



CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2016

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016

1. Condensed consolidated income statement

| <i>In thousands of euro</i> | Notes | 6 months | |
|---|-------|---------------|---------------|
| | | 2016 | 2015 |
| NET SALES | 2 | 2 091 897 | 2 179 097 |
| Purchases adjusted for changes in inventory | | -1 299 271 | -1 398 991 |
| Personnel costs | | -411 413 | -408 534 |
| Depreciation and amortization | | -59 493 | -56 916 |
| Other current operating expenses | | -235 629 | -228 851 |
| CURRENT OPERATING PROFIT | | 86 091 | 85 805 |
| Other operating expense | 3 | -11 423 | -26 985 |
| Other operating income | 3 | 2 029 | 6 539 |
| TOTAL OPERATING PROFIT | | 76 697 | 65 359 |
| Financial expenses | 4 | -20 638 | -17 889 |
| Financial income | 4 | 3 598 | 6 356 |
| Group share of results of associates | 5 | 1 471 | 5 604 |
| PROFIT BEFORE TAX | | 61 128 | 59 430 |
| Income tax expense | 6 | -26 962 | -21 379 |
| Net income from continuing operations | | 34 166 | 38 051 |
| Net income from discontinued operations | | - | 41 |
| NET INCOME | | 34 166 | 38 092 |
| Net income attributable to equity holders of the parent company | | 31 238 | 34 638 |
| Non-controlling interests | 14 | 2 928 | 3 454 |
| EARNINGS PER SHARE | 7 | | |
| Attributable to equity holders of the parent company : | | | |
| • basic | | 2,23 | 2,47 |
| • diluted | | 2,18 | 2,41 |
| For continuing operations : | | | |
| • basic | | 2,23 | 2,47 |
| • diluted | | 2,18 | 2,41 |

| <i>In thousands of euro</i> | Notes | 6 months | |
|---|-------|----------------|---------------|
| | | 2016 | 2015 |
| NET INCOME | | 34 166 | 38 092 |
| Other comprehensive income: | | | |
| Foreign exchange differences | | -4 325 | 21 811 |
| Change in fair value of available-for-sale financial assets | | 1 605 | 383 |
| Change in fair value of cash flow hedges, net of taxes ⁽¹⁾ | | 1 006 | 1 490 |
| Other changes | | -471 | - |
| Share of associates and joint ventures in recyclable components | | -128 | 372 |
| Total recyclable components of other comprehensive income | | -2 313 | 24 056 |
| Actuarial gains and losses relating to employment benefit plans | | -11 332 | 1 977 |
| Other changes | | - | 57 |
| Share of associates and joint ventures in non-recyclable components | | -128 | 51 |
| Total non-recyclable components of other comprehensive income | | -11 460 | 2 085 |
| Total other comprehensive income net of tax | 12 | -13 773 | 26 141 |
| TOTAL COMPREHENSIVE INCOME NET OF TAXE | | 20 393 | 64 233 |
| Group share | | 17 504 | 60 144 |
| Non-controlling interests | 14 | 2 889 | 4 089 |

(1) *Mainly relating to hedging of interest rates and raw materials.*

The provided notes are an integral part of these consolidated financial statements.

2. Consolidated statement of balance sheet

ASSETS

| <i>In thousands of euro</i> | Notes | June 30, 2016 | December 31, 2015 |
|---|-------|------------------|-------------------|
| Intangible assets | 8 | 430 886 | 433 707 |
| Property, plant and equipment | 8 | 878 963 | 882 520 |
| Other financial assets | | 31 617 | 31 022 |
| Investments in associates | 5 | 112 991 | 126 344 |
| Non-current derivative financial instruments | | 16 028 | 17 126 |
| Deferred tax assets | | 25 731 | 26 076 |
| TOTAL NON-CURRENT ASSETS | | 1 496 216 | 1 516 795 |
| Inventories and work in progress | 9 | 483 973 | 429 071 |
| Trade and other receivables | | 726 714 | 790 321 |
| Tax receivable | | 26 420 | 24 619 |
| Current derivative financial instruments | 17 | 5 932 | 3 657 |
| Other current financial assets | 10 | 55 608 | 18 394 |
| Cash and cash equivalents | 11 | 441 833 | 371 088 |
| TOTAL CURRENT ASSETS | | 1 740 480 | 1 637 150 |
| Assets held for sale or relating to discontinued operations | | 971 | 948 |
| TOTAL ASSETS | | 3 237 667 | 3 154 893 |

EQUITY AND LIABILITIES

| <i>In thousands of euro</i> | Notes | June 30, 2016 | December 31, 2015 |
|--|-------|------------------|-------------------|
| Paid-in capital | | 86 883 | 94 165 |
| Reserves | 13 | -37 164 | -23 901 |
| Retained earnings | | 1 114 691 | 1 100 881 |
| GROUP SHARE OF EQUITY | | 1 164 410 | 1 171 145 |
| Non-controlling interests | 14 | 99 357 | 99 731 |
| TOTAL EQUITY | | 1 263 767 | 1 270 876 |
| Provisions | 15 | 123 516 | 106 540 |
| Non-current financial borrowings | 16 | 188 487 | 193 439 |
| Other non-current liabilities | | 32 628 | 28 401 |
| Non-current derivative financial instruments | 17 | 7 919 | 6 847 |
| Deferred tax liabilities | | 49 616 | 56 698 |
| TOTAL NON-CURRENT LIABILITIES | | 402 166 | 391 925 |
| Trade and other payables | | 828 520 | 892 460 |
| Tax payable | | 13 347 | 12 130 |
| Current derivative financial instruments | | 4 144 | 1 193 |
| Bank borrowings | 16 | 725 632 | 585 846 |
| TOTAL CURRENT LIABILITIES | | 1 571 643 | 1 491 629 |
| Liabilities held for sale or relating to discontinued operations | | 91 | 463 |
| TOTAL LIABILITIES | | 1 973 900 | 1 884 017 |
| TOTAL EQUITY AND LIABILITIES | | 3 237 667 | 3 154 893 |

The provided notes are an integral part of these consolidated financial statements.

