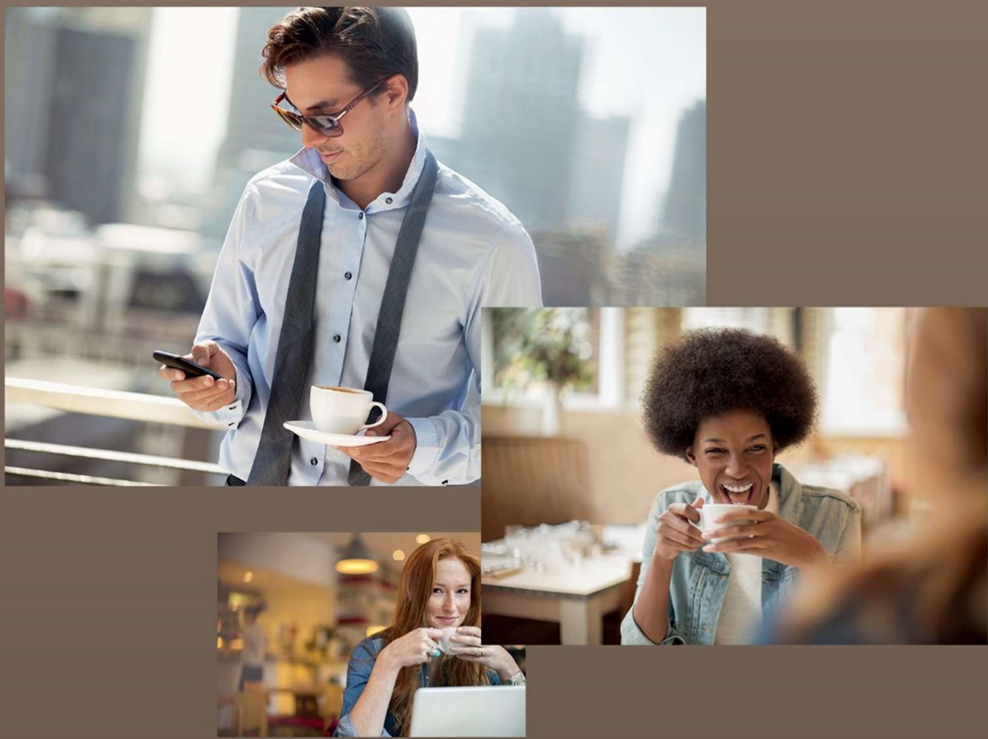
Half-Year Financial Report
For the six months ended June 30, 2016



Dalla pianta alla tazzina, Massimo Zanetti Beverage Group è l'ambasciatore italiano del caffè nel mondo.

MASSIMO ZANETTI
BEVERAGE GROUP

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Company Information

Massimo Zanetti Beverage Group S.p.A.

Registered Office
Viale G.G. Felissent, 53
31020 Villorba (Treviso)

Corporate Information
Share capital authorized Euro 34,300,000
Share capital subscribed and paid in Euro 34,300,000

Tax Code/Business Register/VAT No. 02120510371C

Corporate and supervisory bodies of the Company

Board of Directors

Massimo Zanetti
Chairman and CEO

Matteo Zanetti (**)
Director

Laura Zanetti (**)
Director

Massimo Mambelli
Director

Lawrence L. Quier
Director

Maria Pilar Arbona Palmeiro Goncalves Braga Pimenta (**)
Director

Josè Fernando Pinto dos Santos (*) (2) (4)
Director

Roberto H. Tentori (*) (2) (3)
Director

Annapaola Tonelli (*) (1) (4)
Director

(*) Independent Director pursuant to article 148, paragraph 3 of the TUF (Consolidated Law on Finance) and article 3 of the Code of Conduct
(**) Non-executive Director pursuant to article 2 of the Code of Conduct
(1) Chairman of the Appointment and Remuneration Committee
(2) Member of the Appointment and Remuneration Committee
(3) Chairman of the Audit and Risk Committee
(4) Member of the Audit and Risk Committee

Board of Statutory Auditors

Pier Paolo Pascucci
Chairman

Ermanno Era
Statutory Auditor

Maria Augusta Scagliarini
Statutory Auditor

Simona Gnudi
Alternate auditor

Franco Squizzato
Alternate auditor

Corporate Reporting Manager
Massimo Zuffi

Independent Auditors
PricewaterhouseCoopers S.p.A.

DISCLAIMER

The document includes certain information considered to be "forward-looking statements" which are statements of expectation or belief, and therefore are not historical fact. By their very nature, they involve inherent risks and uncertainties, both general and specific, because they depend on the occurrence of future events and developments outside of the control of the Company. The actual results could therefore differ materially from the plans, objectives, expectations, estimates and intentions expressed in the forward-looking statements. Forward-looking statements use information available as at the date on which they are made, therefore Massimo Zanetti Beverage Group S.p.A. does not undertake any obligation to update or revise any of these after that date, whether as a result of new information, future events or otherwise, other than as required by applicable laws or regulations. The forward-looking statements do not represent and should not be considered to constitute legal, accounting, tax or investment advice of any kind, nor may the stakeholders rely on the same in any way to make investments of any kind.

INTERIM REPORT

Introduction

With reference to the six months ended June 30, 2016, the financial information included in this report and the comments reported therein are intended to provide an overview of the financial position and results of operations of the Group, the relevant changes that occurred during the period, and the significant events that have occurred affecting the results for the period.

Structure and Operations of the Group

Massimo Zanetti Beverage Group S.p.A. (the "**Company**") and its subsidiaries (together referred to as the "**Group**" or "**MZB Group**") are international players in the production and sale of roasted coffee. In order to support its core business, the MZB Group also produces and sells (or grants free use of) coffee machines and coffee equipment for use in the home, the workplace and professional offices. The Group also operates an international network of cafés (primarily under a franchise model). To complement its range of products, the MZB Group sells certain selected colonial products (primarily tea, cocoa and spices) and other food products (including sauces, sugar, chocolates and biscuits). Finally, the MZB Group sells certain goods and services (such as green coffee), that are related to its core business.

The Group sells roasted coffee and related products, primarily in the following three sales channels, which are monitored separately by Management: *i) Mass Market*, *ii) Foodservice*, and *iii) Private Label*.

Customers in the Mass Market channel are businesses which buy and sell food and drinks for domestic consumption (typically local shops, hyper and supermarkets chains (Large-Scale Retail Channel), door-to-door salesmen and the so-called *cash & carry*).

Customers in the Foodservice channel are businesses which buy and sell food and drinks for consumption outside the home (typically coffee shops, bars and cafés, restaurants, hotels, franchising chains, licensing chains, chains of road and highway service stations, on-board catering companies, as well as cafeterias, schools, hospitals, catering and vending machine companies).

Customers in the Private Label are customers from both the Mass Market or Foodservice channels that sell food and drinks produced and supplied by third parties under their own brands.

The Group operates mainly in: Italy, the USA, France, Finland, Germany and Austria. The Group is also present, to a lesser extent, in other countries such as the Netherlands, Poland, Portugal, Switzerland, Belgium, Czech Republic, Denmark, Greece, Hungary, Slovakia, Slovenia, United Kingdom, Estonia, Croatia, Brazil, Argentina, Chile, Costa Rica, Mexico, Japan, Australia, New Zealand, Thailand, Malaysia, United Arab Emirates and Singapore.

The structure of the Group is defined by product line, distribution channel and geographic area. The top management periodically reviews the results to make decisions, allocate resources and define the strategy of the Group based on a single vision of the business, which, therefore, is represented by a single operating segment.

Results of operations

Introduction

In addition to the financial information and financial indicators set forth by the IFRS, this document presents reclassified financial information and certain alternative performance indicators. Management believes that such information also provides useful and relevant information regarding the Group's financial position and financial performance. Such reclassified financial information and indicators should not be considered a substitute for financial information and indicators set forth by the IFRS.

The Group's business, while not showing significant seasonal or cyclical fluctuations in total annual revenue, is subject to different distribution in different months of the year which impact revenue and cost during the year. For this reason, the analysis of performance and financial and economic indicators for the first six months, should not be considered representative of all or a portion of the full year.

Results of operations for the six months ended June 30, 2016 and 2015

The following table sets forth the consolidated income statement for the six months ended June 30, 2016 and 2015:

	Six months ended June 30,				**Change**	
(in thousands of Euro)	**2016**	**(**)**	**2015***	**(**)**	**2016-2015**	
Revenue	442,728	100.0%	450,522	100.0%	(7,794)	-1.7%
Purchases of goods	(258,482)	-58.4%	(279,614)	-62.1%	21,132	-7.6%
Gross Profit(1)	**184,246**	**41.6%**	**170,908**	**37.9%**	**13,338**	**7.8%**
Purchases of services, leases and rentals	(85,471)	-19.3%	(83,209)	-18.5%	(2,262)	2.7%
Personnel costs	(69,141)	-15.6%	(62,104)	-13.8%	(7,037)	11.3%
Other operating costs, net(2)	(521)	-0.1%	(2,842)	-0.6%	2,321	-81.7%
Impairment(3)	(2,433)	-0.5%	(1,879)	-0.4%	(554)	29.5%
EBITDA(1)	**26,680**	**6.0%**	**20,874**	**4.6%**	**5,806**	**27.8%**
Non recurring expense(4)	-	0.0%	2,665	0.6%	(2,665)	-100.0%
Adjusted EBITDA(1)	**26,680**	**6.0%**	**23,539**	**5.2%**	**3,141**	**13.3%**
Depreciation and amortization(5)	(15,528)	-3.5%	(15,543)	-3.4%	15	-0.1%
Operating profit	**11,152**	**2.5%**	**5,331**	**1.2%**	**5,821**	**>100.0%**
Net finance costs(6)	(2,810)	-0.6%	(4,346)	-1.0%	1,536	-35.3%
Profit before tax	**8,342**	**1.9%**	**985**	**0.2%**	**7,357**	**>100.0%**
Income tax expense	(3,186)	-0.7%	(401)	-0.1%	(2,785)	>100.0%
Profit for the period	**5,156**	**1.2%**	**584**	**0.1%**	**4,572**	**>100.0%**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).
(**) Percentage of revenue

Reconciliation between the reclassified consolidated income statement and the condensed consolidated income statement:

(1) For additional information, refer to the "Non-GAAP" alternative performance indicators section
(2) Includes other income and other operating costs
(3) Includes impairment of receivables
(4) Includes costs associated with the IPO
(5) Includes depreciation of property, plant and equipment and investment properties and amortization of intangible assets
(6) Includes finance income and finance costs

Revenue

Revenue of Euro 442,728 thousand for the six months ended June 30, 2016 was down by Euro 7,794 thousand (-1.7%) compared to the six months ended June 30, 2015. The decrease is mainly due to the combined effect of: *i)* the reduction in roasted coffee prices and others (- 7.1%) partially offset by the increase in the volumes of roasted coffee sold (6.0%), and *ii)* the reduction in revenues from other products (-0.6%).

The decrease in revenue is mainly related to the reduction in "Roasted coffee Sold", amounting to Euro 5,272 thousand (-1.3%). The decrease is mainly due to the combined effect of:

- decrease in the sales prices of roasted coffee, which resulted in a reduction in revenue of 8.1%, due to the reduction in the average purchase price of green coffee;

- increase in the volumes of roasted coffee sold, leading to an increase in revenues of 6.8% compared to the six months ended June 30, 2015. The volumes of roasted coffee sold amounted to 63.7 thousand tonnes and 59.7 thousand tonnes for the six months ended June 30, 2016 and 2015, respectively. This increase of 4.0 thousand tonnes referred mainly to the Mass Market channel in Northern Europe (2.1 thousand tonnes) and to the Private Label channel in the Americas (1.4 thousand tonnes). The South European region has grown harmoniously in all distribution channels (0.5 thousand tonnes), while Asia-Pacific and Cafés area has remained broadly stable.

The following table provides a breakdown of revenue for the six months ended June 30, 2016 and 2015, by sales channel:

	Six months ended June 30,				**Change**	
(in thousands of Euro)	**2016**	**(**)**	**2015***	**(**)**	**2016-2015**	
Mass Market	165,450	37.4%	158,165	35.1%	7,285	4.6%
Foodservice	92,289	20.8%	91,424	20.3%	865	0.9%
Private Label	157,457	35.6%	170,403	37.8%	(12,946)	-7.6%
Other	27,532	6.2%	30,530	6.8%	(2,998)	-9.8%
Total revenue	**442,728**	**100.0%**	**450,522**	**100.0%**	**(7,794)**	**-1.7%**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).
(**) Percentage of revenue

The following table provides a breakdown of revenue for the six months ended June 30, 2016 and 2015, by geographical area.

