2)		
Fixed assets		34.911	35.091
Other non-current assets		653	718
Total non-current assets		35.564	35.809
Amortisation, depreciation and write-downs		78.072	82.553

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF FINANCIAL POSITION	Notes	31.03.2016	31.12.2015
CURRENT LIABILITIES	(3)		
Current payables due to banks and other loans		98	2.406
Trade payables		16.389	15.036
Other current liabilities		5.033	4.975
Total current liabilities		21.520	22.417
NON-CURRENT LIABILITIES	(4)		
Non-current payables due to bank and other loans		983	6.075
Other non-current liabilities		566	586
Total non-current liabilities		1.549	6.661
SHAREHOLDER'S EQUITY	(5)		
Share Capital		3.450	3.450
		50.321	38.047
Profit (loss) for the period		1.232	11.978
Total Shareholder's equity		55.003	53.475
TOTAL		78.072	82.553

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

INCOME STATEMENT	Notes	31.03.2016	31.03.2015
VALUE OF PRODUCTION	(6)		
Revenues from sales and services		25.653	26.936
Trade receivables		-463	364
Other revenues and income		64	127
Total value of production		25.254	27.427
OPERATING COSTS	(7)		
Purchases		-13.591	-15.009
Services		-6.760	-6.471
Labour costs		-2.237	-2.162
Other Operating costs		108	153
Total Operating costs		-22.480	-23.489
GROSS OPERATING RESULT (EBITDA)		2.774	3.938
Amortisation, depreciation and write-downs	(8)	-474	-457
NET OPERATING RESULT (EBIT)		2.300	3.481
Net financial charges	(9)	-526	103
Current payables due to banks and other loans		1.774	3.584
Other current liabilities		-542	-1.100
NET PROFIT		1.232	2.484

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF COMPREHENSIVE INCOME	Notes	31.03.2016	31.03.2015
PROFIT (LOSS) FOR THE PERIOD		1.232	2.484
Trade receivables			
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD			
Valuation of MtM derivatives on interest rate hedging operations net of tax effects		0	28
Total		0	28
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD			
Actuarial profit/(losses) per IAS 19		0	0
Total		0	0
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		1.232	2.512

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AT	31.03.2016	31.03.2015
A Opening short-term net cash	22.212	16.183
B Cash flow from operating activities for the period		
- Cash flow from operating activities before changes in working capital (primary cash flow)	2.885	4.092
- Change in Working Capital	(2.177)	-6.463
- Taxes paid in the period	0	0
Total (B)	708	-2.371
C Cash flow used in investment activities	(291)	-344
D Cash flow used in financial activities	(5.618)	-610
E Cash flow for the period (B+C+D)	(5.201)	-3.325
F Closing short term net cash (A+E)	17.011	12.858

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	REVALUATION RESERVES	ADJ. RESERVE IAS/IFRS	OTHER RESERVES	PRIOR PERIOD/PROFIT	PROFIT (LOSS) FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
BALANCE AT December 31, 2014	3.450	690	5.401	(1.002)	25.061	0	10.701	44.301
Changes at March 31, 2015								
Trade receivables								
Result of the prior period awaiting distribution						10.701	(10.701)	0
SOP 2011-2016 charges					41			41
Comprehensive income (loss)								
- Result for the period							2.484	2.484
- Other items of the income statement					28		0	28
BALANCE AT MARCH 31, 2015	3.450	690	5.401	(1.002)	25.130	10.701	2.484	46.854
Amortisation, depreciation and write-downs	3.450	690	5.401	(1.002)	32.958	0	11.978	53.475
Changes at March 31, 2016								
Result of the prior period awaiting distribution						11.978	(11.978)	0
SOP 2016-2019 charges					126			126
Other current liabilities					170			170
Comprehensive income (loss)								
- Result for the period							1.232	1.232
Non-current payables due to banks and other loans								
BALANCE AT MARCH 31, 2016	3.450	690	5.401	(1.002)	33.254	11.978	1.232	55.003

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AT MARCH 31, 2016

Introduction

The Transparency II Directive (Directive 2013/50/EU) and the relative national law implemented it, abrogated the obligation to prepare Interim financial statements, thereby requiring Consob to eventually introduce additional quarterly periodic disclosure obligations.