3. Consolidated statement of cash flows

| <i>In thousands of euro</i> | Notes | 6 months | |
|--|-------|----------------|-----------------|
| | | 2016 | 2015 |
| Net income from discontinued operations or in process of sale | | - | 41 |
| Net income from continuing operations | | 34 166 | 38 051 |
| Income tax expense | 6 | 26 962 | 21 379 |
| Depreciation and amortization | | 59 493 | 56 916 |
| Gains and losses on disposal of assets | | -220 | 12 883 |
| Group share of results of associates | 5 | -1 471 | -5 604 |
| Net financial expense | | 9 013 | 8 846 |
| Other non-cash income and expense | | 13 937 | 7 071 |
| Gross operating margin | | 141 880 | 139 542 |
| Interest paid | | -11 540 | -14 218 |
| Interest received | | 3 069 | 4 983 |
| Income tax paid | | -30 516 | -12 504 |
| Change in working capital | | -74 373 | -46 084 |
| Net cash flow from operating activities for continuing operations | | 28 520 | 71 719 |
| Net cash flow from operating activities for discontinued operations or in process of sale | | - | -20 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | | 28 520 | 71 699 |
| Disposal of businesses net of the cash transferred | | 13 564 | 39 864 |
| Purchase of tangible and intangible non-current assets | 2 | -64 467 | -61 861 |
| Proceeds from disposal of assets | | 12 298 | 2 050 |
| Acquisition/disposal of financial assets and changes in other current financial assets | | -32 821 | -37 757 |
| Dividends received from associates | 5 | 1 272 | 13 701 |
| Net flow from investment associated with continuing operations | | -70 154 | -44 003 |
| Net flow investment associated with discontinued operations or in process of sale | | - | - |
| NET CASH USED IN INVESTING ACTIVITIES | | -70 154 | -44 003 |
| Net cash flow from financing activities | | | |
| Purchase of treasury shares | | -7 282 | 76 |
| Subscription to the share capital of an associate | | - | 1 679 |
| Proceeds of borrowings | 16 | 94 864 | 5 683 |
| Repayment of borrowings | 16 | -9 911 | -117 294 |
| Dividends paid | | -16 539 | -15 044 |
| Net cash flow from financing activities for continuing operations | | 61 132 | -124 900 |
| Net cash flow from financing activities for discontinued operations or in process of sale | | - | - |
| NET CASH FLOW FOR FINANCING ACTIVITIES | | 61 132 | -124 900 |
| Impact of foreign exchange differences | | -1 619 | 9 946 |
| Net change in cash and cash equivalents | | 17 879 | -87 258 |
| Reclassification of cash and cash equivalents for discontinued operations or in process of sale | | - | -207 |
| OPENING CASH AND CASH EQUIVALENTS | 11 | 247 222 | 328 182 |
| CLOSING CASH AND CASH EQUIVALENTS | 11 | 265 102 | 240 717 |

The provided notes are an integral part of these consolidated financial statements.

4. Consolidated statement of changes in equity

| Equity attributable to shareholders of the parent company | | | | | |
|---|-----------------|-----------------------|-------------------|--|---------------------------|
| | Paid-in capital | Reserves (note 13) | Retained earnings | Non-controlling interests (note 14) | Total consolidated equity |
| <i>In thousands of euro</i> | | | | | |
| EQUITY AT 01/01/2015 | 94 714 | -44 573 | 1 068 583 | 101 109 | 1 219 833 |
| Restatement IFRIC 21 | - | - | 4 149 | - | 4 149 |
| EQUITY AT 01/01/2015 restated⁽¹⁾ | 94 714 | -44 573 | 1 072 732 | 101 109 | 1 223 982 |
| Dividends distributed | | | -11 221 | -3 823 | -15 044 |
| Total comprehensive income at 06/30/2015 | | 25 946 | 34 198 | 4 089 | 64 233 |
| Stock purchase option plans: | | | | | |
| • Value of services provided | 118 | | | | 118 |
| • Sale of treasury shares | -4 | | | | -4 |
| Purchase of treasury shares | 81 | | | | 81 |
| Change in share capital | | | - | 1 678 | 1 678 |
| Change in consolidation scope: | | | | | |
| • Put options granted to non-controlling interests | | | -5 630 | -1 681 | -7 311 |
| Others | | | - | 1 | 1 |
| EQUITY AT 06/30/2015 | 94 909 | -18 627 | 1 090 079 | 101 373 | 1 267 734 |
| EQUITY AT 12/31/2015 | 94 165 | -23 901 | 1 100 881 | 99 731 | 1 270 876 |
| Dividends distributed | | | -13 944 | -2 595 | -16 539 |
| Total comprehensive income at 12/31/2015 | | -13 263 | 30 767 | 2 889 | 20 393 |
| Stock purchase option plans: | | | | | |
| • Sale of treasury shares | -17 | | | | -17 |
| Purchase of treasury shares ⁽²⁾ | -7 265 | | | | -7 265 |
| Changes in share capital | | | | - | - |
| Changes in consolidation scope: | | | | | |
| • Put options granted to non-controlling interests | | | -3 049 | -632 | -3 681 |
| • Change in percentage of interest | | | 36 | -36 | - |
| EQUITY AT 06/30/2016 | 86 883 | -37 164 | 1 114 691 | 99 357 | 1 263 767 |

(1) With effect from January 1st, 2015 (and with retroactive effect from January 1st 2014), the Group has applied IFRIC 21, Levies. As a result, the financial statements for 2014 have been restated accordingly.

(2) SAVENCIA SA had the opportunity to repurchase its own shares (126 447 shares).

The provided notes are an integral part of these consolidated financial statements.

5. Notes to the condensed interim consolidated financial

SAVENCIA SA is a Société Anonyme à Conseil d'Administration (French limited liability Company with a Board of Directors) domiciled and registered in France whose head office is located in Viroflay (78220). Its shares are traded on the Paris Stock Exchange.

The trading name of Savencia SA and its subsidiaries is henceforth SAVENCIA Fromage & Dairy (hereafter "the Group"). The Group operates within two business segments: Cheese Products and Other Dairy Products (cf note 2).

Declaration of compliance

The condensed interim consolidated financial statement, expressed in thousands of euro unless otherwise stated, have been prepared in accordance with IAS 34, *Interim Financial Reporting*. They comprise the company and its subsidiaries (hereafter the "Group") and the Group's share of associates. They do not include all the information required for a complete set of annual financial statements and must be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2015 which are available on request from the company's registered office or by consulting www.savencia.com. They were released for publication by the Board of Directors on September 8, 2016.

Principal accounting policies

The accounting policies applied by the Group in its condensed interim consolidated financial statements are identical to those used in its consolidated financial statements for the year ended December 31, 2015 except for amendments becoming necessary because of the evolution of International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Group applies the amendments to standards and interpretations, applicable from January 1st, 2016. The Group does not apply the standards and interpretations non-compulsory in 2016 but that be applied by anticipation on the exercise. In addition, the Group reviews all the new standards and interpretations which will be enforced on horizon 2018 and 2019, in particular IFRS 9 – Financial instruments, IFRS 15 – Revenue from contracts with customers and IFRS 16 – Leases.