	Six months ended June 30,				**Change**	
(in thousands of Euro)	**2016**	**(**)**	**2015***	**(**)**	**2016-2015**	
Americas	220,593	49.8%	233,553	51.8%	(12,960)	-5.5%
Northern Europe	85,434	19.3%	76,982	17.1%	8,452	11.0%
Southern Europe	103,777	23.4%	104,313	23.2%	(536)	-0.5%
Asia-Pacific and Cafés (***)	32,924	7.4%	35,674	7.9%	(2,750)	-7.7%
Total revenue	**442,728**	**100.0%**	**450,522**	**100.0%**	**(7,794)**	**-1.7%**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).
(**) Percentage of revenue
(***) This geographic area includes the revenue generated by the international network of cafés.

Gross profit

Gross Profit amounted to Euro 184,246 thousand for the six months ended June 30, 2016, an increase of Euro 13,338 thousand (7.8%) compared to the six months ended June 30, 2015. This increase is mainly attributable to the sale of roasted coffee (8.7%) and is only partially offset by other products (-0.9%). The increase in Gross Profit on the sale of roasted coffee was mainly due to favorable trends in sales and purchase prices respectively of roasted and green coffee (3.0%) due to the different mix found in the sales channels in 2016 and 2015 and the increase in volumes of roasted coffee (5.7%).

EBITDA and Adjusted EBITDA

The following table provides a reconciliation between EBITDA and profit for the six months ended June 30, 2016 and 2015:

	Six months ended June 30,				Change	
(in thousands of Euro)	**2016**	**(**)**	**2015***	**(**)**	**2016-2015**	
Profit for the period	5,156	1.2%	584	0.1%	4,572	>100.0%
Income tax expense	3,186	0.7%	401	0.1%	2,785	>100.0%
Finance costs	2,940	0.7%	4,440	1.0%	(1,500)	-33.8%
Finance income	(130)	0.0%	(94)	0.0%	(36)	38.3%
Depreciation and amortization(1)	15,528	3.4%	15,543	3.3%	(15)	-0.1%
EBITDA(2)	**26,680**	**6.0%**	**20,874**	**4.5%**	**5,806**	**27.8%**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).
(**) Percentage of revenue
(1) Includes depreciation of property, plant and equipment and investment properties and amortization of intangible assets
(2) For additional information, refer to the "Non-GAAP" alternative performance indicators section

The following table provides a reconciliation between EBITDA and Adjusted EBITDA for the six months ended June 30, 2016 and 2015:

	Six months ended June 30,				Change	
(in thousands of Euro)	**2016**	**(**)**	**2015***	**(**)**	**2016-2015**	
EBITDA(1)	26,680	6.0%	20,874	4.6%	5,806	27.8%
Costs associated with the IPO	-	0.0%	2,665	0.6%	(2,665)	-100.0%
Adjusted EBITDA (1)	**26,680**	**6.0%**	**23,539**	**5.2%**	**3,141**	**13.3%**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).
(**) Percentage of revenue
(1) For additional information, refer to the "Non-GAAP" alternative performance indicators section

Adjusted EBITDA amounted to Euro 26,680 thousand for the six months ended June 30, 2016 and showed a substantial increase compared to Euro 23,539 thousand for the six months ended June 30, 2015. This result is mainly due to the combined effect of:

- increase in Gross Profit of Euro 13,338 thousand, due to what was previously described and partially offset
- by the increase in operating costs of Euro 10,194 thousand, due to higher expenses for:
    - advertising and promotional activities (Euro 2,219 thousand) related to the development of Segafredo Zanetti global brand and local brands, especially in the US;
    - personnel costs (Euro 7,037 thousand) due to the strengthening of the management structure to develop the management and coordination activities of the Group and the different timing of certain variable cost components compared to 2015; and
    - allocations in the provision for impairment of trade receivables (Euro 896 thousand).

Operating profit

Operating profit amounted to Euro 11,152 thousand for the six months ended June 30, 2016, an increase of Euro 5,821 thousand compared to the six months ended June 30, 2015. This increase, in addition to what previously described for EBITDA, was mainly due to costs associated with the IPO in 2015 amounting to Euro 2,665 thousand.

Profit for the period

Profit for the period amounted to Euro 5,156 thousand for the six months ended June 30, 2016, an increase of Euro 4,572 thousand compared to the six months ended June 30, 2015. In addition to what previously described for operating profit, the increase is also due to the combined effect of:

- reduction in net finance costs, amounting to Euro 1,536 thousand, mainly due to lower Net Financial Indebtedness recorded in the first half of 2016 compared to 2015, also in relation to the partial repayment of USD 81,100 thousand in June 2015 for the loan used to finance the acquisition of the Boncafe companies;
- increase in income taxes amounting to Euro 2,785 thousand, mainly due to the higher taxable income generated by the Group in the six months ended June 30, 2016 compared to 2015.

Reclassified statement of financial position

The following table shows the reclassified statement of financial position at June 30, 2016 and at 31 December 31, 2015:

(in thousands of Euro)	**At June 30, 2016**	**At December 31, 2015**
Investments:		
Intangible assets	117,915	117,834
Property, plant and equipment and investment properties(1)	213,035	213,293
Investments in joint ventures and associates	10,507	138
Non-current trade receivables	13,735	13,783
Deferred tax assets and other non-current assets(2)	17,775	16,911
Non-current assets (A)	**372,967**	**361,959**
Net working capital (B)(3)	**123,972**	**159,170**
Employee benefits	(9,282)	(9,624)
Other non-current provisions	(2,305)	(2,258)
Deferred tax liabilities and other non-current liabilities(4)	(30,570)	(29,889)
Non-current liabilities (C)	**(42,157)**	**(41,771)**
Net invested capital (A+B+C)	**454,782**	**479,358**
Sources:		
Equity	293,180	293,686
Net financial indebtedness	161,602	185,672
Sources of financing	**454,782**	**479,358**

Reconciliation between the reclassified statement of financial position and the condensed consolidated statement of financial position

(1) Includes property, plant and equipment and investment properties
(2) Includes deferred tax assets and other non-current assets
(3) For additional information, refer to the "Non-GAAP" alternative performance indicators section
(4) Includes deferred tax liabilities and other non-current liabilities

The following table shows the breakdown of Net Working Capital of the Group at June 30, 2016 and at December 31, 2015:

(in thousands of euro)	**At June 30, 2016**	**At December 31, 2015**
Inventories	122,119	134,807
Trade receivables	117,959	115,950
Income tax assets	4,273	3,242
Other current assets (1)	12,112	12,272
Trade payables	(105,061)	(80,745)
Income tax liabilities	(1,114)	(620)
Other current liabilities	(26,316)	(25,736)
Net working capital(2)	**123,972**	**159,170**

(1) Other current assets excludes current financial receivables which are included in net financial indebtedness
(2) For additional information, refer to the "Non-GAAP" alternative performance indicators section

Reclassified cash flow statement

The following table shows the reclassified cash flow statement for the six months ended June 30, 2016 and 2015:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Adjusted EBITDA(1)	26,680	23,539
Changes in Net Working Capital	32,191	(31,595)
Net recurring investments(2)	(14,226)	(14,732)
Income tax paid	(3,090)	(4,939)
Other operating items	2,851	(985)
Free Cash Flow(1)	**44,406**	**(28,712)**
Net non-recurring investments(3)	(13,006)	(6,294)
Interest paid	(3,640)	(4,816)
Net cash generated from financing activities	(24,640)	43,146
Exchange gains/(losses) on cash and cash equivalents	(201)	443
Net increase in cash and cash equivalents	**2,919**	**3,767**
Cash and cash equivalents at the beginning of the period	25,574	18,302
Cash and cash equivalents at the end of the period	**28,493**	**22,069**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).
(1) For additional information, refer to the "Non-GAAP" alternative performance indicators section
(2) Net recurring investments include purchases of property, plant and equipment and intangible assets, excluding asset deals
(3) Net non-recurring investments include business combinations, asset deals and other minor items

Free Cash Flow amounted to Euro 44,406 thousand in the six months ended June 30, 2016, compared with a negative figure of Euro 28,712 in the six months ended June 30, 2015. This increase is mainly due to the trends in changes to the net working capital.

The following table shows the breakdown of changes in Net Working Capital for the six months ended June 30, 2016 and 2015:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Changes in inventories	11,410	(13,026)
Changes in trade receivables	(5,098)	2,882
Changes in trade payables	24,217	(3,096)
Changes in other assets/liabilities	2,459	(18,237)
Payments of employee benefits	(797)	(118)
Changes in net working capital	**32,191**	**(31,595)**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

Changes in Net Working Capital were positive for Euro 32,191 thousand for the six months ended June 30, 2016 compared with a negative figure of Euro 31,595 thousand for the six months ended June 30, 2015, mainly due to:

- the changes in inventories amounting to Euro 11,410 thousand, reflecting lower volumes in stock and the decline in the average price of green coffee in stock for the types most commonly used by the Group;
- the changes in trade payables, amounting to Euro 24,217 thousand, which benefited from the change in payment terms agreed with Cofiroasters SA.

Net recurring investments amounted to Euro 14,226 thousand for the six months ended June 30, 2016, a decrease of Euro 506 thousand compared to the six months ended June 30, 2015.

Net non-recurring investments amounted to Euro 13,006 thousand and Euro 6,294 thousand for the six months ended June 30, 2016 and 2015, respectively.

The cash flow used in the net non-recurring investments for the six months ended June 30, 2016 relate primarily to *i)* the acquisition of Segafredo Zanetti Worldwide Italia S.p.A., for Euro 2,624 thousand, net of the cash acquired *ii)* the purchase of a 15.1% stake in Club Coffee LP, more fully described in the note "Key events for the six months ended June 30, 2016", for CAD 15,100 thousand (Euro 10,139 thousand) as well as *iii)* the purchase of Boncafe Vietnam Company Ltd. for Euro 148 thousand, net of the cash acquired.

The cash flow used in the net non-recurring investments for the six months ended June 30, 2015 relate primarily to: *i)* payment of the price adjustment for the acquisition of the Boncafe companies for Euro 2,640 thousand, and *ii)* acquisition of Ceca S.A. assets for USD 4,200 thousand.

Financing activities used cash amounting to Euro 24,640 thousand in the six months ended June 30, 2016compared to cash generated of Euro 43,146 thousand recorded in the six months ended June 30, 2015, mainly as a result of the capital increase of Euro 69,659 thousand. The cash used in the six months ended June 30, 2016 was mainly due to the combined effect of:

- the reduced use of short-term loans for Euro 29,537 thousand, as a result of the cash generated by operations;
- the payment of dividends for Euro 3,087 thousand; and
- cash collected through new issues of long-term loans amounting to Euro 7,984 thousand, net of the repayment of the instalments due.

Net Financial Indebtedness

The following table shows the breakdown of net financial indebtedness of the Group at June 30, 2016 and at December 31, 2015, determined in accordance with the CONSOB Communication dated July 28, 2006, and in compliance with the ESMA Recommendation 2013/319:

	At June 30, 2016	At December 31, 2015
Cash and cash equivalents	(2,268)	(811)
Cash at bank	(26,225)	(24,763)
Securities held for trading	-	-
Liquidity (A+B+C)	**(28,493)**	**(25,574)**
Current financial receivables	**(88)**	**(192)**
Current loans	58,191	87,739
Current portion of non-current loans	28,769	25,291
Other current financial payables	129	70
Current indebtedness (F+G+H)	**87,089**	**113,100**
Net current indebtedness (I+E+D)	**58,508**	**87,334**
Non-current loans	101,623	97,787
Issued bonds	-	-
Other non-current financial payables	1,471	551
Non-current indebtedness (K+L+M)	**103,094**	**98,338**
Net financial indebtedness (J+N)	**161,602**	**185,672**

Net financial indebtedness amounted to Euro 161,602 thousand at June 30, 2016, a decrease of Euro 24,070 thousand compared to December 31, 2015. This decrease is mainly due to the combined effect of the following:

- positive Free Cash Flow of Euro 44,406 thousand for the six months ended June 30, 2016;
- net non-recurring investments made in the six months ended June 30, 2016 amounting to Euro 13,006 thousand relating to the acquisition of Segafredo Zanetti Wordwide Italia S.p.A. and Boncafe Vietnam Company Ltd as well as the investment in 15.1% of the share capital of Club Coffee LP;

- interest paid of Euro 3,640 thousand for the six months ended June 30, 2016;
- dividends paid amounting to Euro 3,087 thousand;
- the Euro/USD foreign currency exchange rate impact and other non-cash items.

