



Z Beta S.à.r.l.
INTERIM CONDENSED UNAUDITED
CONSOLIDATED FINANCIAL STATEMENTS
For the periods ended September 30, 2016 and 2015

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<i>In thousands of Euros</i>	Notes	As of September 30, 2016	As of December 31, 2015
ASSETS			
Net Tangible assets	6	94,057	95,101
Net Intangible assets	7	8,436	7,520
Goodwill	7.2	202,089	202,092
Other investments		6	6
Deferred Tax Assets		4,878	4,773
Other Non Current Assets		1,254	1,314
TOTAL NON CURRENT ASSETS		310,720	310,806
Net Inventories	8	27,673	31,063
Deferred Tax Asset - Current		3,844	3,902
Commercial External Receivables	9	49,914	73,164
Income Tax Receivable		-	-
Other Receivables		12,042	15,714
Cash and Banks	10	48,816	52,089
TOTAL CURRENT ASSETS		142,289	175,932
TOTAL ASSETS		453,009	486,738
EQUITY AND LIABILITIES			
Share Capital		14,000	14,000
Reserves		221,968	225,924
Retained Earnings		(76,568)	(76,327)
Currency Translation Reserve		8,336	10,300
Profit (loss) of the period		2,825	(4,196)
TOTAL EQUITY attributable to the OWNERS of the company	11	170,561	169,701
Non controlling - interest Capital and Reserves		-	-
Non controlling - interests profit (loss) of the period		-	-
TOTAL EQUITY OF NON CONTROLLING INTERESTS		-	-
TOTAL EQUITY		170,561	169,701
Other Non Current Financial Liabilities	10	177,610	176,526
Deferred Tax Liabilities		14,239	14,352
Provisions		-	-
Employee Termination Benefits		2,611	2,666
TOTAL NON CURRENT LIABILITIES		194,460	193,544
Commercial Payables		59,535	86,066
Income Tax Payables		1,717	2,782
Provisions	12	6,544	5,022
Deferred Tax Liabilities		820	821
Other Payables		15,286	16,276
Other Current Financial Liabilities	10	2,864	11,373
Bank Overdrafts	10	1,222	1,153
TOTAL CURRENT LIABILITIES		87,988	123,493
TOTAL LIABILITIES		282,448	317,037
TOTAL EQUITY & LIABILITIES		453,009	486,738

Z Beta S.à.r.l.
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the periods ended September 30, 2016 and 2015



<i>In thousands of Euros</i>	Notes	Three Months ended September 30, 2016	Three Months ended September 30, 2015	Nine Months ended September 30, 2016	Nine Months ended September 30, 2015
NET SALES	14.1	67,828	85,399	231,337	237,625
Cost of sales	14.2	51,041	65,960	176,522	185,127
GROSS PROFIT		16,787	19,439	54,815	52,498
Gross Profit %		24.7%	22.8%	23.7%	22.1%
Overhead	14.3	7,065	7,040	21,255	20,605
Other Expense/(Income)		(1,583)	(609)	(2,511)	(2,753)
EBITDA BEFORE NON-RECURRING TRANSACTIONS		11,305	13,008	36,071	34,646
Ebitda before non recurring transactions %		16.7%	15.2%	15.6%	14.6%
Depreciation, amortization and write-downs		4,581	3,906	13,261	11,259
EARNINGS BEFORE INTEREST & TAXES & NON RECURRING TRANSACTIONS		6,724	9,102	22,810	23,387
Ebit before non recurring transactions %		9.9%	10.7%	9.9%	9.8%
Cost (Income) from Non-recurring transactions	14.4	1,854	378	2,005	842
Restructuring Costs	14.4	-	-	-	273
EARNINGS BEFORE INTEREST & TAXES		4,870	8,724	20,805	22,272
Financial (Income)/Expenses	14.5	4,951	7,027	14,068	17,498
PROFIT BEFORE TAXES		(81)	1,697	6,737	4,774
Income Tax		1,094	1,929	3,911	5,431
PROFIT (LOSS) for the PERIOD		(1,175)	(232)	2,825	(657)
Profit (loss) for the period %		-1.7%	-0.3%	1.2%	-0.3%
Attributable to:					
Owners of the Company		(1,175)	(232)	2,825	(631)
Non - controlling interests		-	-	-	(26)
EARNING PER SHARE (In Euros)					
Basic (Euro)		(2.1)	(0.4)	5.0	(1.1)
Diluted (Euro)		(2.1)	(0.4)	5.0	(1.1)

Z Beta S.à.r.l.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the periods ended September 30, 2016 and 2015



<i>In thousands of Euros</i>	Notes	Three Months ended September 30, 2016	Three Months ended September 30, 2015	Nine Months ended September 30, 2016	Nine Months ended September 30, 2015
PROFIT (LOSS) for the PERIOD		(1,175)	(232)	2,825	(657)
OTHER COMPREHENSIVE INCOME					
Net (loss)/gain on cash flow hedges		-	-	-	-
Income tax effect		-	-	-	-
Exchange differences on translation of foreign operations		(593)	13	(1,963)	4,471
Net other comprehensive income to be reclassified to profit or loss in subsequ		(593)	13	(1,963)	4,471
Actuarial gains/(losses) on defined benefit plans		-	-	-	-
Income tax effect		-	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subs		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(1,768)	(219)	862	3,814
Attributable to:					
Owners of the Company		(1,768)	(219)	862	3,677
Non-controlling interests		-	0	-	137

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
As of and for the periods ended September 30, 2016 and 2015