The preparation of condensed interim consolidated financial statements requires, as for the preparation of annual financial statements, the exercise of judgment, as well as, to make a number of estimates. The estimated amounts are identical to those described in the Group's consolidated financial statements for the year ended December 31, 2015.

During the six months ended June 30, 2016, the Group has in particular revised its estimates relating to impairment of intangible assets and property, plant and equipment (see note 3) and to deferred tax assets in respect of tax losses (see note 6).

Management of financial risk

The objectives and policies pursued by the Group in managing its exposure to financial risks are unchanged compared to the information furnished in its consolidated financial statements for the year ended December 31, 2015.

NOTE 1 . CHANGES IN CONSOLIDATION SCOPE

On June 15th, 2016, the Group sold its 24,94% interest in the company Lacto Sérum France SA. The proceeds of the sale is not material.

- This operation concern “Cheese Products” operating segment.

During the exercise 2015, the main changes were the following:

- In the first half:

- The sale on May 28, 2015 of a 27 % interest in CORPORACION ALIMENTARIA PENASANTA SA (CAPSA)(Spain).

- In the second half :

- The acquisition of a 35 % interest in Advanced Food Products LLC following the exercise of purchase option on December 31, 2015.

- This two operations concerned “Other Dairy Products” operating segment.

- The sale on October 1, 2015 of a 24.8 % interest in Andechser Molkerei Scheitz GmbH (Germany).

- This operation concerned “Cheese Products” operating segment.

NOTE 2 . SEGMENT REPORTING

The Group's segment reporting is based on the internal reporting used by the Chief Executive Officer, the Group's main operational decision-taker. The reported data is prepared in accordance with the Group's accounting framework.

Two operating segments are distinguished:

The **Cheese Products segment**: manufacture and distribution of branded cheeses and cheese specialties in most markets;

The **Other Dairy Products segment**: manufacture and distribution of fresh butter and cream for mass consumption, food service products such as fresh and long-life cream, dessert preparations, pastry – making butters and milk-based preparations for international luxury hotels, as well as technical butters and highly specialized dairy proteins for the food, nutrition and health industries.

Items in the summarized income statement divided by operating segment appear and gets closer to the Group's income as follows :

| <i>In thousands of euro</i> | 6 months | | | | | | | |
|--|------------------|------------------|----------------------|----------------|----------------|----------------|------------------|------------------|
| | Cheese Products | | Other Dairy Products | | Other items | | Total | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Net sales by segment | 1 231 170 | 1 255 741 | 925 198 | 983 123 | 31 667 | 29 272 | 2 188 035 | 2 268 136 |
| Inter-segment revenue | -53 944 | -50 411 | -18 483 | -18 279 | -23 711 | -20 349 | -96 138 | -89 039 |
| Third party net sales | 1 177 226 | 1 205 330 | 906 715 | 964 844 | 7 956 | 8 923 | 2 091 897 | 2 179 097 |
| Depreciation and amortization | -37 476 | -37 451 | -18 130 | -15 740 | -3 887 | -3 725 | -59 493 | -56 916 |
| Current operating profit/(loss) | 79 931 | 79 228 | 19 712 | 16 404 | -13 552 | -9 827 | 86 091 | 85 805 |
| Restructuring costs | -1 576 | -510 | -229 | -377 | - | -44 | -1 805 | -931 |
| Impairment of assets | -9 032 | 86 | - | -9 286 | - | -208 | -9 032 | -9 408 |
| Segment profit/(loss) | 69 323 | 78 804 | 19 483 | 6 741 | -13 552 | -10 079 | 75 254 | 75 466 |

Items in the balance sheet divided by operating segment appear and get closer to the Group's balance sheet as follows :

| <i>In thousands of euro</i> | Cheese Products | | Other Dairy Products | | Other items | | Total | |
|-----------------------------|------------------------|----------------------|----------------------|----------------------|-----------------|----------------------|-----------------|----------------------|
| | June,31 2016 | December ,31 2015 | June,31 2016 | December ,31 2015 | June,31 2016 | December ,31 2015 | June,31 2016 | December ,31 2015 |
| | Total assets of which: | 2 003 843 | 1 997 885 | 1 138 948 | 1 146 381 | 94 876 | 10 627 | 3 237 667 |
| Investments in associates | 108 259 | 121 595 | 774 | 774 | 3 958 | 3 975 | 112 991 | 126 344 |

Items of investment flows divided by operating segment appear and get closer to the Group's cash flows as follows :

| <i>In thousands of euro</i> | 6 months | | | | | | | |
|--|-----------------|--------|----------------------|--------|-------------|-------|--------|--------|
| | Cheese Products | | Other Dairy Products | | Other items | | Total | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Investment in tangible and intangible non-current assets | 35 841 | 32 013 | 27 048 | 27 175 | 1 578 | 2 673 | 64 467 | 61 861 |

Reconciliation of segment profit to net income for the year:

| <i>In thousands of euros</i> | 6 months | |
|---|---------------|---------------|
| | 2016 | 2015 |
| Segment profit | 75 254 | 75 466 |
| Other operating expense | -176 | -12 462 |
| Other operating income | 1 619 | 2 355 |
| Operating profit | 76 697 | 65 359 |
| Financial expense | -20 638 | -17 889 |
| Financial income | 3 598 | 6 356 |
| Group share of results of associates | 1 471 | 5 604 |
| Profit before tax | 61 128 | 59 430 |
| Taxes on income | -26 962 | -21 379 |
| Net income from discontinued operations or in process of sale | - | 41 |
| Net income for the year | 34 166 | 38 092 |

Net sales and investment in tangible and intangible non-current assets by geographical zone:

| <i>In thousands of euro</i> | France | Rest of Europe | Rest of the world |
|---|-----------|----------------|-------------------|
| Net sales | | | |
| June 30, 2016 | 630 258 | 825 940 | 635 699 |
| June 30, 2015 | 672 220 | 851 127 | 655 750 |
| Investment in tangible and intangible non-current assets | | | |
| June 30, 2016 | 34 686 | 13 343 | 16 438 |
| June 30, 2015 | 36 891 | 13 228 | 11 742 |
| Total assets | | | |
| June 30, 2016 | 2 813 426 | 262 872 | 161 369 |
| December 31, 2015 | 2 693 303 | 281 761 | 179 829 |

NOTE3 . OTHER OPERATING INCOME AND EXPENSE

Other operating income and expense include in the 1st half-year 2016, (€1,8 million) of net restructuring cost, (€1,0 million) of litigation and compensation. This item also includes (€9,0) net impairment of tangible assets, including 8,5 million for the Brazil facing a politico-economic condition difficult and 0,5 million for Ukraine,(€0,4 million) of other net income.

