VALSOIA SpA

Interim financial statements at June 30, 2015

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!

THE ICE CREAM “LA CRÈME”

The new Valsoia ice cream: La Crème tub,
100% plant-based, lactose and gluten free.
Rich, soft, creamy, with the classical flavour of vanilla cream but with no eggs.

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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 23 April 2014, in office until the approval of the 2016 Financial Statements.

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

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

(4) Appointed by the Board of Directors on 7 June 2006. Since 2001, Executive of Valsoia S.p.A. 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.valsoia.it – section: 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
Member of the Chamber of Commerce Bologna: n. BO-338352

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

The structure of the Valsoia Group, at 30 June 2015, 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.	€ 20,000	Lubiana (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 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, de-mergers, share capital increases through contributions in kind, acquisitions and disposals.

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Director's report on the first half 2015

DIRECTORS’ REPORT ON THE FIRST HALF 2015

KEY FINANCIAL HIGHLIGHTS

Income statement ratios (EUR 000)	30.06.2015		30.06.2014		Change	
	EUR	%	EUR	%	EUR	%
Sales revenue	60,413	100.0	57,442	100.0	2,971	5.2
Value of production	60,472	100.1	59,140	103.0	1,332	2.3
Gross Operating Result (EBITDA) (*)	9,229	15.3	8,760	15.3	469	5.4
Operating result (EBIT)	8,297	13.7	7,929	13.8	368	4.6
Pre-tax profit	8,175	13.5	7,503	13.1	672	9.0
Net profit for the period	5,660	9.4	5,147	9.0	513	10.0

(*) 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.

Equity ratios (EUR 000) (*)	Value			Changes 30.06.15	
	30.06.15	31.12.14	30.06.14	Vs 31.12.14	Vs 30.06.14
Net working capital	6,358	3,166	4,079	3,192	2,279
Fixed assets	34,123	34,259	34,972	(136)	(849)
Net financial debt	7,143	7,547	157	(404)	6,986

(*) 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 six months of 2015, Valsoia has achieved positive results in terms of increased revenue and margins.

In fact, the positive sales trend (+5.2%) continued with rates above the Italian grocery market performance which, in the same period of the year, continued to show zero growth (*).

Operating costs are essentially stable, generating a Gross operating result (Ebitda + 5.4%) in line with the revenue growth.

In the relevant period, *Consumer*, *Trade Marketing* and *Innovation* activities continued, pursuing the objective of strengthening the value of the company's trademarks.

Furthermore, the marketing and sale structure was enhanced and the new SAP corporate information system was implemented.

The impact of taxes was lower than in 2014 due to the increasing impact of the ACE relief - detaxing of profits carried forward - and to the new IRAP tax regulations on personnel costs, in effect since 2015.

(*) Source: Osservatorio Sell-in Centromarca

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

Products	30.06.2015		30.06.2014		Change
(EUR 000)	EUR	% Inc.	EUR	% Inc.	%
Valsoia Bontà e Salute Products	31,617	52.3	28,250	49.2	11.9
Santa Rosa Products	15,203	25.2	16,811	29.3	(9.6)
Other plant-based products (a)	11,883	19.7	10,872	18.9	9.3
TOTAL ITALIAN REVENUE	58,703	97.2	55,933	97.4	5.0
Sales abroad	1,710	2.8	1,509	2.6	13.3
TOTAL REVENUE	60,413	100.0	57,442	100.0	5.2

(a) Other trademarks and industrial products

The continuing positive trend of the Valsoia Bontà e Salute products (+11.9%) continued, consistent with the sell-out trend.

The Santa Rosa products are overall still declining despite the fact that, in the second quarter, an essential stability in sales was recorded for the preserve and tomatoes lines.

In the relevant period, the Company successfully launched several new products within the beverage, yosoi, ice cream and meat analogue product lines.

ANALYSIS OF THE STATEMENT OF FINANCIAL DEBT

The following table shows the breakdown of the Net financial debt at 30 June 2015, 31 December 2014 and 30 June 2014:

Description (EUR 000)	30.06.2015 EUR	31.12.2014 EUR	30.06.2014 EUR
Cash and cash equivalents	3	2	2
Current account and bank deposits	16,806	18,344	11,939
Total cash and cash equivalents (A)	16,809	18,346	11,941
Current loans and borrowings (B)	(2,235)	(2,163)	(2,097)
Current net financial debt (C=A-B)	14,574	16,183	9,844
Non current loans and borrowings(D)	(7,431)	(8,636)	(9,687)
NET FINANCIAL DEBT (E=C+D)	7,143	7,547	157

The Company's overall net financial debt, at the end of the period, is positive and essentially in line with the same figures at 31 December 2014, with a substantial increase by EUR 7 million compared with the previous period.
As for the statement of cash flows attached to the financial statements, in the first six months of 2015, current management generated cash for EUR 7.1 million while the increase in working capital, which was to be expected considering the seasonal nature of the activities associated with ice cream, absorbed EUR 3.5 million in cash. Investments amounting to EUR 800 thousand were carried out and EUR 3.1 million were distributed as dividends.
Non current loans and borrowings were down by EUR 1.2 million, mainly due to the effects of the repayment of instalments related to financial loans acquired in previous years.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE COMPANY IS EXPOSED

Risks of a financial nature 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 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 losses for EUR 1 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 period, 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

The Company is exposed to the risk of changes in the cash flows due to interest. The current medium-long-term loans were granted on a floating-rate basis and therefore, in order to eliminate this risk, the Company has carried out interest rate hedging transactions with derivative contracts (IRS). Given the mark to market valuation of these instruments, net of the related tax effect, and pursuant to the IAS 32, a net equity negative reserve for EUR 219 thousand, below the EUR 293 thousand recognised at 31 December 2014, was reported.

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. The Company has significant medium-long term credit facilities, in addition to credit facilities financing its working capital which, to date, have not been used. Valsoia has also additional 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 raw materials and in the raw materials used in the finished products; however, Valsoia cannot exclude their accidental presence in marketed products.

In general, contamination of the 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.