<i>In thousands of Euros</i>	Share Capital	Share Premium and other Reserves	Legal Reserve	Retained Earnings	Foreign Currency Transl. Reserve	Cash Flow Hedge Reserve	Profit/(Loss) for the Period	Total Equity pertaining to the owners	Non - controlling interests	Total Equity
Ending Balance as of December 31, 2014	14,000	226,317	1,400	(76,167)	4,796	-	(2,587)	167,758	1,910	169,669
(Loss)/profit of the period	-	-	-	-	-	-	(631)	(631)	(26)	(657)
Destination (Loss)/profit 2014	-	(2,427)	-	(160)	-	-	2,587	-	-	-
Employee benefits differences	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	4,304	-	-	4,304	(202)	4,102
Cash flow hedge reserve differences	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	(2,427)	-	(160)	4,304	-	1,956	3,673	(228)	3,445
Dividend distribution	-	-	-	-	-	-	-	-	(1,708)	(1,708)
Equity increase/(decrease)	-	-	-	-	-	-	-	-	-	-
Change in consolidation area	-	(162)	-	-	328	-	-	166	-	166
Other movements	-	-	-	-	-	-	-	-	-	-
Total contribution by and distribution to owners of the Company recognised directly in Equity	-	(162)	-	-	328	-	-	166	(1,708)	(1,543)
Ending Balance as of September 30, 2015	14,000	223,728	1,400	(76,327)	9,428	-	(631)	171,597	(26)	171,571
Ending Balance as of December 31, 2015	14,000	224,524	1,400	(76,327)	10,300	-	(4,196)	169,701	-	169,701
(Loss)/profit of the period	-	-	-	-	-	-	2,825	2,825	-	2,825
Destination (Loss)/profit 2015	-	(3,955)	-	(241)	-	-	4,196	-	-	-
Employee benefits differences	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	(1,963)	-	-	(1,963)	-	(1,963)
Cash flow hedge reserve differences	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	(3,955)	-	(241)	(1,963)	-	7,021	862	-	862
Dividend distribution	-	-	-	-	-	-	-	-	-	-
Equity increase/(decrease)	-	-	-	-	-	-	-	-	-	-
Change in consolidation area	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-	-
Total contribution by and distribution to owners of the Company recognised directly in Equity	-	-	-	-	-	-	-	-	-	-
Ending Balance as of Sep 30, 2016	14,000	220,568	1,400	(76,568)	8,336	-	2,825	170,561	-	170,561

<i>In thousands of Euros</i>	Notes	Nine Months ended September 30, 2016	Nine Months ended September 30, 2015
EARNINGS BEFORE INTEREST & TAXES & NON RECURRING TRANSACTIONS			
		20,804	22,273
Depreciation and Amortization		13,214	11,208
Restructuring Costs & Other Non Recurring	14.4	1,700	-
Other Non-Cash Provisions		740	547
(A) TOT- CASH INFLOW		36,458	34,028
Inventories (inc)/dec	8	1,691	(3,353)
Trade Receivables (inc)/dec		23,210	(4,487)
Trade Payables inc/(dec)		(26,719)	10,556
Other Working Capital (inc)/dec		(330)	3,068
(B) TOT. WORKING CAPITAL CHANGE		(2,148)	5,784
(C) Income Tax (Paid) / Reimbursed		(2,112)	(3,716)
(D) = (A+B+C) OPERATING CASH FLOW		32,198	36,096
Fixed Intangible Assets		2,904	2,911
Fixed Tangible Assets		10,770	16,631
(E) TOT. NET CAPITAL EXPENDITURES		13,673	19,542
(H)=(D-E+F-G) CASH FLOW GENERATED		18,525	16,554
Total Interest and Other Financial Costs Paid		(15,555)	(15,575)
Currency Translation Effect ⁽¹⁾		15	1,663
Minority Interest Dividends Paid		-	(1,716)
Minority Acquisition		-	(163)
Exchange Gains/Losses on Financial Activities ⁽¹⁾		304	(3,897)
(I) FINANCIAL MOVEMENTS		(15,235)	(19,687)
(L) BANK & LOANS MOVEMENTS		(310)	(255)
(M)=(H+I+L) TOT. NET CASH FLOW IN/(OUT)		2,980	(3,388)
Cash and Cash Equivalents at beginning of year	10	45,948	44,771
Exchange Gains/(Losses) on Cash and Cash Equivalents ⁽¹⁾		1,335	(1,165)
Restricted Cash	10	-	-
Cash and Cash Equivalents at end of the year	10	47,594	42,549
Net (decrease) increase in cash and cash equivalents		2,980	(3,388)

(1) Net of unrealised gains and losses arising from transactions in foreign currency, reclassified in "Exchange Gains/Losses on Cash and Cash Equivalents"

Z Beta S.à.r.l.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the periods ended September 30, 2016 and 2015**

1) INTRODUCTION

Z Beta S.à r.l. (hereinafter the “Company” and, together with its subsidiaries, the “Group”) is a Luxembourg holding company incorporated on October 11, 2006 as a “société à responsabilité limitée” for an unlimited period of time, subject to general company law. It is controlled by Z Alpha S.A., a Luxembourg holding company incorporated on October 11, 2006.

The registered office of the Company is 28, Boulevard Royal, L-2449 Luxembourg.

Z Beta S.à.r.l., is included in the consolidated accounts of DH Z S.à r.l, a Luxembourg holding company incorporated on November 15, 2006 as a “société à responsabilité limitée” for an unlimited period of time, subject to the general company law. The registered office of DH Z. S.à r.l. is 28, boulevard Royal, L-2449 Luxembourg and the consolidated accounts can be obtained at such address.

The Group is a leading global supplier of Air Care and Insecticide devices by revenue and it primarily sells its products to fast-moving consumer goods companies. The Group operates as a "one-stop-shop," offering its customers global solutions and services covering the entire value chain from product innovation and development to manufacturing and delivery. The Group leverages a common technology platform relating to dispensing devices, such as electric plug-ins and aerosol devices, across our product categories.

2) SUMMARY OF ACCOUNTING POLICIES

2.1. Basis of preparation

These Interim Condensed Consolidated Financial Statements as of and for the periods ended September 30, 2016 and 2015 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, which governs 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 IFRS requirements (as under 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 September 2016 Interim Condensed Consolidated Financial Statements are prepared in condensed form and should be read in conjunction with the Group Consolidated Financial Statements as of December 31, 2015.

The Interim Unaudited Condensed Consolidated Financial Statements as of and for the periods ended September 30, 2016 include the consolidated statement of financial position as of September 30, 2016 and December 31, 2015, the consolidated income statement and the consolidated statement of comprehensive income for the three and nine months periods ended September 30, 2016 and 2015, the consolidated statement of change in shareholders equity and the consolidated statement of cash flow for the nine months ended September 30, 2016 and 2015 and the related condensed explanatory notes.

They are presented in thousands of Euros, unless otherwise stated.

The consolidated statement of financial position as of September 30, 2016 and December 31, 2015 are presented in the format of “current/non-current”, based on the expectation of the realisation of the asset or extinction of the liability within the normal business operating cycle, assumed to be 12 months from the balance sheet date. The Consolidated Income Statements for the three and nine months periods ended September 30, 2016 and 2015 are presented so that costs are classified by destination and the consolidated statement of cash flow for the nine months ended September 30, 2016 and 2015 is presented using the indirect method.

The Unaudited Interim Condensed Consolidated Financial Statements as of and for the periods ended September 30, 2016 and 2015 have been prepared under the historical cost convention, except for financial assets and liabilities, including derivative instruments, if any, where fair value measurement is mandatory.

The main accounting principles applied in the preparation of the Unaudited Interim Condensed Consolidated Financial Statements as of and for the periods ended September 30, 2016 are consistent with those used in the preparation of the consolidated financial statements of the Company as of and for the year ended December 31, 2015, except for the adoption of new standards and interpretations effective and mandatory as of 1 January 2016. These Interim Condensed Consolidated Financial Statements was prepared for the periods ended September 30, 2016 and were approved by the Board of Member 21, 2016.

2.2. New and revised accounting standards, interpretations and amendments issued by IASB/IFRIC adopted by the Group

Several new standards and amendments apply for the first time in 2016. However, they do not impact significantly the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature of each new standard/amendment is described below:

Annual improvements 2014

These annual improvements amend standards from the 2012 – 2014 reporting cycle. It includes changes to:

- *IFRS 5, 'Non-current assets held for sale and discontinued operations'* – The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as 'held for sale' or 'held for distribution' simply because the manner of disposal has changed. The amendment also explains that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as 'held for sale'.
- *IFRS 7, 'Financial instruments: Disclosures'* – There are two amendments:
 - ✓ Servicing contracts – If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognize the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The standard provides guidance about what is meant by continuing involvement. The amendment is prospective with an option to apply retrospectively. There is a consequential amendment to IFRS 1 to give the same relief to first time adopters.
 - ✓ Interim financial statements – the amendment clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods unless required by IAS 34. This amendment is retrospective.
- *IAS 19, 'Employee benefits'* – The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented.
- *IAS 34, 'Interim financial reporting'* – the amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

Amendment to IFRS 11, 'Joint arrangements'

This amendment provides new guidance on how to account for the acquisition of an interest in a joint venture operation that constitutes a business. The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is

not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

Amendment to IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’ :

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture

These amendments address an inconsistency between IFRS 10 and IAS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

Amendment to IAS 27, ‘Separate financial statements’ regarding the equity method

The amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1;
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements;
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

IFRS 15, ‘Revenue from contracts with customers’

This is the converged standard on revenue recognition. It replaces IAS 11, ‘Construction contracts’, IAS 18, ‘Revenue’ and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity

expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

IFRS 9, 'Financial instruments'

The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

IFRS 16, 'Leases'

IFRS 16 supersedes IAS 17 'Leases' and related interpretations. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Under IFRS 16 a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. As with IFRS 16's predecessor, IAS 17, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease. For finance leases a lessor recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognises operating lease payments as income on a straight-line basis or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis. Certain recognition exemptions are allowed for leases with a short term length or where the underlying asset has a low value.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.3. Basis and scope of consolidation, business combination occurring during the interim period

The consolidation criteria and methodology adopted for the purposes of the preparation of the September 30, 2016 Unaudited Interim Condensed Consolidated Financial Statements are the same as those utilized for the purposes of the preparation of the Consolidated Financial Statements for the period ended December 31, 2015.

During this interim period the Group didn't change its composition, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructuring and discontinued operations and acquisition of non-controlling interests.

2.4. Accounting estimates and assumptions

The preparation of Unaudited Interim Condensed Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. These estimates affect mainly provisions, goodwill impairment tests, employee benefits obligations, allowance for doubtful receivables and taxes. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revision and future periods of the revision effect only that period or in the period of the revision and future periods if the revision effects both current and future periods.

In preparing these September 30, 2016 Unaudited Interim Condensed Consolidated Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to Consolidated Financial Statements for the period ended December 31, 2015.

2.4.1. Estimate of fair value

The Group measures financial instruments, such as derivatives and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4.2. Translation of financial statements in currencies other than the functional currency

Average Exchange rates used for translation of financial statements in foreign currencies other than Euro for the periods ended September 30, 2016 and 2015 and December 31, 2015 and 2014 are shown below:

Currency	Average exchange rate as of September 30, 2016	Average exchange rate as of December 31, 2015	Average exchange rate as of September 30, 2015	Average exchange rate as of December 31, 2014
USD – US Dollar	1.1162	1.1095	1.1144	1.3285
MXN – Mexican Peso	20.4432	17.6229	17.3755	17.6588
BRL – Brazilian Real	3.9541	3.7011	3.5279	3.1199
HKD - Hong Kong Dollar	8.6659	8.6014	8.6397	10.3025
RMB – Renminbi	7.3466	6.9733	6.9641	8.1857
INR – Indian Rupee	74.9164	71.1956	70.8549	81.0406
BGN – Bulgarian Lev	1.9558	1.9558	1.9558	1.9558

Exchange rates used for translation of financial statements in foreign currencies other than Euro for the periods ended September 30, 2016 and 2015 and December 31, 2015 and 2014 are shown below:

Currency	Exchange rate as of September 30, 2016	Exchange rate as of December 31, 2015	Exchange rate as of September 30, 2015	Exchange rate as of December 31, 2014
USD – US Dollar	1.1161	1.0887	1.1203	1.2141
MXN – Mexican Peso	21.6370	18.7873	18.9593	17.9182
BRL – Brazilian Real	3.6479	4.2493	4.4340	3.2264
HKD - Hong Kong Dollar	8.6547	8.4376	8.6824	9.4170
RMB – Renminbi	7.4463	7.0608	7.1206	7.5358
INR – Indian Rupee	74.3655	72.0215	73.4805	76.7190
BGN – Bulgarian Lev	1.9558	1.9558	1.9558	1.9558

2.5. Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future. The financial performance of the Group can be impacted by many factors, including market conditions, exchange rates, weather conditions and overall demand from key customers. Management has determined that there are no circumstances which would indicate that the Company could not continue to operate as a going concern for at least the twelve months from the balance sheet date.

Z Beta S.à.r.l.

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3) OPERATING SEGMENT INFORMATION

3.1 Operating segments

The Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The Group's business model has significantly evolved in the intervening years from a product manufacturing based business model to a global one providing complete customer solutions. This change has resulted in entry into new product categories and a new approach to managing customers and plants.

Zobebe's technical know-how and manufacturing capabilities became a common base for the development of new products in the Group's portfolio, driven by customer requirements.

The Group has therefore evolved into a "one-stop-shop" business model offering customers global solutions and services covering the entire value chain. Key elements of this model are:

- Structured product innovation process aligned and integrated with the innovation process of our global customers and an established partnership with global accounts;
- Product development and customised approach with design and development facilities located at the main production plants and close to customers;
- Unique platform to manufacture and deliver products globally with manufacturing facilities close to end markets to provide a supply chain service to customers;
- Enlarged product portfolio for B2B and B2C customers based on a common dispensing technology platform across product categories.

Accordingly Zobebe's Management has identified the whole Group as the sole CGU relevant for financial reporting purposes starting from December 31, 2015.

The Group's business organization is set up under a matrix model where decisions on investments and disinvestments of assets and on the development of new products, supply and customer management, and Group's operations are spread through geographical areas, production plants, product and customers categories.

Under the Group's current business model cash inflows are generated from geographical areas, production plants, product categories and customers. It is not possible to identify dedicated assets or groups of assets that generate largely independent cash inflows.

Therefore operating segment information will not be presented.

3.2 Seasonality of operations

On an annual basis demand for Pest Control products is relatively stable due to the non-discretionary nature of the product; however local weather conditions can cause significant fluctuations in sales. Production of Pest Control products is seasonal, and peak demand occurs during the spring and the summer when insects and other pests are most active. However changes in weather conditions from year to year can have a substantial impact on insect populations in different geographic regions which directly impacts demand for Pest Control products.

The Group's financial results for any individual quarter are typically sensitive to seasonality, however, results for interim periods are not necessarily indicative of results that may be expected for any other interim periods or for a full year.

4) DISCONTINUED OPERATIONS, BUSINESS COMBINATION AND ACQUISITION OF NON CONTROLLING INTERESTS OCCURRING DURING THE INTERIM PERIOD

4.1. Discontinued operation and business combination

During the interim period ended September 30, 2016, the Group did not change its composition, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructuring and discontinued operations.

4.2. Acquisition of non-controlling interests

During the interim period ended September 30, 2016, the Group did not acquire non-controlling interests.

5) IMPAIRMENT

At the balance sheet date of September 30, 2016, there were no signs which might indicate possible reductions in the value of tangible fixed assets, and therefore, in compliance with IAS 16, no impairment has been considered necessary at that date.

At the same date, there were no signs which might indicate possible reductions in the value of intangible fixed assets, and therefore, in compliance with IAS 36, no impairment has been considered necessary at that date.

6) TANGIBLE FIXED ASSETS

6.1 Property, plant and equipment: acquisitions and disposals

During the nine months ended September 30, 2016, the Group acquired fixed assets with a cost of €11,275 thousand (the nine months period ended September 30, 2015: €16,802 thousand) mainly represented by machinery and equipment acquired by Zobebe Instruments Co. Ltd., Zobebe Mexico S.A. de C.V. and Zobebe Holding S.p.a.

Asset disposals for the period ended September 30, 2016 was equal to €505 thousand whereas for the period ended September 30, 2015 they were €171 thousand.

An amount of €1,098 thousand (€1,347 thousand as at December 31, 2015) represents the net book value as at September 30, 2016 of tangible assets held under financial lease agreements.

See Note 16 for capital commitments.

Certain of the Group's tangible fixed assets are secured in favour of Secured Parties of the Indenture and Revolving Credit Facility agreements as described in the following Note 10.

7) INTANGIBLE FIXED ASSETS

7.1. Development costs

The Group capitalized €2,550 thousand in development costs incurred during the nine months ended September 30, 2016, compared to €2,400 thousand during the nine months ended September 30, 2015.

7.2. Goodwill

7.2.1. Reconciliation of carrying amount

The residual value of goodwill was equal to €202,089 thousand.

The following table summarizes the movement of the "Goodwill" in the last two reporting periods:

<i>In thousands of Euros</i>	
Net Balance at December 31, 2014	202,060
Additions	-
Impairment	-
Other movement	-
Exchange difference	32
Net Balance at December 31, 2015	202,092
Additions	-
Impairment	-
Other movement	-
Exchange difference	(3)
Net Balance at September 30, 2016	202,089

7.2.2. *Impairment test*

The carrying value of goodwill is sensitive to the projected value of the following assumptions:

- Sales growth;
- First Margin and EBITDA levels, net of tax impact;
- Cash Flow generated;
- Capital expenditure and Working Capital variance.

On an annual basis, Management calculates the forecasted financial performance of the CGU in order to test if any Goodwill impairment exists. The analysis considers a three year forecasted period.

More in detail, the impairment test of the Goodwill, consistent with last year, is based on the following assumptions:

- the analyses have been performed on Enterprise Value level and have been based on the approach of Value in Use;
- the single CGU is the smallest identifiable group of assets that generates cash inflows from continuing use, and is largely independent of the cash inflows from other assets or groups of assets;
- the Value in Use has been determined using the Discounted Cash Flow (DCF) methodology, which states that the economic value of the invested capital is equal to the present value of the following components:
 - sum of net operating cash flows generated in each year of the explicit forecast period;
 - the terminal value, understood as the cash flows the company will be able to generate beyond the explicit forecast period; and
 - WACC (weighted average cost of capital) has been used as a discount rate.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Management believes that no reasonable change in CGU's key assumptions would cause the carrying value to materially exceed its recoverable amount.

Goodwill is monitored by management at the level of one operating segment and CGU.

Therefore, the sole CGU was not tested for impairment because there were no impairment indicators as of September 30, 2016.

7.3. Other intangible fixed assets

Certain of the Group's Intellectual Property intangible fixed assets are secured in favour of Secured Parties of the Indenture and Revolving Credit Facility agreements as described in the following Note 10.

8) NET INVENTORIES

The following table sets forth a breakdown of "Net inventories" as of September 30, 2016 and as of December 31, 2015:

<i>In thousands of Euros</i>	As of September 30, 2016	As of December 31, 2015
Raw materials & Consumables	14,333	16,242
Semi-finished Goods	7,189	7,759
Finished goods	9,472	11,591
Inventory Obsolescence Reserve	(3,322)	(4,530)
Total Net Inventories	27,673	31,063

Movements in the "Inventory obsolescence reserve", during the nine months period ended September 30, 2016 and the twelve months period ended December 31, 2015 were as follows:

<i>In thousands of Euros</i>	Reserve for raw and consumable materials	Reserve for work and contract work in progress	Reserve for finished goods	Total inventory obsolescence reserve
Inventory obsolescence reserve at December 31, 2014	(895)	(18)	(2,540)	(3,452)
Used	226	18	269	513
Addition	(502)	(21)	(1,262)	(1,785)
Exchange differences	184	0	11	195
Reclass	-	-	-	-
Inventory obsolescence reserve at December 31, 2015	(988)	(21)	(3,521)	(4,530)
Used	645	2	1,100	1,747
Addition	(628)	(32)	(48)	(708)
Exchange differences	20	3	147	169
Reclass	-	-	-	-
Inventory obsolescence reserve at September 30, 2016	(952)	(48)	(2,322)	(3,322)

9) COMMERCIAL RECEIVABLES

The following table sets forth a breakdown of "Commercial receivables" as of September 30, 2016 and as of December 31, 2015:

<i>In thousands of Euros</i>	As of September 30, 2016	As of December 31, 2015
Trade receivables	51,509	74,983
Bad debt provision	(3,658)	(3,618)
Total commercial external receivables	47,851	71,364
Receivables from ZALPHA S.A.	2,063	1,800
Total commercial receivables	49,914	73,164

"Commercial receivables" are recorded net of the provision for doubtful receivables.

Receivables from Z Alpha S.A. are cash advances from Z Beta S.a.r.l. to its parent company.

The following table sets forth a breakdown of movements in the bad debt provision:

<i>In thousands of Euros</i>	As of September 30, 2016	As of December 31, 2015
Bad debt provision at the beginning of the period	(3,618)	(3,113)
Uses	27	-
Additions	(68)	(505)
Bad debt provision at the end of the period	(3,658)	(3,618)

As of September 30, 2016 the Group had used without-recourse factoring facility for a total amount of €22,927 thousand (€22,272 thousand as of December 31, 2015).

10) NET FINANCIAL POSITION

10.1 Reconciliation to cash flow statements

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following at September 30, 2016 and December 31, 2015:

<i>In thousands of Euros</i>	Notes	As of September 30, 2016	As of September 30, 2015
Cash and Banks		48,816	43,852
Bank Overdrafts		(1,222)	(1,303)
Cash and cash equivalent in the statement of financial position		47,594	42,549
Restricted Cash		-	-
Cash and cash equivalent in the statement of cash flow		47,594	42,549

<i>In thousands of Euros</i>	Notes	As of December 31, 2015	As of December 31, 2014
Cash and Banks		52,089	45,114
Bank Overdrafts		(1,153)	(343)
Cash and cash equivalent in the statement of financial position		50,936	44,771
Restricted Cash		(4,988)	-
Cash and cash equivalent in the statement of cash flow		45,948	44,771

10.2 Cash restrictions

As of December 31, 2015 the Group had bank balances for €4,988 thousand for which it had an obligation to repay to the counterpart upon settlement of certain factoring agreements. The settlement was done in February, 2016. As of September 30, 2016 the Group has bank balances amounting to approximately Euro 1.9 million which were deposits with banks in the PRC and in Brazil. The remittance of such balances out of these countries are subject to rules and regulations of foreign exchange control imposed by the respective Government.

10.3 Financial liabilities

10.3.1 Terms and repayment schedule

The following table sets forth the net financial position of the Group as of September 30, 2016 and as of December 31, 2015:

<i>In thousands of Euros</i>		As of September 30, 2016	As of December 31, 2015
A.	Cash ⁽²⁾	48,816	52,089
B.	Cash equivalent	-	-
C.	Trading securities	-	-
D.	Liquidity (A) + (B) + (C)	48,816	52,089
E.	Current financial receivables	-	-
F.	Current bank debt	-	-
G.	Current portion of non current debt ⁽¹⁾⁽²⁾	(2,864)	(11,373)
H.	Other current financial debt	(1,222)	(1,153)
I.	Current financial debt (F) + (G) + (H)	(4,086)	(12,526)
J.	Net current financial indebtedness (I) + (E) + (D)	44,730	39,563
K.	Non current bank loans and leasing agreement	(124)	(456)
L.	Senior Secured Notes	(177,486)	(176,070)
M.	Other non current loans	-	-
N.	Non current financial indebtedness (K) + (L) + (M)	(177,610)	(176,526)
O.	Net financial position (J) + (N)	(132,880)	(136,963)

⁽¹⁾ Including accrued interest from August 1, 2016 up to September 30, 2016 on Senior Secured Notes.