Impairment losses are recognized in the interim financial statements following impairment testing of cash-generating units (CGUs) for which indications of impairment have been noted.

The methodology of testing impairment and the main assumptions used in determining value in use, were as described in the notes to the consolidated financial statements as of December 2015. The applicable long-range plans and discount rates were updated as of June 30, 2016 for all sensitive CGUs.

A change of 0,5% in the discount rates applied would have an impact of €3,1 million on impairment in respect of the 1st half of 2016.

Note 4 . NET FINANCIAL EXPENSE

| <i>In thousands of euro</i> | 6 months | |
|--|----------------|----------------|
| | 2016 | 2015 |
| Interest expense ⁽¹⁾ | -10 547 | -11 733 |
| Bank commissions | -2 536 | -2 892 |
| Other net financial expense | -1 862 | -3 264 |
| Interest rate hedging expense ⁽³⁾ | -745 | - |
| Net foreign exchange losses | -4 948 | - |
| FINANCIAL EXPENSE | -20 638 | -17 889 |
| Financial income ⁽²⁾ | 3 598 | 5 204 |
| Result of interest rate hedging income ⁽³⁾ | - | 1 075 |
| Net foreign exchange gains | - | 77 |
| FINANCIAL INCOME | 3 598 | 6 356 |
| NET FINANCIAL EXPENSE | -17 040 | -11 533 |
| <i>Of which: net interest expense</i> ⁽¹⁾⁺⁽²⁾⁺⁽³⁾ | -7 694 | -5 454 |

The financial result of 2016 is mainly affected by net foreign exchange losses. This impact is partially compensated by the decrease of financial expenses in connection with the financial debt reduction.

NOTE 5 . INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group's only joint ventures are Compagnie des Fromages et RicheMonts (CF&R) in France and its subsidiary Sodiaal GmbH in Germany, both owned at 50% interest.

The partnership with Sodiaal was created at the beginning of 2008 in order to benefit from the synergies of the brands, associated with the two group's brands, manufacturing resources, commercial positions and know-how.

The Group also has interests in other associates which are not individually material.

| <i>In thousands of euro</i> | 6 months | |
|--------------------------------|--------------|--------------|
| | 2016 | 2015 |
| Group share in pre-tax results | 2 011 | 8 359 |
| Group share of income tax | -540 | -2 755 |
| Net Group share | 1 471 | 5 604 |

At June 30, 2016, the change in investments in joint ventures and associates may be explained as follows :

| <i>In thousands of euro</i> | June 30, 2016 | December 31, 2015 |
|--|-----------------------------|-------------------|
| | At January 1st, 2016 | 126 344 |
| Change in consolidation scope ⁽¹⁾ | -13 299 | -57 853 |
| Result for the period | 1 471 | 8 936 |
| Dividends distributed | -1 269 | -13 777 |
| Other items | -128 | 219 |
| Impact of foreign exchange differences | -128 | 258 |
| CLOSING BALANCE | 112 991 | 126 344 |

(1) During the 1st half-year 2016, the Group sold its 24.94% interest in its associate Lacto Sérum France.

Compagnie des Fromages et RicheMonts

| <i>In thousands of euro</i> | June 30, 2016 | December 31, 2015 |
|-----------------------------------|----------------|-------------------|
| Current assets | 146 978 | 169 070 |
| Non current assets | 172 591 | 170 063 |
| ASSETS | 319 569 | 339 133 |
| Equity | 179 725 | 181 248 |
| Current liabilities | 103 982 | 123 228 |
| Non current liabilities | 35 862 | 34 657 |
| LIABILITIES | 319 569 | 339 133 |
| Cash and cash equivalents | 136 | 916 |
| Current financial liabilities | 1 984 | 370 |
| Non current financial liabilities | 4 785 | 4 938 |

Compagnie des Fromages et RicheMonts

| <i>In thousands of euro</i> | 6 months | |
|-----------------------------|----------|---------|
| | 2016 | 2015 |
| Net sales | 232 315 | 254 454 |
| Net Income ^(*) | 1 252 | 6 101 |
| Other adjustments | -46 | 226 |
| Other comprehensive income | -254 | 101 |
| Overall result for the year | 952 | 6 428 |

(*) The net income is reflecting the slow down of the activity.

Compagnie des Fromages et RicheMonts

| <i>In thousands of euro</i> | June 30, 2016 | December 31, 2015 |
|---|---------------|-------------------|
| Dividends received from the joint venture or associates | -1 260 | -1 049 |

Reconciliation of these amounts with the value of equity method :

Compagnie des Fromages et RicheMonts

| <i>In thousands of euro</i> | June 30, 2016 | December 31, 2015 |
|--|---------------|-------------------|
| Equity | 179 725 | 181 248 |
| Percentage of interest | 50% | 50% |
| Share of equity | 89 863 | 90 624 |
| Other adjustments | 4 587 | 4 610 |
| Value of the Group's interest | 94 450 | 95 234 |
| Net income of associates | 1 206 | 12 048 |
| Percentage of interest | 50% | 50% |
| Group share of net income and adjustments | 603 | 6 024 |
| Group share of other comprehensive income | -127 | 234 |

NOTE 6 . TAXES ON INCOME

Taxes on income may be broken down as follows:

| <i>In thousands of euro</i> | 6 months | |
|-----------------------------|----------------|----------------|
| | 2016 | 2015 |
| Current tax | -30 043 | -25 714 |
| Deferred tax | 3 081 | 4 335 |
| | -26 962 | -21 379 |

The amount of income tax expense differs from the theoretical weighted average charge applying to the profits of consolidated subsidiaries for the following reasons:

| <i>In thousands of euro</i> | 6 months | |
|--|---------------|---------------|
| | 2016 | 2015 |
| Profit before tax | 61 128 | 59 430 |
| Theoretical tax based on national tax rates | 17 293 | 16 801 |
| Tax impact of: | | |
| • Restatement of tax for associates | -492 | -1 693 |
| • Non-taxable profits and non-deductible expenses | 989 | 6 723 |
| • Current and deferred tax resulting from the analysis of France's CVAE as a tax on income | 2 819 | 2 933 |
| • Tax credits | -252 | -78 |
| • Use of tax losses not previously recognized and impairment of net deferred tax assets ⁽¹⁾ | 6 077 | -1 679 |
| • Tax rate changes affecting deferred tax | -16 | - |
| • Other items ⁽²⁾ | 544 | -1 628 |
| Income tax charge | 26 962 | 21 379 |
| Weighted average tax rate | 44,11% | 35,97% |

(1) *Deferred tax assets are recognized in respect of tax losses carried forward to the extent that their recovery appears probable. In 2016, the Group's forecast taxable profits for the three coming years have required the recognition of €6,1 million of impairment losses, in particular on Latin America zone, against a reversal of any write-down of €1,7 million in 2015.*

(2) *Including the impact of tax inspections on 2015.*

The parent company's tax rate on 2016 amounts to 34,43%.