Risk 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 to be operating in full compliance with the regulations applied to safety at the workplace 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, 3% of the revenue of the Company 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 current economic crisis, with the consequent loss of revenue by households, may lead to a further contraction in consumer spending with a negative impact on the sales of the Company.

Risks related to the competition

Given the fact that the Company operates in the consumer packaged food products sector, currently characterised by an accentuated dynamism and not subject to 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 raw materials used by the Company are subject to the volatility of the relevant markets. This situation concerns also the other costs for production, transport and distribution of the products that are

indirectly affected by oil price fluctuations and general inflation levels.
Consequently an increase in the price of raw materials and other production items that may have a negative impact on the margins of the Company, cannot be excluded.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD AND BUSINESS OUTLOOK

There were no relevant events occurring after the reporting period. A positive trend in the sales of ice cream was recorded due also to the favourable climate.

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, in particular soy-based products, which represent a plant-based alternative to existing and established animal-based products, and have a high health or functional value in addition to good 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, 2015.

WARNINGS

The Condensed Interim Financial Statements of Valsoia S.p.A., ending on 30 June 2015, was 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 was 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)
- Fixed assets: Total Non-current assets – Provision for deferred taxes;
- Net financial debt: see above table.

Bologna, 3 August 2015

Chairman of the Board of Directors
Lorenzo Sassoli de Bianchi

3 / Condensed Interim Financials Statements as at and for the six months ended June 30, 2015

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF FINANCIAL POSITION	Notes	30 June 2015	31 December 2014
CURRENT ASSETS			
Cash and cash equivalents	(1)	16,809	18,346
Trade receivables	(2)	21,534	16,132
Inventories	(3)	7,517	7,186
Other current assets	(4)	707	677
Total current assets		46,567	42,341
NON-CURRENT ASSETS			
Goodwill	(5)	3,230	3,230
Intangible fixed assets	(6)	20,792	20,594
Property, plant and equipment	(7)	11,535	11,992
Financial assets	(8)	20	20
Other non-current assets	(9)	432	431
Total non-current assets		36,009	36,267
TOTAL ASSETS		82,576	78,608

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF FINANCIAL POSITION	Notes	30 June 2015	31 December 2014
CURRENT LIABILITIES			
Current payables due to banks	(10)	2,235	2,163
Trade payables	(11)	19,310	16,722
Tax payables	(12)	1,816	1,909
Provision for risks	(13)	91	108
Other current liabilities	(14)	2,183	2,090
Total current liabilities		25,635	22,992
NON-CURRENT LIABILITIES			
Non-current payables due to bank	(15)	7,431	8,636
Other non-current payables	(16)	0	767
Provision for deferred taxes	(17)	1,886	1,241
Provision for post employment benefits	(18)	605	671
Total Non-current liabilities		9,922	11,315
SHAREHOLDER'S EQUITY	(19)		
Share Capital		3,450	3,450
Legal reserve		690	690
Revaluation reserve		5,401	5,401
Other IAS/IFRS adjustments reserve		(1.002)	(1.002)
Other reserves		32,820	25,061
Profit (loss) for the period		5,660	10,701
Equity		47,019	44,301
TOTAL		82,576	78,608

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

INCOME STATEMENT	Notes	30 June 2015	30 June 2014
VALUE OF PRODUCTION	(20)		
Revenues from sales and services		60,413	57,442
Changes in inventories of finished products		(196)	1,471
Other revenues and income		255	227
Total Value of production		60,472	59,140
OPERATING COSTS	(21)		
Purchases		(31,031)	(30,032)
Services		(15,566)	(15,981)
Cost of use of assets owned by other, of third party assets		(276)	(261)
Labour costs		(4,348)	(4,047)
Changes in raw materials inventory		522	410
Other overheads		(544)	(469)
Total operating costs		(51,243)	(50,380)
GROSS OPERATING RESULT		9,229	8,760
Amortisation and depreciation	(22)	(932)	(831)
NET OPERATING RESULT		8,297	7,929
Net financial income/(charges)	(23)	(122)	(426)
PRE-TAX PROFIT (LOSS)		8,175	7,503
TAXES	(24)		
Income taxes		(1,898)	(1,724)
Deferred tax assets/liabilities		(617)	(632)
Total Taxes		(2,515)	(2,356)
PROFIT (LOSS) FOR THE PERIOD		5,660	5,147
Basic EPS	(25)	0.541	0.492
Diluted EPS	(25)	0.533	0.486

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF COMPREHENSIVE INCOME	Notes (26)	30 June 2015	30 June 2014
PROFIT (LOSS) FOR THE PERIOD		5,660	5,147
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH MAY BE			
SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD			
Valuation of MtM derivatives on interest rate hedging operations		101	(30)
Tax effect		(28)	8
Total		**73**	(22)
OTHER COMPREHENSIVE INCOME/(EXPENSE) WHICH MAY NOT BE			
SUBSEQUENTLY RECLASSIFIED TO PROFIT/(LOSS) FOR THE PERIOD			
Actuarial profit/(losses) per IAS 19		35	0
Total		**35**	**0**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		5,768	5,125

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AT		30 June 2015	30 June 2014
(AMOUNTS IN THOUSANDS OF EUR)			
A	**Opening short-term net cash**	16,183	20,170
B	**Cash flow from operating activities for the period**		
	. Profit (loss) for the period	5,660	5,147
	. Profit (loss) from statement of comprehensive income	73	(22)
	. Amortisations, depreciations and impairment losses	932	831
	. (Capital gains) - Capital loss from asset disposal	(3)	2
	. SOP 2011-2016 charges	87	64
	. Net change in provision for post employment benefits	323	118
-	*Cash flow from operating activities before changes in working capital*	*7,072*	*6,140*
	(Increase) / Decrease in Trade receivables	(5,541)	(9,346)
	(Increase) / Decrease in Inventory	(561)	(1,840)
	(Increase) / Decrease in Trade payables	2,589	4,606
	Net change in other current assets/liabilities	(32)	(233)
-	*Change in Working Capital*	(3,545)	(6,813)
	Total (B)	3,527	(673)
C	**Cash flow used in investment activities**		
-	Net increases in property, plant and equipment	(375)	(1,160)
-	Net increases in intangible fixed assets	(296)	(126)
-	Net change in other non-current assets/liabilities	(123)	(337)
	Total (C)	(794)	(1,623)
D	**Cash flow used in financial activities**		
	Increase/(decrease) in loans and borrowings	(1,205)	(5,792)
	Reclassification of Cash Flow Hedging provision	0	166
	Dividends	(3,137)	(2,404)
	Total (D)	(4,342)	(8,030)
E	**Cash flow for the period (B+C+D)**	(1,609)	(10,326)
F	**Closing short-term net cash (A+E) (*)**	14,574	9,844