Capital expenditure

The following table sets forth capital expenditure in business combinations, property, plant and equipment and intangible assets for the six months ended June 30, 2016 and 2015:

	Six months ended June 30,			
(in thousands of Euro)	2016		2015	
	Additions	Cash-out	Additions	Cash-out
Business combinations, including those under common control	133	2,772	-	2,640
Property, plant and equipment	14,750	13,738	15,253	15,253
Intangible assets	949	949	4,054	4,054
Total capital expenditure	**15,832**	**17,459**	**19,307**	**21,947**

Business combinations, including transactions under common control

Cash-out amounted to Euro 2,772 thousand and Euro 2,640 thousand for the six months ended June 30, 2016 and June 30, 2015, respectively, relating to the acquisition of Segafredo Zanetti Worldwide Italia S.p.A. and Boncafe Vietnam Company Ltd in 2016, and payment of the price adjustment for the acquisition of the Boncafe companies in 2015.

Property, plant and equipment

Capital expenditure in property, plant and equipment for the six months ended June 30, 2016 mainly relates to bar equipment and assets under construction, amounting to Euro 7,568 thousand and Euro 2,597 thousand, respectively.

Capital expenditure in property, plant and equipment for the six months ended June 30, 2015 mainly relates to bar equipment and assets under construction, amounting to Euro 7,923 thousand and Euro 3,370 thousand, respectively.

Intangible assets

Capital expenditure in intangible assets for the six months ended June 30, 2016 are mainly related to the implementation of new software in Finland, France and USA.

Capital expenditure in intangible assets for the six months ended June 30, 2015 relates to assets acquired from Ceca S.A., amounting to USD 3,500 thousand, and consist mainly of trademarks, brands and commercial information.

Key events for the six months ended June 30, 2016

In February the Group acquired the entire share capital of Segafredo Zanetti Worldwide Italia S.p.A., a company owned directly by Massimo Zanetti, Chairman and CEO of the Company, active mainly in commercial franchising of operators in the Foodservice channel. The acquisition is of strategic importance as it will bring to the Group activities for the promotion and development of the MZBG Italian coffee shops managed by Segafredo Zanetti Worldwide Italia S.p.A., which completed the process of redefining its business model and improving its profitability. The purchase price based on a valuation prepared by an expert, amounted to Euro 2,800 thousand.

On April 19, 2016 the Shareholders' Meeting of Massimo Zanetti Beverage Group S.p.A. approved the financial statements for 2015 and resolved to distribute a dividend of € 0.09 (Euro nine cents) per share for the year 2015. The total dividend of Euro 3,087 thousand, was paid in May.

At the end of April 2016, the Group finalised the acquisition of a 15.1% non-controlling interest in the share capital of Club Coffee LP, Toronto, a leading Canadian company in innovative technological solutions in the single serve market, at a price of 15.1 million Canadian Dollars (CAD). The Group has an option on an additional 10% of the share capital of Club Coffee LP, Toronto that may be exercised within 13 months from the acquisition, at a price that will be defined according to market conditions.

Through this strategic acquisition, the Group intends to boost sales and expand its global presence on new geographical markets and in business segments that are more profitable.

Subsequent events

Please refer to Note 28 – Subsequent Events in the notes to the consolidated condensed interim financial statements at June 30, 2016.

Business outlook

In line with what has happened in the past, in the second half of the year, we expect to see an increase in coffee volumes sold and in economic margins, compared to the first six months of 2016.

Based on the results achieved for the six months ended June 30, 2016 and on the current market trends, the outlook for the Group performance in 2016 is substantially unchanged.

"Non-GAAP" alternative performance indicators

Company management evaluates the performance of the Group using certain financial and operating indicators not required by IFRS. In particular, EBITDA, duly adjusted when conditions apply, is used as a primary indicator of profitability, since it allows analysis of the profit margin of the Group, eliminating the effects of volatility due to non-recurring items or items unrelated to ordinary operations.

In accordance with Communication CESR/05-178b, a description of such items used by management is described below:

- Gross Profit is defined by the Group as the difference between revenue and purchases of goods;
- Gross Margin is defined by the Group as the ratio of Gross Profit to Revenue;
- EBITDA is defined by the Group as the profit for the period adjusted to exclude amortization and depreciation, financial income and expenses, income tax expense and losses for the period from discontinued operations;
- EBITDA Margin is defined as the ratio of EBITDA to Revenue;
- Adjusted EBITDA is defined by the Group as EBITDA adjusted for non-recurring items;

- Adjusted EBITDA Margin is defined by the Group as the ratio of Adjusted EBITDA to Revenue;
- Net Working Capital is calculated as the sum of inventories, trade receivables, income tax receivables and other current assets (excluding financial assets), net of trade payables, income tax liabilities and other current liabilities;
- Net Invested Capital is defined by the Group as the sum of non-current assets, non-current liabilities and Net Working Capital;
- Free Cash Flow is defined by the Group as the sum of EBITDA, changes in Net Working Capital, net recurring investments, income tax paid and other operating items.

Unusual transactions and/or events

No significant unusual transactions and/or events occurred in the period which have an impact on the Group's results of operations or financial position.

Treasury shares

The Company does not own nor has owned in the period treasury shares or shareholdings in parent companies, including through third parties or trust companies, and therefore, has not carried out any sales and purchase transactions for such shares and/or shareholdings.

Related-party transactions

For details regarding related-party transactions for the six months ended June 30, 2016, please refer to Note 27 – Related-Party Transactions of the notes to the consolidated condensed interim financial statements at June 30, 2016.

In accordance with the regulations on transactions with related parties introduced pursuant to Consob Resolution no. 17221 dated March 12, 2010 as subsequently amended and integrated, the Company has adopted the procedure governing related-party transactions.

The aforementioned procedure was approved by the Board of Directors of the Company on July 15, 2015 and amended on August 28, 2015 with the approval of the independent directors.

The objective of the procedure is to ensure transparency and the substantial correctness of transactions with related parties and is published on the Company website – www.mzb-group.com.

In the three months ended March 31, 2016, the Group acquired the entire share capital of Segafredo Zanetti Worldwide Italia S.p.A., a company owned directly by Massimo Zanetti, Chairman and CEO and as such a related party to MZBG ("SWZI").

Pursuant to MZBG's Procedure governing Transactions with Related Parties, the purchase of Segafredo Zanetti Worldwide Italia S.p.A. has been qualified as a "Less Significant Related Party Transaction". For this reason and in accordance with the Procedure, the transaction was submitted for prior assessment by MZBG's Related Party Committee, which expressed a favorable opinion on the soundness, and substantial fairness of the terms and conditions, of the transaction.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED JUNE 30, 2016

Consolidated Condensed Interim Income Statement

(in thousands of Euro)	Note	Six months ended June 30, 2016	Six months ended June 30, 2015*
Revenue	**18**	442,728	450,522
Other income		3,009	2,884
Purchases of goods	**19**	(258,482)	(279,614)
Purchases of services, leases and rentals	**20**	(85,471)	(83,209)
Personnel costs	**21**	(69,141)	(62,104)
Other operating costs	**22**	(3,530)	(5,726)
Amortization, depreciation and impairment	**23**	(17,961)	(17,422)
Operating profit		**11,152**	**5,331**
Finance income	**24**	130	94
Finance costs	**24**	(2,940)	(4,440)
Profit before tax		**8,342**	**985**
Income tax expense	**25**	(3,186)	(401)
Profit for the period		**5,156**	**584**
Profit attributable to:			
Non-controlling interests		*112*	*89*
Owners of the parent		*5,044*	*495*
Earnings per share basic / diluted (in Euro)	**26**	**0.15**	**0.02**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See Note 4).

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Profit for the period	**5,156**	**584**
Gains/(Losses) from cash flow hedges	523	(506)
Losses on net investment hedges	-	(3,685)
Currency translation differences	(1,618)	11,200
Items that may be subsequently reclassified to profit or loss	**(1,095)**	**7,009**
Remeasurements of employee benefit obligations	(106)	57
Items that will not be reclassified to profit or loss	**(106)**	**57**
Comprehensive income for the period	**3,955**	**7,650**
Comprehensive income attributable to non-controlling interests	108	93
Comprehensive income attributable to owners of the parent	**3,847**	**7,557**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See
Note 4).

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	**Note**	**At June 30, 2016**	**At December 31, 2015**
Intangible assets	**10**	117,915	117,834
Property, plant and equipment	**11**	208,665	208,871
Investment properties		4,370	4,422
Investments in joint ventures	**12**	10,507	138
Non-current trade receivables	**13**	13,735	13,783
Deferred tax assets		11,383	11,046
Other non-current assets		6,392	5,865
Total non-current assets		**372,967**	**361,959**
Inventories		122,119	134,807
Trade receivables	**13**	117,959	115,950
Income tax receivables		4,273	3,242
Other current assets		12,200	12,464
Cash and cash equivalents		28,493	25,574
Total current assets		**285,044**	**292,037**
Total assets		**658,011**	**653,996**
Share capital		34,300	34,300
Other reserves		117,639	121,803
Retained earnings		139,336	135,786
Equity attributable to owners of the parent		**291,275**	**291,889**
Non-controlling interests		1,905	1,797
Total equity	**14**	**293,180**	**293,686**
Non-current borrowings	**15**	103,094	98,338
Employee benefits		9,282	9,624
Other non-current provisions	**16**	2,305	2,258
Deferred tax liabilities		24,825	24,008
Other non-current liabilities	**17**	5,745	5,881
Total non-current liabilities		**145,251**	**140,109**
Current borrowings	**15**	87,089	113,100
Trade payables		105,061	80,745
Income tax liabilities		1,114	620
Other current liabilities	**17**	26,316	25,736
Total current liabilities		**219,580**	**220,201**
Total liabilities		**364,831**	**360,310**
Total equity and liabilities		**658,011**	**653,996**

Consolidated Condensed Interim Statement of Cash Flows

(in thousands of Euro)	Note	Six months ended June 30, 2016	2015*
Profit before tax		**8,342**	**985**
Adjustments for:			
Amortization, depreciation and impairment	**23**	17,961	17,422
Provisions for employee benefits and other charges		274	224
Finance costs	**24**	2,810	4,346
Other non-monetary items		144	(423)
Net cash generated from operating activities before changes in net working capital		**29,531**	**22,554**
Changes in inventories		11,410	(13,026)
Changes in trade receivables		(5,098)	2,882
Changes in trade payables		24,217	(3,096)
Changes in other assets/liabilities		2,459	(18,237)
Payments of employee benefits		(797)	(118)
Interest paid		(3,640)	(4,816)
Income tax paid		(3,090)	(4,939)
Net cash generated from / (used in) operating activities		**54,992**	**(18,796)**
Acquisition of subsidiary, net of cash acquired	**8**	(148)	(2,640)
Acquisition of subsidiary under common control, net of cash acquired	**8**	(2,624)	-
Purchase of property, plant and equipment	**11**	(13,738)	(15,253)
Purchase of intangible assets	**10**	(949)	(4,054)
Proceeds from sale of property, plant and equipment	**11**	412	418
Changes in financial receivables	**10**	49	328
Investments in joint ventures	**12**	(10,139)	-
Changes in financial receivables		(187)	(30)
Interest received		92	205
Net cash used in investing activities		**(27,232)**	**(21,026)**
Proceeds from borrowings	**15**	20,000	35,837
Repayment of borrowings	**15**	(12,016)	(81,175)
Increase/(Decrease) in short-term loans	**15**	(29,537)	18,825
Proceeds from sale of shares	**14**	-	69,659
Dividends paid	**14**	(3,087)	-
Net cash generated from / (used in) financing activities		**(24,640)**	**43,146**
Exchange gains/(losses) on cash and cash equivalents		(201)	443
Net increase (decrease) in cash and cash equivalents		**2,919**	**3,767**
Cash and cash equivalents at the beginning of the period		25,574	18,302
Cash and cash equivalents at the end of the period		**28,493**	**22,069**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See
Note 4).