The capping of tax losses carried forward has not resulted in any additional consolidated current tax charges at Group level.

NOTE 7. DIVIDENDES PER SHARE

| <i>In thousands of euro</i> | 6 months | |
|--------------------------------------|----------|--------|
| | 2016 | 2015 |
| Dividends paid by the Group | 13 944 | 11 221 |
| Dividends per share (euro per share) | 1,0 | 0,8 |

NOTE 8 . INTANGIBLE AND TANGIBLE FIXED ASSETS

| <i>In thousands of euro</i> | Intangible assets | Property, plant and equipment | Total |
|--|----------------------|----------------------------------|------------------|
| Carrying amount at 01/01/2016 | 433 707 | 882 520 | 1 316 227 |
| Net investment of acquisitions | 2 444 | 65 126 | 67 570 |
| Disposals | - | -1 851 | -1 851 |
| Depreciation and amortization | -3 623 | -55 079 | -58 702 |
| Impairment | - | -9 032 | -9 032 |
| Reversal of impairment | - | - | - |
| Change in consolidation scope | - | - | - |
| Foreign exchange differences | -1 642 | -2 721 | -4 363 |
| Impact of activities in process of sale | - | - | - |
| Carrying amount at 06/30/2016^(*) | 430 886 | 878 963 | 1 309 849 |
| <i>(*)of which :net assets under finance lease</i> | - | 5 628 | 5 628 |

NOTE 9 . INVENTORIES AND WORK IN PROGRESS

The change in inventories compared to December 31,2015 essentially reflects a seasonal increase in volumes.

NOTE 10 . OTHER CURRENT FINANCIAL ASSETS

Other current financial assets include investments in mutual fund and other securities, which have maturities of less than one year but do not meet all criteria enabling them to qualify as cash equivalents (based on analysis of issue prospectuses and review of the historical changes in their realizable values).

NOTE 11 . CASH AND CASH EQUIVALENTS

| <i>In thousands of euro</i> | June 30, 2016 | December 31, 2015 |
|----------------------------------|----------------|-------------------|
| Cash | 179 253 | 175 448 |
| Cash equivalents | 262 580 | 195 640 |
| CASH AND CASH EQUIVALENTS | 441 833 | 371 088 |

Cash equivalents essentially comprise available-for-sale financial assets (shares in mutual funds and term deposits).

Cash and cash equivalents as presented in the statement of cash flows may be reconciled as follows with the consolidated statements of financial position :

| <i>In thousands of euro</i> | June 30, 2016 | December 31, 2015 |
|--|----------------|-------------------|
| Cash and cash equivalents | 441 833 | 371 088 |
| Bank overdrafts and financial current accounts | -176 731 | -123 866 |
| CASH AND CASH EQUIVALENTS | 265 102 | 247 222 |

Note 12 . BREAKDOWN BY NATURE OF OTHER COMPREHENSIVE INCOME

| <i>In thousands of euro</i> | 6 months | | | | | |
|--|----------------|---------------|-------------------|----------------|---------------|----------------|
| | 2016 | | | 2015 | | |
| | Pre-tax amount | Tax effect | Net of tax amount | Pre-tax amount | Tax effect | Pre-tax amount |
| Foreign exchange differences | -4 325 | - | -4 325 | 21 811 | - | 21 811 |
| Change in fair value of available-for-sale financial assets | 2 448 | -843 | 1 605 | 584 | -201 | 383 |
| Change in fair value of cash flow hedges | 1 539 | -533 | 1 006 | 2 274 | -784 | 1 490 |
| Other movements | - | -471 | -471 | - | - | - |
| Share of associates and joint ventures in recyclable components | -128 | - | -128 | 372 | - | 372 |
| Total recyclable components of other comprehensive income | -466 | -1 847 | -2 313 | 25 041 | -985 | 24 056 |
| Actuarial gains and losses on post-employment benefit plans | -16 702 | 5 370 | -11 332 | 2 900 | -923 | 1 977 |
| Other movements | - | - | - | 57 | - | 57 |
| Share of associates and joint ventures in not-recyclable components | -194 | 66 | -128 | 77 | -26 | 51 |
| Total non-recyclable components of other comprehensive income | -16 896 | 5 436 | -11 460 | 3 034 | -949 | 2 085 |
| OTHER COMPREHENSIVE INCOME | -17 362 | 3 589 | -13 773 | 28 075 | -1 934 | 26 141 |

Note 13 . EVOLUTION OF OTHER RESERVES

| <i>In thousands of euro</i> | Hedging reserves | Available-for-sale financial asset fair value reserves | Actuarial gains and losses | Foreign exchange differences | Total |
|---|------------------|--|----------------------------|------------------------------|----------------|
| BALANCE AT 01/01/2015 | -7 990 | -1 945 | -20 682 | -13 956 | -44 573 |
| Revaluation – gross | | 584 | | | 584 |
| Revaluation – tax effect | | -201 | | | -201 |
| Revaluation – associates | | | | | |
| Cash flow hedges | | | | | |
| • change in fair value for the period | 2 274 | | | | 2 274 |
| • Tax on the losses of fair value | -783 | | | | -783 |
| Actuarial gains and losses - gross | | | 2 911 | | 2 911 |
| Actuarial gains and losses - tax effect | | | -926 | | -926 |
| Foreign exchange differences | | | | | |
| • Group | | | | 21 715 | 21 715 |
| • Associates | | | | 372 | 372 |
| BALANCE AT 06/30/2015 | -6 499 | -1 562 | -18 697 | 8 131 | -18 627 |
| BALANCE AT 12/31/2015 | -5 479 | 3 311 | -12 924 | -8 809 | -23 901 |
| Revaluation – gross | | 2 448 | | | 2 448 |
| Revaluation – tax effect | | -843 | | | -843 |
| Revaluation – associates | | | | | |
| Cash flow hedges | | | | | |
| • Change in fair value for the period | 1 539 | | | | 1 539 |
| • Tax on the losses of fair value | -533 | | | | -533 |
| Actuarial gains and losses - gross | | | -16 664 | | -16 664 |
| Actuarial gains and losses - tax effect | | | 5 321 | | 5 321 |
| Foreign exchange differences | | | | | |
| • Group | | | | -4 403 | -4 403 |
| • Associates | | | | -128 | -128 |
| BALANCE AT 06/30/2016 | -4 473 | 4 916 | -24 267 | -13 340 | -37 164 |