ACCOUNTING STATEMENTS

FIGURES IN THOUSANDS EUROS

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	LEGAL RESERVE	REVALUATION RESERVES	IAS/IFRS ADJUSTM. RESERVE	OTHER RESERVES	PROFIT (LOSS) FOR THE PERIOD	TOTAL EQUITY
BALANCE AS AT DECEMBER 31, 2013	3,450	**690**	5,401	(1,002)	17,217	9,889	35,645
Changes in 1st half of 2014							
Allocation of 2013 profit					7,485	(7,485)	**0**
DividendS						(2,404)	(2,404)
SOP 2011-2016 charges					**64**		**64**
Reclassification of 2013 Cash Flow Hedging provision					**166**		**166**
for early redemption of derivative							
Comprehensive income (loss)							
- Result for the period						5,147	5,147
- Other items of the income statement					(22)	**0**	(22)
BALANCE AS AT JUNE 30, 2015	3,450	**690**	5,401	(1,002)	24,910	5,147	38,596
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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2015

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 3,450,408.72, 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 was 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 investee company, 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 indebteness 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 includes:

- the statement of financial debt at 30 June 2015, compared with the same figures at 31 December 2014. 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 balance-sheet 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 balance-sheet 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 27 July 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 2015, 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 2015, compared with the income statement 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 2015, 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 2015 and the first half of 2014.

- These notes to the Condensed Interim Financial Statements at June 30, 2015.

This information, as a whole, represents the Condensed Interim Financial Statements at 30 June 2015 of Valsoia S.p.A., in compliance with the IAS 34 and Art. 154-ter of Legislative Decree 58/1998.

The amounts are expressed in thousands of Euros.

Valuation criteria and accounting standards

This Condensed Interim Financial Statements has 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 this 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 31 December 2014, 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 was 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, 2015, 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 this Condensed Interim Financial Statements, concluding that this assumption is valid and that there are no doubts regarding the company's going concern.

Reclassifications

In order to provide accurate figures in the Condensed Interim Financial Statements, the Company has proceeded to reclassify some items of the balance sheet as described under "Trade receivables" and "Trade payables".
Consequently, the company has also reclassified the comparison data of the previous period.
On a whole, the effects of the reclassifications have not entailed any changes on the results of the six month period and on the Company's net worth.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED STARTING FROM 1 JANUARY 2015, NOT RELEVANT FOR THE COMPANY

The Company has applied, for the first time, the following accounting standards, amendments and interpretations starting from 1 January 2015.

- In May 2013, IASB issued the IFRIC 21-Levies interpretation. The interpretation refers to the accounting of a liability related to the payment of a tax when this liability falls within the application of IAS 37-Provisions, contingent liabilities and contingent assets, as well as the accounting of a liability related to the payment of a tax with an uncertain time frame and amount. The interpretation applies beginning from the financial periods that started on 17 June 2014. This adoption did not produce any effects on the information provided in the notes to the Condensed Interim Financial Statements at June 30, 2015.

- In November 2013, IASB issued some amendments to IAS 19-Employee Benefits. These amendments aim at simplifying and clarifying the accounting of employees or related parties' contributions to the defined benefit plans, provided that they are not voluntary contributions. These contributions reduce the cost of the benefits to the entity. The amendment allows for the contributions associated with employment, but not with the number of years of employment, to be deducted from the cost of benefits earned during the period of employment, rather than distributing them over the employment life of the employee. The amendments apply beginning from the financial periods starting on 1 February 2015. The adoption of these amendments did not impact the Condensed Interim Financial Statements of the Company.
- On 12 December 2013, IASB published the document "Annual Improvements to IFRSs:" 2010-2012 Cycle" which implements the amendments made to the standards within the annual process for their improvement. The main amendments regard:
  - o IFRS 2 Share Based Payments – Definition of vesting condition. Some amendments were made to the definitions of "vesting condition" and "market condition" and additional definitions of "performance condition" and "service condition" were added (these were previously included under the "vesting condition" definition);
  - o IFRS 8 Operating segments – Aggregation of operating segments. The amendments require an entity to disclose information about assessments made by its management in the application of the criteria for the combination of operating segments, including a description of the combined operating segments and of the economic indicators that are being considered in determining whether these operating segments have "similar economic characteristics";
  - o IFRS 8 Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets. The amendments clarify that the reconciliation between the total assets of the operating segments and the total assets of the entity must be submitted only if the total assets of the operating segments are regularly reviewed at the highest decision-making level;
  - o IFRS 13 Fair Value Measurement – current receivables and payables. The Basis for Conclusion of this standard were amended in order to clarify that with the issuing of IFRS 13, and consequent amendments to IAS 39 and IFRS 9, the possibility of recognising current trade receivables and payables without accounting for the effects of an actualisation, should such effects not be significant, still applies;
  - o IAS 16 Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortization. The amendments have removed the inconsistencies present in the recognition of amortisation/depreciation provisions when a tangible or intangible asset is subject to revaluation. The new requirements clarify that the gross carrying amount is substantially adequate for the revaluation of the carrying amount of the asset and that the amortisation/depreciation provision is equal to the difference between the gross carrying amount and the carrying amount net of the recognised impairments;
  - o IAS 24 Related Parties Disclosures – Key management personnel. It is here clarified that if services to be provided by officers with strategic responsibilities are provided by an entity (and not a physical person),

such entity is to be considered a related party. The amendments apply starting from the financial periods beginning on 1 July 2014 or subsequent date. An early application is permitted.

