(Free translation from the original in Spanish, in event of discrepancy, the Spanish-language version prevails)

Notes to the financial statements of the Viscofan Group in the period from January to June 2015

1. Description and Principal Activities

Viscofan, S.A. (hereinafter the Company or the parent) was incorporated with limited liability on October 17, 1975 as Viscofan, Industria Navarra de Envolturas Celulósicas, S.A. At a meeting held on June 17, 2002 the shareholders agreed to change the name of the Company to the current one.

Its statutory and principal activity consists of the manufacture of cellulose or artificial casings, mainly for use in the meat industry, as well as, to a lesser extent, the generation of electricity by any technical means, both for own consumption and for sale to third parties.

Its industrial installations are located in Cáseda and Urdiain (Navarra). Its main offices and registered address are located in Polígono Industrial Berroa, Calle Berroa nr. 15, 4ª planta, 31192 - Tajonar (Navarre).

Viscofan, S.A. is the parent of a group of companies (the Viscofan Group or the Group) which mainly carry out their activities in the food sector and in cellulose, plastic, fibrous and collagen casing sectors.

The entirety of Viscofan S.A.'s shares have been listed since 1986, and are quoted on the Spanish electronic trading platform (continuous market).

The Group's 2014 consolidated financial statements were drawn up on February 26, 2015 and approved at the General Shareholders' Meeting held on May 7, 2015.

2. Basis of preparation

The consolidated financial statements were prepared based on the accounting records of Viscofan, S.A. and the companies included in the Group.

The consolidated accounts for the first half of 2015, were prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), in order to give a true and fair view of the consolidated net assets and financial position of Viscofan, S.A. and its subsidiaries as at 30 June 2015, as well as the consolidated results of its operations, consolidated cash flows and changes in consolidated equity for the period then ended.

The accounting policies applied are consistent with those for the year ended 31 December 2014. However, the preparation of consolidated financial statements in accordance with IFRS-EU requires management to make significant judgements, estimates and assumptions in applying the Group's accounting policies.

In this regard, recall that accounting standards that came into force since 1st January, 2015, do not affect Viscofan Group financial statements.

Standards and interpretations issued by the corresponding bodies but still not effective have not been applied.

Preparation basis for the individual accounts of Viscofan S.A

The individual accounts for first half of 2015 were prepared in accordance with the new Chart of Accounts approved by RD 1514/2007, in order to give a true and fair view of the consolidated net assets and financial

situation of Viscofan, S.A. and its subsidiaries at 30 June 2015, as well as the results of its operations, cash flows and changes in equity for the period then ended.

3. Comparison of information

Comparative information in the interim financial statements refers to the six-month periods ended June 30, 2015 and 2014, except for the consolidated statement of financial position which compares information at June 30, 2015 and at December 31, 2014.

4. Presentation currency

Interim financial statements have been expressed, unless otherwise indicated, in thousand euros.

5. Changes to the consolidated group

The most significant variations to the consolidated Group during the six –month period ending on June 30, 2015 were the following:

Name company	Percentage on interest		Activity	Registered office	Transaction date	% acquired or sold	Consolidation method
	Direct	Indirect					
Acquisition							
Nanopack Technology & Packaging, S.L.	51.67%		Manufacture and marketing of artificial casings	Spain	May 27, 2015	51.67%	Global
Sale							
Industrias Alimentarias de Navarra, S.A.U	100.0%		Manufacture and marketing of tinned vegetables	Spain	March 10, 2015	100%	Discontinued operations
IAN Perú,S.A.		100.0%	Asparagus production (no activity)	Peru		100%	Discontinued operations
Lingbao Baolihao Food Industrial Co.Ltd.		100.0%	Asparagus production	China		100%	Discontinued operations

Nanopack Technology & Packaging, S.L.:

As of 27th May 2015 Viscofan S.A. acquired 51.67% share capital of Nanopack Technology & Packaging, S.L. (Nanopack) to Mr. Joaquim Nogué and Estudi Graf for 4 million Euros.

Due to this acquisition Nanopack Technology & Packaging, S.L is included in the scope of consolidation of the Viscofan Group in the second quarter of 2015 and is consolidated by the full integration method, thus, at the end of June 30, 2015 is incorporated in the consolidated balance sheet the total value of its assets and liabilities, and in the consolidated income statement of the period one month impact of its operations

The Group has initially recognised a business combination within the period of valuation for the identifiable assets and liabilities, that in accordance with IAS 3 shall not exceed one year from the acquisition date.

Sale of 100% of IAN Group:

On 10 March 2015, Viscofan S.A. successfully concluded the sale of IAN S.A.U. and its subsidiaries, Lingbao Baolihao Food Industrial Co. Ltd. and IAN Peru, S.A, for an equity value of €55.8 million to Servicios Compartidos de Industrias Alimentarias, S.L., a company managed by Portobello Capital Gestión, S.G.E.C.R., S.A. after accepting a new offer for an equity value of €55.8 million paid in cash on the date of signing the contract. This implies a capital gain after tax of €0.4 million.

In compliance with the provisions of International Financial Reporting Standard 5, net profit at the IAN Group in 2015 and 2014 was recognised in the Consolidated Income Statement under "Profit or loss from discontinued operations". The IAN Group's assets and liabilities at the end of December 2014 have been classified as "Held for sale" on the Viscofan Group's consolidated balance sheet.

6. Relevant accounting estimates, assumptions and judgments used when applying accounting policies

The preparation of financial statements in conformity with EU-IFRS requires Group management to make judgments, estimates, and assumptions, and to apply relevant accounting estimates in the process of applying Group accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates are indicated in the note, 3 and 4 of the Financial Statements and consolidated Management report. The main items are referred to:

- Taxes.
- Pension benefits.
- Revenues from cogeneration energy sales (Spain).
- Provisions for litigation and contingent assets and liabilities.
- Assessment of possible impairment losses on certain assets.
- Useful life of property, plant, and equipment and intangible assets
- Measurement of derivative financial instruments.

7. Materiality

When determining the information to be disclosed in the notes to the interim financial statements regarding the various headings in the financial statements or other matters, the Group has taken into account their materiality with respect to the summarized interim consolidated financial statements, in accordance with IAS 34.

8. Seasonality or cyclicality of interim period transactions

The business of the various Viscofan Group companies engaged in the Casings activity, valued overall and for a six-month period, is not subject to significant seasonality or cyclicality and therefore operating profits perform consistently in that time frame with the exception of sporadical increases in capacity that may occur in some interim period.

9. Segment reporting

IFRS 8: "Operating segments" establishes that an operating segment is a component of an entity:
a) when it engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
b) when its operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
c) for which discrete financial information is available.

The Group's management bases its decisions on the assignment of resources and performance evaluations on the profitability of the markets in which it operates; its key geographic areas are Spain, Europe, and Asia, North America, and South America. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss on the consolidated financial statements.

The Group also carries out production-related activities through its cogeneration plants in Spain, Mexico, and Germany. These cogeneration activities have three aims: to decrease the cost of electricity while remaining self-sufficient, and at the same time reducing CO2 emissions. Although the plants located in Spain and Mexico sell part of the energy produced to third parties, these activities are not organized as business segments, nor are they contemplated as business units to be reported on per se.

This information has been set out in the present half-yearly financial report in part IV, Selected Financial Information, section 15.

10. Type and amount of unusual items due to their nature, amount or incidence

10.1 Inventory write-downs

There were no significant inventory write-downs during the first half of the year.

10.2 Write-downs to property, plant and equipment, intangible assets and other non-current assets

There were no significant write-downs to property, plant and equipment, intangible assets or other non-current assets in the current period (January – June 2015).

10.3 Provisions (or changes to provisions) for restructuring costs

There were not provisions or changes to provisions for restructuring cost linked with restructuring costs.

10.4 Acquisition, disposals or other uses of property, plant and equipment

There were no significant acquisitions, disposals or other uses of property, plant and equipment in the interim reporting period.

10.5 Litigation payments or settlements

No significant litigation payments or settlements were made in the reporting period.

10.6 Prior-period error corrections

There were no corrections recorded for prior-period errors.

10.7 Default or other loan agreement non-compliance not yet cured on the balance sheet date.

The Viscofan Group has fully paid off all financial liabilities due before that date; therefore, as at 30 June 2015 no past due amounts were included under financial liabilities. In addition, none of the companies in the Viscofan Group had failed to comply with any financial obligations as of that date.

10.8 Capital changes by Group companies

There were no Capital changes by Group companies during the period from January to June 2015.

11. Type and amount of changes in prior-period item estimates

There were no changes in prior-period item estimates with a material effect on the accounting period from January to June 2015.

Notwithstanding , Ministerial Order IET/1045/2014 of 16 June, approving the remuneration parameters for standard facilities, applicable to certain electricity production facilities based on renewable energy, cogeneration and waste, was published on 20 June 2014. This Ministerial Order is the latest regulatory implementation approving the criteria and parameters covering remuneration from investment and remuneration from the operation of such facilities which leads to reasonable returns on these projects pursuant to RD 9/2013 published on 14 July 2013.

This Ministerial Order includes amendments made to the initial draft which had been used to book the impact in 2013 figures of that regulation on cogeneration activity at production facilities in Cáseda. Taking into account these amendments, in the second quarter of 2014 the company booked additional non-recurring revenue of €2,949 thousand and €2,742 thousand on EBITDA. This corresponds to the difference between the remuneration estimated in 2013 for cogeneration pursuant to the Order approving the

remuneration parameters for standard facilities, applicable to certain cogeneration facilities, submitted to the CNMC by the Secretary of State for Energy, and the definitive remuneration approved pursuant to the above mentioned Ministerial Order.

12. Issues, buybacks and redemptions of the Company's debt or equity securities

The companies in the Viscofan Group have not issued, bought back or redeemed any debt securities.

Viscofan S.A. has a direct treasury share management policy. It has not signed any market-making agreement with any financial institution and is not in the process of formalising any agreement of this kind.

At 30 June 2015, Viscofan did not hold any treasury shares.

13. Dividends paid

In December 2014, the Company paid a gross interim dividend against 2014 profits of €0.450 per share, for a total outlay of €20,972 thousand. Then, in June 2015, it paid a gross final dividend of €0.724 per share for an outlay of €33,741 thousand.

Other shareholder remuneration:

The Company paid out a bonus of €0.006 per share for attending the General Shareholders' Meeting held in May 2015.

Total shareholder remuneration amounted to €1.18 per share, for a payment of €54,713thousand.

14. Net revenues and segment income

This information has been set out in the present half-yearly financial report in part IV, Selected Financial Information, section 15.

15. Changes in the company's composition

15.1. Intangible and tangible assets

In the first half of 2015 investments were made in property, plant and equipment and intangible assets for a total of €22,821 thousand (€23,141 thousand in the first half of 2014). Of this amount, the main investment projects related to:

- Investments to the start-up of a new plastics plant in Mexico.
- Investments related to process improvement, Research and Development in cellulose, fibrous and collagen.
- Investments to improve energy efficiency.
- Investments at a number of Group plants to improve the safety conditions of the facilities.

15.2. Non-current and current financial assets

In the period under review, the Company made no material acquisitions or disposals of non-current financial assets. This information has been set out in the present half-yearly financial report in part IV, Selected Financial Information, section 14.

15.3. Inventories

Details of inventories at June 30, 2015 and December 31, 2014 are as follows:

	Thousands of euros	
	06.30.2015	12.31.2014
Goods for resale	6,536	2,219
Raw materials and other supplies	51,411	50,156
Semi-finished products	45,672	46,148
Finished products	102,477	89,665
Prepayments to suppliers	3,291	897
Total Inventories	209,387	189,085

Expenses incurred during the first half of 2015 related to impairment and the obsolescence of inventories amounted to €3,203 thousand (€682 thousand in the first half of 2014).

At June 30, 2015 and December 31, 2014 there are no inventories with a reimbursement period greater than 12 months recognized in the consolidated statement of financial position.

Group companies have contracted various insurance policies to cover the risk of damage to inventories. The coverage of these policies is considered sufficient.

15.4. Trade and other receivables

The breakdown for "Trade and other receivables" at June 30, 2015 and December 31, 2014 is as follows:

	Thousands of euros	
	06.30.2015	12.31.2014
Trade receivables	143,734	126,743
Other receivables	3,062	3,682
Advances to employees	146	277
Provisions for bad debts	(2,259)	(2,083)
Public Administrations	29,363	26,778
Total trade and other receivables	174,046	155,397

At June 30, 2015 and December 31, 2014, the age of accounts receivable on sales, by maturity, is as follows:

	Thousands of euros					
	Total	Not due	< 30days	30-60 days	60-90 days	> 90 days
06.30.2015	143,734	131,049	9,817	1,754	600	514
12.31.2014	126,743	112,897	10,587	892	489	1,878

Trade receivables do not carry interest, and generally payment conditions range from 45 to 90 days.

The breakdown by currency for "Trade and other receivables" at June 30, 2015 and December 31, 2014 is as follows:

	Euros	US dollars	Czech crown	Brazilian real	Mexican peso	Chinese yuan	Other currencies	Total carrying amount
06.30.2015	69,194	45,440	3,605	31,378	12,242	7,780	4,407	174,046
12.31.2014	46,283	65,918	955	24,271	5,796	7,910	4,264	155,397

15.5. Cash and cash equivalents

Cash and cash equivalents at June 30, 2015 and December 31, 2014, comprise cash balances with Group companies and banks. The Group does not have bank overdrafts at these dates and all balances are freely distributable.

A breakdown by currency is as follows:

	Euros	US dollars	Czech crown	Brazilian real	Mexican peso	Chinese yuan	Other currencies	Total carrying amount
06.30.2015	44,103	7,762	887	111	1,797	1,620	1,195	57,476
12.31.2014	9,539	7,564	1,095	930	1,724	1,703	3,046	25,601

15.6 Equity

The composition and movement in Equity of the Viscofan Group at June 30, 2015 and 2014 has been set out in the present half-yearly financial report in part IV, Selected Financial Information.

Share capital

At June 30, 2015 and at December 31, 2014, the parent's share capital consisted of 46,603,682 registered ordinary shares with a par value of 0.70 euros each, fully subscribed and paid in. The total value of capital amounts to 32,623 thousand euros.

All shares bear the same voting and dividend rights and obligations, and are listed on the official Stock Exchanges of Madrid, Barcelona, and Bilbao under the automatic quotation system (continuous market). All shares are freely distributable.

At June 30, 2015 and at December 31, 2014, the parent was aware of the following shareholders with a direct or indirect stake of over 3%:

	Holding. %	
Shareholder	06.30.2015	12.31.2014
Corporación Financiera Alba, S. A.	6.79	6.79
APG Asset Management N.V.	5.17	5.17
Marathon Asset Management, LLP.	4.93	4.93
Angustias y Sol SL	3.01	-
Blackrock Inc.	-	3.14
Delta Lloyd N V.	-	3.06
Onchena, S.L	-	3.01

15.7. Current and non-current provisions

The breakdown of this caption of the Consolidated Statement of Financial Position is as follows:

	Thousands of euros	
	06.30.2015	12.31.2014
Defined benefit	18,473	27,075
Other employee benefits	3,568	3,601
Provisions for other litigation	514	212
Others	-	-
Total non-current provisions	**22,555**	**30,888**
Provisions for warranties/repayments	1,211	1,485
Provisions for emission rights, safety in the workplace, and others	5,240	3,491
Total current provisions	**6,451**	**4,976**

Defined benefit

The Group makes contributions to defined benefit plans in the US and Germany through its Viscofan USA Inc. and Naturin Viscofan GmbH subsidiaries.

In order to reduce exposure to long-term financial risk arising from the US pension plans, on 6 February 2015, an insurer was selected to undertake the payment of life annuities to pensioners under the "Hourly Employees" and "Salaried Employees". The selection process involved nine insurance companies, and the winning bid was presented by Metropolitan Life Insurance Company (MetLife), for an overall amount of US$54.6 million. This amount, subject to non-relevant final adjustments, implies a cash payment to the insurer of US$8 million, and has generated a non-recurring accounting profit of €2.4 million. Funds from plan assets were transferred on February 11, 2015.

Other provisions

At 30 June 2015 there were no significant changes in the provisions recognised at 31 December 2014 with respect to liabilities arising from staff remunerations, litigation in progress, guarantees and rebates, emission rights, occupational risks and others.

During the first half of 2015 no significant litigation involved the Group, see Section 10.5. Litigation payments or settlements and 16. Contingent assets and liabilities included in these Notes to the financial statements

15.8. Current and non-current financial liabilities

The breakdown of current and non-current financial liabilities, taking into account discounted contractual maturities at June 30, 2015, is as follows:

	Thousands of euros					
	Up to 3 months	3 months to 1 year	1 to 5 years	More than five years	Total carrying amount	Total fair value
Bank borrowings	20,212	33,095	31,732	1,250	86,289	86,289
Accrued interest payable	13	252	-	-	265	265
Finance lease payables	51	119	493	-	663	663
Derivative financial instruments	3,890	2,755	1,065	-	7,710	7,710
Other financial liabilities	4,573	1,884	7,107	4,158	17,722	17,722
Total at June 30, 2015	**28,739**	**38,105**	**40,397**	**5,408**	**111,934**	**111,934**

The breakdown of current and non-current financial liabilities, taking into account discounted contractual maturities at December 31, 2014, is as follows:

	Thousands of euros					
	Up to 3 months	3 months to 1 year	1 to 5 years	More than five years	Total carrying amount	Total fair value
Bank borrowings	21,059	45,461	32,595	-	99,115	99,115
Accrued interest payable	215	116	-	-	331	331
Finance lease payables	50	158	560	-	768	768
Derivative financial instruments	1,315	5,754	1,158	-	8,227	8,227
Other financial liabilities	7,247	3,664	6,915	4,003	21,829	21,829
Total at December 31, 2014	29,886	55,153	41,228	4,003	130,270	130,270

As can be seen in previous tables, the carrying amount of financial liabilities agrees with the fair value as the long-term debt corresponds to financing obtained in recent years under similar conditions to those currently obtainable in the market.

The financial liabilities corresponding to bank borrowings that accrue interest at variable rates are linked to Euribor or Libor plus an average spread from 1.0 p.p.

The breakdown by currency is as follows:

	Euros	US dollars	Czech crown	Brazilian real	Mexican peso	Chinese yuan	Other currencies	Total carrying amount
06.30.2015	57,926	28,486	3,358	6,703		13,504	1,957	111,934
12.31.2014	73,710	20,596	2,415	9,544	753	17,444	5,808	130,270

15.9. Trade and other payables

The breakdown of "Trade and other payables" is as follows:

	Thousands of euros	
	06.30.2015	12.31.2014
Suppliers	18,173	20,639
Amounts owed for services received	24,940	23,718
Customer advances	5,441	3,742
Remuneration pending payment	10,874	9,786
Public Administrations	30,442	17,933
Total trade and other payables	89,870	75,818

The breakdown by currency is as follows:

	Euros	US dollars	Czech crown	Brazilian real	Mexican peso	Chinese yuan	Other currencies	Total carrying amount
06.30.2015	49,051	15,012	6,071	8,563	5,302	1,741	4,130	89,870
12.31.2014	36,005	16,998	4,823	7,340	3,980	4,285	2,387	75,818

15.10. Tax situation

The effective tax rate from the consolidated income statement for the interim period stood at 24.0%, 23.6% in the same period of the previous year.

During this period there have not been significant changes in tax legislation that may affect the Group.

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the tax authorities or the inspection period of four years has elapsed. At June 30, 2015 the parent and subsidiaries in Spain are open to inspection of all applicable taxes to which they are liable and for which the corresponding inspection periods have yet to expire. The situation of foreign companies depends on the legislation prevailing in each country.

Due to the different possible interpretations of prevailing legislation, additional liabilities could be identified in the event of inspection. Nonetheless, parent management considers that any additional liabilities that might arise would not have a significant impact on these consolidated financial statements.

15.11. Financial risks

The Group's activities are exposed to various financial risks: market risk (including exchange rate risk, fair value interest rate risk and price risk), credit risk, liquidity risk, and interest rate risk in cash flows. The Group's global risk management programme focuses on the uncertainty of financial markets and aims to minimize the potential adverse effects on the Group's profitability. Certain risks are hedged by derivative instruments.

Risk is managed by the Group in accordance with policies approved by the Board of Directors, with Audit Committee supervision, and is supported by several Committees composed by Viscofan Group employees.

Exchange rate risk

As the Group operates internationally, it is exposed to variations in exchange rates, particularly the US Dollar. The exchange rate risk arises from future commercial transactions, recognized assets and liabilities and net investments abroad.

The risk management policy of the Group is to cover cash flow transactions in currencies other than the functional currency with the most risk. Therefore, forward currency contracts were formalized at the time the yearly budget was prepared; EBITDA forecasts were used as the basis for the following year, the degree of exposure, and the degree of risk the Group is willing to assume.

The following table shows the sensitivity of consolidated profit to a possible change in the exchange rate of certain currencies of countries where the Group conducts business:

	Thousands of euros							
	US Dollar		Czech crown		Brazilian real		Chinese yuan Renmimbi	
	06.30.2015	06.30.2014	06.30.2015	06.30.2014	06.30.2015	06.30.2014	06.30.2015	06.30.2014
+ 5%	1,318	4,010	(478)	(472)	439	426	159	711
- 5%	(1,192)	(3,626)	433	427	(397)	(382)	(143)	(642)

The following table shows the impact on consolidated equity of changes in the exchange rates of certain currencies of countries where the Group conducts business:

	Thousands of euros							
	US Dollar		Czech crown		Brazilian real		Chinese yuan Renmimbi	
	06.30.2015	12.31.2014	06.30.2015	12.31.2014	06.30.2015	12.31.2014	06.30.2015	12.31.2014
+ 5%	2,688	5,042	1,856	2,888	1,444	3,599	2,223	3,766
- 5%	(2,433)	(4,562)	(1,680)	(2,613)	(1,307)	(3,256)	(2,012)	(3,407)

Credit risk

For some non-current loans the Group must meet with a series of conditions defined by ratios based on the consolidated financial statements. Noncompliance would involve cost increases and, if applicable, early termination of the agreement. At June 30, 2015, all the main ratios had been satisfactorily complied with and neither Viscofan, S.A. nor any of its material subsidiaries were in breach of their financial commitments or any kinds of obligation that could trigger their early redemption.

16. Contingent assets and liabilities

Viscofan S.A. and its Group companies are parties in various litigation cases or proceedings currently being heard in jurisdictional, administrative or arbitration bodies in the various countries where the Viscofan Group is present.

(a) Contingent liabilities

At year end, there were a number of different legal claims filed against the Brazilian subsidiary. None of the current lawsuits underway are for significant amounts. In the opinion of the Group's legal advisors in Brazil, all those which are not recognized under liabilities are considered to be potential risks, or that possible related amounts cannot be determined at the moment. Based on historic experience, the related amounts of all possible claims is under 5%.

Also, at year end there are two ongoing lawsuits with Griffith Colombia, S.A., although one does not involve indemnities. Griffith Colombia, S.A. had held exclusive sales rights for Viscofan Group products in Colombia since 2006. Considering Griffith Colombia, S.A.'s performance was unable to take full advantage of the Colombian market's opportunities, the company was substituted in May 2012, six months prior to the agreement termination date of November 2012. As a result of the business relationship's termination, Griffith stopped paying invoices, which total approximately 1.2 million euros, to two Viscofan Group companies, arguing a right to retention because of the indemnity it considered due. However, during the first half of the year Viscofan has received rule in favour of the execution of the payment of 350 thousand US$ in Brazil. The difference is provisioned in the accounting registers of the affected subsidiaries. Griffith initiated legal proceedings to claim the indemnity, although its calculation and arguments presented in its lawsuits do not indicate that the risk exceeds the provisioned amounts.

Viscofan Uruguay and Berkes Construcción y Montajes, S.A. have iniciated reciprocal legal proceedings arising from the construction contract for building the plant. Viscofan Uruguay considers that there are deficiencies and areas of lack of compliance in the work done, and has retained amounts so as to force Berkes to rectify the problems; Berkes, on the other hand, considers that the job is done, and has announced its intention to file a complaint against Viscofan Uruguay for payment of these amounts. Although the proceedings are still in their preliminary phases, and it is not possible to quantify them, the possibility of contingent liabilities arising for Viscofan Uruguay seems remote.

(b) Contingent assets

At June 30, 2015, the extraordinary appeal presented before the Supreme Court on September 22, 2014 against the appeal overruling Industrias Alimentarias de Navarra, S.A.U.'s initial lawsuit

against Mivisa Envases, S.A. was still pending admission; the patent request had been declared null as it was considered to lack originality and inventiveness. Thus, the ruling found that there was no breach on the part of Mivisa Envases, S.L., nor was any indemnification due. Once it received notification of the ruling on its appeal, Industrias Alimentarias de Navarra, S.A.U. returned 5,354 thousand euros received under the provisional execution of the first sentence. The appeal is pending admission, and therefore no assets were recognized.

Viscofan S.A. filed several appeals during 2014, all related to the new remuneration and incentive scheme for electricity generation installations imposed by Royal Decree Law 1/2012; Royal Decree Law 413/2014, and Order IET/1045/2041; however, it is not possible to determine the amount of contingent assets in favor of Viscofan, S.A. should it win the case.

It is reasonable to consider that these litigation cases will have no material effect on the financial and economic situation or solvency of the Viscofan Group, even in the event of an unfavourable outcome to any of them.

17. Related-party transactions

The aggregate information on transactions with related parties has been set out in the present interim financial report in part IV, Selected Financial Information, sections 17 (Remuneration received by Directors and top management) and 18 (Related-party transactions).

18. Description of risks and uncertainties

The Viscofan Group has shown improved results in a time of great volatility and uncertainty, and is well placed to capture market growth in its main business activities. Nevertheless, it should be underscored that due to the nature of its operations, the Group's activities are exposed to various operational, financial, strategic, legal and environmental risks. The Group manages risk based on policies approved by the Board of Directors, and developed in the Corporate Governance Annual Report, which is supervised by the Audit Committee.

Among the specific risks the Group faces are reduced profitability and a lower investment success rate; a worsening of exchange rates, increased credit risk, risks related to the reliability of financial information; liquidity risk, interest rate risk in connection with cash flows and fair value; operating risk in the supply of raw materials, material damage, and production continuity; strategic risks inherent in the competitive environment of the sector, as well as legal risks which include criminal liability for legal entities. In addition, the Group manages its operations from commercial offices and production centers in 14 countries, marketing its products in a total of 100 countries throughout the world. As a result, political decisions and natural disasters that occur in these countries, as well as food supply or food safety crises, whether caused by the Group itself or by a third party, can affect our operations.

A more detailed description of risk management is carried out in the 2014 Corporate Governance Annual Report, available on the website www.viscofan.com

19. Events after the interim balance sheet date

No significant events have taken place since the end of the interim reporting period to 30 June 2015.