While waiting for Consob to issue its own regulations, Valsoia decided to voluntarily approve the Interim financial statements as at March 31, 2016, as it has done in the past, and in line with national and international best practices.

This Report was prepared pursuant to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union; in particular, IAS 34 "Interim Financial Statements" is applicable. It provides for a level of disclosure which is significantly lower than what is required for annual financial statements.

These financial statements were not subject to auditing.

The amounts are reported and commented on in thousands of Euro, except when otherwise noted.

In consideration of the non-substantial impact of the financial figures recorded by the foreign investee company, Valsoia Pronova d.o.o., the consolidated financial statements were not prepared.

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 Interim Financial Statements of Valsoia S.p.A. include:

- The condensed statement of financial position at March 31, 2016, compared with the statement of financial position at December 31, 2015;
- The condensed income statement for the first quarter of 2016, compared with the same period of the previous year. It must be noted that the adopted income statement, compliant with IAS 1 provisions, shows the following interim figures, not defined as an accounting measure according to the IFRSs: Gross Operating Result, Net Operating Result, Pre-tax profit (loss);

- The statement of comprehensive income as at March 31, 2016, compared with the income statement of the same period of last year and presented as required by IAS 1;
- The condensed statement of changes in equity for the first three months of 2016 and 2015;
- The condensed cash flow statement for the first three months of 2016 and 2015. In preparing the statement of cash flows, the indirect method – by which the profit or loss of the financial 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. For improved presentation of cash flow information, the Taxes items and the Net financial income/charges item were reclassified;
- These notes to the Interim Financial Statements.

Valuation criteria and accounting standards

The accounting standards adopted in drawing up the Condensed Interim Financial Statements are compliant with those adopted in the previous year.

The valuation criteria used for preparing these Condensed Interim Financial Statements are not substantially different from those used for the financial statements at December 31, 2015, which can be consulted for additional information.

Therefore, the preparation of the Condensed Interim Financial Statements requires that management presents estimates and assumptions that are affecting revenue, costs, inventory and financial statement assets and liabilities as well as information related to potential assets and liabilities as at the reporting date. If in the future, these estimates and assumptions, which are based on the best valuation by management, differ from the actual ones, they would be properly adjusted for the period where circumstances have changed.

It must be noted that some valuation processes, in particular the most complex ones, such as the determination of any impairment loss on assets, are normally 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.

It should also be noted that the financial statements were prepared on a historical-cost basis, except for any designation at fair value, as specifically indicated in the notes.

Reclassifications

In order to provide accurate figures in the Condensed Interim Financial Statements, the Company has proceeded to reclassify some items of the statement of financial position as described under “trade receivables” and “trade payables”.

Consequently, the company has also reclassified the comparison data of the previous period.

Generally, the effects of the reclassifications have not entailed any changes on the results of the period and on the Company's net worth.

Financial risks and derivative instruments

Exchange Rate Risk

The Company purchases raw materials for its production in the international market and carries out business transactions in Euros and, as foreign currencies, in US dollars.

The exchange rate risk derives primarily from soy purchase transactions in the US dollar markets.

During the period, the Company carried out currency forward purchase operations. The financial impacts 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.

At the reporting date, 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 charges for EUR 70 thousand, were being carried out.

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.

The insolvency rate, despite the increase recorded during the persistent economic downturn, remains quite limited. Therefore, the Company monitors carefully the quality of its receivables in terms of risk control.

Interest Rate Risk

Given its positive financial position and in consideration of the performance of the financial markets, on March 31, 2015, the company decided to repay earlier than the original maturity dates loans exceeding Euro 7 million, which had been taken out in previous financial years to cover acquisitions. This transaction resulted in the early reimbursement of the relative derivative contracts which had been stipulated to cover the interest rate risk and the corresponding release of the existing hedging cash flow reserves.

As at March 31, there was a residual financial debt of Euro 998 thousand, which mostly refers to a low-interest loan bearing a fixed interest rate; therefore the interest rate risk for Valsoia is considered to be insignificant.

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 also additional credit facilities available, not used to date, granted by the banks, which are more than adequate with respect to its current needs.