- On 12 December 2013, IASB published the document "Annual Improvements to IFRSs: 2011-2013 Cycle" which implements the amendments made to the standards within the annual process for their improvement. The main amendments regard:
  - o IAS 40 Investment Properties – Interrelationship between IFRS 3 and IAS 40. The amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that, in order to determine whether the purchase of a real estate property falls within the scope of application of IFRS 3, it is necessary to refer to the specific indications provided by IFRS 3; conversely, in order to determine whether the purchase falls within the scope of IAS 40, it is necessary to refer to the specific indications of IAS 40. The amendments apply starting from the financial periods beginning on 1 July 2014 or subsequent date. An early application is permitted.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE OR NOT ADOPTED EARLIER BY THE COMPANY

As at the date of this Condensed Interim Financial Statements, the competent bodies of the European Union have not yet completed the approval process required for the adoption of the amendments and standards described above.

- On 12 November 2009, IASB published the IFRS 9 - Financial instruments: the same standards were issued later, in July 2014. The standard, retrospectively applicable beginning from 1 January 2018, represents the first part of a phased process aiming at replacing entirely IAS 39 and introduces the new criteria for the classification and valuation of financial assets and liabilities. In particular, for the financial assets, the new standard uses a unique approach based on the methods for managing the financial instruments and on the characteristics of contractual cash flows of the same financial assets in order to determine the valuation criteria, thus replacing the different rules set out by IAS 39. Conversely, for the financial liabilities, the main amendment concerned the accounting treatment of the changes in fair value of a financial liability designated as a financial liability measured at fair value through the income statement if such changes were due to a change in the creditworthiness of the liability itself. According to the new standard, these changes must be recognised in the "Other comprehensive profit/(loss)" statement and they will be no longer be transiting through the income statement.
- On 19 November 2013, IASB published the document "IFRS 9 Financial Instruments - Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39" concerning the new hedge accounting model (date of first application: 1 January 2018). The document intends to respond to some criticisms about the IAS 39 requirements for hedge accounting which were often considered to be too strict and not suitable to reflect the risk management policy of the entities.
- In January 2014, IASB issued IFRS 14-Regulatory Deferral Accounts. The standard falls within the broader

scope of the IASB project for the implementation of a set of accounting rules for the so-called "rate regulated activities", that is for the sectors subject to regulatory tariffs. IFRS 14 allows only those who adopt the IFRS for the first time, to continue to recognise the amounts related to the rate regulation according to the previously adopted accounting standards. In order to improve comparability with the entities that already apply the IFRS and that do not recognise such amounts, the standard requires that the effect of the rate regulation must be recorded separately from the other items. The standard shall be applied starting from 1 January 2016, but an early application is permitted.

- In May 2014, IASB issued the IFRS 15-Revenue from Contracts with Customers. The project Revenue Recognition was launched jointly by IASB and FASB, within the IFRS-US GAAP convergence program. The objective is to create a complete and consistent framework of reference for the recognition of revenues, applicable to all trade agreements except for leasing, insurance and financial instrument agreements. IFRS 15 replaces IAS 18-Revenue, IAS 11- Construction contracts, and the interpretations by IFRIC 13-Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18-Transfers of Assets from Customers and SIC 31-Revenue — Barter transactions involving advertising services. The standard shall be applied starting from 1 January 2017, but an early application is permitted.

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	30.06.2015	31.12.2014
Cash	3	2
Cash and bank deposits	16,806	18,344
Total Cash and cash equivalents	16,809	18,346

As at 30 June 2015, floating interest receivable rates for the Company range between 0.1% and 0.7%.
Following are the details of the Net financial debt at 30 June 2015, at 31 December 2014 and at 30 June 2014.
For comments regarding the Net Financial debt, reference should be made to the Report on Operations which is attached to this Condensed Interim Financial Statements.

Description (EUR 000)	30.06.2015	31.12.2014	30.06.2014
Cash	3	2	2
Cash and bank deposits	16,806	18,344	11,939
Securities held for trading	-	-	-
Total cash and cash equivalent (A)	16,809	18,346	11,941
Current loans and borrowings (B)	(2,235)	(2,163)	(2,097)
Current net financial debt (C=A-B)	14,574	16,183	9,844
Non current loans and borrowings (D)	(7,431)	(8,636)	(9,687)
NET FINANCIAL DEBT (E=C+D)	7,143	7,547	157

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	30.06.2015	31.12.2014
Trade receivables (nominal value)	22,945	17,410
Allowance for doubtfull accounts	(1,411)	(1,278)
Trade receivables	21,534	16,132

It should be noted that, for a better understanding of the data of the Condensed Interim Financial Statements compared with 31 December 2014, Trade receivables for EUR 3.8 million, previously recognised under Trade payables, are now reclassified under this item. In fact, these items are normally financially offset with invoices issued to the same customers.
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	30.06.2015	31.12.2014
Trade receivables (nominal value)		
- past due by over 12 months	367	302
- past due by over 30 days	(181)	1,392
- expired at the date	7,005	2,713
- with subsequent expiry	15,754	13,003
Trade receivables (nominal value)	22,945	17,410

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	30.06.2015	31.12.2014
Opening balance	1,278	1,021
- (usage)	(6)	(314)
- allocations	139	571
Total allowance for doubtful accounts	1,411	1,278

Note (3) – Inventories

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Raw materials, ancillary and consumable materials	1,667	1,096
Work in process	180	51
Finished goods	5,670	6,039
Total Inventories	7,517	7,186

The value of the inventories is up compared with 31 December 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 obsolesce, amounting to a total of EUR 290 thousand, up by EUR 230 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	30.06.2015	31.12.2014
Tax receivables	16	47
Prepayments and accrued income	441	262
Other current receivables	250	368
Total Other current assets	707	677

Tax receivables are composed primarily of withholding taxes on interest income.
Accrued income refers primarily to portions of costs already incurred but pertaining partially to following periods, and referring mostly to expenses related to non-current loan transactions.
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	31.12.2014 Net value	Other increases (decreases)	30.06.2015 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 30 June 2015, 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, in consideration of the financial trends and keeping into account also the fact that the test carried out during the preparation of the financial statement for the year 2014, showed a recoverable estimated value that was significantly higher than the financial statement value.