Note 14. NON-CONTROLLING INTEREST IN THE GROUP 'S OPERATIONS AND CASH FLOWS

The Group's non-controlling interests may be broken down as follows :

Non controlling interests

| | Compagnie Laitière Européenne | | Others | | TOTAL | |
|---|-------------------------------|--------|----------|--------|----------|---------|
| | 6 months | | 6 months | | 6 months | |
| <i>In thousands of euro</i> | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| % voting rights | 14,14% | 14,14% | - | - | - | - |
| % economic interest | 15,42% | 15,42% | - | - | - | - |
| Share of net income | -480 | -745 | 3 408 | 4 199 | 2 928 | 3 454 |
| Share of other comprehensive income | -199 | 90 | 160 | 545 | -39 | 635 |
| Share of total comprehensive income | -679 | -655 | 3 568 | 4 744 | 2 889 | 4 089 |
| Cumulative non-controlling interests | 70 066 | 71 224 | 29 291 | 30 149 | 99 357 | 101 373 |
| Dividends paid to non-controlling interests | 942 | 970 | 1 653 | 2 853 | 2 595 | 3 823 |

IFRS whole entity financial data (100% interest) before intragroup eliminations :

BALANCE SHEET

Compagnie Laitière Européenne

| <i>In thousands of euro</i> | June 30, 2016 | December 31, 2015 |
|-----------------------------|------------------|-------------------|
| Current assets | 555 092 | 534 720 |
| Non current assets | 540 687 | 534 389 |
| ASSETS | 1 095 779 | 1 069 109 |
| Equity | 414 350 | 413 402 |
| Current liabilities | 531 879 | 508 703 |
| Non current liabilities | 149 550 | 147 004 |
| LIABILITIES | 1 095 779 | 1 069 109 |

INCOME STATEMENT

| <i>In thousands of euro</i> | 6 months | |
|-----------------------------|----------|---------|
| | 2016 | 2 015 |
| Net sales | 722 618 | 764 739 |
| Net Income | 3 850 | -6 879 |
| Overall result for the year | 1 890 | -6 240 |

NOTE 15 . PROVISIONS

| <i>In thousands of euro</i> | Pensions, other retirement benefits and long-service benefits | Restructuring | Other risks and charges | Total |
|---|---|---------------|----------------------------|----------------|
| At January 1, 2015 | 91 645 | 15 573 | 15 153 | 122 371 |
| Foreign exchange differences | 500 | -16 | -406 | 78 |
| Provisions | 8 454 | 5 557 | 4 734 | 18 745 |
| Uses | -4 761 | -7 520 | -9 999 | -22 280 |
| Change in actuarial gains and losses | -12 379 | - | - | -12 379 |
| Other variations | 5 | - | - | 5 |
| At December 31, 2015 | 83 464 | 13 594 | 9 482 | 106 540 |
| Foreign exchange differences | -131 | -55 | 54 | -132 |
| Provisions ⁽¹⁾ | 2 311 | 1 430 | 2 587 | 6 328 |
| Uses ⁽²⁾ | - | -2 866 | -3 056 | -5 922 |
| Change in actuarial gains and losses ⁽³⁾ | 16 702 | - | - | 16 702 |
| At June 30, 2016 | 102 346 | 12 103 | 9 067 | 123 516 |

- (1) The charges for restructuring relate to rationalization plans abroad.
The other provisions for risks and charges concern €1,2 million of litigation and €1,4 million of other contingencies and costs.
- (2) Reversal of restructuring provision amounted to €2,8 millions, including €2,4 millions of actual use and €0,4 million of provisions no longer required.
Reversal provisions for other risks and charges amounted to €2,1 millions, including €0,8 million of provisions for litigation. Reversal provisions no longer required amounted to €1 million mainly relating to litigation.
- (3) Essentially reflecting changes in discount rates in some significant countries, essentially France and Germany, which go down from 2% to 1,05% in the first half year.

At June 30, 2016 the main provisions recognized include €12,1 millions for restructuring (December 2015: €13,6 millions), disputes relating to matters of employment or social security for €4,2 millions (December 2015: €4,3 millions), commercial disputes for €1,9 million (December 2015: €0,6 million), tax disputes for €0,8 million (December 2015: €1,9 million) and miscellaneous other contingencies for €2,2 millions (December 2015: €2,7 millions).

Note 16 . BORROWINGS AND OTHER FINANCIAL LIABILITIES

| <i>In thousands of euro</i> | June 30, 2016 | Non- current | Current | December 31, 2015 | Non- current | Current |
|--|----------------|-----------------|----------------|----------------------|-----------------|----------------|
| Borrowings from financial and similar institutions | 542 661 | 14 385 | 528 276 | 454 481 | 15 435 | 439 046 |
| Deferred liabilities for profit-sharing payments | 14 408 | 11 353 | 3 055 | 14 532 | 12 403 | 2 129 |
| Bond issues | 180 108 | 159 348 | 20 760 | 182 473 | 161 705 | 20 768 |
| Finance lease borrowings | 4 458 | 3 401 | 1 057 | 4 900 | 3 896 | 1 004 |
| Current bank facilities | 172 484 | - | 172 484 | 122 899 | - | 122 899 |
| TOTAL | 914 119 | 188 487 | 725 632 | 779 285 | 193 439 | 585 846 |

Change in gross borrowings is determined as follows :

| <i>In thousands of euro</i> | June 30, 2016 | December 31, 2015 |
|--|----------------------|--------------------------|
| BORROWINGS AT THE OPENING | 779 285 | 957 169 |
| New borrowings | 94 864 | 8 307 |
| Repayment of borrowings | -9 911 | -179 554 |
| Change in bank facilities and financial current accounts | 53 280 | -6 742 |
| Change in financial lease liabilities | -419 | -663 |
| Foreign exchange differences | -2 980 | 768 |
| BORROWINGS AT THE CLOSING | 914 119 | 779 285 |

Borrowings and other financial liabilities increase by €134,8 million since December 31, 2015. Taking into account cash and cash investments, net debt increases by €26,9 million and amounts to €416,7 million at June 30, 2016.

Some of the Group's facilities are subject to clauses requiring compliance with a financial ratio expressed in terms of maximum indebtedness expressed as a multiple of current EBITDA. EBITDA is defined as current operating profit before charges and reversal in respect of depreciation, amortization, impairment and provision.

This ratio imposed continues to be met by the Group.