Consolidated Condensed Statement of Changes in Equity

(in thousands of Euro)	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total
At December 31, 2015	**34,300**	**121,803**	**135,786**	**291,889**	**1,797**	**293,686**
Profit for the period	-	-	5,044	5,044	112	**5,156**
Remeasurements of employee benefit obligations	-	-	(102)	(102)	(4)	**(106)**
Gain from cash flow hedges	-	523	-	523	-	**523**
Currency translation differences	-	(1,618)	-	(1,618)	-	**(1,618)**
Total profit for the period	**-**	**(1,095)**	**4,942**	**3,847**	**108**	**3,955**
Shareholders transactions						
Acquisition of Segafredo Zanetti World Wide S.p.A.	-	-	(1,374)	(1,374)	-	**(1,374)**
Dividends paid	-	(3,087)	-	(3,087)	-	**(3,087)**
Reclassifications	-	18	(18)	-	-	**-**
At June 30, 2016	**34,300**	**117,639**	**139,336**	**291,275**	**1,905**	**293,180**

(in thousands of Euro)	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total
At December 31, 2014	**28,000**	**51,708**	**126,567**	**206,275**	**1,759**	**208,034**
Profit for the period	-	-	495	495	89	**584**
Remeasurements of employee benefit obligations	-	-	53	53	4	**57**
Losses from cash flow hedges	-	(506)	-	(506)	-	**(506)**
Losses from net investment hedges	-	(3,685)	-	(3,685)	-	**(3,685)**
Currency translation differences	-	11,200	-	11,200	-	**11,200**
Total loss for the period	**-**	**7,009**	**548**	**7,557**	**93**	**7,650**
Shareholders transactions						
Increase in share capital, net of transaction costs	6,300	63,359	-	69,659	-	**69,659**
Other changes	-	-	(1,303)	(1,303)	-	**(1,303)**
Reclassifications	-	520	(520)	-	-	**-**
At June 30, 2015*	**34,300**	**122,596**	**125,292**	**282,188**	**1,852**	**284,040**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See
Note 4).

Notes

1. General information

Massimo Zanetti Beverage Group S.p.A. (hereinafter the "**Company**") is a company established and domiciled in Italy and organized under the laws of the Republic of Italy. The registered offices of the Company are located in Viale Felissent, Villorba (Treviso). The Company is controlled by Massimo Zanetti Industries S.A. (hereinafter also referred to as "**MZ Industries**"), based in Luxembourg.

The Company and its subsidiaries (hereinafter referred to as the "**Group**") operate in the coffee business. In particular, the Group manages numerous well-known international brands and a vast assortment of regional products, including coffee, tea, cocoa and spices.

The Company is listed on the STAR segment of the Mercato Telematico Azionario - MTA (screen-based stock exchange) managed and organised by Borsa Italiana S.p.A. (Italian Stock Exchange).

These consolidated condensed interim financial statements as at and for the six months ended June 30, 2015 (the ''**Consolidated Condensed Interim Financial Statements**'') have been prepared by the Company in accordance with the provisions of Article 154 ter paragraph 2 of Legislative Decree no. 58/98 T.U.F. and subsequent amendments and additions.

The Consolidated Condensed Interim Financial Statements as at and for the six months ended June 30, 2016 have been prepared in accordance with IAS 34 – Interim Financial Reporting.

IAS 34 permits a significantly lower amount of information to be included in interim financial statements from what is required for annual financial statements by International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union, given that the entity has prepared financial statements compliant with IFRS for the previous financial year. The Consolidated Condensed Interim Financial Statements should be read in conjunction with the Group's consolidated financial statements as at and for the year ended December 31, 2015 ("**Consolidated Financial Statements**") which were prepared in accordance with IFRS as adopted by the European Union.

The Consolidated Condensed Interim Financial Statements have been prepared in Euro, the functional currency of the Company. Unless otherwise indicated, all the amounts included in this document are stated in thousands of Euro.

The Consolidated Condensed Interim Financial Statements were subject to a limited review by PricewaterhouseCoopers S.p.A. and were approved by the Board of Directors on August 11, 2016.

2. Accounting Policies

The accounting policies and principles used in the preparation of these Consolidated Condensed Interim Financial Statements are consistent with those used for the Group's Consolidated Financial Statements, and can be found described therein, and have been consistently applied to all periods presented.

It should be noted that the amendments of the IFRS applicable to the financial year ending on December 31, 2016 are not expected to produce a significant impact on the consolidated financial statements of the Group.

The recognition of income taxes is based on the best estimate of the actual tax rate expected for the full financial year.

3. Conversion of the financial statements in currencies other than the Euro

The financial statements of subsidiaries are prepared in the currency of the primary economic environment in which they operate. Financial information presented in currencies other than the Euro are translated into Euro as follows:

- assets and liabilities are translated using the exchange rates applicable at the reporting date;
- revenues and expenditures are translated at the average exchange rate for the period;
- the reserve for currency translation differences includes exchange differences generated by translating balances at a rate other than the closing rate, as well as those generated by translating opening assets and liabilities at a rate other than the rate applicable at the reporting date.

The following exchange rates were used to translate non-Euro financial information of subsidiaries:

Currency		Average exchange rate for the six months ended June 30,		Exchange rate as at June 30,		Exchange rate as at December 31,	
		2016	2015	2016	2015	2015	2014
US Dollar	USD	1.12	1.12	1.11	1.12	1.09	1.21
Australian Dollar	AUD	1.52	1.43	1.49	1.46	1.49	1.48
Japanese Yen	JPY	124.50	134.16	114.05	137.01	131.07	145.23
Swiss Franc	CHF	1.10	1.06	1.09	1.04	1.08	1.20
Brazilian Real	BRL	4.13	3.31	3.59	3.47	4.31	3.22
British Pound	GBP	0.78	0.73	0.83	0.71	0.73	0.78
Costa Rican Colon	CRC	598.69	597.14	607.47	598.28	585.64	655.72
Argentine Peso	ARS	15.99	9.84	16.58	10.17	14.10	10.28
Danish Krone	DKK	7.45	7.46	7.44	7.46	7.46	7.45
Polish Zloty	PLZ	4.37	4.14	4.44	4.19	4.26	4.27
Chilean Peso	CLP	769.26	693.06	735.50	714.92	772.71	737.30
Czech Koruna	CSK	27.04	27.50	27.13	27.25	27.02	27.74
Mexican Peso	MXN	20.16	16.89	20.63	17.53	18.91	17.87
New Zealand Dollar	NZD	1.65	1.51	1.56	1.65	1.59	1.55
Singapore Dollar	SGD	1.54	1.51	1.50	1.51	1.54	1.61
Thai Bhat	THB	39.55	36.78	39.01	37.80	39.25	39.91
United Arab Emirates Dirham	AED	4.10	4.10	4.08	4.11	4.00	4.46
Malaysian Ringgit	MYR	4.57	4.06	4.43	4.22	4.70	4.25
Vietnamese Dong	VND	24,911.62	24,038.17	24,767.80	24,421.50	24,475.10	25,972.10
Croatian Kuna	HRK	7.56	7.63	7.53	7.59	7.64	7.66
Hong Kong Dollar	HKD	8.67	8.65	8.61	8.67	8.44	9.42
Romanian Leu	RON	4.50	n.a.	4.52	n.a.	4.52	n.a.
Hungarian Forint	HUF	312.70	307.42	317.06	314.93	315.98	315.54
Canadian Dollar	CAD	1.49	n.a.	1.44	n.a.	n.a.	n.a.

4. Restatement of comparative figures

During the third quarter of 2015, the fair value was finalized for the net assets of the Boncafe companies acquired in August 2014. In accordance with IFRS 3, the accounting effects of the finalization of such exercise have been retrospectively reflected from the date that control was obtained.

The effects of the finalization of the purchase price allocation and fair value determination of the Boncafe Companies net assets on the consolidated condensed income statement and the consolidated condensed comprehensive income statement for the period ended June 30, 2015, are as follows:

	Six months ended June 30, 2015		
(in thousands of Euro)	**Reported**	**Fair value adjustment Boncafe**	**Restated**
Revenue	450,522		450,522
Other income	2,884		2,884
Purchases of goods	(279,614)		(279,614)
Purchases of services, leases and rentals	(83,209)		(83,209)
Personnel costs	(62,104)		(62,104)
Other operating costs	(5,726)		(5,726)
Amortization, depreciation and impairment	(16,988)	(434)	(17,422)
Operating profit	**5,765**	**(434)**	**5,331**
Finance income	94		94
Finance costs	(4,440)		(4,440)
Profit before tax	**1,419**	**(434)**	**985**
Income tax expense	(477)	76	(401)
Profit for the period	**942**	**(358)**	**584**
Profit attributable to:			
Non-controlling interests	*89*	-	89
Owners of the parent	*853*	*(358)*	495

	Six months ended June 30, 2015		
(in thousands of Euro)	**Reported**	**Fair value adjustment Boncafe**	**Restated**
Profit for the period	**942**	**(358)**	**584**
Losses from cash flow hedges	(506)	-	(506)
Losses from net investment hedges	(3,685)	-	(3,685)
Currency translation differences	12,973	(1,773)	11,200
Items that may be subsequently reclassified to profit or loss	**8,782**	**(1,773)**	**7,009**
Remeasurements of employee benefit obligations	57	-	57
Items that will not be reclassified to profit or loss	**57**	**-**	**57**
Comprehensive income for the period	**9,781**	**(2,131)**	**7,650**
Comprehensive income attributable to non-controlling interests	93	-	93
Comprehensive income attributable to owners of the parent	**9,688**	**(2,131)**	**7,557**

5. Use of Estimates

The preparation of the Consolidated Condensed Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities. Actual results may differ from these estimates and assumptions.

In preparing these Consolidated Condensed Interim Financial Statements, the significant estimates and assumptions made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements.

6. Management of Financial Risks

The activities of the Group are exposed to the following risks: market risk (including in particular, interest rate risk, foreign exchange rate risk and price risk), credit risk, liquidity risk and capital risk.
The Consolidated Condensed Interim Financial Statements do not include all the information and notes on financial risk management required in the preparation of the Consolidated Financial Statements and they should be read in conjunction with the Consolidated Financial Statements.

There have been no changes in the risk management department or in any risk management policies since December 31, 2015.

Market risk

The Group is exposed to market risks associated with interest rates, exchange rates and green coffee prices.

There were no significant changes in the policies, strategies or instruments used to manage interest rate risk, exchange rate risk and green coffee prices risk since December 31, 2015.

Exchange rate risk

In order to reduce the exchange rate risk deriving from foreign currency denominated assets, liabilities and cash flows, the Group arranges forward contracts to hedge future cash flows denominated in currencies other than Euro. The maturities of outstanding forward contracts do not exceed 12 months. The instruments adopted by the Group satisfy the criteria necessary to be recognized in accordance with hedge accounting rules.
The notional value of forward contracts outstanding as at June 30, 2016 was Euro 70,129 thousand (Euro 26,658 thousand as at December 31, 2015). Forward contracts outstanding as at June 30, 2016 had a positive fair value of Euro 1,068 thousand (positive fair value of Euro 431 thousand as at December 31, 2015).

Price risk of green coffee

In the ordinary course of business, the Group is exposed to the risk of fluctuations in the price of green coffee, its principal raw material. The Group reduces risk deriving from fluctuations in the price of green coffee by entering into forward contracts for the purchase of green coffee that fix the price of expected future purchases. The maturity of such contracts is generally four to six months. For further details, see Note 25 - Related Party Transactions. For accounting purposes, changes in the fair value of such contracts are not disclosed when the "own use exemption" conditions apply.

The value of outstanding contractual obligations for which the own use exemption conditions apply amounted to Euro 160,441 thousand as at June 30, 2016 (Euro 96,590 thousand as at December 31, 2015).

Liquidity risk

Taking into account Note 15 – Current and Non-Current Borrowings, there were changes in the expected cash flows, in particular, non-current borrowings, compared to December 31, 2015.

As at June 30, 2016, the Group had credit lines available from various financial institutions (that are renewable annually and can be revoked at short notice), amounting to a total of Euro 213,359 thousand (Euro 204,913 thousand as at December 31, 2015).
The undrawn portion of such credit lines at June 30, 2015 totalled Euro 164,179 thousand (Euro 127,229 thousand at December 31, 2015).

Additionally, it is noted that:

- there are different sources of funding from various financial institutions;
- there is not a significant concentration of liquidity risk in terms of financial assets or sources of financing.