Note (6) – Intangible fixed assets

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

Description	31.12.14	Changes for the period		30.06.15
	Net value	Increases (Decreases) Net	Amort./Write-downs	Net value
Trademarks	20,068	2	(1)	20,069
Industrial patents and intellectual property rights	59	698	(81)	676
Other	44	20	(17)	47
Intangible fixed assets in progress	423	(423)	-	-
Intangible fixed assets	20,594	297	(99)	20,792

The item Trademarks refers primarily to the Santa Rosa trademark, designated at fair value within the allocation of the value of the shareholding 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, has been considered with an indefinite useful life and therefore non-amortised, based on the following reasons:

- it holds 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, by bearing limited costs;
- 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 30 June 2015, no indications have emerged as regards accumulated impairment losses that would require the performance of these tests during the preparation of the Condensed Interim Financial Statements, for the same reasons described above in reference with the goodwill.

The increase in intangible fixed assets in progress refers primarily to the costs related to the purchase and implementation of a new corporate software programme.

Note (7) – Property, plant and equipment

Following is a breakdown of the property, plant and equipment item at June 30, 2015.

Description	Historical cost	Depreciation Provisions	Net carrying amount
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	(66)	375
- industrial facilities in Serravalle Sesia	4,917	(1,564)	3,353
- light constructions/buildings Sanguinetto facility	1	-	1
Total Land and buildings	7,796	(1,630)	6,166
Plant and equipment			
- fixed systems for offices	77	(62)	15
- plant/equipment for plant extract products	4,985	(3,930)	1,055
- plant/equipment for ice cream production	9,408	(8,001)	1,407
- plant/equipment for other food production	596	(439)	157

- generic plant/equipment at the Serravalle facility	1,262	(860)	402
- silos, vats, tanks at the Serravalle facility	495	(378)	117
- photovoltaic system	371	(132)	239
- plants for preserves production	2,488	(1,264)	1,224
- generic plants at the Sanguinetto facility	121	(34)	87
Total Plant and equipment	**19,803**	**(15,100)**	**4,703**
Industrial and commercial equipment			
- furniture and equipment for the laboratory	390	(269)	121
- other small equipment	163	(134)	29
- other transportation means	225	(184)	41
Total Industrial and commercial equipment	**778**	**(587)**	**191**
Other assets			
- electric and electronic machinery	527	(337)	190
- furniture and equipment for the offices	372	(291)	81
- cell phones	46	(41)	5
- vehicles	500	(301)	198
Total Other assets	**1,445**	**(970)**	**475**
Fixed assets in progress	-	-	-
Total property, plant and equipment	**29,822**	**(18,287)**	**11,535**

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

Description	31.12.14	Changes for the period			30.06.15
	Value	Increases / purchases	Other changes	Decreases	Value
Historical cost					
Land and buildings	7,740	56	-	-	7,796
Plant and equipment	19,667	136	-	-	19,803
Industrial and commercial equipment	689	90	-	(1)	778
Other assets	1,385	93	-	(33)	1,445

Description	31.12.14	Changes for the period			30.06.15
	Value	Increases / purchases	Other changes	Decreases	Value
Fixed assets in progress	-	-	-	-	-
Total Historical Cost (A)	29,481	375	-	(34)	29,822
Depreciation					
Land and buildings	1,526	104	-	-	1,630
Plant and equipment	14,478	622	-	-	15,100
Industrial and commercial equipment	564	24	-	(1)	587
Other assets	921	82	-	(33)	970
Fixed assets in progress	-	-	-	-	-
Total Depreciat. provision (B)	17,489	832	-	(34)	18,287
Total Property, plant and equipment (A-B)	11,992	(457)	-	-	11,535

The increase in property, plant and equipment refers to the purchase of plant and equipment for the production of ice cream and preserves, to the extraordinary maintenance at the facility of Serravalle Sesia and the purchase of other equipment for the production facilities and offices.

Note (8) – Financial assets

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

Description	Shareholding in share capital	31.12.14 Value	Changes for the period Increases	Decreases	30.06.15 Value
Valsoia Pronova d.o.o. – Slovenia	100%	20	-	-	20
Total Financial Assets		20	-	-	20

In the first six months of 2015, the subsidiary Valsoia Pronova d.o.o. reported a turnover of EUR 241 thousand with substantially balanced results.

Note (9) - Other non-current assets

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Guarantee deposits	36	35
Investments in other companies	5	5
Due from tax authorities, non-current	216	216
Receivables from subsidiary companies	175	175
Total Other non-current assets	432	431

The above assets did not show any change in the period.
Due from tax authorities, non-current, include the IRES receivables for IRAP non-deduction on the labour costs related to the periods 2007-2011, in reference to which an application for refund has been filed pursuant to Art. 2 of Legislative Decree No. 201/2011. Receivables from subsidiary companies refers to interest bearing loans, granted to the subsidiary Valsoia Pronova d.o.o.

Liabilities and shareholders' equity

Current liabilities

Note (10) - Current payables due to banks

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Overdraft accounts	-	1
Current loan payable instalments	2,235	2,162
Total Current payables due to banks	2,235	2,163

This item refers primarily to the instalments, with expiry date before 12 months, from non-current financing agreements executed in previous periods.

Note (11) – Trade payables

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Trade payables due to suppliers within 12 months	19,310	16,722
Total Trade Payables	19,310	16,722

As already described in Note (2), in this report, compared with the Financial Statements at 31 December 2014, the invoices to be received for promotional activities, in the amount of EUR 3.8 million, were reclassified under the item Trade receivables, while they were previously recognised under Trade payables which, consequently, are now reduced by this amount.

The increase in Trade payables, at 30 June 2015, derives primarily from an increase in business volume and the seasonal nature of the production and sale of ice cream. No substantial changes were noted in the payment terms.