The Group's unused confirmed long-term borrowing facilities and adequate to cover its use of short-term facilities. In 2014, its syndicated facility was renewed for up to seven years.

Net borrowings are determined as follows (in the case of the syndicated facility and the majority of the Group's bilateral contracts) for the purpose of calculating the financial ratio :

| <i>In thousands of euro</i> | June30, 2016 | December 31, 2015 |
|--|---------------------|--------------------------|
| Non-current borrowings and debts from financial institutions | -188 487 | -193 439 |
| Current bank borrowings | -725 632 | -585 846 |
| BANK BORROWINGS | -914 119 | -779 285 |
| Other current financial assets | 55 608 | 18 394 |
| Cash and cash equivalents | 441 833 | 371 088 |
| NET BORROWINGS | -416 678 | -389 803 |
| Treasury shares | 8 628 | 1 346 |
| NET BORROWINGS | -408 050 | -388 457 |

NOTE 17 . CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS

The following table discloses the carrying amounts and fair values of the Group's financial instrument assets and liabilities within each applicable category:

ASSETS

| <i>In thousands of euro</i> | Financial instruments at fair value through profit or loss ⁽¹⁾ | Hedging derivatives ⁽²⁾ | Financial assets and liabilities at fair value through profit or loss ⁽²⁾ | Available-for-sale financial assets ⁽²⁾ | Assets held to maturity | Loans and receivables | Carrying amount | Fair value |
|---|---|------------------------------------|--|--|-------------------------|-----------------------|------------------|------------------|
| At June 30, 2016 | | | | | | | | |
| Non-current investments | - | - | - | 3 984 | - | - | 3 984 | 3 984 |
| Non-current financial assets held for trading | - | - | 3 535 | - | - | - | 3 535 | 3 535 |
| Non-current financial loans and receivables | - | - | - | - | 6 546 | 17 552 | 24 098 | 24 098 |
| Other non-current financial assets | - | - | 3 535 | 3 984 | 6 546 | 17 552 | 31 617 | 31 617 |
| Interest rate derivatives | 2 762 | 13 266 | - | - | - | - | 16 028 | 16 028 |
| Non-current derivative financial instruments | 2 762 | 13 266 | - | - | - | - | 16 028 | 16 028 |
| Trade receivables | - | - | - | - | - | 576 197 | 576 197 | 576 197 |
| Current loans & receivables | - | - | - | - | - | 2 175 | 2 175 | 2 175 |
| Commodity hedging derivatives | - | 1 389 | - | - | - | - | 1 389 | 1 389 |
| Other commodity hedging derivatives | 61 | - | - | - | - | - | 61 | 61 |
| Foreign currency hedging derivatives | 4 482 | - | - | - | - | - | 4 482 | 4 482 |
| Current derivative financial instruments | 4 543 | 1 389 | - | - | - | - | 5 932 | 5 932 |
| Current financial assets held for trading | - | - | - | 53 804 | - | 1 804 | 55 608 | 55 608 |
| Financial current accounts | - | - | - | - | - | 1 319 | 1 319 | 1 319 |
| Cash | - | - | - | - | - | 177 934 | 177 934 | 177 934 |
| Cash equivalents | - | - | 262 576 | - | - | - | 262 576 | 262 576 |
| Available-for-sale financial assets | - | - | - | 4 | - | - | 4 | 4 |
| Cash and cash equivalents | - | - | 262 576 | 4 | - | 179 253 | 441 833 | 441 833 |
| TOTAL ASSETS | 7 305 | 14 655 | 266 111 | 57 792 | 6 546 | 776 981 | 1 129 390 | 1 129 390 |

(1) Fair value based on the prices quoted in an active market (level 1 instrument)

(2) Fair value based on inputs, other than the prices quoted an active markets, observable either directly or indirectly.

The inputs used in fair value valuation techniques are categorized into three levels as follows:

- ✓ Level 1 : use of unadjusted list prices in active markets available at the valuation date for identical assets or liabilities;
- ✓ Level 2 : use of other directly or indirectly observable data;
- ✓ Level 3 : use of non-observable data.

The Group's determination, of the level 2 fair value for over-the-counter financial instruments is based on prices communicated by financial institutions. The Group verifies that those prices are reasonable and reflect the instruments' credit risk as adjusted for any factors specific to the Group or its counterparts.

During the year, the Group did not make any changes in its fair value hierarchy.

LIABILITIES

| <i>In thousands of euro</i> | Financial instruments at fair value through profit or loss ⁽¹⁾ | Hedging derivatives ⁽²⁾ | Financial assets and liabilities at fair value through profit or loss ⁽²⁾ | Financial liabilities measured at amortized cost | Carrying amount | Fair value |
|---|---|------------------------------------|--|--|------------------|------------------|
| At June 30, 2016 | | | | | | |
| Bond issues | - | - | - | 159 348 | 159 348 | 159 348 |
| Other borrowings | - | - | - | 29 139 | 29 139 | 29 139 |
| Non-current borrowings | - | - | - | 188 487 | 188 487 | 188 487 |
| Put options granted to minority shareholders | - | - | 32 621 | - | 32 621 | 32 621 |
| Other items | - | - | 7 | - | 7 | 7 |
| Other non-current liabilities | - | - | 32 628 | - | 32 628 | 32 628 |
| Interest rate derivatives | 7 919 | - | - | - | 7 919 | 7 919 |
| Non-current derivative financial instruments | 7 919 | - | - | - | 7 919 | 7 919 |
| Trade payables | - | - | - | 584 590 | 584 590 | 584 590 |
| Guarantee deposits received | - | - | - | 90 | 90 | 90 |
| Commodity derivatives | 65 | - | - | - | 65 | 65 |
| Foreign currency derivatives | 4 079 | - | - | - | 4 079 | 4 079 |
| Current derivative financial instruments | 4 144 | - | - | - | 4 144 | 4 144 |
| Current financial liabilities | - | - | - | 548 875 | 548 875 | 548 875 |
| Financial current accounts | - | - | - | 4 273 | 4 273 | 4 273 |
| Current bank facilities | - | - | - | 172 484 | 172 484 | 172 484 |
| Current borrowings | - | - | - | 725 632 | 725 632 | 725 632 |
| TOTAL LIABILITIES | 12 063 | - | 32 628 | 1 498 799 | 1 543 490 | 1 543 490 |

(1) Fair value based on the prices quoted in an active market (level 1 instrument)

(2) Fair value based on other directly or indirectly observable data.

The Group uses derivative financial instruments to manage its exposure to market risks and in particular, to interest rate risk in respect of its borrowings and to foreign currency risk in respect of its future commercial transactions. Fair value hedging was 100% effective so involved no profit or loss impact.

ASSETS

| <i>In thousands of euro</i> | Financial instruments at fair value through profit or loss ⁽¹⁾ | Hedging derivatives ⁽²⁾ | Financial assets and liabilities at fair value through profit or loss ⁽²⁾ | Available-for-sale financial assets ⁽²⁾ | Assets held to maturity | Loans and receivables | Carrying amount | Fair value |
|---|---|------------------------------------|--|--|-------------------------|-----------------------|------------------|------------------|
| At December 31, 2015 | | | | | | | | |
| Non-current investments | - | - | - | 4 212 | - | - | 4 212 | 4 212 |
| Non-current financial assets held for trading | - | - | 3 244 | - | - | - | 3 244 | 3 244 |
| Non-current loans and receivables | - | - | - | - | 6 547 | 17 019 | 23 566 | 23 566 |
| Other non-current financial assets | - | - | 3 244 | 4 212 | 6 547 | 17 019 | 31 022 | 31 022 |
| Interest rate derivatives | 2 424 | 14 702 | - | - | - | - | 17 126 | 17 126 |
| Non-current derivative financial instruments | 2 424 | 14 702 | - | - | - | - | 17 126 | 17 126 |
| Trade receivables | - | - | - | - | - | 653 432 | 653 432 | 653 432 |
| Current loans & receivables | - | - | - | - | - | 3 549 | 3 549 | 3 549 |
| Commodity hedging derivatives | - | 749 | - | - | - | - | 749 | 749 |
| Other commodity hedging derivatives | 147 | - | - | - | - | - | 147 | 147 |
| Foreign currency hedging derivatives | 2 761 | - | - | - | - | - | 2 761 | 2 761 |
| Current derivative financial instruments | 2 908 | 749 | - | - | - | - | 3 657 | 3 657 |
| Current financial assets held for trading | - | - | - | 14 982 | - | 3 412 | 18 394 | 18 394 |
| Financial current accounts | - | - | - | - | - | 6 | 6 | 6 |
| Cash | - | - | - | - | - | 175 442 | 175 442 | 175 442 |
| Cash equivalents | - | - | 195 636 | - | - | - | 195 636 | 195 636 |
| Available-for-sale financial assets | - | - | - | 4 | - | - | 4 | 4 |
| Cash and cash equivalents | - | - | 195 636 | 4 | - | 175 448 | 371 088 | 371 088 |
| TOTAL ASSETS | 5 332 | 15 451 | 198 880 | 19 198 | 6 547 | 852 860 | 1 098 268 | 1 098 268 |

(1) Fair value based on the prices quoted in an active market (level 1 instrument).

(2) Fair value based on inputs, other than prices quoted in an active market, observable either directly or indirectly.

LIABILITIES

| <i>In thousands of euro</i> | Financial instruments at fair value through profit or loss ⁽¹⁾ | Hedging derivatives ⁽²⁾ | Financial assets and liabilities at fair value through profit or loss ⁽²⁾ | Financial liabilities measured at amortized cost | Carrying amount | Fair value |
|---|---|------------------------------------|--|--|------------------|------------------|
| At December 31, 2015 | | | | | | |
| Bond issues | - | - | - | 161 705 | 161 705 | 161 705 |
| Other borrowings | - | - | - | 31 734 | 31 734 | 31 734 |
| Non-current borrowings | - | - | - | 193 439 | 193 439 | 193 439 |
| Put options granted to minority shareholders | - | - | 28 394 | - | 28 394 | 28 394 |
| Other items | - | - | 7 | - | 7 | 7 |
| Other non-current liabilities | - | - | 28 401 | - | 28 401 | 28 401 |
| Interest rate derivatives | 6 847 | - | - | - | 6 847 | 6 847 |
| Non-current derivative financial instruments | 6 847 | - | - | - | 6 847 | 6 847 |
| Trade payables | - | - | - | 638 577 | 638 577 | 638 577 |
| Guarantee deposits received | - | - | - | 99 | 99 | 99 |
| Commodity derivatives | 146 | - | - | - | 146 | 146 |
| Foreign currency derivatives | 1 047 | - | - | - | 1 047 | 1 047 |
| Current derivative financial instruments | 1 193 | - | - | - | 1 193 | 1 193 |
| Current financial liabilities | - | - | - | 462 196 | 462 196 | 462 196 |
| Financial current accounts | - | - | - | 751 | 751 | 751 |
| Current bank facilities | - | - | - | 122 899 | 122 899 | 122 899 |
| Current borrowings | - | - | - | 585 846 | 585 846 | 585 846 |
| TOTAL LIABILITIES | 8 040 | - | 28 401 | 1 417 961 | 1 454 402 | 1 454 402 |

(1) Fair value based on the prices quoted in an active market (level 1 instrument)

(2) Fair value based on inputs, other than the prices quoted in an active market, observable either directly or indirectly.

NOTE 18 . TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are performed according to terms and conditions equating with an arm's length basis whenever the existence of such arm's length comparison can be demonstrated.

The Group is controlled by SOPARIND SCA, a company registered in France which directly or indirectly holds 66.64% of the parent company's share capital. The balance of share capital is held by a large number of shareholders and is dealt in on the Paris stock exchange. Some subsidiaries are not fully owned by SAVENCIA SA. For the most part, their minority shareholders are milk production or collection cooperatives which supply the Group and may also purchase from the Group. Those transactions constitute the Group's main related party transactions. Sales to related party cooperatives amounted to €35,3 million during the first half of 2016 (38,2 million during the first half of 2015) and purchases to €340,3 million during the first half of 2016 (€383,9 million during the first half of 2015).

The Group also engages in treasury management on behalf of related parties. As such it received a total remuneration of €0,3 million for such services performed during the first half of 2016 (€0,3 million during the first half of 2015).

La Compagnie des Fromages et RichesMonts is a joint venture with Sodiaal as the joint venturer . The Group supplies this company with part of its milk requirement and purchases part of its industrial by-products, as well as providing logistic, commercial, IT and administrative services and distributing the company's products in a certain number of foreign countries.

The Group's other financial assets include a €4,2 million loan to La Compagnie des Fromages et RichesMonts.

Group sales to associates amounted to €93,8 million during the first half of 2016 (€106,2 million during the first half of 2015) and its purchases from associates amounted to €86,3 million during the first half of (€96,2 million during the first half of 2015). The transactions essentially related to dairy materials.

NOTE 19 . POST CLOSING EVENT

To the best of company knowledge, no significant event has occurred subsequent to the closing date until the Board of Director on September 8th, 2016.