Fair value

The fair value of financial instruments listed in an active market is based on their market prices at the reporting date. The fair value of financial instruments not listed in an active market is determined using measurement techniques based on a series of methods and assumptions linked to market conditions at the reporting date.

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis as at June 30, 2016 and December 31, 2015:

As at June 30, 2016 *(in thousands of Euro)*	**Level 1**	**Level 2**	**Level 3 3**	**Total**
Assets				
Derivatives on exchange rates	-	1.068	-	1.068
Total	**-**	**1.068**	**-**	**1.068**
Liabilities				
Derivatives on exchange rates	-	2.733	-	2.733
Derivatives on interest rates	**-**	**2.733**	**-**	**2.733**

At 31 December 2015 *(in thousands of Euro)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Current derivatives on exchange rates	-	431	-	431
Total	**-**	**431**	**-**	**431**
Liabilities				
Derivatives on interest rates	-	3,070	-	3,070
Total	**-**	**3,070**	**-**	**3,070**

Level 1: Fair value is determined with reference to the (unadjusted) listed prices in active markets of identical financial instruments.

Level 2: Fair value is determined using measurement techniques based on inputs observable in active markets.

Level 3: Fair value is determined using measurement techniques based on inputs that are not observable.

There were no transfers between levels for the six months ended June 30, 2016 or the year ended December 31, 2015. Similarly, there were no changes in the valuation techniques used. Transfers in the fair value hierarchy levels 2 and 3 are analyzed at each reporting date.

Valuation techniques used to derive Level 2 fair values

The fair value of derivative instruments in place as at June 30, 2016 and December 31, 2015 is measured in accordance with Level 2.

Financial instruments with a Level 2 fair value include derivatives that qualify for hedge accounting and other derivative instruments designed to reduce exposure to economic risks. Derivative instruments include forward foreign exchange contracts and interest rate swaps.

The fair value of forward foreign exchange contracts is determined using forward exchange rates quoted on active markets. The fair value of interest rate swaps is determined using a forward curve of interest rates based on market yield curves.

Trade receivables and other financial assets, trade payables, other payables and other financial liabilities, which are classified as current in the statement of financial position, are measured at amortized cost. The fair value of such assets and liabilities does not differ materiality from their carrying amounts as at June 30, 2016 and December 31, 2015, as they relate primarily to balances generated from normal operations that will be settled in the short term.

7. Seasonality

While the Group's business is not subject to significant seasonal or cyclical fluctuations, the revenue and cost flows are not entirely uniform throughout the year. For that reason, the interim financial position and results of operations should not be considered representative of all or a portion of the full year.

8. Business combinations

For the six months ended June 30, 2016
In the six months ended June 30, 2016, the Group acquired the entire share capital of Segafredo Zanetti Worldwide Italia S.p.A., a company owned directly by Massimo Zanetti, Chairman and CEO of the Company, which deals above all in franchising transactions in the Foodservice channel. The agreed purchase price amounts to Euro 2,800 thousand on the basis of an expert valuation.

This acquisition is described as "*under common control*" and therefore the acquired assets and liabilities were recognised based on their historical carrying amounts, without recognising any gains.

The following table provides a comparison between the amount paid and the carrying amount of the net assets acquired:

(in thousands of Euro)	**Carrying amount**
Intangible assets	500
Property, plant and equipment	629
Other assets	1,372
Deferred tax assets	52
Cash and cash equivalents	176
Other non-current provisions	(60)
Employee benefits	(67)
Current borrowings	(292)
Trade payables	(588)
Other liabilities	(296)
Net assets acquired	**1,426**
Consideration	(2,800)
Reserve for transactions under common control	**(1,374)**

In the six months ended June 30, 2016, moreover, the Group acquired 100% of the share capital of Boncafe Vietnam for USD 175 thousand (Euro 155 thousand).

The following table provides a comparison between the amount paid and the provisional fair value of the net assets acquired:

(in thousands of Euro)	**Provisional Fair value**
Net current assets	15
Cash and cash equivalents	7
Net assets acquired	**22**
Consideration	(155)
Provisional goodwill	**133**

For the six months ended June 30, 2015

No business combinations were made in the six months ended June 30, 2015.

During the six months ended June 30, 2015, the Group adjusted the purchase price regarding the acquisition of the Boncafe companies, for the accounting variations for the period between January 1, 2014 and the date of acquisition, for USD 2,975 thousand.

9. Operating Segments

IFRS 8 defines an operating segment as a component of an entity: *i)* that engages in business activities from which it may earn revenues and incur expenses; *ii)* whose operating results are reviewed regularly by the entity's decision makers; and *iii)* for which discrete financial information is available. For the purposes of IFRS 8, the Group has a single operating segment.

Details of revenue by product line, distribution channel and geographical area are provided in Note 18 - Revenue.

10. Intangible Assets

The following table sets forth the changes in intangible assets for the six months ended June 30, 2016:

(in thousands of Euro)	**Goodwill**	**Trademarks, licenses, and similar**	**Customer related assets**	**Software and other immaterial assets**	**Total**
As at December 31, 2015	**73,148**	**39,376**	**1,929**	**3,381**	**117,834**
Of which:					
- historical cost	*73,148*	*43,202*	*3,215*	*17,889*	***137,454***
- accumulated depreciation	-	*(3,826)*	*(1,286)*	*(14,508)*	***(19,620)***
Change in scope of consolidation	133	-	-	500	**633**
Additions	-	101	-	848	**949**
Disposals	-	-	-	(49)	**(49)**
Amortization	-	(941)	(63)	(631)	**(1,635)**
Exchange differences	(6)	231	(38)	(4)	**183**
As at June 30, 2016	**73,275**	**38,767**	**1,828**	**4,045**	**117,915**
Of which:					
- historical cost	*73,275*	*43,726*	*3,152*	*20,563*	***140,716***
- accumulated depreciation	-	*(4,959)*	*(1,324)*	*(16,518)*	***(22,801)***

Capital expenditure in intangible assets for the six months ended June 30, 2016 are mainly related to the implementation of new software in Finland, France and USA.

In April 2015, the Company acquired assets of Ceca S.A. (company in Costa Rica that is part of the Neumann Gruppe GmbH) for a total consideration of USD 4,200 thousand. The amount included in additions to intangible assets relates to trademarks, brands and commercial information for USD 3,500 thousand. The remaining balance of USD 700 thousand relates to coffee roasting machinery and vehicles and is recorded within property, plant and equipment.

At June 30, 2016, with reference to the CGUs being object of Goodwill allocation , no impairment indicators were identified and consequently, no impairment tests were performed.

11. Property, Plant and Equipment

The following table sets forth the changes in property, plant and equipment for the six months ended June 30, 2016:

(in thousands of Euro)	**Land and buildings**	**Plant and machinery**	**Industrial and commercial equipment and other assets**	**Bar equipment**	**Asset under construction**	**Total**
As at December 31, 2015	**81,749**	**64,635**	**20,210**	**39,534**	**2,743**	**208,871**
Of which:						
- historical cost	*115,397*	*131,908*	*65,445*	*137,020*	*2,743*	***452,513***
- accumulated depreciation	*(33,648)*	*(67,273)*	*(45,235)*	*(97,486)*	*-*	***(243,642)***
Change in scope of consolidation	439	-	133	57	-	**629**
Additions	1,965	472	2,148	7,568	2,597	**14,750**
Disposals	-	(6)	(150)	(163)	-	**(319)**
Depreciation	(2,004)	(2,943)	(2,148)	(6,746)	-	**(13,841)**
Reclassifications	72	1,424	294	14	(1,804)	**-**
Exchange differences	(119)	(931)	(176)	(161)	(38)	**(1,425)**
As at June 30, 2016	**82,102**	**62,651**	**20,311**	**40,103**	**3,498**	**208,665**
Of which:						
- historical cost	*116,243*	*135,809*	*69,096*	*146,521*	*3,498*	***471,167***
- accumulated depreciation	*(34,141)*	*(73,158)*	*(48,785)*	*(106,418)*	*-*	***(262,502)***

Bar equipment includes coffee machines, grinders and company-branded products. Bar equipment is generally provided free of charge to customers in the *Foodservice* channel mainly in Italy, France, Germany and Austria. This equipments is of a commercial nature and is designed to build customer loyalty.

Additions to property, plant and equipment in the six months ended June 30, 2015 amounted to Euro 15,253 thousand and related mainly to bar equipment and other assets under construction amounting to Euro 7,923 thousand and Euro 3,370 thousand, respectively.

12. Investments in joint ventures and associates

The following table shows the changes in this item for the period in question:

	As at June 30
(in thousands of Euro)	**2016**
As at January 1, 2016	**138**
Investment in Club Coffee LP	10,139
Profit for the Period	(4)
Exchange differences	234
As at June 30, 2016	**10,507**

In April, the Group acquired a minority stake (15.1% of capital) in Coffee Club LP, based in Toronto, through its North American subsidiary Massimo Zanetti Beverage USA, for Euro 10,139 thousand; for further information, reference should be made to the section on “Key events for the six months ended June 30, 2016 Developments”. The Group has determined to exercise significant influence over Club Coffee LP and so it has been classified as an associated company and accounted for using the equity method.

13. Current and Non-Current Trade Receivables

The following table shows a breakdown of current and non-current trade receivables as at June 30, 2016 and December 31, 2015:

(in thousands of Euro)	**As at June 30, 2016**	**As at December 31, 2015**
Trade receivables and other receivables	138,851	136,355
Provision for impairment of trade receivables	(20,892)	(20,405)
Total trade receivables	**117,959**	**115,950**
Non-current trade receivables and other receivables from customers	19,716	18,826
Non-current provision for impairment of trade receivables	(5,981)	(5,043)
Total non-current trade receivables	**13,735**	**13,783**
Total current and non-current trade receivables	**131,694**	**129,733**

The following table sets forth the changes in the provision for impairment of trade receivables:

(in thousands of Euro)	**Provision for impairment of trade receivables**	**Non-current provision for impairment of trade receivables**
As at December 31, 2015	**20,405**	**5,043**
Accruals	1,014	1,419
Releases	-	-
Utilizations	(435)	(481)
Exchange differences	(92)	-
As at June 30, 2016	**20,892**	**5,981**

14. Equity

Share capital

At June 30, 2016, issued and fully paid share capital of the Company amounted to Euro 34,300 thousand and relates to 34,300,000 ordinary shares without nominal value.

Other reserves and retained earnings

Other reserves and retained earnings are detailed as follows:

(in thousands of Euro)	*Legal reserve*	*Share premium reserve*	*Other reserves*	*Cash flow hedge reserve*	*Net investment hedge*	*Translation reserve*	*Total other reserves*	*Retained earnings*
As at December 31, 2015	**3,768**	**51,238**	**61,559**	**286**	**(10,433)**	**15,385**	**121,803**	**135,786**
Remeasurements of employee benefit obligations	-	-	-	-	-	-	**-**	**(140)**
Tax on remeasurements of employee benefit obligations	-	-	-	-	-	-	**-**	**38**
Cash flow hedge: fair value gains in the period	-	-	-	637	-	-	**637**	**-**
Tax on fair value gains in the period from cash flow hedges	-	-	-	(114)	-	-	**(114)**	**-**
Currency translation differences	-	-	-	-	-	(1,618)	**(1,618)**	**-**
Acquisition of Segafredo Zanetti World Wide S.p.A.	-	-	-	-	-	-	**-**	**(1,374)**
Dividends paid to non-controlling interests	-	(3,087)	-	-	-	-	**(3,087)**	**-**
Profit for the period	-	-	-	-	-	-	**-**	**5,044**
Reclassifications	18	-	-	-	-	-	**18**	**(18)**
As at June 30, 2016	**3,786**	**48,151**	**61,559**	**809**	**(10,433)**	**13,767**	**117,639**	**139,336**

(in thousands of Euro)	*Legal reserve*	*Share premium reserve*	*Other reserves*	*Cash flow hedge reserve*	*Net investment hedge*	*Translation reserve*	*Total other reserves*	*Retained earnings*
As at December 31, 2014	**3,742**	**-**	**49,385**	**536**	**(6,745)**	**4,790**	**51,708**	**126,567**
Remeasurements of employee benefit obligations	**-**	**-**	-	**-**	**-**	**-**	**-**	**76**
Tax on remeasurements of employee benefit obligations	-	-	-	-	-	-	**-**	**(23)**
Cash flow hedge: fair value losses in the period	-	-	-	(995)	-	-	**(995)**	**-**
Tax on fair value gains in the period from cash flow hedges	-	-	-	489	-	-	**489**	**-**
Currency translation differences	-	-	-	-	-	11,200	**11,200**	**-**
Net investment hedge: losses in the period	-	-	-	-	(5,083)	-	**(5,083)**	**-**
Tax on losses in the period from net investment hedge	-	-	-	-	1,398	-	**1,398**	**-**
Other movements	-	-	-	-	-	-	**-**	**(1,303)**
Increase in share capital, net of transaction costs	-	63,359	-	-	-	-	**63,359**	**-**
Profit for the period	-	-	-	-	-	-	**-**	**495**
Reclassifications	26	-	494	-	-	-	**520**	**(520)**
As at June 30, 2015*	**3,768**	**63,359**	**49,879**	**30**	**(10,430)**	**15,990**	**122,596**	**125,292**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

In February, the Group acquired the entire share capital of Segafredo Zanetti Worldwide Italia S.p.A.. The purchase price based on a valuation prepared by an expert, amounted to Euro 2,800 thousand.