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

Note (1) – Current assets

This item breaks down as follows:

Description	31.03.2016	31.12.2015
Cash and cash equivalents	17,109	24,618
Trade receivables	17,196	13,664
Inventory of raw, ancillary materials and goods	7,463	7,485
Other current assets	740	977
Total current assets	42,508	46,744

Cash and cash equivalents are represented by current bank accounts on demand.

Regarding the breakdown of the net financial debt, the analysis of the liquidity movements and the current loans and borrowings, please see the Directors' Report.

The increase in Trade receivables compared to December 31, 2015 is normal, since it refers to sales of ice cream concentrated in the summer months, with deferred revenue in the fall months. There are no significant changes in the collection conditions. The total Trade receivables are recognised net of the related allowance for doubtful accounts, in the amount of EUR 1.2 million, prudentially estimated based on the information available in order to align its value to the presumed realisable value.

Inventory of raw, ancillary materials and goods are recognised net of an allowance for doubtful accounts of EUR 235 thousand.

The item Other current assets includes tax receivables, payments on account to suppliers, prepayments and accrued income and other current receivables.

Note (2) – Non-current assets

This item breaks down as follows:

Description	31.03.2016	31.12.2015
Fixed assets:		
. Goodwill	3,230	3,230
. Intangible fixed assets	20,676	20,703
. Property, plant and equipment	10,895	11,048
. Financial assets	110	110
Total fixed assets	34,911	35,091
Other non-current assets	653	718
Total non-current assets	35,564	35,809

The item *Goodwill* shows no changes for the period. In compliance with the provisions of the IAS/IFRS standards, Goodwill is not amortised but is subject at least annually to impairment tests, according to IAS 36 requirements. To date, no indications of impairment losses have emerged.

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

Description	31.12.2015	Changes for the period		31.03.2016
	Net value	Net increases	Amort./Write-downs	Net value
Trademarks and web domains	20,068	10	(39)	20,039
Industrial patents and intellectual property rights	594	0	(1)	593
Other	41	9	(6)	44
Intangible fixed assets in progress	0	0	0	0
Intangible fixed assets	20,703	19	(46)	20,676

The item Trademarks refers primarily to the Santa Rosa trademark, designated at fair value within the allocation of the value of the investment in J&T Italia S.r.l., acquired in previous periods and subsequently merged by incorporation. The Santa Rosa Trademark, as allowed by the IAS 38 Standard, is considered to have an indefinite useful life and therefore non-amortised but subject, at least annually, to an impairment test. To date, no indications of impairment losses have emerged.

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

Description	31.12.2015	Changes for the period			31.03.2016
	Value	Increases	Decreases	Other changes	Value
Historical cost					
Land and buildings	7,814	17	0	0	7,831
Plant and equipment	20,108	156	0	0	20,264
Industrial and commercial equipment	784	19	0	0	803
Other assets	1,437	81	(24)	0	1,494
Fixed assets in progress	0	0	0	0	0
Tot. Historical cost (A)	30,143	273	(24)	0	30,392
Depreciation					
Land and buildings	1,735	53	0	0	1,788
Plant and equipment	15,730	316	0	0	16,046
Industrial and commercial equipment	611	14	0	0	625
Other assets	1,019	43	(24)	0	1,038
Fixed assets in progress	0	0	0	0	0
Tot. Depreciation provision (B)	19,095	426	(24)	0	19,497
Total Property, plant and equipment (A-B)	11,048	(153)	0	0	10,895

Increases in Property, plant and equipment refer mainly to the purchase of plants for the production of ice cream and other equipment.

The item *Financial assets* shows the following changes for the period:

Description	Holdings in Share Capital	31.12.2015 Value	Changes for the period		31.03.2016 Value
			Increases/	Decreases	
Valsoia Pronova d.o.o. – Slovenia					
- share capital	100%	100	-	-	100
- non-interest bearing loan-shareholders		10	-	-	10
Tot. Financial assets		110	0	0	110

The *Other non-current assets* consist mainly of prepaid taxes. This item also contains an interest bearing loan granted to the subsidiary Valsoia Pronova d.o.o. (Slovenia) by Valsoia of Euro 85 thousand, guarantee deposits and non-current receivables from tax authorities.