⁽²⁾ Including restricted cash/payments for cash advances

The following sets forth a breakdown of “*Financial liabilities*” as of September 30, 2016 and December 31, 2015 and their respective maturity profile based on contractual undiscounted payment terms:

<i>In thousands of Euros</i>	As of September 30, 2016			As of December 31, 2015		
	<i>Total</i>	<i>Current</i>	<i>Non current</i>	<i>Total</i>	<i>Current</i>	<i>Non current</i>
Bank Loan	-	-	-	-	-	-
Senior Secured Notes	179,910	2,424	177,486	182,037	5,967	176,070
Total long term loans	179,910	2,424	177,486	182,037	5,967	176,070
Revolving credit facility	-	-	-	-	-	-
Leasing liabilities	564	440	124	876	419	456
Other Financing ⁽¹⁾	1,222	1,222	-	6,141	6,141	-
Total bank overdraft	1,786	1,662	124	7,016	6,560	456
Total financial liabilities	181,696	4,086	177,610	189,052	12,526	176,526

10.3.2 Senior Secured notes

On January 31, 2013, the Group, through its Italian subsidiary Zobe Holding S.p.A, issued Senior Secured Notes for an amount of €180 million for the purposes of re-financing the existing bank debt.

The Notes are admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

The Notes mature on February 1, 2018 and bear interest at a fixed annual rate of 7.875% payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1, 2013.

The Notes are guaranteed on a senior basis by each of: Z Beta S.à r.l., Z Gamma B.V., Zobe International B.V., Zobe España, S.A., Zobe México, S.A. de C.V. and Zobe Bulgaria EooD., Palma Electronic S.r.l., Zobe Asia Pacific L.t.d. The obligations of the Group under the Notes will be secured by the following collateral:

- a pledge over the shares of the Company by Z Alpha S.A.;
- a pledge over the shares of Z Gamma B.V, Zobe Holding S.p.A., Zobe International B.V.;

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- a pledge over certain intellectual property rights of Zobebe Holding S.p.A;
- a special moveables pledge granted by Zobebe Bulgaria EooD;
- a shares receivables arising from such share pledge over the shares of of Zobebe Bulgaria EooD ;
- a pledge over 95% of the shares of Zobebe México, S.A. de C.V. by Zobebe International B.V.;
- a pledge (without transfer of possession) over all movable assets owned by Zobebe México, S.A. de C.V.;
- a pledge over the shares of Zobebe Asia Pacific (Hong Kong) Limited;
- a pledge over the quotas of Palma Electronic S.r.l.;
- a pledge over the shares of Zobebe España, S.A.; and
- a pledge by Z Gamma B.V. over certain intra-group receivables between Z Gamma B.V. and Zobebe Holding S.p.A..

Prior to the expiration date, on February 1st, 2018, the Group may, at its option, redeem all or a portion of the Notes at a redemption price variable from a minimum of 100% to a maximum of 107,875% of the amount thereof, plus accrued and unpaid interest and additional amounts, if any.

This call option has the features of an embedded derivative in the debt host contract, that for the purposes of IAS 39 has been considered closely related to the host contract and therefore was accounted for as a single combined debt instrument.

The Group used the net proceeds from the issue of the Notes for the repayment of all amounts outstanding as of January 31, 2013 under its Existing Senior Facilities Agreement, which was terminated as of January 31, 2013.

In order to finance the needs of the general consolidated working capital, on January 31, 2013 the Group also entered into a Revolving Credit Facility agreement for a total amount of €30 million ending nine months before the expiry of the Notes. This credit line has economic conditions in line with market conditions and is secured by substantially the same Collateral as the Notes and it is subject to periodic review of certain financial covenants.

As of September 30, 2016 the Revolving Credit Facility was completely undrawn.

11) EQUITY**11.1. Capital and reserves attributable to the owners of the company**

The subscribed capital, amounting to €14 million is represented by 560,000 shares with a nominal value of €25 fully paid and fully owned by Z Alpha S.A.

Movements in shareholders' equity are reported in the Interim condensed consolidated statement of changes in shareholders' equity.

All the shares of Z Beta S.à.r.l. are pledged in favor of Secured Parties of the Indenture and Revolving Credit Facility agreements pursuant to a Share pledge agreement dated January 31, 2013 described in the above Note 10.

12) PROVISIONS

The following table sets forth the provision movements during the nine months period ended September 30, 2016 and the twelve months period ended December 31, 2015 as follows:

<i>In thousands of Euros</i>			
	Restructuring	Others	Total
As of December 31, 2014	150	-	150
Uses	(150)	-	(150)
Reversals	-	-	-
Additions	-	5,022	5,022
As of December 31, 2015	-	5,022	5,022
Uses	-	(209)	(209)
Reversals	-	-	-
Additions	-	1,731	1,731
As of September 30, 2016	-	6,544	6,544

The additional provision of €1,700 thousand made in 2016 represents a revision to management's prudent estimate of costs potentially to be incurred for repairing or replacing products.

13) FINANCIAL INSTRUMENTS: CARRYING AMOUNTS AND FAIR VALUES

The following table sets forth a breakdown of the carrying amount and fair values of Group's financial assets and liabilities including their levels of fair value and hierarchy at December 31, 2015 and September 30, 2016:

In thousands of Euro	Carrying Amount						Fair value (*)		
	Total As of December 31, 2015	Financial Assets at fair value through profit or losses	Loans and Receivables	Held-to-maturity investments	Available for sale	Other financial assets	Level 1 (**)	Level 2	Level 3
Other non current assets	1,314	-	1,314	-	-	-	-	-	
Non current assets	1,314	-	1,314	-	-	-	-	-	
Commercial external receivables	73,164	-	73,164	-	-	-	-	-	
Other receivables	15,714	-	15,714	-	-	-	-	-	
Cash and banks	52,089	-	52,089	-	-	-	-	-	
Current assets	140,967	-	140,967	-	-	-	-	-	
Total	142,281	-	142,281	-	-	-	-	-	
Total	142,281	-	142,281	-	-	-	-	-	

In thousands of Euro	Carrying Amount						Fair value (*)		
	Total As of December 31, 2015	Financial Liabilities at fair value through profit or losses	Loans and Liabilities	Held-to-maturity investments	Available for sale	Other financial liabilities	Level 1 (**)	Level 2	Level 3
Long term loans and Leasing	176,526	-	176,070	-	-	456	182,565	-	-
Non current liabilities	176,526	-	176,070	-	-	456	182,565	-	-
Commercial external payables	86,066	-	86,066	-	-	-	-	-	-
Income Tax Payables	2,782	-	-	-	-	2,782	-	-	-
Other payables	16,276	-	-	-	-	16,276	-	-	-
Current portion on Loans and Bank Overdraft and Leasing	12,526	-	-	-	-	12,526	-	-	-
Current liabilities	117,650	-	86,066	-	-	31,584	-	-	-
Total	294,176	-	262,136	-	-	38,040	182,565	-	-
Total	294,176	-	262,136	-	-	38,040	182,565	-	-

(*) The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of their fair values

(**) The amount showed represents the fair value of the Senior Notes based on the market price as at December 31, 2015

In thousands of Euro	Carrying Amount						Fair value (*)		
	Total As of September 30, 2016	Financial Assets at fair value through profit or losses	Loans and Receivables	Held-to-maturity investments	Available for sale	Other financial assets	Level 1 (**)	Level 2	Level 3
Other non current assets	1,254	-	1,254	-	-	-	-	-	
Non current assets	1,254	-	1,254	-	-	-	-	-	
Commercial external receivables	49,914	-	49,914	-	-	-	-	-	
Other receivables	12,042	-	12,042	-	-	-	-	-	
Cash and banks	48,816	-	48,816	-	-	-	-	-	
Current assets	110,772	-	110,772	-	-	-	-	-	
<i>In thousands of Euro</i>	<i>Total As of September 30, 2016</i>	<i>Financial Liabilities at fair value through profit or losses</i>	<i>Loans and Liabilities</i>	<i>Held-to-maturity investments</i>	<i>Available for sale</i>	<i>Other financial liabilities</i>	<i>Level 1 (**)</i>	<i>Level 2</i>	<i>Level 3</i>
Long term loans and Leasing	177,610	-	177,486	-	-	124	183,465	-	-
Non current liabilities	177,610	-	177,486	-	-	124	183,465	-	-
Commercial external payables	59,535	-	59,535	-	-	-	-	-	-
Income Tax Payables	1,717	-	-	-	-	1,717	-	-	-
Other payables	15,286	-	-	-	-	15,286	-	-	-
Current portion on Loans and Bank Overdraft and Leasing	4,086	-	-	-	-	4,086	-	-	-
Current liabilities	80,624	-	59,535	-	-	21,089	-	-	-

(*) The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of their fair values

(**) The amount showed represents the fair value of the Senior Notes based on the market price as at September 30, 2016

14) INCOME STATEMENT INFORMATION

14.1. Net Sales

14.1.1. Net Sales for the three month periods ended September 30, 2016 and 2015

The following table provides a breakdown of “Net sales” by market and geographic area for three month periods ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Three Months ended September 30,		% change
	2016	2015	
Net Sales by Product Category			
Air Care	48,131	56,563	(14.9%)
Pest Control	14,575	21,943	(33.6%)
Home, Health and Personal Care ⁽¹⁾	5,122	6,893	(25.7%)
Total net sales	67,828	85,399	(20.6%)

<i>In thousands of Euros</i>	Three Months ended September 30,		% change
	2016	2015	
Net Sales by Geographic area			
Europe	27,925	30,749	(9.2%)
North America	25,366	36,559	(30.6%)
South America	4,931	5,092	(3.2%)
Africa-Middle East	1,950	1,671	16.7%
Asia Pacific	7,656	11,328	(32.4%)
Total net sales	67,828	85,399	(20.6%)

(1) Predominantly represents sales of our Home, Health and Personal Care Products, although also contains sales of product components for all categories.

14.1.2. Net Sales for the nine month periods ended September 30, 2016 and 2015

The following table provides a breakdown of “Net sales” by market and geographic area for nine month periods ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Nine Months ended September 30,		% change
	2016	2015	
Net Sales by Product Category			
Air Care	135,768	149,197	(9.0%)
Pest Control	65,501	71,388	(8.2%)
Home, Health and Personal Care	30,068	17,040	76.5%
Total net sales	231,337	237,625	(2.6%)

<i>In thousands of Euros</i>	Nine Months ended September 30,		% change
	2016	2015	
Net Sales by Geographic area			
Europe	106,029	90,935	16.6%
North America	80,460	96,596	(16.7%)
South America	12,103	13,223	(8.5%)
Africa-Middle East	6,788	6,180	9.8%
Asia Pacific	25,957	30,691	(15.4%)
Total net sales	231,337	237,625	(2.6%)

14.2. Cost of Sales

14.2.1. Cost of Sales for the three month periods ended September 30, 2016 and 2015

The following table provides a breakdown of “Cost of sales” for the three month periods ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Three Months ended September 30, 2016	Three Months ended September 30, 2015
Materials	36,496	48,584
Direct Labor Cost	6,762	8,746
Subcontractor	918	817
Power	703	755
Indirect Manufacturing	2,332	2,449
Maintenance	1,142	1,298
Logistic and Purchases	2,198	2,904
Quality Control	419	407
Commissions	71	0
Total Cost of Sales	51,041	65,960

14.2.2. Cost of Sales for the nine month periods ended September 30, 2016 and 2015

The following table provides a breakdown of “Cost of sales” for the nine month periods ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Nine Months ended September 30, 2016	Nine Months ended September 30, 2015
Materials	126,638	134,652
Direct Labor Cost	24,438	25,951
Subcontractor	3,515	2,173
Power	2,130	2,252
Indirect Manufacturing	7,209	7,161
Maintenance	3,686	3,506
Logistic and Purchases	7,587	8,127
Quality Control	1,195	1,228
Commissions	123	77
Total Cost of Sales	176,521	185,127

14.3. Overheads

14.3.1. Overhead for the three month periods ended September 30, 2016 and 2015

The following table sets forth a breakdown of “Overheads” for the three month periods ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Three Months ended September 30, 2016	Three Months ended September 30, 2015
General and Administration	4,169	4,312
Sales & Marketing	1,352	1,422
R&D	1,323	875
Operation	197	400
Other (income)/expenses	25	31
Total Overhead	7,065	7,040

14.3.2. Overhead for the nine month periods ended September 30, 2016 and 2015

The following table sets forth a breakdown of “Overheads” for the nine month period ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Nine Months ended September 30, 2016	Nine Months ended September 30, 2015
General and Administration	13,231	13,571
Sales & Marketing	4,276	3,957
R&D	3,101	2,269
Operation	572	726
Other (income)/expenses	75	82
Total Overhead	21,255	20,605

R&D costs represent the amount of research costs incurred as of September 30, 2016. In line with IAS 38, Development costs of €2,5 million were capitalized as of September 30, 2016 (€2,4 million as of September 30, 2015).

14.4. Costs/(Income) from non-recurring transactions

14.4.1. Costs/(Income) from non-recurring transactions for the three month periods ended September 30, 2016 and 2015

The following table sets forth a breakdown of “Non recurring transactions” for the three month periods ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Three Months ended September 30, 2016	Three Months ended September 30, 2015
Restructuring personnel severance	-	-
Other provisions	1,700	-
Biocides compliance costs and fees	154	-
CLP compliance costs	-	378
Others minor	-	-
Total Non recurring Expenses	1,854	378

Non recurring costs incurred in this interim period mainly represent exceptional costs incurred in Europe to comply with Biocides regulation.

14.4.2. Costs/(Income) from non-recurring transactions for the nine month periods ended September 30, 2016 and 2015

The following table sets forth a breakdown of “Non recurring transactions” for the nine month periods ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Nine Months ended September 30, 2016	Nine Months ended September 30, 2015
Restructuring personnel severance	-	273
Other provisions	1,700	-
Biocides compliance costs and fees	274	-
CLP compliance costs	-	842
Others minor	31	-
Total Non recurring Expenses	2,005	1,115

14.5. Financial (Income)/Expenses

14.5.1. Financial (Income)/Expenses for the three month periods ended September 30, 2016 and 2015

The following table sets forth a breakdown of “Financial income and expense” for the three month period ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Three Months ended September 30, 2016	Three Months ended September 30, 2015
Interest Income	34	21
Other financial income	-	-
Total financial income	34	21
Interest expenses - Bank Overdraft	(29)	(57)
Interest expenses - Long Term Loan	(4,012)	(4,034)
Interest expenses - Shareholders Loan	-	-
Interest expenses on leasing and other	(324)	(432)
Total financial expenses	(4,365)	(4,523)
Exchange Gain/(Losses) on Financial Activities	(620)	(2,526)
Total financial Income/(Expenses)	(4,951)	(7,027)

14.5.2. Financial (Income)/Expenses for the nine month periods ended September 30, 2016 and 2015

The following table sets forth a breakdown of “Financial income and expense” for the nine month periods ended September 30, 2016 and 2015:

<i>In thousands of Euros</i>	Nine Months ended September 30, 2016	Nine Months ended September 30, 2015
Interest Income	65	33
Other financial income	-	-
Total financial income	65	33
Interest expenses - Bank Overdraft	(125)	(157)
Interest expenses - Long Term Loan	(12,043)	(12,083)
Interest expenses - Shareholders Loan	-	-
Interest expenses on leasing and other	(1,324)	(1,217)
Total financial expenses	(13,492)	(13,457)
Exchange Gain/(Losses) on Financial Activities	(641)	(4,074)
Total financial Income/(Expenses)	(14,068)	(17,498)

15) RELATED PARTY TRANSACTIONS

All intercompany transactions are conducted at “arm’s length”, as for transactions with related parties outside of the Group.

As of September 30, 2016 and December 31, 2015 there were no Related Parties transactions.

16) COMMITMENTS AND GUARANTEES

As of September 30, 2016 the Group had financial obligations arising from rental and operating lease agreements for a total amount of €23,504 thousand, of which €3,300 thousand are due within one year.

The following table sets forth a breakdown of commitments and guarantees:

<i>In thousands of Euros</i>	As of September 30, 2016	As of December 31, 2015
Rented buildings		
No later than 1 year	3,104	3,210
Later than 1 year and no later than 5 years	9,002	9,754
Later than 5 years	3,538	3,748
Other rents		
No later than 1 year	195	321
Later than 1 year and no later than 5 years	124	232
Later than 5 years	-	-
Fixed Assets	7,541	4,536
Total Commitments	23,504	21,801

As described in Note 10, the Senior Secured Notes are secured and pledged on certain Group assets and shares.

There are no further significant legal or arbitration proceedings which the Group believes could have a significant impact on its financial and economic results.

17) SUBSEQUENT EVENTS TO THE INTERIM REPORTING DATE

There are no significant events after the reporting period that could impact the financial statements.

Approved by
Director
Mr. Cedric Stébel

Approved by
Chief Executive Officer
Mr. Roberto Schianchi

Date
November 21, 2016

Date
November 21, 2016