On April 19, 2016 the Shareholders' Meeting of Massimo Zanetti Beverage Group S.p.A. approved the financial statements for 2015 and resolved to distribute a dividend of € 0.09 (Euro nine cents) per share for the year 2015. The total dividend of Euro 3,087 thousand, was paid in May.

15. Current and Non-current borrowings

The following tables provide a breakdown of current and non-current borrowings at June 30, 2016 and December 31, 2015.

At June 30, 2016 *(in thousands of Euro)*	**Less than 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total**
Long-term borrowings	28,769	97,179	4,444	130,392
Short-term borrowings	49,210	-	-	49,210
Advances from factors and banks	8,981	-	-	8,981
Finance lease liabilities	129	1,126	345	1,600
Total	**87,089**	**98,305**	**4,789**	**190,183**

At December 31, 2015 *(in thousands of Euro)*	**Less than 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total**
Long-term borrowings	25,291	87,513	10,274	123,078
Short-term borrowings	75,394	-	-	75,394
Advances from factors and banks	12,345	-	-	12,345
Finance lease liabilities	70	344	207	621
Total	**113,100**	**87,857**	**10,481**	**211,438**

Long-term borrowings

The following table provides details of the main loans in place, analyzed between Euro and USD denominated loans, as at June 30, 2016 and December 31, 2015:

			As at June 30,	**As at December 31,**
Interest rate	**Year**	**Initial principal amount** *(in thousands)*	**2016** *(in thousands of Euro)*	**2015**
denominated in Euro				
Euribor 6M + 4.95%	2013	24,000	11,897	14,871
Euribor 6M + 3.00%	2013	20,000	9,943	11,428
Euribor 3M + 3.50%	2013	12,000	6,241	7,419
Euribor 6M + 2.50%	2011	15,000	4,110	5,362
Euribor 6M + 3.00%	2013	8,000	5,499	6,073
Euribor 3M + 3.375%	2014	5,000	2,572	3,175
Euribor 3M + 4.50%	2014	5,000	1,250	2,083
Euribor 6M + 2.30%	2015	20,000	19,842	19,826
Euribor 6M + 1.25%	2015	5,000	3,356	4,181
Euribor 3M + 1.25%	2015	12,000	10,333	11,000
Euribor 6M + 1%	2016	5,000	5,000	-
Euribor 3M + 1.10%	2016	15,000	14,963	-
Other loans	-	-	1,072	834
		subtotal	**96,078**	**86,252**
denominated in USD				
Libor 3M + 2.50%	2015	39,620	31,790	34,109
6.5% /Libor 3M + 7.5%	2015	3,000	2,524	2,717
		subtotal	**34,314**	**36,826**
Total			**130,392**	**123,078**
of which non-current			*92,624*	*97,691*
of which current			*37,768*	*25,387*

In accordance with international practice, the Group's loan contracts require compliance with the so-called negative pledges and financial covenants used for borrowing companies.

These covenants and negative pledges are constantly monitored by Group management and were complied with as at June 30, 2016 and December 31, 2015.

In the six months ended June 30, 2016, the Group obtained the provisions from two long-term financing agreements with the following financial institutions:

- Banca Popolare dell'Emilia Romagna on February 15, 2016 for a principal amount of Euro 5,000 thousand, with maturity date on July 15, 2019; and
- UBI Banca Popolare Commercio e Industria on March 21, 2016 for a principal amount of Euro 15,000 thousand, with maturity date on March 21, 2021.

In May, the Company entered into a loan agreement with Friuladria for a nominal amount of Euro 9,000 thousand with maturity date on June 30, 2020; as of June 30, 2016 this loan had still not been disbursed.

The following table reports the long-term borrowings by variable and fixed rates of interest and by currency (Euro and USD)

(in thousands of Euro and percentages)	**As at June 30, 2016**	**As at December 31, 2015**
Principal amount of long-term debt		
- at variable rate	131.080	121.173
- at fixed rate	-	2.717
Notional amount of derivatives on interest rates	40.966	48.166
Long-term debt converted at fixed rate	31%	41%
Remaining portion of long-term debt at variable rate	69%	59%
Long-term debt denominated in Euro	74%	70%
Long-term debt denominated in USD	26%	30%

It should be noted that the interest rate swaps, which the Group uses to reduce the exposure to interest rate fluctuations, do not comply with the requirements for hedge accounting set forth by IAS 39 "Financial instruments: recognition and valuation".

Advances from factors and banks

Advances from factors and banks relate to advances received from factors or other credit institutions in relation to trade receivables assigned during the year that do not meet the criteria established for the de-recognition of the financial asset.

Net financial Indebtedness

The following table shows the breakdown of net financial indebtedness of the Group at June 30, 2016 and December 31, 2015, determined in accordance with CONSOB communication dated July 28, 2006 and ESMA/2013/319 Recommendation:

(in thousands of Euro)	**As at June 30, 2016**	**As at December 31, 2015**
Cash and cash equivalents	(2,268)	(811)
Cash at bank	(26,225)	(24,763)
Securities held for trading	-	-
Liquidity (A+B+C)	**(28,493)**	**(25,574)**
Current financial receivables	**(88)**	**(192)**
Current loans	58,191	87,739
Current portion of non-current loans	28,769	25,291
Other current financial payables	129	70

Current indebtedness (F+G+H)	**87,089**	**113,100**
Net current indebtedness (I+E+D)	**58,508**	**87,334**
Non-current loans	101,623	97,787
Issued bonds	-	-
Other non-current financial payables	1,471	551
Non-current indebtedness (K+L+M)	**103,094**	**98,338**
Net financial indebtedness (J+N)	**161,602**	**185,672**

16. Other non-current provisions

The following table sets forth a breakdown of other non-current provisions:

(in thousands of Euro)	**Provision for agents' termination indemnities**	**Provisions for other charges**	**Total**
At December 31, 2015	**1,662**	**596**	**2,258**
Change in scope of consolidation	**-**	60	**60**
Accruals	10	146	**156**
Utilizations	(89)	(19)	**(108)**
Releases	-	(82)	**(82)**
Exchange differences	21	-	**21**
At June 30, 2016	**1,604**	**701**	**2,305**

On 9 May 2011, Massimo Zanetti Beverage U.S.A. Inc., was summoned, along with several other companies operating in the production and marketing of coffee, by the Council for Education and Research on Toxics, which accused them of failing to include, in the product labels, a warning relating to the presence of a component in coffee allegedly harmful to health (acrylamide). In December 2015, Massimo Zanetti Beverage U.S.A. Inc. and the defendants summoned in the court case were unsuccessful in the proceedings. Pending the opening of an appeal procedure, Massimo Zanetti Beverage U.S.A. Inc. and the defendants in the court case, though not considering an unsuccessful outcome to the dispute very likely, do not exclude a possible extra-judicial resolution of the dispute, considering the possible recognition of an amount for the resolution.

17. Other Current and Non-Current Liabilities

The following table shows a breakdown of current and non-current liabilities:

	As at June 30,	**As at December 31,**
(in thousands of Euro)	**2016**	**2015**
Derivatives on interest rates	2,228	2,367
Non-current financial guarantee contracts	1,568	1,568
Other non-current liabilities	1,949	1,946
Other non-current liabilities	**5,745**	**5,881**
Payables to personnel	7,339	7,515
Payables to social security institutions	4,061	4,412
Other tax payables	4,228	3,983
Current financial guarantee contracts	1,729	1,729
Advances from customers	1,154	532
Payables to agents	1,223	1,474
Derivatives on interest rates	505	703
Other current liabitilies	6,077	5,388
Total other current liabilities	**26,316**	**25,736**

Please refer to Note 6 – Fair Value for further details regarding liabilities related to derivative instruments.

Financial guarantee contracts, the current portion of which is included among other current liabilities, relate to financial guarantees (in the form of discounted bills of exchange) issued in favor of Claris Factor S.p.A. in relation to loans provided by the latter to Group customers. Such guarantees are part of a broader business arrangement with customers, and in particular with bars in Italy.
As at June 30, 2016, total loans made to customers by Claris Factor which are covered by Group guarantees amounted to Euro 14,831 thousand (Euro 16,911 thousand as at December 31, 2015).

Other Current and Non-current Liabilities include accruals for Euro 1,200 thousand and Euro 1,300 thousand relating to the installments of the fine from the German Antitrust Authority that are to be paid in 2016 and 2017.

18. Revenue

The following table sets forth a breakdown of revenue for the six months ended June 30, 2016 and 2015, the trends of which are illustrated in the management report:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Sales of roasted coffee	392,311	397,583
Sale of regional products and other food related products	22,884	22,409
Sales of coffee machines	16,129	17,522
Revenue from cafe network	5,402	5,865
Other revenue	6,002	7,143
Total	**442,728**	**450,522**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

The following table shows a breakdown of revenue by distribution channel:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Mass Market	165,450	158,165
Foodservice	92,289	91,424
Private Label	157,457	170,403
Other	27,532	30,530
Total	**442,728**	**450,522**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

The following table shows a breakdown of revenue by geographic area:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Americas	220,593	233,553
Northern Europe	85,434	76,982
Southern Europe	103,777	104,313
Asia-Pacific and Cafés (**)	32,924	35,674
Total	**442,728**	**450,522**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).
(***) This geographic area includes the revenue generated by the international network of cafés.

19. Purchases of Goods

The following table shows a breakdown of purchases of goods:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Purchases of raw materials	188,623	204,594
Purchases of finished goods	34,806	40,084
Purchases of packaging and other	35,053	34,936
Total	**258,482**	**279,614**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

20. Purchases of Services, Leases and Rentals

The following table sets forth a breakdown of purchases of services, leases and rentals:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Advertising and promotions	21,740	19,520
Transportation costs	11,829	13,078
Agent commissions and other	9,359	9,464
Maintenance, repair and support	7,081	6,558
Leases and rentals	7,514	7,412
Utilities	7,076	7,121
Travel expenses and fuel	4,553	4,471
Consultancy and collaborations	4,683	4,339
Temporary workers	1,709	2,406
Insurance	1,458	1,462
Outsourced processing	1,517	1,881
Other services	6,952	5,497
Total	**85,471**	**83,209**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

21. Personnel Costs

The following table shows a breakdown of personnel costs:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Wages and salaries	56,261	50,003
Social security contributions	9,819	8,666
Directors' fees	1,678	1,669
Contributions to pension funds	415	761
Other personnel-related costs	968	1,005
Total	**69,141**	**62,104**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

22. Other Operating Costs

The following table shows a breakdown of other operating costs:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Indirect taxes and levies	1,831	1,624
Other costs	1,625	1,248
Accruals of provisions	74	189
Costs associated with IPO	-	2,665
Total	**3,530**	**5,726**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

In the six months ended June 30, 2015, other operating costs included Euro 2,665 thousand associated with the Company's IPO and not related to the increase in share capital.

23. Amortization, Depreciation and Impairment

The following table shows a breakdown of amortization, depreciation and impairment:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Depreciation of property, plant and equipment	13,841	13,918
Amortization of intangible assets	1,635	1,573
Depreciation of investment property	52	52
Allowances for doubtful accounts	2,433	1,879
Total	**17,961**	**17,422**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

24. Finance Income and Costs

The following table shows a breakdown of finance income and costs:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Interest expense	3,277	4,844
Net foreign exchange gains	(1,121)	(1,173)
Net fair value gains on derivative financial instruments	(336)	(523)
Other finance costs	1,120	1,292
Total finance costs	**2,940**	**4,440**
Finance income	(130)	(94)
Total net finance expense	**2,810**	**4,346**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

The decrease in interest expense, amounting to Euro 1,567 thousand is mainly due to the early partial extinction of the loan granted by Intesa San Paolo SpA for the acquisition of Boncafe.