Note (3) – Current liabilities

This item breaks down as follows:

Description	31.03.2016	31.12.2015
Current payables due to banks and other loans	98	2,406
Trade payables	16,389	15,036
Other current liabilities	5,033	4,975
Current liabilities	21,520	22,417

Current payables due to banks and other loans refer to maturity within 12 months of a medium-long term low interest loan obtained by the Company in previous periods.

Note (4) – Non-current liabilities

This item breaks down as follows:

Description	31.03.2016	31.12.2015
Non-current payables due to banks and other loans	983	6,075
Other non-current liabilities	566	586
Non-current liabilities	1,549	6,661

The item Non-current payables due to banks and other loans refers primarily to instalments with maturity beyond 12 months of a low interest loan received in previous periods.

Other non-current liabilities refer to the Provision for post-employment benefits.

Note (5) – Shareholders' Equity

For details about the breakdown and changes in equity, please refer to the appropriate accounting statement.

The main changes refer to the allocation to a Reserve of the estimated charges totalling Euro 126 thousand relative to the 2016-2019 Stock Options Plan, which were launched in the period under review.

Furthermore, the early redemption, as compared to the original maturities, of the loans exceeding Euro 7 million which were taken out in previous years for acquisitions resulted in the early redemption of the relative derivative contracts which hedged the interest rate risk. Following this transaction, usage of an appropriate cash flow hedging reserve which had been established in previous years was recognised.

Analysis of the breakdown of the main items of the Income Statement

Note (6) - Value of production

This item breaks down as follows:

Description	31.03.2016	31.03.2015
Revenues from sales and services:		
- Revenue - Italy	25,052	26,274
- Revenue - Abroad	601	662
Total Revenues from sales	25,653	26,936
Changes in inventories of finished products	(463)	364
Other revenues and income	64	127
Total Value of production	25,254	27,427

Revenues from sales are concentrated essentially within the Italian territory and therefore their geographic breakdown is not deemed to be significant.

Please refer to the Directors' Report regarding the performance of Revenues from Sales.

Note (7) - Operating costs

This item breaks down as follows:

Description	31.03.2016	31.03.2015
- Costs for the purchase of raw, ancillary, consumable materials and goods	13,591	15,009
- Costs for services	6,760	6,471
- Labour costs	2,237	2,162
- Other operating costs	(108)	(153)
Total operating costs	22,480	23,489

The operating costs have decreased due to the performance of the turnover during the period under review.

Services refer primarily to costs related to the distribution and promotion of products, in addition to production and administrative general services.

The item Labour costs 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 primarily to the improvement of the commercial structure of the Company. This item includes EUR 126 thousand for charges related to SOP 2016-2019.

Other operating costs include other overhead costs (such as credit losses, membership fees, contingent liabilities, etc.) from allocations carried out in the period and from changes in the inventory of raw and ancillary materials.

Note (8) – Amortisation, depreciation and write-downs

This item breaks down as follows:

Description	31.03.2016	31.03.2015
Amortisation of intangible fixed assets	47	44
Amortisation of property, plant and equipment	427	413
Total amortisation and depreciation	474	457

Amortisation and depreciation are in line with the figures of the previous year.

Note (9) – Net financial charges

This item breaks down as follows:

Description	31.03.2016	31.03.2015
Interest (income) and other financial income	(7)	(40)
Interest expense and bank charges	448	139
Foreign currency exchange gains/(losses)	85	(202)
Total net financial income/(charges)	526	(103)

The Financial charges have increased due to the recognition of one-off financial charges of Euro 400 thousand mainly arising from the early reimbursement of the derivative contracts stipulated to cover the interest rate risk of medium-long term loans which were repaid during the quarter.

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

During the period in question, neither unusual nor significant transactions, of an economic, financial or equity nature, or transactions that were not concluded under normal market conditions, were carried out with the parent company or with related parties.

Statement from the Manager in charge of financial reporting

The Manager in charge of financial reporting, Carlo Emiliani, declares that, pursuant to paragraph 2 of article 154-bis of the Consolidation Finance Act, the accounting reporting contained in this document corresponds to the documents, books and accounting records.

The Manager in charge of financial reporting

Carlo Emiliani

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Bologna, May 5, 2016

The Chairman of the Board of Directors
Lorenzo Sassoli de Bianchi

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