Note (12) – Tax payables

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Due to the tax authorities for:		
- withholding taxes for	316	423
- direct taxes and VAT	755	464
- substitute tax (portion within 12 months)	741	1,022
- other	4	-
Total Tax payables	1,816	1,909

Tax payables refers to payments due for VAT and accrual of direct taxes, pertaining to the period, in addition to payables to the tax authorities for withholdings applied to employment and contract work.
The item Substitute tax (portion within 12 months) refers to the current portion of a substitute tax due because of the tax relief operation for the Santa Rosa trademark, carried out in previous periods.

Note (13) – Provisions for risks

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Sales return provision	91	108
Total Provision for risks	91	108

Risk provisions comprise only the Sales return provision. At 30 June 2015, the estimate involved the usage, compared with 31 December 2014, of EUR 17 thousand.

Following the end of the six months, Valsoia received notification of the ruling by the Regional Tax Committee of Lombardy, regarding the appeal filed by the Tax Authorities, concerning a previous ruling at first instance that benefited the Company, regarding an assumed lower registration tax that was paid for the purchase of J&T Italia S.r.l. in 2011. This controversy sees Valsoia as being potentially in debt with the Tax Authorities, jointly and severally with the company transferring "J&T", for a total amount of EUR 723 thousand. This ruling grants the motions submitted by the Tax Authorities; therefore, it appears that the tax emerging from this ruling has been already paid by the counterparty transferring J&T. Valsoia, keeping into account the above, in addition to the contractual records and the opinion of its consultants, believes that to date there are no reasonable grounds for the allocation of a risk provision related to this pending issue.

Note (14) - Other current liabilities

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Amounts payable to social security institutions	352	425
Due to employees and on-going collaboration contracts	1,723	1,402
Amounts due to others	108	263
Total Other current liabilities	2,183	2,090

Other current liabilities include primarily payables to employees for wages and for deferred monthly salaries, accrued as at June 30, 2015.

Non-current liabilities

Note (15) - Non-current payables due to banks

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Payables for non-current financing	6,020	7,173
Payables for Cash flow hedging	412	464
Mediocredito Italiano – Subsidised loans	999	999
Total non-current payables to other financing	7,431	8,636

This item refers primarily to the instalments with expiry date beyond 12 months, from non-current financing agreements executed in previous periods. Over the first six month period, the Company repaid EUR 1.1 million related to financing agreements.

The afore said non-current financing provides for the verification, at 31 December of each financial period, of the achievement of some financial covenants calculated on the basis of the financial statements of Valsoia S.p.A.; these conditions have been, to date, fully respected.

The Payables for Cash flow hedging refers to the assessment of mark to market derivative contracts on interest rates in effect at the closing of the period. Derivative contracts on interest rate swaps (IRS) in effect have hedging objectives and characteristics, and consequently are recognised according to the following methods set forth in the IAS standards: the change in the mark to market, at 30 June 2015 compared with 31 December 2014, was recognised under Other items of the Statement of Comprehensive Income.

As regards the information required by IFRS 7, following is a summary of the deadlines set out by the amortization/depreciation plans for the aforementioned loans and borrowings:

Year	EUR
2016	1,251
2017	2,549
2018	2,514
2019	99
2020	100

2021	100
2022	100
2023	101
2024	102
2025	103
Loans and borrowings	7,019

Note (16) – Other non-current payables

This item breaks down as follows:

Description	30.06.2015	31.12.2014
Payables for substitute tax beyond the period	-	767
Total Other non-current payables	-	767

This item refers to the payable instalments, with expiry date beyond 12 months, of the substitute tax related to the recognition of the higher tax value of the Santa Rosa trademark, carried out in the previous period.

Note (17) – Provision for deferred taxes

This item breaks down as follows:

Description	30.06.2015		31.12.2014	
	Taxable	amount	Taxable	amount
Pre-paid /Provision for deferred tax assets with contra entry in the Income Statement				
IRES/IRAP CHANGES				
- Trademarks and deferred charges not capitalised pursuant to IAS/IFRS	292	91	335	104
- Dealloc. of accounting-tax amounts for SR Trademark	(7,869)	(2,471)	(5,980)	(1,878)
- Taxed risk and write-down provisions	1,454	411	1,454	411

Description	30.06.2015		31.12.2014	
	Taxable	amount	Taxable	amount
- Others	-	-	35	11
Total A)	(6,123)	(1,969)	(4,156)	(1,352)
Pre-paid /Provision for deferred tax assets with contra entry under Equity Reserve				
- Tax effect on valuation of MtM hedging derivatives	362	83	464	111
Total B)	362	83	464	111
Total Pre-paid/Provision for deferred tax (A+B-C)	(5,761)	(1,886)	3,692	(1,241)
Of which:				
- current (within 12 months)	-	-	-	-
- non-current (beyond 12 months)	-	(1,886)	-	(1,241)

Provision for deferred taxes refers to the recognition of timing differences between the values recorded in the financial debt statement of assets and liabilities and the related amounts recognised for tax purposes. The significant change compared with the figures at 31 December 2014, refers to the calculation of the deferral, for tax purposes in terms of tax deductibles, of the amortisation of the Santa Rosa trademark following the tax relief operation, carried out in the 2013 period, pursuant to Art. 172, paragraph 10-bis of the Consolidation Income Tax Act.

Note (18) – Provisions for post employment benefits

In the first six months of 2015, the provision showed the following changes:

Description	Taxable amount
Opening provisions for post employment benefits at 31.12.2014	671
2015 changes	
- Financial income/(charges)	3
- End of employment severances and advances to employees	(34)
- Actuarial gains (losses)	(35)
Closing provisions for post employment benefits at 30.06.2015	605

The provision for post employment benefits is valued according to the IAS 19 standard, by which it is recognised under "Defined benefit plans"; therefore, it was recognised through the actuarial projected unit credit method.
Starting from 1 January 2007, the Financial Law and related implementation decrees, have introduced relevant changes in the post employment benefits regulations, including the choice, by the employee, of the allocation of his/her accruing provision for post employment benefits.
As regards the portion recognised in the Income Statement in the first six months of 2015, it should be noted that it refers only to the revaluation of the provision for post employment benefits in effect as at 31 December 2006, since, due to the supplementary pension reform, enacted with the Financial Law of 2007, the provision for post employment benefits amounts, accrued starting from 1 January 2007, are allocated, by the employee, to the preferred pension funds or paid by the Company into a Treasury Account set up with INPS and therefore are considered, for the purpose of IAS/IFRS accounting standards, a Defined Contribution Plan recognised directly in the Income Statement without transiting through the provision.
Following are the main assumptions used for the calculation:

Demographic assumptions
Mortality rate: the probabilities have been drawn from the general Italian population based on age and sex (ISTAT) in 2000, and decreased by 25%.
Disability rate: for calculating the probability of exiting from the company due to a total and permanent disability of the employee, the disability tables used currently by insurance companies, based on age and sex, were used.
As regards retirement age, it was assumed that active employees would stop working as soon as they reach the first pre-requisite for a pension as set forth in the mandatory general insurance scheme.
As for the probability of ending employment for resignations or termination, an 8% annual frequency was used.
As for the probability of advance requests, for projection purposes, an annual 2.8% advance rate (percentage of employees who ask for an advance from their post employment benefits, every year) was used. As regards the amount of advance payments, 50% of the accrued provision for post employment benefits amount was used.

Business-financial assumptions
Average annual rate for bonds issued by European Companies with AA rating with 7-10 years duration: 1.44%
Yearly Inflation rate: 1.5%

Shareholders' equity - (*Note 19*)

Share capital
The share capital of the Company is fully paid up and amounts to EUR 3,450 thousand, with 10,455,784 ordinary shares of a Nominal value of EUR 0.33 each.

Legal reserve

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

Revaluation reserve

Revaluation reserve was already set up as at 1 January 2004, due to the revaluations carried out in the previous periods pursuant to Law 488/2001 and Law 350/2003.

Other IAS/IFRS adjustments reserve

In the IAS/IFRS reserve, the effects deriving from IFRS adjustments on Shareholders' Equity at 1 January 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 1 January 2004.
- reserve set up within the scope of the Allowance for doubtful accounts, in application of the IAS 8 accounting standard occurring in 2006.
- cash flow hedging reserve.
  Pursuant to the IAS 39 standard, this item included, net of the tax effects, the mark to market derivative contracts valuation, which have hedging objectives and characteristics on non-current financing in effect at the closing date of the period in question.
- actuarial profits / losses reserve: the actuarial profit/losses deriving from the application of the IAS 19 standard are recognised under this item.
- stock option reserve. This item includes the 2011-2016 Stock Option Plan reserve, in the specific case coinciding with the recognition of the charge (€ 409 thousand) related to the first four years of accrual (2011 - 2014) and to the first six months of 2015. The Shareholders' Meeting of 28 April 2011, approved in fact a Stock Option Plan which provides for the assignment of option rights for the subscription of a maximum of 418,231 ordinary shares deriving from a share capital increase that was decided upon, pursuant to Art. 2441, paragraph 8, of the Italian Civil Code, at a subscription price equal to the nominal value (€ 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 2015 financial statements of the Company. For further details, please refer to the Information Memorandum, for the Stock-Options Plan 2011-2016, published on thewww.valsoia.it site, in the Investor Relations section.

- Equity reserve is composed of the charges deriving from this plan, which must be recognised in compliance with the IFRS 2 accounting standard. Said charges were estimated on the following basis:
    - o the percentage of probability in achieving the objectives set out in the plan and the consequent number of option rights accrued by the beneficiaries: on the basis of the plans set up by the Company and the estimated probability of their achievement;
    - o 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 10 May 2011, by using the Black and Scholes method based on the following assumptions:

Measurement of fair value - SOP 2011-2016: summary of main data	
Maturity Date	31/03/2016
Measurement Date	10/05/2011
Average price	€ 4.23
Exercise price of the share	€ 0.33
Estimated volatility	26.58%
Estimated duration (years)	5
Free risk rate (Btp 5 anni)	3.77%
Estimated dividends	5.00%
Unit fair value	€ 3.04

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

Description	30.06.2015	31.12.2014	Possibility of use
Share capital	3,450	3,450	-
Legal reserve	690	690	B
Revaluation reserve	5,401	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	31,784	24,221	A,B, C
- SOP reserve 2011-2016	402	315	A, B, C
- Cash flow hedge reserve	(219)	(293)	-
- Actuarial profit/loss reserve	35	-	-
Total Other reserves	32,820	25,061	
Profit (loss):			
Profit for the period	5,660	10,701	
Total Shareholders' equity	47,019	44,301	

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 3.1 million, as an appropriation of profits for the year 2014.

Analysis of the breakdown of the main items of the Income Statements.

Note (20) - Value of production

This item breaks down as follows:

Description	30.06.2015	30.06.2014
Revenues from sales and services:		
- Revenue - Italy	58,703	55,933
- Revenue - Abroad	1,710	1,404
- Revenue - Intercompany	-	105
Total Revenues from sales	60,413	57,442

Changes in inventories of work in progress, semi-finished and finished products:		
- Opening inventory	(6,101)	(5,623)
- Closing inventory	5,905	7,094
Total changes in finished product inventory	(196)	1,471
Other revenues and income	255	227
Total Value of production	60,472	59,140

Revenues show an increase thanks to the positive sales performance of the main product lines offered by the Company. The sales revenue is concentrated essentially within the Italian territory and therefore their geographic breakdown is not believed to be significant.

Please, see the Report on Operations 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 6.4 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	30.06.2015	30.06.2014
- Cost of use of assets owned by other, of third party assets	139	107
- Capital gains on sale of assets	3	2
- Other	113	118
Total Other revenue and income	255	227

Other revenues are to be attributed primarily to the recharging to third parties of business and promotional costs incurred pursuant to distribution agreements.

Note (21) – Operating costs

This item breaks down as follows:

Description	30.06.2015	30.06.2014
Purchase costs		
- Raw materials	7,249	5,950
- Consumable materials	1,049	1,306
- Production supplies	303	366
- Finished products and goods	22,430	22,410
Total Purchases	31,031	30,032
Services		
- Industrial	1,963	2,041
- Marketing and sales	12,256	12,946
- Administrative and general	1,347	994
Total Services	15,566	15,981
Use of third party assets	276	261
Personnel costs		
- Wage and salaries	3,024	2,878
- Social security charges	1,175	1,104
- Post employment benefit	2	1
- Personnel charges pursuant to SOP 2011-16	147	64
Total Personnel costs	4,348	4,047
Changes in raw materials inventory	(522)	(410)
Other operating expenses	544	469
Total Operating costs	51,243	50,380

Purchase costs for raw materials refer primarily to the materials required for ice cream production. The increase in purchases of finished products and goods is in line with the development of business volume.
As for *Personnel 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 managing structure of the Company. This item also includes EUR 87 thousand for charges related to SOP 2011-2016, further detailed in Note 19 - *Shareholders' Equity*.

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

Description	30.06.2015	30.06.2014
- Executives	10	9
- Employees and managers	77	76
- Factory workers	22	25
- Seasonal workers	37	32
- ongoing professional contracts	-	1
Total Personnel	146	143

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	30.06.2015	30.06.2014
Other operating expenses:		
- Taxes and excise license	68	53
- Credit losses/provisions for risks on receivables	139	162
- Contingent liabilities	92	99
- Membership fees	69	61
- Other charges	176	94
Total Other overheads	544	469

Credit losses/provisions for risks on receivables declined slightly compared with the same period of the previous year, due to the close monitoring by the Company of the customer portfolio.
Other charges are primarily costs for disposal of obsolete products, contingent liabilities, entertainment expenses and contribution to trade associations.

Note (22) – Amortisation and depreciation

This item breaks down as follows:

Description	30.06.2015	30.06.2014
- Amortisation of intangible fixed assets	99	35
- Depreciation of tangible fixed assets	833	796
Total Amortisation and depreciation	932	831

Depreciation of tangible fixed assets is in line with the previous year, whereas there was an increase in the value of intangible fixed assets due to the first-time amortisation/depreciation of assets previously classified under assets in progress.

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

This item breaks down as follows:

Description	30.06.2015	30.06.2014
- Other financial income	57	289
- Interest expense, foreign currency discounts and bank charges	(284)	(725)
- Foreign exchange gains and (losses)	105	10
Total Net financial income/(Charges)	(122)	(426)

The decline in other financial income derives from a drop in interest income rates paid by the Banks and lower financial income from Trading securities transferred during 2014.
The other financial income comprises interest income from current bank accounts.
Charges are primarily represented by interest expense from non-current financing, bank charges and commissions, as well as foreign currency discount expenses recognised to customers.
The decline in these charges, compared with the same period of 2014, refers to the lower debt financial exposure of the Company.

Foreign currency exchange gains/(losses) include the financial effect of the mark to market valuation of operations carried out with derivative instruments – forward foreign exchange purchases – for the purpose of hedging trade transactions not denominated in Euros.

Note (24) – Taxes

This item breaks down as follows:

Description	30.06.2015	30.06.2014
- Income taxes (IRES - IRAP)	1,898	1,724
- Deferred/(prepaid) taxes	617	632
Total Taxes	2,515	2,356

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) and by major IRAP deductions effective starting in 2015.
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 (10,455,784) composing the share capital, in the amount of EUR 0.541 each at 30 June 2015. The diluted profit per share, amounting to EUR 0.533 at 30 June 2015, represents the profit per share, keeping into account the potential of newly issued shares, from the stock option plan 2011-2016, approved by the company on 28 April 2011.

Note (26) – Statement of Comprehensive Income

This item includes the changes in the mark to market valuation of derivative contracts on interest rates - positive in the six months by EUR 73 thousand (net of the related tax effect) - and the actuarial profits recognised during the valuation of the provision for post employment benefits, pursuant to the IAS 19 standard.

Non-recurring significant transactions and events

During the period ended on 30 June 2015, no significant events/transactions, falling within the scope of the Consob Communication DEM/6064293 of 28 July 2006, were recorded. The Company Management has interpreted the “significant non-recurring events and transactions” as events/transactions outside of the company's normal operations.

Positions or transactions deriving from atypical and/or unusual operations

During the period ended on 30 June 2015, no events/transactions, falling within the scope of the Consob Communication DEM/6064293 of 28 July 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 involved in the transaction, transfer pricing procedures, 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 operations carried out by the parent company 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)	payables/(receivables)		Inc./(paym.)
	First six months 2015	01.01.15	30.06.15	First six months 2015
Finsalute S.r.l.	2	-	3	-
Total transactions	2	-	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)	payables/(receivables)		Inc./(paym.)
	First six months 2015	01.01.15	30.06.15	First six months 2015
Membership fees	(51)	(10)	6	(17)
Transactions with subsidiaries	121	252	268	(105)
Total Transactions with related parties	70	242	274	(122)

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

Commitments

At 30 June 2015, there are no other commitments in addition to those included in the Condensed Interim Financial Statements.

/

Chairman of the Board of Directors
Lorenzo Sassoli de Bianchi

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Statement pursuant to Art. 154 bis Paragraph 5 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 of 24 February 1998, No. 58:

- the adequacy, in 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 30 June 2015.

It is also hereby certified that:

a) theCondensed Interim Financial Statements , ending at 30 June 2015, fully reflects the accounting records and books;

b) theCondensed Interim Financial Statements , ending at 30 June 2015, was 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; it provides a truthful and correct representation of the equity, business and financial situation of the issuer;

c) the Interim Report on Operations includes a reliable analysis of the performance and operating results, as well as of the position of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Bologna, 3 August 2015

General Manager Managing Director	Executive Officer in charge of financial reporting
________________________	________________________
Andrea Panzani	Carlo Emiliani

5 / 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 2015. 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 2015 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.

Other Matter

The financial statements of the previous year and the condensed interim financial statements as at and for the six months ended 30 June 2014 have been respectively audited and reviewed by another auditor who expressed an unmodified opinion on the financial statements and an unmodified conclusion on the condensed interim financial statements on 23 March 2015 and on 6 August 2014, respectively.

Bologna, 4 August 2015

KPMG S.p.A.

(signed on the original)

Massimo Tamburini
Director of Audit

VALSOIA SpA

www.valsoia.it

www.santarosa.it