25. Income Tax Expense

The following table shows a breakdown of income tax expense:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Current income tax	2,725	2,536
Deferred tax	461	(2,135)
Total	**3,186**	**401**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

The following table provides details of the income tax impact of hedges in the comprehensive statement of income for the six months ended June 30, 2016 and 2015:

	Six months ended June 30,	
(in thousands of Euro)	**2016**	**2015***
Tax impact on losses from net investment hedges	-	1,398
Tax impact on cash flow hedges	(114)	489
Tax impact of remeasurements on employee benefits obligations	40	(23)
Total	**(74)**	**1,864**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

26. Earnings per share

The following table provides a breakdown of earnings per share:

	Six months ended June 30,	
(In thousands of Euro, unless otherwise indicated)	**2016**	**2015***
Average number of ordinary shares	34,300,000	28,939,779
Profit attributable to owners of the parent	5,044	495
Earnings per share basic / diluted (in euro)	**0.15**	**0.02**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

Basic earnings per share and diluted earnings per share were the same for the six months ended June 30, 2016 and 2015 as there were no dilutive options or other potentially dilutive ordinary shares.

27. Related Party Transactions

Related parties are recognized in accordance with IAS 24. Related party transactions are mainly of a commercial and financial nature and are conducted under normal market terms and conditions; there is however, no guarantee that had similar transactions been entered into between or with third parties, such third parties would have negotiated or entered into the contracts under the same conditions or in the same manner.

The transactions with related parties described below result in benefits arising from the use of common services and shared competencies, Group-level synergies and common policy and strategy in financial matters. In particular, for the six months ended June 30, 2016 and the year ended December 31, 2015, related party transactions were entered into in the following areas:

- purchase and sale of green coffee;
- provision of professional and other services;
- issue of loans and guarantees; and
- management of shared services.

The Group has entered into transactions with the following related parties:

- Entities that are controlled directly or indirectly by MZ Industries or Mr. Massimo Zanetti (“**Entities under Common Control**”); and
- Group directors with strategic responsibilities and, in particular, members of the Board of Directors (“**Key Management**”).

The following table shows the income statement effects of related party transactions for the six months ended June 30, 2016 and 2015, as well as the statement of financial position balances resulting from related party transactions by financial statement line item as at June 30, 2016 and December 31, 2015:

(in thousands of Euro)	**Entities under Common Control**	**Key Management**	**Total related parties**	**Financial statements line item**	**Percentage of financial statements line item**
Impact of transactions on income statement					
Revenue					
Six months ended June 30, 2016	48	-	**48**	442,728	**0.0%**
Six months ended June 30, 2015*	72	-	**72**	450,522	**0.0%**
Purchases of goods					
Six months ended June 30, 2016	81,821	-	**81,821**	258,482	**31.7%**
Six months ended June 30, 2015*	113,536	-	**113,536**	279,614	**40.6%**
Purchases of services, leases and rentals					
Six months ended June 30, 2016	233	-	**233**	85,471	**0.3%**
Six months ended June 30, 2015*	99	-	**99**	83,209	**0.1%**
Personnel costs					
Six months ended June 30, 2016	-	1,862	**1,862**	69,141	**2.7%**
Six months ended June 30, 2015*	-	1,777	**1,777**	62,104	**2.9%**
Finance costs					
Six months ended June 30, 2016	549	-	**549**	2,940	**18.7%**
Six months ended June 30, 2015*	347	-	**347**	4,440	**7.8%**
Impact of transactions on statement of financial position					
Trade receivables					
At June 30, 2016	115	-	**115**	117,959	**0.1%**
At December 31, 2015	533	-	**533**	115,950	**0.5%**
Other non-current assets					
At June 30, 2016	106	-	**106**	6,392	**1.7%**
At December 31, 2015	-	-	**-**	5,865	**0.0%**
Other current assets					
At June 30, 2016	207	-	**207**	12,200	**1.7%**
At December 31, 2015	40	-	**40**	12,464	**0.3%**
Trade payables					
At June 30, 2016	36,670	-	**36,670**	105,061	**34.9%**
At December 31, 2015	13,507	-	**13,507**	80,745	**16.7%**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

The following table shows certain other information, resulting from related party transactions, as at June 30, 2016 and December 31, 2015:

(in thousands of Euro)	**Entities under Common Control**	**Key Management**	**Total related parties**	**Total**	**Percentage of Total**
Other information					
Guarantees					
At June 30, 2016	53,680	-	**53,680**	68,511	**78.4%**
At December 31, 2015	49,000	**-**	**49,000**	65,911	**74.3%**
Commitments					
At June 30, 2016	73,856		**73,856**	160,441	**46.0%**
At December 31, 2015	85,510	**-**	**85,510**	96,590	**88.5%**

Entities under Common Control

The following table shows the income statement effects of transactions with Entities under Common Control for the six months ended June 30, 2016 and 2015, as well as the statement of financial position balances resulting from transactions with Entities under Common Control by financial statement line item for and at June 30, 2016 and December 31, 2015:

(in thousands of Euro)	Cofiroasters SA	Other entities *Green Coffee*	Other Entities under Common Control	Total Entities under Common Control	Financial statements line item	Percentage of financial statements line item
Impact of transactions on income statement						
Revenue						
Six months ended June 30, 2016	-	7	41	**48**	442,728	**0.0%**
Six months ended June 30, 2015*	-	-	72	**72**	450,522	**0.0%**
Purchases of goods						
Six months ended June 30, 2016	77,017	4,804	-	**81,821**	258,482	**31.7%**
Six months ended June 30, 2015*	109,546	3,990	-	**113,536**	279,614	**40.6%**
Purchases of services, leases and rentals						
Six months ended June 30, 2016	-	-	233	**233**	85,471	**0.3%**
Six months ended June 30, 2015*	-	-	99	**99**	83,209	**0.1%**
Finance costs						
Six months ended June 30, 2016	549	-	-	**549**	2,940	**18.7%**
Six months ended June 30, 2015*	13	-	334	**347**	4,440	**7.8%**
Impact of transactions on statement of financial position						
Trade receivables						
At June 30, 2016	-	-	115	**115**	117,959	**0.1%**
At December 31, 2015	-	-	533	**533**	115,950	**0.5%**
Other non-current assets						
At June 30, 2016	106	-	-	**106**	6,392	**1.7%**
At December 31, 2015	-	-	-	**-**	5.865	**0.0%**
Other current assets						
At June 30, 2016	117	2	88	**207**	12,200	**1.7%**
At December 31, 2015	-	-	40	**40**	12,464	**0.3%**
Trade payables						
At June 30, 2016	34,128	2,538	4	**36,670**	105,061	**34.9%**
At December 31, 2015	11,321	2,167	19	**13,507**	80,745	**16.7%**

(*) Figures retrospectively adjusted to update provisional fair value amounts originally recorded for the acquisition of the Boncafe companies (See note 4).

The following table shows certain other information, resulting from transactions with Entities under Common Control, as at June 30, 2016 and December 31, 2015:

(in thousands of Euro)	Cofiroasters SA	Holding	Subsidiaries	Total Entities under Common Control	Total	Percentage of total
Other information						
Guarantees						
At June 30, 2016	-	24,000	29,680	**53,680**	68,511	**78.4%**
At December 31, 2015	-	24,000	25,000	**49,000**	65,911	**74.3%**
Commitments				**-**		
At June 30, 2016	73,756	-	-	**73,756**	160,441	**46.0%**
At December 31, 2015	85,510	-	-	**85,510**	96,590	**88.5%**

Cofiroasters S.A. and other green coffee companies

(a) Purchase of green coffee from Cofiroasters S.A.

Cofiroasters S.A. purchases green coffee from producers and sells it to both to Group entities and to other customers (mainly through purchase and sale on the New York and London coffee commodity markets) and organizes the transport of green coffee from production locations to destination ports or directly to roasting plants.

Group purchases of green coffee from Cofiroasters S.A. are based on individual orders placed by individual Group entities as required by the "*European contract for Coffee*" as adopted by the *European Coffee Federation*.

In the first half of 2016, in order to harmonize the different payment terms agreed in the past between certain subsidiaries and Cofiroaster SA, the Group renegotiated payment terms with the latter making them the same for all Group companies.

Group purchases of green coffee from related parties accounts for raw material costs included in "Purchases of goods" totaling Euro 77,017 thousand for the six months ended June 30, 2016 (Euro 109,546 thousand for the six months ended June 30, 2015). Payables to Cofiroasters SA included among Trade payables amounted to Euro 34,128 thousand at June 30, 2016 (Euro 11,321 thousand at December 31, 2015)

(b) Commitments to purchase green coffee from Cofiroasters S.A.

In order to mitigate risks relating to the price of green coffee, Group entities make forward purchases of green coffee thereby fixing the price of future purchases. Commitments to purchase green coffee from Cofiroasters S.A. not reflected in the financial statements (off-balance sheet items) as at June 30, 2016 totaled Euro 73,856 thousand (Euro 85,510 thousand as at December 31, 2015).

Subsidiaries

The Group has provided guarantees in favor of banking institutes on behalf of Group companies. The main guarantees include:

- a guarantee first granted on November 29, 2005 and subsequently renewed on May 13, 2013, in favor of Société Européenne Generale, in the amount of Euro 24,000 thousand at June 30, 2016 (Euro 24,000 thousand at December 31, 2015) in relation to the obligations of Massimo Zanetti Beverage S.A. under the loan contract entered into between the latter, the Group and Société Européenne Generale on November 9, 2005.
- a guarantee in favor of United Overseas Bank Limited dated January 27, 2016 in relation to the credit lines granted by the latter to Boncafe International Pte Ltd for an amount of SGD 5,200 thousand at June 30, 2016.

Holding

As foreseen by the terms of a contract entered into between Doge S.p.A. and the Milan branch of Fortis Bank S.A./N.V., on January 22, 2009, Doge Finland Oy created a mortgage over land and buildings situated in Vallila Paahtimo - Aleksis Kiven Katu 15, Helsinki, Finland, as guarantee up to a maximum of Euro 24,000 thousand against the obligations of Doge S.p.A. As a result of the assumption of the loan by the Company during 2015, this guarantee serves all obligations of the Company.

Key Management

Key Management include members of the Company’s Board of Directors who also carry out executive roles within other Group entities.

Key Management compensation amounted to Euro 1,862 thousand and Euro 1,777 thousand for the six months ended June 30, 2016 and 2015, respectively.

28. Subsequent Events

On July 11, the company's Board of Directors approved the acquisition of Nuricafés-Café e Restauração SA, a Portuguese company and third operator in the market and owner of the historical brands *Nicola Cafes* and *Chave d'Ouro*.

The amount agreed for the acquisition was Euro 74,500 thousand inclusive of debts. It is expected that the transaction will be completed in September 2016. The acquisition will be funded with new credit lines provided by the banking system.

List of companies included in the Consolidated Condensed Interim Financial Statements

Company	Registered office	Reporting date	Share capital		Percentage held as at	
			Currency	Amount (000)	March 31, 2016	December 31, 2015
Massimo Zanetti Beverage S.A.	Geneva	December 31	CHF	149,900	100%	100%
Segafredo Zanetti S.p.A.	Bologna	December 31	EUR	38,800	100%	100%
La San Marco S.p.A.	Gorizia	December 31	EUR	7,000	90%	90%
Segafredo Zanetti Sarl	Geneva	December 31	CHF	20	100%	100%
Segafredo Zanetti Argentina S.A.	Buenos Aires	December 31	ARS	4,913	100%	100%
Segafredo Zanetti Australia Pty Ltd.	Sydney	December 31	AUD	4,400	100%	100%
Segafredo Zanetti Austria GmbH	Salzburg	December 31	EUR	727	100%	100%
Segafredo Zanetti Belgium S.A.	Brussels	December 31	EUR	892	100%	100%
Segafredo Zanetti (Brasil) Com. Distr. de Café SA	Belo Horizonte	December 31	BRL	16,479	100%	100%
Segafredo Zanetti Chile S.A.	Santiago	December 31	CLP	25,000	100%	100%
Segafredo Zanetti Coffee System S.p.A.	Treviso	December 31	EUR	6,000	100%	100%
Segafredo Zanetti CR spol.sro	Prague	December 31	CSK	9,300	100%	100%
Segafredo Zanetti Danmark Aps	Copenhagen	December 31	DKK	141	100%	100%
Segafredo Zanetti Deutschland GmbH	Munich	December 31	EUR	1,534	100%	100%
Segafredo Zanetti Espresso Texas Inc.	Houston	December 31	USD	-	100%	100%
Segafredo Zanetti Espresso Worldwide Ltd.	Geneva	December 31	CHF	38,000	98%	98%
Segafredo Zanetti Espresso Worldwide Japan Inc.	Tokyo	December 31	YEN	100,000	98%	98%
Segafredo Zanetti France S.A.S.	Rouen	December 31	EUR	8,500	100%	100%
Segafredo Zanetti Hellas S.A.	Athens	December 31	EUR	950	100%	100%
Segafredo Zanetti Hungaria KFT	Budapest	December 31	HUF	46,630	100%	100%
Tiktak/Segafredo Zanetti Nederland BV	Groningen	December 31	EUR	18	100%	100%
Segafredo Zanetti Poland Sp.z.o.o.	Bochnia	December 31	PLN	47,615	100%	100%
Segafredo Zanetti Portugal S.A.	Porto	December 31	EUR	570	100%	100%
Segafredo Zanetti SR Spol S.r.o.	Bratislava	December 31	EUR	200	100%	100%
Segafredo Zanetti Trgovanje s kavo. d.o.o.	Ljubljana	December 31	EUR	651	100%	100%
Brodie Merlose Drysdale & CO Ltd.	Edinburgh	December 31	GBP	11	100%	100%
Brulerie des Cafés Corsica SAS	Ajaccio	December 31	EUR	152	100%	100%
Distribuidora Cafè Montaña S.A.	San Jose	December 31	CRC	304,000	100%	100%
El Barco Herrumdrado S.A.	San Jose	December 31	CRC	10	100%	100%
Massimo Zanetti Beverage U.S.A. Inc.	Suffolk	December 31	USD	67,891	100%	100%
Meira Eesti Oü	Tallin	December 31	EUR	15	100%	100%
Meira Oy Ltd.	Helsinki	December 31	EUR	1,000	100%	100%
Puccinos Worldwide Ltd	Edinburgh	December 31	GBP	-	100%	100%
Massimo Zanetti Beverage Mexico SA de CV	Mazatlán	December 31	MXN	1,806	50%	50%
MZB Cafes USA Inc	Suffolk	December 31	USD	-	100%	100%
Kauai Coffee Company LLC	Hawaii	December 31	USD	-	100%	100%
Massimo Zanetti Beverage Food Services LLC	Wilmington	December 31	USD	-	100%	100%
Coffee Care (South West) Ltd	Weddmore	December 31	GBP	-	50%	50%
Segafredo Zanetti New Zealand Ltd	Auckland	December 31	NZD	-	100%	100%
Segafredo Zanetti Croatia d.o.o.	Zagreb	December 31	HRK	1,850	100%	100%
Doge Finland Oy	Helsinki	December 31	EUR	3	100%	100%
Massimo Zanetti Beverage Vietnam Company Ltd	Ben Cat district - Binh Duong	December 31	VND	21,000,000	100%	100%
Segafredo Zanetti (Thailand) Ltd	Bangkok	December 31	THB	15,300	100%	100%
Boncafe International Pte Ltd	Singapore	December 31	SGD	3,200	100%	100%
Boncafe (Cambodia) Ltd	Phnom Penh	December 31	KHR	108,000	100%	100%
Boncafe (M) Sendirian Berhad	Kuala Lumpur	December 31	MYR	200	100%	100%
Boncafe (East Malaysia) Sdn Bhd	Kota Kinabalu	December 31	MYR	-	100%	100%
Six Degrees Cafè Pte Ltd	Singapore	December 31	SGD	-	100%	100%
BeanToCup (Thailand) Ltd	Bangkok	December 31	THB	4,000	100%	100%
Boncafe Middle East Co LLC	Dubai	December 31	AED	300	100%	100%
Boncafe (Thailand) Ltd	Bangkok	December 31	THB	150,000	100%	100%
Massimo Zanetti Beverage (Thailand) Ltd	Bangkok	December 31	THB	30,000	100%	100%

Boncafe (Hong Kong) Ltd	Hong Kong	December 31	USD	500	100%	100%
Segafredo Zanetti Grandi Eventi Srl	Bologna	December 31	EUR	20	100%	100%

Company	Registered office	Reporting date	Share capital		Percentage held as at	
			Currency	Amount (000)	March 31, 2016	December 31, 2015
SZE Service SRL	Municipiul Brasov	December 31	RON	1	51%	51%
Boncafe Vietnam Company Ltd.	Thuan An	December 31	VND	10,000,000	100%	-
Massimo Zanetti Beverage USA (Canada), Inc.	Suffolk	December 31	USD	0	100%	-
Massimo Zanetti Beverage Canada Investment ULC	Vancouver	December 31	CAD	0	100%	-
Club Coffee LP	Toronto	April 25	CAD	4,000,000	15%	-

Consolidated Condensed Income Statement pursuant to Consob Resolution no. 15519 dated July 27, 2006

	Six months ended June 30			
(in thousands of Euro)	**2016**	***of which related parties***	**2015***	***of which related parties***
Revenue	442,728	48	450,522	72
Other income	3,009		2,884	
Purchases of goods	(258,482)	(81,821)	(279,614)	(113,536)
Purchases of services, leases and rentals	(85,471)	(233)	(83,209)	(99)
Personnel costs	(69,141)	(1,862)	(62,104)	(1,777)
Other operating costs	(3,530)		(5,726)	
Depreciation, amortization and impairment	(17,961)		(17,422)	
Operating profit	**11,152**		**5,331**	
Finance income	130	-	94	-
Finance costs	(2,940)	(549)	(4,440)	(347)
Profit before tax	**8,342**		**985**	
Income tax expense	(3,186)		(401)	
Profit for the year	**5,156**		**584**	
Profit attributable to:				
Non-controlling interests	*112*		*89*	
Owners of the parent	*5,044*		*495*	

Consolidated Condensed Statement of Financial Position pursuant to Consob Resolution no. 15519 dated July 27, 2006

	As at June 30,		As at December 31,	
(in thousands of Euro)	**2016**	*of which related parties*	**2015**	**of which related parties**
Intangible assets	117,915		117,834	
Property, plant and equipment	208,665		208,871	
Investment properties	4,370		4,422	
Investments in joint venture	10,507		138	
Non-current trade receivables	13,735		13,783	
Deferred tax assets	11,383		11,046	
Other non-current assets	6,392	106	5,865	
Total non-current assets	**372,967**		**361,959**	
Inventories	122,119		134,807	
Trade receivables	117,959	115	115,950	533
Income tax assets	4,273		3,242	
Other current assets	12,200	207	12,464	40
Cash and cash equivalents	28,493		25,574	
Total current assets	**285,044**		**292,037**	
Total assets	**658,011**		**653,996**	
Share capital	34,300		34,300	
Other reserves	117,639		121,803	
Retained earnings	139,336		135,786	
Equity attributable to owners of the parent	**291,275**		**291,889**	
Non-controlling interests	1,905		1,797	
Total equity	**293,180**		**293,686**	
Non-current borrowings	103,094		98,338	
Employee benefits	9,282		9,624	
Other non-current provisions	2,305		2,258	
Deferred tax liabilities	24,825		24,008	
Other non-current liabilities	5,745		5,881	
Total non-current liabilities	**145,251**		**140,109**	
Current borrowings	87,089		113,100	
Trade payables	105,061	36,670	80,745	13,507
Income tax liabilities	1,114		620	
Other current liabitilies	26,316		25,736	
Total current liabilities	**219,580**		**220,201**	
Total liabilities	**364,831**		**360,310**	
Total equity and liabilities	**658,011**		**653,996**	

Consolidated Condensed Statement of Cash Flows pursuant to Consob Resolution no. 15519 dated July 27, 2006

	Six months ended June 30,			
(in thousands of Euro)	**2016**	***of which related parties***	**2015***	***of which related parties***
Profit before tax	**8,342**		**985**	
Adjustments for:	-		-	
Amortization, depreciation and impairment	17,961		17,422	
Provisions for employee benefits and other charges	274		224	
Finance costs	2,810	549	4,346	347
Other non-monetary items	144		(423)	
Net cash generated from operating activities before changes in net working capital	**29,531**		**22,554**	
Changes in inventories	11,410		(13,026)	
Changes in trade receivables	(5,098)	(20)	2,882	27
Changes in trade payables	24,217	23,149	(3,096)	2,294
Changes in other assets/liabilities	2,459	(273)	(18,237)	28
Payments of employee benefits	(797)		(118)	
Interest paid	(3,640)	(183)	(4,816)	(347)
Income tax paid	(3,090)		(4,939)	
Net cash generated from / (used in) operating activities	**54,992**		**(18,796)**	
Acquisition of subsidiary, net of cash acquired	(148)		(2,640)	
Acquisition under common control, net of cash acquired	(2,624)	(2,624)	-	
Purchase of property, plant and equipment	(13,738)		(15,253)	(100)
Purchase of intangible assets	(949)		(4,054)	
Proceeds from sale of property, plant and equipment	412		418	
Changes in financial receivables	49		328	
Investments in joint venture	(10,139)		-	
Changes in financial receivables	(187)		(30)	
Interest received	92		205	
Net cash used in investing activities	**(27,232)**		**(21,026)**	
Proceeds from borrowings	20,000		35,837	
Repayment of borrowings	(12,016)		(81,175)	
Increase/(Decrease) in short-term loans	(29,537)		18,825	(2,721)
Proceeds from sale of shares	-		69,659	
Dividends paid	(3,087)		-	
Net cash generated from / (used in) financing activities	**(24,640)**		**43,146**	
Exchange gains/(losses) on cash and cash equivalents	(201)		443	
Net increase (decrease) in cash and cash equivalents	**2,919**		**3,767**	
Cash and cash equivalents at the beginning of the period	25,574		18,302	
Cash and cash equivalents at the end of the period	**28,493**		**22,069**	

ATTESTATION OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED

1. We, the undersigned, Massimo Zanetti, in his capacity as Chairman and Chief Executive Officer, and Massimo Zuffi, in his capacity as Manager in Charge of the Financial Reports of Massimo Zanetti Beverage Group S.p.A., hereby declare, pursuant to the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998,:

   • the adequacy in relation to the company features and
   • the effective application

   of the administrative and accounting procedures for preparing the consolidated condensed interim financial statements, for the semester ended June 30, 2016.

2. The assessment of the adequacy of the administrative and accounting procedures used in preparing the consolidated condensed interim financial statements, for the semester ended June 30, 2016 was based on a process defined by Massimo Zanetti Beverage Group S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework.

3. The undersigned further declare that:

   3.1 the consolidated condensed interim financial statements:

   a) have been prepared in accordance with applicable International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) No. 1606/2002 of European Parliament and Council on 19 July 2002;

   b) reflect the accounting books and records; and

   c) provide a true and fair view of the assets, liabilities, profit or loss and financial position of the issuer and the companies included in the consolidation area.

   3.2 the interim Report on Operations includes a reliable analysis of the significant events that occurred during the first six months of the financial year and the impact of such events on the Company's consolidated condensed interim financial statements, along with a description of the main risks and uncertainties to which the Group is exposed. Furthermore, the interim Report on Operations contains a reliable analysis of significant related party transactions.

Villorba (TV), 11th August 2016

Massimo Zanetti
Chairman and Chief Executive Officer

Massimo Zuffi
Manager in Charge of the Company's Financial Reports

Review Report on Consolidated Condensed Interim Financial Statements

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Massimo Zanetti Beverage Group SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Massimo Zanetti Beverage Group SpA and its subsidiaries (hereinafter also "MZBG Group") as of 30 June 2016, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the cashflow statement and related notes. The directors of Massimo Zanetti Beverage Group SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution n° 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope 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 consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of MZBG Group as of 30 June

PricewaterhouseCoopers SpA

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2016 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Treviso, 11 August 2016

PricewaterhouseCoopers SpA

Filippo Zagagnin
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers