

INTERIM REPORT ON OPERATIONS  
AT 30 SEPTEMBER 2016







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AT 30 SEPTEMBER 2016

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## TABLE OF CONTENTS

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<b>INTERIM REPORT ON OPERATIONS</b>		<b>PAGE 5 - 15</b>
DIRECTORS AND OFFICERS	PAGE 6 - 7	
GROUP STRUCTURE AT 30 SEPTEMBER 2016	" 8	
GROUP PERFORMANCE	" 9 - 14	
OTHER INFORMATION	" 14 - 15	
<b>CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2016</b>		<b>" 17 - 22</b>
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	" 18	
CONSOLIDATED INCOME STATEMENT	" 19	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	" 20	
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	" 21	
CONSOLIDATED STATEMENT OF CASH FLOWS	" 22	
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>		<b>" 23 - 52</b>
OVERVIEW	" 24	
GENERAL PREPARATION POLICIES	" 24 - 25	
FINANCIAL RISK MANAGEMENT	" 25 - 26	
SCOPE OF CONSOLIDATION	" 27 - 28	
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	" 28 - 49	
EQUITY INVESTMENTS INCLUDED IN THE SCOPE OF CONSOLIDATION AND METHOD USED	" 50 - 51	
DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS	" 52	

INTERIM REPORT ON OPERATION  
AT 30 SEPTEMBER 2016

(THE CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN TRANSLATED FROM THE ORIGINAL ITALIAN INTO ENGLISH  
SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS)

## DIRECTORS AND OFFICERS

### BOARD OF DIRECTORS

(Appointed until the Shareholders' Meeting called to approve the financial statements at 31 December 2017)

#### **DIRECTOR AND HONORARY CHAIRMAN**

Marco Vacchi

#### **CHAIRMAN AND MANAGING DIRECTOR**

Alberto Vacchi

*Delegated powers:* all powers of ordinary and extraordinary administration, excluding the following powers:

- ) to transfer or receive for whatever purpose or reason, shares or quotas in companies, associations or entities, lines of business, businesses or combinations of businesses and real estate;
- ) to give secured or other guarantees, and give sureties or letters of patronage, except (in relation to the sureties and letters of patronage) for those given on behalf of direct or indirect subsidiaries of the Company or associates;
- ) to grant beneficial rights over the assets of the Company.

#### **CHIEF OPERATING OFFICERS**

Andrea Malagoli

*Delegated powers:* the powers associated with responsibility for the Dairy & Food business.

Giovanni Pecchioli

*Delegated powers:* the powers associated with responsibility for the Pharmaceutical business.

#### **DIRECTORS**

Stefano Cataudella, Paolo Frugoni, Marco Galliani, Luca Poggi, Pierantonio Riello, Rita Rolli, Maria Carla Schiavina, Gianluca Vacchi, Valentina Volta.

### BOARD OF AUDITORS

(In office until the Shareholders' Meeting called to approve the financial statements at 31 December 2018)

#### **STANDING AUDITORS**

Francesco Schiavone Panni - Chairman

Roberta De Simone

Riccardo Pinza

#### **ALTERNATE AUDITORS**

Elean Spagnol

Giovanna Bolognese

Federico Ferracini

### COMMITTEE (\*)

Paolo Frugoni - Chairman - Independent Director

Pierantonio Riello - Independent Director

Maria Carla Schiavina - Non-executive Director

(\*) The Committee combines the functions, duties and powers suggested or assigned by the code to the Nominations Committee, the Remuneration Committee and the Internal Control and Risk Committee.

**MANAGER RESPONSIBLE  
FOR PREPARING  
FINANCIAL REPORTS**

Sergio Marzo

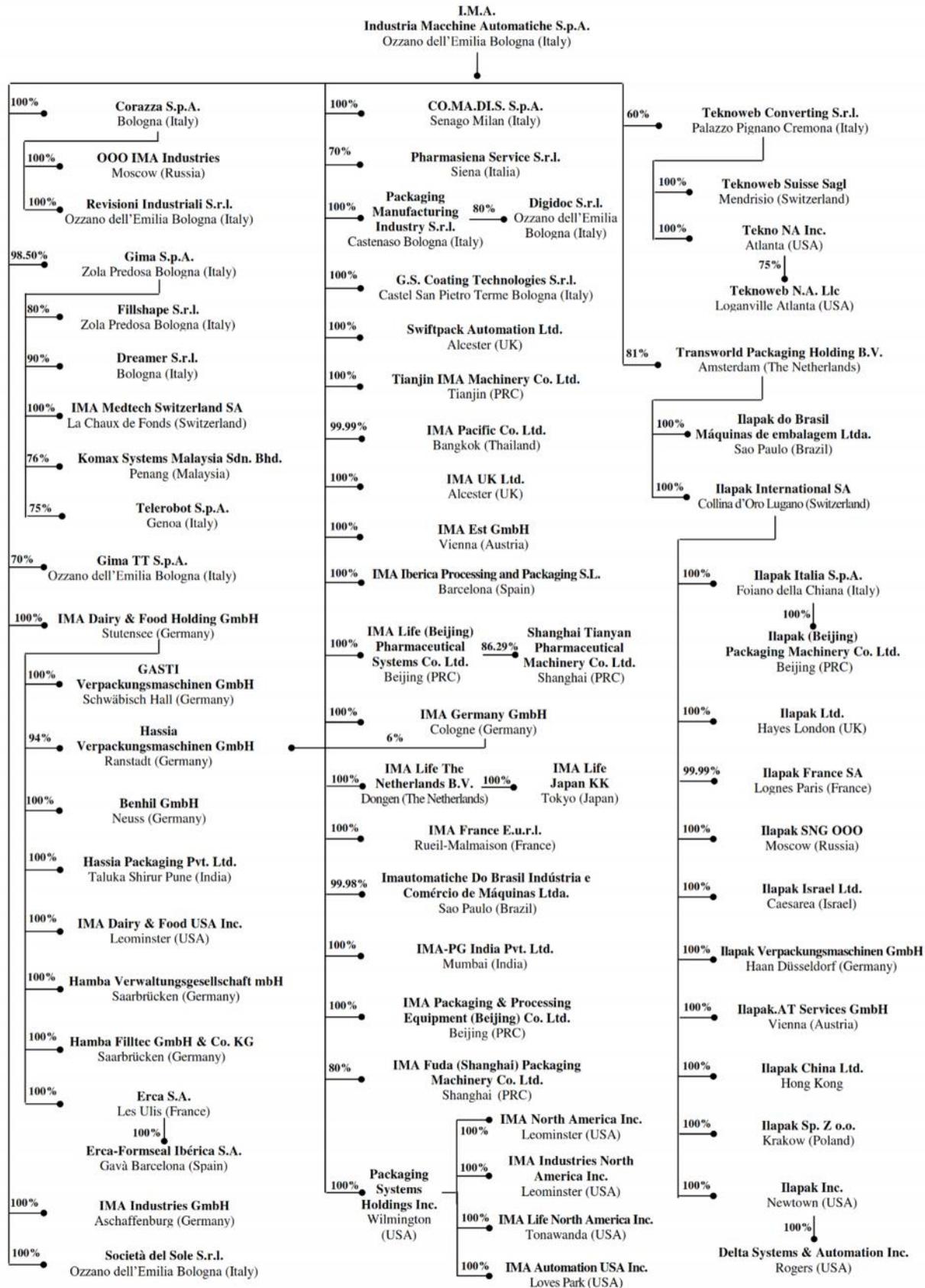
**LEAD INDEPENDENT DIRECTOR**

Paolo Frugoni

**INDEPENDENT AUDITORS**

EY S.p.A.

GROUP STRUCTURE AT 30 SEPTEMBER 2016



## GROUP PERFORMANCE

### GENERAL PERFORMANCE

The world economy continues to move forward on a difficult and critical path, with moments of greater speed and others that force a slow down and a need for institutional support. For some time, all industrialized economies have had help from central banks that are able to extend their support, even if to date it has not been sufficient to ensure seamless acceleration. Emerging economies seem to follow a different path that has recently shown various improvements, even if it is premature to consider them as a prelude to lower difficulties and despite the fact there are still factors that could slow down growth. This global situation does not make it easier for weaker economies like the Italian one, which is running the risk of slowing down yet again or even coming to a standstill. Notwithstanding this background, our Group achieved good, constant growth in orders in all of its core sectors. This trend is reflected in the higher volumes and margins that we have achieved, which make us confident about our forecasts for the current year. So despite the uncertainties that we are currently facing, our key markets - pharmaceuticals and food packaging - continue to stand out as being among the most solid and anti-cyclical.

### CONSOLIDATED INCOME STATEMENT

Consolidated revenues of IMA Group for the first nine months of 2016 amounted to 875.2 million euros, compared with 731.7 million euros for the same period of 2015.

The following is a summarized version of the income statement for the period under review, with comparative figures for the corresponding period in 2015:

in millions of euros	1.1.2016-30.9.2016		1.1.2015-30.9.2015	
	Amount	%	Amount	%
<b>Revenues</b>	<b>875.2</b>		<b>731.7</b>	
Cost of sales	(556.0)	63.5	(457.4)	62.5
<b>Gross industrial income</b>	<b>319.2</b>	<b>36.5</b>	<b>274.3</b>	<b>37.5</b>
R&D costs	(34.5)		(29.1)	
Sales costs	(92.4)		(83.1)	
General and administrative costs	(116.1)		(103.8)	
<b>Operating profit before non-recurring items (EBITA)</b>	<b>76.2</b>	<b>8.7</b>	<b>58.3</b>	<b>8.0</b>
Non-recurring items	(4.4)		(9.2)	
<b>Operating profit (EBIT)</b>	<b>71.8</b>	<b>8.2</b>	<b>49.1</b>	<b>6.7</b>
Net financial income (expense)	10.0		(13.4)	
Profit (loss) from investments accounted for using the equity method	1.7		0.5	
<b>Profit before tax</b>	<b>83.5</b>	<b>9.5</b>	<b>36.2</b>	<b>4.9</b>
Taxes	(25.0)		(13.5)	
<b>Profit for the period</b>	<b>58.5</b>	<b>6.7</b>	<b>22.7</b>	<b>3.1</b>
Profit attributable to non-controlling interests	(4.0)		(3.6)	
<b>Profit attributable to equity holders of the parent</b>	<b>54.5</b>	<b>6.2</b>	<b>19.1</b>	<b>2.6</b>
<b>Gross operating profit (EBITDA) before non-recurring items</b>	<b>103.6</b>	<b>11.8</b>	<b>81.9</b>	<b>11.2</b>
<b>Gross operating profit (EBITDA)</b>	<b>99.2</b>	<b>11.3</b>	<b>72.7</b>	<b>9.9</b>
<b>Order book</b>	<b>877.1</b>		<b>695.4</b>	

**REVENUES AND ORDERS**

Consolidated revenues for the first nine months of 2016 came to 875.2 million euros, an increase of 19.6% on the same prior year period.

This result is attributable to a higher order book than at the end of 2015, to the consolidation of the Medtech and Telerobot businesses for 45.2 million euros and to additional orders acquired during the current year. It should again be noted that a key feature of the sector in which IMA Group operates is that interim results do not fully reflect the results that are expected for the entire year, because of a concentration of sales and new orders prior to the year end.

Total orders acquired so far during the year amount to 1,034.3 million euros versus 832.0 million euros in 2015, an increase of 24.3%. The order book now totals 877.1 million euros, compared with 695.4 million euros of the prior year (+ 26.1%).

**OPERATING PROFIT (EBIT)**

The industrial gross profit at the end of September came to 36.5% of revenues versus 37.5% in the same period of 2015, because of the different product mix that characterized the first nine months of the year.

Operating profit (EBIT) came to 71.8 million euros versus 49.1 million euros in the same period of 2015, after non-recurring expenses of 4.4 million euros; these relate to the acquisition of the Medtech and Telerobot businesses for 2.0 million euros and the costs incurred for certain loss-making contracts of the Dairy&Food business delivered in the years prior to the acquisition.

The increase in operating costs is linked to the rise in personnel costs and the consolidation of the Medtech and Telerobot businesses, which had an impact on R&D costs of 0.1 million euros, on marketing expenses of 1.7 million euros and on general and administrative costs of 3.2 million euros.

**PROFIT BEFORE TAX**

The balance between net financial expense and income is positive for 10.0 million euros compared with a negative balance of 13.4 million euros at 30 September 2015. The change is due to the gain of 18.7 million euros realised on exercising the option to acquire the remaining 20% of the Dairy&Food business, to a lower net financial expense for the period of 1.6 million euros, attributable to a lower average level of debt and to the positive effect of exchange differences for 3.1 million euros. It follows that profit before tax comes to 83.5 million euros compared with 36.2 million euros at 30 September 2015.

**PROFIT FOR THE PERIOD**

Net profit for the period was 58.5 million euros compared with 22.7 million euros in the same period last year. The increase of 35.8 million euros is attributable to the factors mentioned in the previous points after deducting income taxes of 25.0 million euros, compared with 13.5 million euros in the same period last year.

## ANALYSIS OF PERFORMANCE BY SEGMENT

The following schedule provides a summary of operations by business segment:

in millions of euros	Tea, Food & Other	Pharma- ceutical	Unallocated	Total
<b>Revenues</b>				
1.1.2016-30.09.2016	466.2	409.0	–	875.2
1.1.2015-30.09.2015	371.9	359.8	–	731.7
<b>Gross operating profit (EBITDA) before non-recurring items</b>				
1.1.2016-30.09.2016	37.4	66.2	–	103.6
1.1.2015-30.09.2015	34.2	47.7	–	81.9
<b>Gross operating profit (EBITDA)</b>				
1.1.2016-30.09.2016	33.3	65.9	–	99.2
1.1.2015-30.09.2015	25.3	47.4	–	72.7
<b>Operating profit (EBIT)</b>				
1.1.2016-30.09.2016	13.4	58.4	–	71.8
1.1.2015-30.09.2015	8.7	40.4	–	49.1
<b>Net capital employed (*)</b>				
30 September 2016	284.7	169.0	4.9	458.6
30 September 2015	258.2	151.8	5.0	415.0
<b>R&amp;D costs</b>				
1.1.2016-30.09.2016	15.6	18.9	–	34.5
1.1.2015-30.09.2015	13.6	15.5	–	29.1
<b>Average personnel</b>				
1.1.2016-30.09.2016	2,544	2,514	–	5,058
1.1.2015-30.09.2015	2,075	2,421	–	4,496
<b>Order book</b>				
30 September 2016	453.1	424.0	–	877.1
30 September 2015	291.3	404.1	–	695.4

(\*) Unallocated assets and liabilities mainly relate to investments, income tax receivables and payables and net deferred tax assets which cannot be directly attributable to the operating sector.

Tea, Food & Other Sector revenues have increased by 94.3 million euros compared with the previous year with a contribution of 45.2 million euros from the Medtech and Telerobot businesses. Gross operating profit (EBITDA) before non-recurring charges have increased by 3.2 million euros, with a contribution of 3.5 million euros from the Medtech and Telerobot businesses. Due to a different product mix, non-recurring expenses of 4.1 million euros and higher depreciation and amortisation of 3.2 million euros related principally to the fixed assets involved in the acquisitions, the increase in the operating profit comes to 4.7 million euros. The order book has increased by 55.5% compared with the previous year (+161.8 million euros compared with 30 September 2015) with a contribution from the Medtech and Telerobot businesses of 74.6 million euros. Orders acquired of 594.8 million euros are up by 50.4% with respect to 30 September 2015 (+199.3 million euros with a contribution from the Medtech and Telerobot businesses of 51.7 million euros).

The revenues of the Pharmaceutical Sector are up on the same period last year by 49.2 million euros (+13.7%) thanks to a strong order book at the beginning of the year and a continuous inflow of orders since then. Gross operating profit (EBITDA) before non-recurring expenses has grown to 66.2 million euros (47.7 in the previous period). Operating profit has risen to 58.4 million euros compared with 40.4 million euros in the same period of 2015. The order book is up by 19.9 million euros (+4.9%) thanks to an increase in orders on the previous year (439.5 million euros on 436.6 million euros at 30 September 2015).

CONSOLIDATED  
BALANCE SHEET AND  
FINANCIAL POSITION

The following table summarises the Group's balance sheet at 30 September 2016:

in millions of euros	30.09.2016	31.12.2015
Trade receivables	305.2	248.0
Inventories	307.7	233.0
Trade payables	(409.0)	(374.6)
Other, net	(100.5)	(92.4)
<b>Working capital</b>	<b>103.4</b>	<b>14.0</b>
Property, plant and equipment	82.6	75.5
Intangible assets	327.2	321.4
Investments	24.9	23.1
<b>Non-current assets</b>	<b>434.7</b>	<b>420.0</b>
Provision for severance indemnities and other provisions	(79.5)	(95.1)
<b>Net capital employed</b>	<b>458.6</b>	<b>338.9</b>
<b>FINANCED BY:</b>		
<b>Net debt</b>	<b>237.3</b>	<b>163.1</b>
Non-controlling interests	10.6	16.8
<b>Group equity attributable to equity holders of the parent</b>	<b>210.7</b>	<b>159.0</b>
<b>Total sources of financing</b>	<b>458.6</b>	<b>338.9</b>

Other payables, net, mainly includes the amounts due to employees, income tax payable and provisions for risks and charges.

The net capital employed at the end of third quarter of 2016 increased by 119.7 million euros compared with the end of 2015 because of the consolidation of the Medtech and Telerobot businesses and the increase in working capital (mainly related to inventories and trade receivables) associated with the higher volume of sales and the deliveries scheduled for the last quarter, and by 43.6 million euros compared with the same period last year.

As usual, the level of working capital can be expected to decline during the latter part of the year.

Net financial indebtedness consists of the following:

in millions of euros	30.09.2016	31.12.2015	30.09.2015
A. Cash and cash equivalents	(118.9)	(156.1)	(87.4)
B. Other cash equivalents	(2.9)	(2.9)	(2.8)
C. Investments in securities	(3.0)	(1.6)	(1.6)
<b>D. Liquidity (A)+(B)+(C)</b>	<b>(124.8)</b>	<b>(160.6)</b>	<b>(91.8)</b>
<b>E. Current financial receivables</b>	<b>(2.3)</b>	<b>(4.2)</b>	<b>(4.4)</b>
F. Current payables to banks	63.2	61.1	93.9
G. Current portion of non-current payables	56.0	40.3	43.4
H. Other current financial payables	1.4	1.0	1.6
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>120.6</b>	<b>102.4</b>	<b>138.9</b>
<b>J. Net current financial debt (D)+(E)+(I)</b>	<b>(6.5)</b>	<b>(62.4)</b>	<b>42.7</b>
K. Non-current portion of non-current bank payables	135.0	112.1	139.3
L. Bond issued	110.5	115.5	115.5
M. Other non-current financial payables	2.4	1.8	1.9
N. Non-current financial assets	(4.1)	(3.9)	(3.8)
<b>O. Net non-current financial debt (K)+(L)+(M)+(N)</b>	<b>243.8</b>	<b>225.5</b>	<b>252.9</b>
<b>P. Net financial debt (J)+(O)</b>	<b>237.3</b>	<b>163.1</b>	<b>295.6</b>

The Group also has payables in respect of acquisitions totalling 20.1 million euros (33.9 million euros at 31 December 2015), mainly relating to the options agreed for the purchase of the minority interests in subsidiaries. The change with respect to the previous period is mainly due to the options exercised in advance in connection with the purchase of the remaining 20% of the Dairy&Food business in April 2016.

Net financial indebtedness at the period end amounts to 237.3 million euros compared with 295.6 million euros at 30 September 2015 and 163.1 million euros at the end of 2015. The increase with respect to the end of 2015 stems from the physiological growth due to the increase in working capital, dividends paid by the parent company (52.5 million euros paid in May 2016), the purchase of the Medtech business for a total of 22.3 million euros and the purchase of minority shareholdings of GIMA S.p.A. and GIMA TT S.p.A. for 34.3 million euros, net of the 90.7 million euro increase in capital concluded in the first half of the year. Comparing the net financial position with the same period in 2015 (295.6 million euros), without extraordinary transactions, dividends paid and the increase in capital, there has been an improvement of 78 million euros, helped by better management of net working capital.

## CAPITAL EXPENDITURE

In the first nine months of 2016, Group capital expenditure in property, plant and equipment amounted to 13.2 million euros (16.2 million euros in the same period of 2015), mainly related to the extension and upgrading of existing buildings rented by IMA S.p.A., to the capitalisation of machinery and electronic equipment and to the costs for the construction of a factory by Delta Systems & Automation Inc.

Expenditure on intangible assets amounted to 11.3 million euros (8.5 million euros in the same period of 2015) and mainly related to the capitalisation of development costs incurred on new products not previously available and aimed at new market segments.

The acquisitions carried out during the period involved taking on 17.7 million euros of property, plant and equipment and intangible assets on a provisional basis, as detailed in Note 24.

The depreciation and amortisation charge for the period is 27.4 million euros (23.6 million euros in the first nine months of the previous year). The increase mainly reflects depreciation and amortisation attributable to the newly acquired Medtech business and the Dairy&Food business, which was consolidated for 7 months in the previous period.

## ALTERNATIVE PERFORMANCE INDICATORS

These comments on the results for the period also include some performance indicators to give a better picture of the Group's operations and financial position. We provide below the criteria used in preparing these indicators.

The income statement classified by purpose as and prepared according to the following criteria:

- ) cost of sales: represents costs incurred directly by the Group to generate revenues. For example, it includes materials, labour, the technical offices' costs involved in customizing products and production overheads;
- ) research and development costs: these include, by function, costs relating to the research and development of new products or to the maintenance of existing products. They also include costs relating to technical personnel, materials used for trials and technical departments' overheads;

- ) sales costs: these include costs connected with commercial operations, such as staff, commissions paid to agents, promotional and advertising costs and associated overheads;
- ) general and administrative costs: these include all the costs associated with general operations such as administrative offices in the broadest sense, the management of sectors or divisions, production planning and all depreciation and amortisation not directly related to the foregoing functions;
- ) gross operating profit (EBITDA): this corresponds to the sum of operating profit, depreciation and amortisation for the period and writedowns. EBITDA is an indicator used as a financial target in internal and external presentations and is a useful measure for evaluating the Group's performance.

The following main items in the reclassified income statement are equivalent to the corresponding items in the consolidated income statement forming part of the "Consolidated financial statements": revenues, operating profit, financial income and expense, profit before tax, income taxes and net profit for the year.

The statement of financial position is structured so that assets and liabilities are classified to show the net capital invested. The following main items in the statement of financial position are equivalent to the corresponding items in the consolidated statement of financial position included in the "Consolidated financial statements": inventories, property, plant and equipment and intangible assets, equity pertaining to the parent company's shareholders and minority interests.

Lastly, the analysis of net debt takes account of Consob Communication DEM/6064293 dated 28 July 2006, while including the financial receivables classified as non-current financial assets. Total non-current financial assets differs from that reported in the balance sheet as it does not include equity interests in other companies.

## OTHER INFORMATION

### RELATED-PARTY TRANSACTIONS

The "Regulation on related-party transactions", adopted by Consob Resolution 17221 of 12 March 2010 and subsequently amended by Consob Resolution 17389 of 23 June 2010 implemented art. 2391-bis of the Italian Civil Code.

By a resolution adopted on 1 December 2010, the Board therefore implemented the procedure on related parties, which takes account of the additional instructions on how to apply the new rules provided in Consob Communication DEM/10078683 of 24 September 2010. The purpose of this procedure, which is published on the Company's website ([www.ima.it](http://www.ima.it)), is to lay down the approach to be taken in identifying, reviewing and approving transactions to be carried out by IMA, or by its subsidiaries, with related parties to ensure that they are transparent and fair from both a substantial and procedural point of view.

Related Party transactions are identified in accordance with the guidelines of the Consob regulation.

The IMA Group carries on business with related parties, mainly persons who are responsible for administration and management within IMA S.p.A., or entities controlled by them. Such transactions include commercial and real estate activities (leased premises) carried out on an arm's-length basis in the ordinary course of business and participation in the consolidated tax mechanism.

Material related-party transactions are submitted for advance approval by the Board, which in turn has to obtain the consent of a special committee made up solely of independent directors; to express their opinion, this committee can make use of outside experts, who also have to be independent.

Note that during the period:

- ) there were no significant transactions, as defined in the Consob regulation;
- ) there were no individual related party transactions that have significantly impacted the balance sheets or results of Group companies;
- ) there have been no changes or developments in related-party transactions as disclosed in the last annual report that have had a significant effect on Group companies' balance sheets or results;

Transactions with related parties are described more fully in Note 27, to which reference should be made for further information.

#### **ARTS. 70 AND 71 OF CONSOB'S "ISSUERS' REGULATIONS"**

Pursuant to art. 3 of Consob Resolution no. 18079/2012, the Board of Directors of IMA S.p.A. decided to adopt, as of 3 December 2012, the opt-outs envisaged in arts. 70, paragraph 8, and 71, paragraph 1-bis of Consob's Issuers' Regulations. This means being able to choose not to prepare the prospectuses normally required in connection with significant transactions such as mergers, demergers, increases in capital by means of contributions in kind, acquisitions and disposals.

#### **OUTLOOK FOR OPERATIONS**

The result achieved in the first nine months of 2016 reflects the higher order book at the end of 2015, the increased order intake during the period and the consolidation of the businesses acquired in the first half of the year.

The steady trend in orders in all areas, also confirmed in October, together with the existing order book, provides good visibility for the full year and allows us to be optimistic about achieving our targets.

On the basis of this trend and the signs mentioned earlier, a sales forecast of about 1,270 million euros with a gross operating profit of around 178 million euros could be feasible.



CONSOLIDATED FINANCIAL STATEMENTS  
AT 30 SEPTEMBER 2016

(THE CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN TRANSLATED FROM THE ORIGINAL ITALIAN INTO ENGLISH  
SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MILLIONS OF EUROS)

ASSETS	Note	30 September 2016	31 December 2015
<b>NON-CURRENT ASSETS</b>			
<i>Property, plant and equipment</i>	2	82.6	75.5
<i>Intangible assets</i>	3	327.2	321.4
<i>Investments accounted for using the equity method</i>	4	21.2	20.2
<i>Investments in non-consolidated subsidiaries</i>	5	0.7	–
<i>Financial assets</i>	6	7.1	6.7
<i>Receivables from others</i>		2.9	2.5
<i>Deferred tax assets</i>	8	64.6	54.0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>506.3</b>	<b>480.3</b>
<b>CURRENT ASSETS</b>			
<i>Inventories</i>	9	307.7	233.0
<i>Trade and other receivables</i>	10	362.0	288.4
<i>Income tax receivables</i>		9.8	7.7
<i>Financial assets</i>	6	8.2	8.7
<i>Derivative financial instruments</i>	7	0.4	0.5
<i>Cash and cash equivalents</i>	11	118.9	156.1
<b>TOTAL CURRENT ASSETS</b>		<b>807.0</b>	<b>694.4</b>
<b>TOTAL ASSETS</b>		<b>1,313.3</b>	<b>1,174.7</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<i>Equity attributable to equity of the parent</i>	12	210.7	159.0
<i>Non-controlling interests</i>	13	10.6	16.8
<b>TOTAL EQUITY</b>		<b>221.3</b>	<b>175.8</b>
<b>NON-CURRENT LIABILITIES</b>			
<i>Borrowings</i>	14	247.9	229.4
<i>Employee defined benefit liabilities</i>	15	60.8	51.2
<i>Provisions for risks and charges</i>	16	5.5	6.1
<i>Other payables</i>	17	22.4	37.2
<i>Derivative financial instruments</i>	7	2.7	2.6
<i>Deferred tax liabilities</i>	8	55.3	59.5
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>394.6</b>	<b>386.0</b>
<b>CURRENT LIABILITIES</b>			
<i>Borrowings</i>	14	120.6	102.4
<i>Trade and other payables</i>	17	522.6	472.5
<i>Income tax liabilities</i>		23.8	11.9
<i>Provisions for risks and charges</i>	16	30.3	26.0
<i>Derivative financial instruments</i>	7	0.1	0.1
<b>TOTAL CURRENT LIABILITIES</b>		<b>697.4</b>	<b>612.9</b>
<b>TOTAL LIABILITIES</b>		<b>1,092.0</b>	<b>998.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,313.3</b>	<b>1,174.7</b>

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

	Note	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015
<b>REVENUES</b>	1	875.2	731.7
<b>OTHER REVENUES</b>		14.3	10.3
<b>OPERATING COSTS</b>			
<i>Change in work in progress, semifinished and finished goods</i>		63.5	25.2
<i>Change in inventory of raw, ancillary and consumable materials</i>		5.7	1.3
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>		(375.5)	(276.9)
<i>Services, rentals and leases</i>		(200.7)	(171.6)
<i>Personnel costs</i>	18	(273.1)	(242.9)
<i>Depreciation and amortization expense</i>	19	(28.2)	(23.0)
<i>Provisions for risks and charges</i>		(3.2)	0.9
<i>Other operating costs</i>		(6.2)	(5.9)
<b>TOTAL OPERATING COSTS</b>		<b>(817.7)</b>	<b>(692.9)</b>
<b>OPERATING PROFIT</b>	1	<b>71.8</b>	<b>49.1</b>
<i>- of which: effect of non-recurring items</i>	28	(4.4)	(9.2)
<b>FINANCIAL INCOME AND EXPENSE</b>			
<i>Financial income</i>	20	30.0	14.6
<i>Financial expense</i>	21	(20.0)	(28.0)
<b>TOTAL FINANCIAL INCOME AND EXPENSE</b>		<b>10.0</b>	<b>(13.4)</b>
<b>PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		<b>1.7</b>	<b>0.5</b>
<b>PROFIT BEFORE TAX</b>		<b>83.5</b>	<b>36.2</b>
<b>TAXES</b>	22	<b>(25.0)</b>	<b>(13.5)</b>
<b>NET PROFIT FOR THE PERIOD</b>		<b>58.5</b>	<b>22.7</b>
<b>ATTRIBUTABLE TO:</b>			
<b>EQUITY HOLDERS OF THE PARENT</b>		54.5	19.1
<b>NON-CONTROLLING INTERESTS</b>		4.0	3.6
		<b>58.5</b>	<b>22.7</b>
<b>EARNINGS PER SHARE (in euros)</b>	23	<b>1.43</b>	<b>0.51</b>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MILLIONS OF EUROS)

	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015
<b>Net profit for the period</b>	<b>58.5</b>	<b>22.7</b>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
<i>Exchange rate gains (losses) on the translation of foreign currency financial statements</i>	(4.0)	3.9
<i>Gains (losses) on financial assets available for sale</i>	-	-
<i>Gains (losses) on cash flow hedges</i>	0.1	3.1
<i>Tax effect</i>	-	(0.8)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>(3.9)</b>	<b>6.2</b>
Other comprehensive income not being reclassified to profit or loss in subsequent periods:		
<i>Actuarial gains (losses) on post employment benefit obligations</i>	(8.7)	5.4
<i>Tax effect</i>	2.6	(1.6)
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b>	<b>(6.1)</b>	<b>3.8</b>
<b>Gains and losses recognized in equity</b>	<b>(10.0)</b>	<b>10.0</b>
<b>Total comprehensive income</b>	<b>48.5</b>	<b>32.7</b>
<b>Attributable to:</b>		
<b>Equity holders of the parent</b>	<b>44.7</b>	<b>29.1</b>
<b>Non-controlling interests</b>	<b>3.8</b>	<b>3.6</b>
	<b>48.5</b>	<b>32.7</b>

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(MILLIONS OF EUROS)

	Share capital	Share premium reserve	Treasury shares	Trans-lation reserve	Fair value reserve	Other reserves and retained earnings	Profit attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
<b>Balances at 01.01.2015</b>	19.2	4.8	(0.1)	4.2	(3.4)	26.9	51.6	103.2	13.4	116.6
Distribution of dividends	-	-	-	-	-	-	(50.6)	(50.6)	(2.9)	(53.5)
Allocation of earnings for 2014	-	-	-	-	-	1.0	(1.0)	-	-	-
Capital increases	0.3	27.8	-	-	-	-	-	28.1	-	28.1
Purchase of non-controlling interests	-	-	-	-	-	(2.8)	-	(2.8)	(1.7)	(4.5)
Total comprehensive income	-	-	-	3.9	2.3	3.8	19.1	29.1	3.6	32.7
<b>Balances at 30.09.2015</b>	19.5	32.6	(0.1)	8.1	(1.1)	28.9	19.1	107.0	12.4	119.4
<b>Balances at 01.01.2016</b>	19.5	32.6	(0.1)	9.8	(1.7)	29.0	69.9	159.0	16.8	175.8
Distribution of dividends	-	-	-	-	-	-	(52.5)	(52.5)	(7.5)	(60.0)
Allocation of earnings for 2015	-	-	-	-	-	17.4	(17.4)	-	-	-
Capital increases	0.9	90.2	-	-	-	-	-	91.1	-	91.1
Purchase of non-controlling interests	-	-	-	-	-	(31.6)	-	(31.6)	(2.5)	(34.1)
Total comprehensive income	-	-	-	(3.9)	0.1	(6.0)	54.5	44.7	3.8	48.5
<b>Balances at 30.09.2016</b>	20.4	122.8	(0.1)	5.9	(1.6)	8.8	54.5	210.7	10.6	221.3

CONSOLIDATED STATEMENT OF CASH FLOWS

(MILLIONS OF EUROS)

	30 September 2016	30 September 2015
<b>OPERATING ACTIVITIES</b>		
Profit attributable to equity holders of the parent	54.5	19.1
Adjustments for:		
- Depreciation and amortization	27.4	23.6
- Capital (gains) losses on disposal of non-current assets	(0.5)	-
- Proceed from exercise of option on non-controlling interests	(18.7)	-
- Changes in provisions for risks and charges and employee defined benefit liabilities	0.8	(2.0)
- Unrealized losses (gains) on exchange rate differences	(0.1)	0.3
- Other changes	0.3	1.0
- Taxes	25.0	13.5
- Non-controlling interests	4.0	3.6
- Result from investments accounted for using the equity method	(1.7)	(0.5)
Operating profit before changes in working capital	91.0	58.6
(Increase) decrease in trade and other receivables	(44.0)	(53.8)
(Increase) decrease in inventories	(67.7)	(28.5)
Increase (decrease) in trade and other payables	26.7	(17.3)
Taxes paid	(19.9)	(17.1)
<b>CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)</b>	<b>(13.9)</b>	<b>(58.1)</b>
<b>INVESTING ACTIVITIES</b>		
Investments in property, plant and equipment	(13.2)	(16.2)
Investments in intangible assets	(11.3)	(8.5)
Acquisition business divisions/companies	(8.4)	(63.6)
Purchase of investments	(0.2)	(0.9)
Sale of non-current assets	0.8	0.2
Other changes	(2.4)	2.3
<b>CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)</b>	<b>(34.7)</b>	<b>(86.7)</b>
<b>FINANCING ACTIVITIES</b>		
Granting of loans	50.0	95.4
Repayment of borrowings	(17.4)	(26.8)
Repayment of finance lease debts	(0.2)	(0.1)
Increase (decrease) in other financial payables	(5.9)	74.6
Capita increases	90.6	27.9
Purchase of non-controlling interests	(34.1)	(4.5)
Consideration for exercise of option on non-controlling interests	(4.0)	-
Net change in financial assets and other non current receivables	0.9	(5.4)
Dividends paid to equity holders of the parent	(52.5)	(50.6)
Dividends paid to non-controlling interests	(7.5)	(2.9)
Payment of interest	(8.6)	(8.8)
Receipt of interest	0.1	0.1
<b>CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)</b>	<b>11.4</b>	<b>98.9</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)</b>	<b>(37.2)</b>	<b>(45.9)</b>
<b>CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)</b>	<b>156.1</b>	<b>133.3</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E)</b>	<b>118.9</b>	<b>87.4</b>

A BREAKDOWN OF "CASH AND CASH EQUIVALENTS" IS PROVIDED IN NOTE 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(THE CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN TRANSLATED FROM THE ORIGINAL ITALIAN INTO ENGLISH  
SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS)

## A) OVERVIEW

The interim report at 30 September 2016 was approved by the Board of Directors on 14 November 2016 and has not been audited.

IMA Group is a world leader in the design and production of automatic machines for the processing and packaging of pharmaceuticals, cosmetics, tea and coffee and other food products. The interim results from the market segment in which IMA Group operates are generally not fully representative of those expected for the year as a whole, since there is a concentration of business during the latter part of the year.

The Parent Company of IMA Group is I.M.A. Industria Macchine Automatiche S.p.A. (referred to as "IMA", "IMA S.p.A." or the "Parent Company"), with registered offices at Via Emilia 428/442, Ozzano dell'Emilia (Bologna). IMA is listed on the S.T.A.R. segment of Borsa Italiana S.p.A.'s electronic stock exchange.

At 30 September 2016, IMA S.p.A. is 57.326% (60% at 31 December 2015) owned by SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A.

## B) GENERAL PREPARATION POLICIES

### GENERAL PRINCIPLES

This interim report on operations, prepared using the measurement criteria envisaged in the IAS/IFRS endorsed by the European Union, has been made available to the public pursuant to art. 2.2.3 of the Regulation issued by Borsa Italiana S.p.A. for issuers listed in the STAR segment.

Commencing from interim report on operations at 31 March 2016, the IMA Group has elected to define an interim period of one semester, since this best reflects the characteristics of the business in which the Group operates. In particular, this decision is most closely aligned with the average duration of the production cycle and the seasonality of the business. Observation of the results of operations on a quarterly basis provides no information about the results expected for the full year; accordingly, the detailed provision of information for each quarter, considered alone, is essentially irrelevant. The company remains committed to providing all the information required from listed issuers in each interim report on operations, including clear disclosure of any significant events that arose during period. However, the exclusion of detailed information about the performance of the business in each quarter, considered alone, will make the interim reports easier to read and provide a better understanding about the performance of the Group.

The accounting principles used in preparing the interim report at 30 September 2016 are consistent with those used to prepare the consolidated financial statements at 31 December 2015, available on the website [www.ima.it](http://www.ima.it), except as mentioned below.

The amendments and interpretations in force from 1 January 2016 govern circumstances and situations that are not relevant to or significant for the purposes of the consolidated financial statements. The Group is assessing the impact of the changes, amendments and interpretations to the accounting standards that have been approved but not adopted early or pending approval. The Group has begun to carry out an analysis of the potential impact that adoption of the new standards IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers, and IFRS 16 Leases could have on the balance sheet, financial position, income statement and information contained in the Group financial statements and notes.

In particular, a work plan has been drawn up to quantify the impacts of the new IFRS 15 and to provide information on implementation of the standard in the financial statements prior to the date of first-time application, as suggested by the public statement issued by ESMA on 20 July 2016 entitled "Issues for consideration in implementing IFRS 15: Revenue from Contracts with Customers".

Use of estimates

The interim result is stated net of taxes calculated using the best estimate of the weighted average tax rate expected for the full year.

Preparing interim reports requires the directors to make estimates and assumptions based on their best assessment at the time, which then have an effect on the figures shown in the financial statements and in the notes. These estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the period when circumstances change.

FINANCIAL STATEMENTS

The statement of financial position has been classified on the basis of the operating cycle, distinguishing between current and non-current components.

Costs and revenues for the period are presented in two statements: a consolidated income statement, which analyses costs according to their nature, and a consolidated statement of comprehensive income.

The statement of cash flows has been prepared using the indirect method for determining cash flows from operating activities. The Group classifies interest paid and received and dividends as cash flows from financing activities.

Unless stated otherwise, the figures in the interim report at 30 September 2016 are expressed in millions of euros.

## C) FINANCIAL RISK MANAGEMENT

### RISK FACTORS

The Group is exposed to various types of financial risk connected with its business activities, the following in particular:

- ) Credit risk arising from commercial transactions or financing activities;
- ) Liquidity risk related to the availability of financial resources and access to the credit market;
- ) Market risk, specifically:
  - a) Exchange rate risk, relating to operations in areas using currencies other than the functional currency;
  - b) Interest rate risk, relating to the Group's exposure to interest-bearing financial instruments;
  - c) Price risk, associated with changes in the listed price of capital instruments held as financial assets and in commodity prices.

The interim report does not include all of the disclosures on financial risk management that are required in annual financial statements. It should therefore be read together with our annual report for the year ended 31 December 2015.

There are no substantial changes in financial risk management or in the policies adopted by the Group during the period.

## FAIR VALUE

IFRS 13 establishes the following fair value hierarchy to be used when measuring the financial instruments shown in the balance sheet:

- ) Level 1: quoted prices in active markets;
- ) Level 2: inputs other than the quoted prices of Level 1 that are observable on the market, either directly (prices) or indirectly (derived from prices);
- ) Level 3: inputs that are not based on observable market data.

The following tables analyses the assets and liabilities measured at fair value at 30 September 2016 and 31 December 2015 by fair value hierarchy level:

in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	–	–	5.9	5.9
Derivative financial instruments	–	0.4	–	0.4
<b>Total assets at 30.09.2016</b>	<b>–</b>	<b>0.4</b>	<b>5.9</b>	<b>6.3</b>
Liabilities:				
Payables for acquisition	–	–	18.9	18.9
Derivative financial instruments	–	2.8	–	2.8
<b>Total liabilities at 30.09.2016</b>	<b>–</b>	<b>2.8</b>	<b>18.9</b>	<b>21.7</b>

in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	–	–	4.5	4.5
Derivative financial instruments	–	0.5	–	0.5
<b>Total assets at 31.12.2015</b>	<b>–</b>	<b>0.5</b>	<b>4.5</b>	<b>5.0</b>
Liabilities:				
Payables for acquisition	–	–	32.3	32.3
Derivative financial instruments	–	2.7	–	2.7
<b>Total liabilities at 31.12.2015</b>	<b>–</b>	<b>2.7</b>	<b>32.3</b>	<b>35.0</b>

Investments in other companies and investments in securities held as financial assets available for sale are measured at fair value and the related unrealized gains and losses are recognized as part of other comprehensive income, except as discussed in Note 6 in relation to InterMedia Holding S.p.A.

During the first nine months of 2016, there were no transfers between the three levels of the fair value hierarchy laid down in IFRS 13. There have not been any significant changes in the commercial or economic circumstances which affect the fair value of financial assets and liabilities.

The following table shows the changes in level 3 during the period:

in millions of euros	Assets	Liabilities
<b>Balance at 01.01.2015</b>	5.9	0.5
Acquisition of Dairy&Food and Teknoweb business	–	31.8
Increases / (decreases)	(0.2)	–
<b>Balance at 30.09.2015</b>	<b>5.7</b>	<b>32.3</b>
<b>Balance at 01.01.2016</b>	4.5	32.3
Acquisition of Medtech business	–	7.4
Acquisition of Telerobot S.p.A.	–	2.6
Early exercise of the option purchase of 20% of Dairy&Food business	–	(22.9)
Increases / (decreases)	1.4	(0.5)
<b>Balance at 30.09.2016</b>	<b>5.9</b>	<b>18.9</b>

The liabilities at 30 September 2016 consist of payables for the options subscribed in connection with the purchase of non-controlling interests in subsidiaries.

## D) SCOPE OF CONSOLIDATION

The interim report at 30 September 2016 includes the financial and operating information of I.M.A. Industria Macchine Automatiche S.p.A. (the Parent Company) and all the companies in which it directly or indirectly holds a controlling interest.

The following are the main events that took place in the first nine months of 2016:

- ) from 1 January 2016 the acquisition by Revisioni Industriali S.r.l. of the TEAMAC business came into effect. This is a company dedicated to the design, manufacture and marketing of automatic systems and machines for the packaging of tea products for a consideration of 3.0 million euros. See Note 24 for further information;
- ) the partial and proportional spin-off of GIMA S.p.A. by assigning to the beneficiary company GIMA Holding S.r.l. the entire investment, consisting of 191,000 shares with a total par value of 95,500 euros of GIMA TT S.p.A., as well as the absorption of its parent company (by means of a so-called "reverse merger") of GIMA Holding S.r.l. by GIMA TT S.p.A. As a result of the transactions described since 1 January 2016 the extinction of the merged company GIMA Holding S.r.l. has been completed, as has possession by IMA S.p.A. of the investment, consisting of 140,385 shares with a total nominal value of 70,192.50 euros of GIMA TT S.p.A., formerly owned by GIMA S.p.A.;
- ) on 3 March 2016, IMA S.p.A. acquired a further 6.189% interest in GIMA TT S.p.A. for 12.4 million euros and now owns 70% of that company. Some of the parties to the transaction are related parties;
- ) on 15 April 2016 IMA, through its subsidiaries GIMA S.p.A. and Packaging Systems Holdings Inc., completed the acquisition from Komax Holding AG of the entire share capital of Komax Systems LCF SA and Komax Systems Rockford Inc., together with 76% of Komax Systems Malaysia Sdn. Bhd. The agreement also provides for an option to buy the other 24% of Komax Systems Malaysia, which can be exercised in 2018. The three companies are leaders in the design, production and commercialisation of machines for assembling medical products for self-medication (Medtech business). The acquisition cost includes the amount paid (10.4 million euros) and a potential amount of 8.0 million Swiss francs. See Note 24 for further information;
- ) on 18 April 2016, IMA S.p.A. acquired from related parties a further 25% interest in GIMA S.p.A. for 21.7 million euros and now owns 98.5% of that company;
- ) on 28 April 2016, the Parent Company signed an agreement with Lin Vermoegensverwaltung GmbH for the purchase of the remaining 20% interest in the Dairy&Food Group, following the early exercise of the put&call option, which was originally exercisable from April 2017. The price paid was 4 million euros. This transaction generated financial income of 18.7 million euros. The purchase of the entire equity interest will enable the Group to pursue the integration path even further, with a view to releasing all the organisational and commercial synergies;

- ) on 20 May 2016 GIMA S.p.A. completed the acquisition from the Xenon fund of 75% of Telerobot S.p.A., with operations based in Alessandria, which is market leader in machines for assembling plastics in the field of caps and closures. The transaction involves an outlay for the purchase of 2.2 million euros which will give GIMA 75% of the this company's shares and an option to buy the other 25% to be exercised by the date of approval of the financial statements at 31 December 2017. See Note 24 for further information;
- ) the incorporation of the trading company IMA Fuda (Shanghai) Packaging Machinery Co. Ltd. was completed in July 2016. This company is based in Shanghai and is held 80% by the Parent Company and has a share capital of 6.0 million Chinese yuan.

A list of the companies included in the consolidation is provided in paragraph F of the Notes, with an indication of the consolidation method used.

## E) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The changes shown below have been calculated with respect to the balances at 31 December 2015 for balance sheet items and the figures for the first nine months of 2015 for income statement items.

### 1. SEGMENT INFORMATION

Operating segments have been identified based on the internal reports used by senior management, in order to allocate resources by sector and evaluate the results.

The following are the operating segments into which the Group's activities are divided:

- ) Tea, Food & Other Sector: it produces machines for the packaging of tea and herbal teas in filter bags and the packaging of coffee in pods for the food & beverage sector, for the personal care sector, for end-of-line equipment, for the cheese sector and for stock cubes and for the tobacco sector, and for primary packaging in the food sector with the use of flexible material (horizontal and vertical flow packs) for assembling medical products, plus related services;
- ) Pharmaceuticals sector: machines for the packaging of pharmaceutical capsules and tablets in blisters and bottles, machines for filling bottles and vials with liquid and powdered products in sterile and non-sterile environments, machines for freeze-drying, tube-filling and cartoning, systems for the production of tablets and capsules and for coating and fluid-bed granulation, as well as related services.

Segment information for the first nine months of 2016 and first nine month of 2015 is provided below:

from 01.01.2016 to 30.09.2016				
in millions of euros	Tea, Food & Other	Pharma- ceutical	Not allocated (*)	Total
Revenues	466.2	409.0	–	875.2
Segment operating profit	13.4	58.4	–	71.8
Net financial income (expense)**				10.0
Profit (loss) from investments accounted for using the equity method	–	1.7	–	1.7
Profit before tax				83.5
Taxes				(25.0)
Net profit for the period				58.5

from 01.01.2015 to 30.09.2015				
in millions of euros	Tea, Food & Other	Pharma- ceutical	Not allocated (*)	Total
Revenues	371.9	359.8	–	731.7
Segment operating profit	8.7	40.4	–	49.1
Net financial income (expense)**				(13.4)
Profit (loss) from investments accounted for using the equity method	(0.2)	0.8	(0.1)	0.5
Profit before tax				36.2
Taxes				(13.5)
Net profit for the period				22.7

(\*) *Unallocated amount relate to investments not directly attributable to the operating sectors.*

(\*\*) *Financial income and expense have not been allocated to the individual operating segments, since it is not possible to indicate specific amounts for each segment; this subdivision is not made in internal reports.*

Consolidated revenues for the first nine months of 2016 amounted to 875.2 million euros, an increase of 19.6% with respect to the same prior year period. This result is attributable to a higher order book than at the end of 2015, to the consolidation of the Medtech and Telerobot businesses and to additional orders acquired during the current year.

A key feature of the business in which IMA Group operates is that interim results do not fully reflect the results that are expected for the entire year, because of a concentration of sales and new orders towards the end of the year.

Tea, Food & Other Sector revenues have increased on last year by 94.3 million euros with a contribution from the Medtech and Telerobot businesses of 45.2 million euros. Due to a different product mix, non-recurring expenses of 4.1 million euros and higher depreciation and amortisation of 3.2 million euros related principally to the fixed assets involved in the acquisitions, the increase in the operating profit comes to 4.7 million euros.

The revenues of the Pharmaceutical Sector are up on the same period last year by 49.2 million euros (+13.7%) thanks to a strong order book at the beginning of the year and a continuous inflow of orders since then. Operating profit has risen to 58.4 million euros compared with 40.4 million euros in the same period of 2015.

Total assets at 30 September 2016 and 31 December 2015 are as follows:

in millions of euros	Tea, Food & Other	Pharma- ceutical	Not allocated (*)	Total
Total assets at 30 September 2016	664.2	432.9	216.2	1,313.3
Total assets at 31 December 2015	556.9	375.0	242.8	1,174.7

(\*) Unallocated assets principally comprise financial assets, investments, current income tax credits and deferred tax assets, which are impossible to split by divisions reported.

The increase in total assets compared with 31 December 2015 is essentially due to the acquisition of the Medtech and Telerobot businesses, as well as to the seasonality of the business.

Revenues earned during the period ended 30 September 2016 by the IMA Group are analysed by geographical area and line of business as follows:

#### REVENUES BY GEOGRAPHICAL AREA

in millions of euros	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015	Change
European Union (excluding Italy)	260.8	238.8	22.0
Other European countries	58.1	40.6	17.5
North America	156.8	148.8	8.0
Asia & Middle East	187.9	145.7	42.2
Other countries	89.4	78.7	10.7
<b>Total</b>	<b>753.0</b>	<b>652.6</b>	<b>100.4</b>
Italy	122.2	79.1	43.1
<b>Total</b>	<b>875.2</b>	<b>731.7</b>	<b>143.5</b>

#### REVENUES BY BUSINESS SEGMENT

in millions of euros	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015	Change
Machines and change parts	240.8	252.1	(11.3)
Construction contract	412.3	283.6	128.7
Spare parts and other materials	146.9	126.4	20.5
Technical assistance	63.0	56.4	6.6
Other services	12.2	13.2	(1.0)
<b>Total</b>	<b>875.2</b>	<b>731.7</b>	<b>143.5</b>

## 2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment show a net increase of 7.1 million euros compared with 31 December 2015. Movements in property, plant and equipment during the period are analysed as follows:

in millions of euros	Land	Buildings and leasehold improvements	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
<b>Balances at 01.01.16</b>	<b>11.1</b>	<b>35.9</b>	<b>13.5</b>	<b>4.8</b>	<b>7.6</b>	<b>2.6</b>	<b>75.5</b>
Increases	0.2	3.8	1.4	1.2	2.5	4.1	13.2
Sales and disposals	-	-	(0.2)	-	(0.1)	-	(0.3)
Change in scope of consolidation	-	2.1	0.6	-	0.6	0.2	3.5
Depreciation	-	(3.1)	(2.3)	(1.3)	(1.9)	-	(8.6)
Reclassifications	1.5	-	0.3	0.4	-	(2.2)	-
Translation differences	(0.2)	(0.3)	(0.1)	-	-	(0.1)	(0.7)
<b>Balances at 30.09.16</b>	<b>12.6</b>	<b>38.4</b>	<b>13.2</b>	<b>5.1</b>	<b>8.7</b>	<b>4.6</b>	<b>82.6</b>

Leasehold improvements amount to 25.2 million euros (22.2 million euros at 31 December 2015).

Additions for the period mainly relate to costs incurred to extend and upgrade buildings rented by IMA S.p.A. and to the capitalisation of machinery and electronic equipment and other charges associated to the construction of a production facility by Delta Systems & Automation Inc.

The change in the scope of consolidation reflects the acquisition of the companies in the Medtech business and of Telerobot S.p.A., as discussed in Note 24.

### 3. INTANGIBLE ASSETS

The movements in intangible assets during the period are analysed as follows:

in millions of euros	Development costs	Industrial patents rights	Software licences, trademarks and similar	Goodwill	Assets under dev. and advances	Total
<b>Balances at 01.01.16</b>	<b>100.3</b>	<b>4.7</b>	<b>70.0</b>	<b>135.6</b>	<b>10.8</b>	<b>321.4</b>
Increases	4.1	2.0	1.8	-	3.4	11.3
Changes in scope of consolidation	0.4	0.2	0.4	-	-	1.0
Acquisition business divisions/companies	-	-	-	13.2	-	13.2
Amortization	(9.6)	(1.2)	(8.0)	-	-	(18.8)
Reclassifications and other changes	6.0	-	-	(0.3)	(6.0)	(0.3)
Translation differences	-	(0.1)	-	(0.5)	-	(0.6)
<b>Balances at 30.09.16</b>	<b>101.2</b>	<b>5.6</b>	<b>64.2</b>	<b>148.0</b>	<b>8.2</b>	<b>327.2</b>

Development costs include the costs incurred for unpatented technology, the useful life of which has been estimated to be between 5 and 10 years and is attributable to the following acquisitions:

- ) the Dairy&Food business acquired in 2015, 46.4 million euros;
- ) DOSA S.r.l. and G.S. Coating Technologies S.r.l. businesses, purchased in 2014, for 0.6 million euros and 1.9 million euros respectively;
- ) Ilapak Group, which took place in 2013, for 11.5 million euros;
- ) Dairy & Convenience Food business of the Corazza Group, occurred in 2011, for 7.7 million euros.

In addition, this caption includes costs of 13.0 million euros incurred by the Parent Company on projects related to the Pharmaceutical sector and of 2.9 million euros on the development for the Tea sector.

Software, licences, trademarks and other rights primarily include operating and technical software applications and intangible assets linked to the "customer list" of 26.5 million euros, 7.2 million euros and 6.8 million euros respectively. They arose on the acquisition of the Dairy&Food business, the Ilapak Group and the Corazza Group. This caption also includes trademarks totalling 18.2 million euros that relate to the Dairy&Food business.

Goodwill comprises the following:

in millions of euros	30.09.2016	31.12.2015
Tea, Food & Other sector:		
CGU B.F.B. S.p.A.	1.8	1.8
CGU GIMA S.p.A.	1.6	1.6
CGU Corazza Group	18.9	18.9
CGU Dairy&Food Group	24.7	25.0
CGU Ilapak Group	4.1	4.1
CGU Medtech	7.6	n.a.
CGU Teknoweb Group	13.3	13.3
CGU Naturapack S.r.l.	8.7	8.7
CGU TEAMAC	0.7	n.a.
CGU Telerobot S.p.A.	4.9	n.a.
	<b>86.3</b>	<b>73.4</b>
Pharma sector:		
CGU CO.MA.DI.S. S.p.A.	3.8	3.8
CGU DOSA S.r.l.	0.8	0.8
CGU G.S. S.r.l. Coating System	7.4	7.4
CGU G.S. Coating Technologies S.r.l.	0.6	0.6
CGU Edwards Group	23.1	23.1
CGU Nova Group	13.9	14.4
CGU ICO OLEODINAMICI S.p.A.	1.6	1.6
CGU MKCS Inc.	0.6	0.6
CGU Pharmasiena Service S.r.l.	2.1	2.1
CGU Precision Gears Ltd.	4.0	4.0
CGU Shanghai Tianyan	0.9	0.9
CGU Zanchetta S.r.l.	2.9	2.9
	<b>61.7</b>	<b>62.2</b>
<b>Total</b>	<b>148.0</b>	<b>135.6</b>

The goodwill recognized on acquisitions of the TEAMAC, Medtech and Telerobot businesses is discussed in Note 24.

The impairment tests performed on goodwill pursuant to IAS 36 did not identify the need for any writedowns, having regard for current forecasts and the absence of events suggesting possibly significant losses of value.

For completeness, the goodwill of the Nova Group, Zanchetta and ICO OLEODINAMICI CGUs was written down in prior years by 0.8 million euros, 2.5 million euros and 1.5 million euros respectively.

Assets under development and advances mainly relate to the capitalization of development costs incurred by the Parent Company (4.5 million euros), Ilapak Italia S.p.A (1.9 million euros) and Ilapak International SA, (0.9 million euros).

#### 4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This item comprises:

in millions of euros	30.09.2016	31.12.2015
Associates:		
Amherst Stainless Fabrication LLC	0.4	0.2
B.C. S.r.l.	2.4	2.1
Bacciottini F.lli S.r.l.	0.6	0.6
Bolognesi S.r.l.	1.0	0.9
Brio Pharma Technologies Pvt. Ltd.	0.4	0.4
Doo Officina-Game East Vrsc	0.3	0.3
I.E.M.A. S.r.l.	1.0	0.8
LA.CO. S.r.l.	0.5	0.4
Logimatic S.r.l.	0.7	0.6
Meccanica Sarti S.r.l.	1.2	1.2
MORC 2 S.r.l.	1.5	1.4
Plasticenter S.r.l.	0.6	0.5
SIL.MAC. S.r.l.	0.8	0.4
Sirio S.p.A. Associazione in partecipazione	4.6	5.2
Other associates	0.9	0.8
	<b>16.9</b>	<b>15.8</b>
Joint venture:		
CMRE S.r.l.	4.3	4.4
	<b>4.3</b>	<b>4.4</b>
<b>Total</b>	<b>21.2</b>	<b>20.2</b>

#### 5. INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

The incorporation of the trading company IMA Fuda (Shanghai) Packaging Machinery Co. Ltd. was completed in July 2016. This company is based in Shanghai and is held 80% by the Parent Company and has a share capital of 6.0 million Chinese yuan.

The company has been measured at cost because of the immateriality of the amounts involved and in view of the time required for it to adopt the IMA Group's consolidation procedures.

#### 6. FINANCIAL ASSETS

Non-current financial assets of 7.1 million euro include investments in other companies of 3.0 million euros (2.8 million euros at 31 December 2015) and financial receivables of 4.1 million euros (3.9 million euros at 31 December 2015).

Investments in other companies mainly include the interest held in InterMedia Holding S.p.A., 1.3 million euros (1.2 million euros at 31 December 2015), and the shares held in Continuous Pharmaceuticals Inc. totalling 1.4 million euros (1.4 million euros at 31 December 2015). The 2014 loss accumulated due to significant and prolonged reduction in the fair value of the investment in InterMedia was recognized as a financial expense.

Non-current financial receivables are attributable to Ilapak International SA, 2.8 million euros for loans to third parties, to a loan of 0.6 million euros granted by the Parent Company to Logimatic S.r.l., an associated company, on market terms and to financial receivables of 0.7 million euros relating to Telerobot S.p.A.

Current financial assets, 8.2 million euros (8.7 million euros at 31 December 2015), essentially comprise loans granted by the Parent Company and Packaging Manufacturing Industry S.r.l. to CMRE S.r.l., a joint venture, and to Logimatic S.r.l., LA.CO S.r.l. and Doo Officina-Game East

Vrsac, associates, totalling 1.7 million euros, and other liquid assets consisting of the bank deposits of IMA-PG India Pvt Ltd., 2.9 million euros, financial receivables due to Ilapak International SA, Telerobot S.p.A. and Hassia Packaging Pvt. Ltd., 0.7 million euros, and the investments of IMA S.p.A. in mutual funds, 2.9 million euros, the book value of which reflects their fair value.

## 7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments comprise:

in millions of euros	30.09.2016		31.12.2015	
	Assets	Liabilities	Assets	Liabilities
Interest rate hedging instruments - cash flow hedges	-	2.7	-	2.6
Exchange rate hedging instruments - cash flow hedges	0.4	0.1	0.5	0.1
<b>Total</b>	<b>0.4</b>	<b>2.8</b>	<b>0.5</b>	<b>2.7</b>

### INTEREST RATE DERIVATIVES

At 30 September 2016, the amounts of 2.7 million euros in liabilities represent the fair value of option contracts to hedge the interest rate risk arranged by the Parent Company with leading banks and connected to a bond loan and part of the medium-term loans that expire by the end of 2020, on a nominal value of 50.0 million US dollars and 89.2 million euros.

### EXCHANGE RATE DERIVATIVES

At 30 September 2016, the amount of 0.4 million euros in assets and 0.1 million euros in liabilities are the fair value of the forward currency purchase and sale contracts taken out by the Group to manage its exchange risk exposure based on a notional of 25.3 million US dollars, 18.6 million Chinese yuan, 0.9 million Pounds Sterling and 1.2 million Canadian Dollars.

## 8. DEFERRED TAX ASSETS AND LIABILITIES

At 30 September 2016, the deferred tax assets of 64.6 million euros (54.0 million euros at 31 December 2015), mainly relate to a deferred tax asset recognised in 2012 on the release of the uplift in the carrying amounts of the controlling interests recorded in IMA S.p.A.'s consolidated financial statements and temporary differences arising on provisions.

At 30 September 2016 deferred tax liabilities amount to 55.3 million euros (59.5 million euros at 31 December 2015) and mainly relate to temporary differences between the book values of certain tangible and intangible assets and their values recognised for tax purposes.

## 9. INVENTORIES

This item comprises:

in millions of euros	30.09.2016			31.12.2015		
	Gross value	Impairment provision	Net value	Gross value	Impairment provision	Net value
Raw, ancillary and consumable materials	69.6	(16.3)	53.3	59.5	(14.1)	45.4
Work in progress and semifinished goods	273.9	(33.0)	240.9	206.0	(29.7)	176.3
Finished products and goods for resale	17.1	(3.6)	13.5	15.2	(3.9)	11.3
<b>Total</b>	<b>360.6</b>	<b>(52.9)</b>	<b>307.7</b>	<b>280.7</b>	<b>(47.7)</b>	<b>233.0</b>

At 30 September 2016, the inventories attributable to the companies of the Medtech business and Telerobot S.p.A. amounted to 1.7 million euros and 3.6 million euros respectively.

The increase in inventories since 31 December 2015 reflects the preparation of machines for delivery to customers during the fourth quarter of the year and to the significant amount of the order book already acquired at the end of September.

Movements in these provisions in the period were as follows:

in millions of euros	
<b>Balances at 01.01.2015</b>	<b>33.3</b>
Net provisions	3.8
Change in scope of consolidation	9.5
Exchange rate difference	0.2
<b>Balances at 30.09.2015</b>	<b>46.8</b>
<b>Balances at 01.01.2016</b>	<b>47.7</b>
Net provisions	3.9
Change in scope of consolidation	1.4
Exchange rate difference	(0.1)
<b>Balances at 30.09.2016</b>	<b>52.9</b>

## 10. TRADE AND OTHER RECEIVABLES

This item comprises:

in millions of euros	30.09.2016	31.12.2015
Trade receivables	305.3	248.0
Advances to suppliers	24.7	15.2
Tax receivables	12.0	9.6
Deferrals	6.3	3.4
Other receivables	13.7	12.2
<b>Total</b>	<b>362.0</b>	<b>288.4</b>

### TRADE RECEIVABLES

Trade receivables include amounts due from customers of 153.0 million euros (148.6 million euros at 31 December 2015), amounts due on contract work in progress of 143.3 million euros (93.6 million euros at 31 December 2015) and trade receivables from associates of 9.0 million euros (5.8 million euros at 31 December 2015).

Deferred payment terms granted to customers in countries with particular risks are guaranteed by suitable financial instruments to secure collection.

Trade receivables from customers are carried net of accumulated provisions amounting to 18.6 million euros (14.8 million euros at 31 December 2015).

Receivables assigned without recourse not yet due at 30 September 2016 amounted to around 14.9 million euros, of which 14.4 million euros assigned to factoring companies and 0.5 million euros to other financial institutions. 2016 saw the assignment without recourse of receivables with an overall nominal value of around 22.1 million euros.

### ADVANCES TO SUPPLIERS

At 30 September 2016 these relate to advances to suppliers for goods to be used in production and for services of respectively 17.1 million euros (10.3 million euros at 31 December 2015) and 7.6 million euros (4.9 million euros at 31 December 2015). This item includes advances to associates of 3.8 million euros (3.4 million euros at 31 December 2015).

### OTHER RECEIVABLES

This item includes the residual receivable of 8.0 million euros from Sacmi Imola S.c. following the sale of the investment in CMH S.r.l. in December 2015.

**11. CASH AND CASH EQUIVALENTS**

This item comprises:

in millions of euros	30.09.2016	31.12.2015
Bank current accounts	113.8	150.8
Deposits	4.9	5.1
Cheques and cash	0.2	0.2
<b>Total</b>	<b>118.9</b>	<b>156.1</b>

For a better understanding of the trend in net financial indebtedness, reference should be made to Note 14.

**12. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**SHARE CAPITAL AND SHARE PREMIUM RESERVE

The share capital at 30 September 2016 of 20.4 million euros represents the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A. and is made up of 39,260,000 ordinary shares with a par value of 0.52 euros each.

On 6 June 2016, based on the mandate given to it by the Extraordinary Shareholders' Meeting on 27 April 2016, the Board of Directors of IMA S.p.A. approved a cash increase in capital with a total par value of 910,000 euros, equal to around 4.67% of IMA's share capital, by issuing 1,750,000 new ordinary shares of par value 0.52 euros each, excluding shareholders' option rights, for a total of 92,750,000 euros, including a share premium. The placement was by means of an accelerated book-build reserved for qualified investors in Italy and institutional investors abroad. In this transaction, IMA has taken a lock-up commitment for 90 days in line with market practice in similar operations. The shares have been placed at 53 euros per share. The transaction was settled by delivery of the shares and payment of the consideration on 10 June 2016. The attestation of the increase in capital was deposited with the Bologna Company Register on 10 June 2016.

The charges for the increase in share capital amounted to 2.2 million euros and consist of bank placement fees, consultancy fees and legal fees. The costs involved in the capital increase have been deducted from equity in accordance with IAS 32, net of the related tax benefit (0.6 million euros) calculated at the applicable rates. At 30 September 2016 the share premium reserve amounts to 122.8 million euros. The increase of 90.2 million euros is due to the increase in capital, after deducting the related costs.

TREASURY SHARES

The Parent Company did not carry out any transactions in its own shares during the first nine months of 2016, nor during the whole of 2015. At 30 September 2016 there were 5,500 treasury shares in portfolio (0.014% of share capital), with a total value of 0.1 million euros.

DIVIDENDS

In May 2016 the Parent Company paid a total dividend of 52.5 million euros, equal to a gross amount of 1.40 euros per outstanding ordinary share (50.6 million euros, equal to a gross amount of 1.35 euros in May 2015).

FAIR VALUE RESERVE

The changes in the fair value reserve are analysed as follows:

in millions of euros	
<b>Balance at 01.01.2015</b>	<b>(3.4)</b>
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	0.8
Fair value - tax effect	(0.2)
Realization recognized in income - revenues	3.5
Realization recognized in income - financial income and expense	(1.2)
Tax effect - realization in income statement	(0.6)
<b>Balance at 30.09.2015</b>	<b>(1.1)</b>
<b>Balance at 01.01.2016</b>	<b>(1.7)</b>
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	0.1
Realization recognized in income - revenues	(0.2)
Realization recognized in income - costs	0.1
Realization recognized in income - financial income and expense	0.1
<b>Balance at 30.09.2016</b>	<b>(1.6)</b>

OTHER RESERVES AND RETAINED EARNINGS

The changes during the year principally reflect the allocation to reserves of the net profit for the prior year and the changes in minority interests discussed in Note 13. In addition, this item includes the reserve on the remeasurement of defined benefit plans, the movements of which during the period were as follows:

in millions of euros	
<b>Balance at 01.01.2015</b>	<b>(3.7)</b>
Actuarial value	5.4
Tax effect	(1.6)
<b>Balance at 30.09.2015</b>	<b>0.1</b>
<b>Balance at 01.01.2016</b>	<b>(8.2)</b>
Change in scope of consolidation	(0.1)
Actuarial value	(8.6)
Tax effect	2.5
<b>Balance at 30.09.2016</b>	<b>(14.4)</b>

### 13. NON-CONTROLLING INTERESTS

The direct and indirect investments held by IMA S.p.A. together with non-controlling interests are indicated below:

	Country	30 September 2016		31 December 2015	
		% held by the Group	% held by third parties	% held by the Group	% held by third parties
Direct investments:					
GIMA S.p.A.	Italy	98.5%	1.5%	73.5%	26.5%
GIMA Holding S.r.l.	Italy	n.a.	n.a.	73.5%	26.5%
GIMA TT S.p.A. (*)	Italy	70%	30%	63.81%	36.19%
Pharmasiena S.r.l.	Italy	70%	30%	70%	30%
Transworld Packaging Holding B.V.	The Netherlands	81%	19%	81%	19%
Indirect investments:					
Digidoc S.r.l.	Italy	80%	20%	80%	20%
Dreamer S.r.l.	Italy	88.65%	11.35%	66.15%	33.85%
Fillshape S.r.l.	Italy	78.8%	21.2%	58.8%	41.2%
IMA Medtech Switzerland SA	Switzerland	98.5%	1.5%	n.a.	n.a.
Komax Systems Malaysia Sdn. Bhd.	Malaysia	98.5%	1.5%	n.a.	n.a.
Shanghai Tianyan Ph. Mach. Co. Ltd.	PRC	86.29%	13.71%	86.29%	13.71%
Teknoweb N.A. LLC	USA	75%	25%	75%	25%
Telerobot S.p.A.	Italy	98.5%	1.5%	n.a.	n.a.

(\*) At 31 December 2015 the investment in GIMA TT S.p.A. was held by GIMA S.p.A.

Transworld Packaging Holding B.V. controls fourteen companies, either directly or indirectly. For further information, see the list of equity investments provided in section F of the explanatory notes.

At 30 September 2016, minority interests total 10.6 million euros (16.8 million euros at 31 December 2015) and principally relate to GIMA TT S.p.A., 4.8 million euros and the Ilapak Group, 5.1 million euros.

The partial, proportional spin-off from GIMA S.p.A. took effect from 1 January 2016, with the assignment to the beneficiary, GIMA Holding S.r.l., of the entire equity interest in GIMA TT S.p.A., as well as the absorption by GIMA TT S.p.A. of its parent, GIMA Holding S.r.l. As a result of these transactions, GIMA Holding S.r.l. has been cancelled, as has IMA S.p.A.'s possession of the investment that was formerly owned by GIMA S.p.A.

On 3 March 2016, IMA S.p.A. acquired a further 6.189% interest in GIMA TT S.p.A. for 12.4 million euros and now owns 70% of that company. Some of the parties to the transaction are related parties. The total effect of the transaction on the equity attributable to the shareholders of the Parent Company was to reduce the reserves by 11.1 million euros.

On 18 April 2016, IMA S.p.A. acquired from related parties a further 25% interest in GIMA S.p.A. for 21.7 million euros and now owns 98.5% of that company. The total effect of the transaction on the equity attributable to the shareholders of the Parent Company was to reduce the reserves by 20.5 million euros.

In compliance with the requirements of the established procedure, the Parent Company informed the Related Party Transactions Committee, which commissioned an appraisal from an independent professional. On completion, the Committee expressed a positive opinion, having classified the transactions as "less relevant related party transactions".

The dividends paid to the minority shareholders in 2016 amounted to 7.5 million euros and referred to GIMA S.p.A. and GIMA TT S.p.A.

#### 14. BORROWINGS

This includes amounts due to banks of 247.4 million euros (210.5 million euros at 31 December 2015), amounts due to other lenders of 4.2 million euros (3.2 million euros at 31 December 2015) and bonds of 116.9 million euros (118.1 million euros at 31 December 2015).

##### PAYABLES TO BANKS

###### *Applied research and technological innovation loans*

Repayments totalling 0.5 million euros were made by the Parent Company as they fell due during the period; no new loans were received.

###### *Other loans*

The principal changes in Other loans relate to the Parent Company and comprise new loans of 50.0 million euros and repayments of 16.6 million euros.

PAYABLES TO OTHER LENDERS

At 30 September 2016 this item includes payables to leasing companies for 1.1 million euros (1.0 million euros at 31 December 2015), mainly in relation to the plant in Krakow (Poland), payables to factoring companies for 0.4 million euros (0.1 million euros at 31 December 2015) and financial payables to Ilapak Italia S.p.A. and Telerobot S.p.A. for a total of 2.7 million euros (2.1 million euros at 31 December 2015). Payables falling due beyond 5 years amount to 0.2 million euros.

BONDS

In May 2014, the Parent Company completed the placement with European institutional investors of a non-convertible bond amounting to 80 million euros, represented by two separate issues of equal amount with 5 and 7 years to maturity, redeemable in lump sums on the respective maturity dates. These bonds bear interest at a fixed rate of 3.875% and 4.375% respectively.

In February 2013 IMA S.p.A. completed the US Private Placement of a non-convertible bond totalling 50 million US dollars with repayment in equal instalments over 10 years, starting from the fourth year. This bond incurs interest at a fixed rate of 6.25%.

The bonds are not guaranteed, but certain covenants must be met.

Bonds are analysed as follows:

in millions of euros	30.09.2016	31.12.2015
Non-current portion	110.5	115.5
Current portion	6.4	2.6
<b>Total book value</b>	<b>116.9</b>	<b>118.1</b>
Adjustment to fair value and measurement at amortized cost	7.9	7.8
<b>Present value of finance lease payables</b>	<b>124.8</b>	<b>125.9</b>

NET DEBT

The breakdown of net debt is as follows:

in millions of euros	30.09.2016	31.12.2015
A. Cash and cash equivalents	(118.9)	(156.1)
B. Other cash equivalents	(2.9)	(2.9)
C. Investments in securities	(3.0)	(1.6)
<b>D. Liquidity (A)+(B)+(C)</b>	<b>(124.8)</b>	<b>(160.6)</b>
<b>E. Current financial receivables</b>	<b>(2.3)</b>	<b>(4.2)</b>
F. Current payables to banks	63.2	61.1
G. Current portion of non-current payables	56.0	40.3
H. Other current financial payables	1.4	1.0
<b>I. Current financial debt (F) + (G) + (H)</b>	<b>120.6</b>	<b>102.4</b>
<b>J. Net current financial debt (D)+(E)+(I)</b>	<b>(6.5)</b>	<b>(62.4)</b>
K. Non-current portion of non-current bank payables	135.0	112.1
L. Bonds issued	110.5	115.5
M. Other non-current financial payables	2.4	1.8
N. Non-current financial assets	(4.1)	(3.9)
<b>O. Net non-current financial debt (K)+(L)+(M)+(N)</b>	<b>243.8</b>	<b>225.5</b>
<b>P. Net financial debt (J)+(O)</b>	<b>237.3</b>	<b>163.1</b>

The analysis of net debt takes account of Consob Communication DEM/6064293 dated 28 July 2006, while including the financial receivables classified as non-current financial assets.

Total non-current financial assets differs from that reported in the balance sheet as it does not include equity interests in other companies. For further information on the composition of net debt, see Notes 6 and 11.

The Group also has payables in respect of acquisitions totalling 20.1 million euros (33.9 million euros at 31 December 2015), essentially relating to the options agreed for the purchase of the minority interests in subsidiaries. The change with respect to the previous period is mainly due to the options exercised in advance in connection with the purchase of the remaining 20% of the Dairy&Food business. See Note 17 for further information.

Net debt at the end of the period amounts to 237.3 million euros (163.1 million euros at 31 December 2015). The increase stems from the physiological growth due to the increase in working capital, dividends paid by the parent company (52.5 million euros paid in May 2016), the purchase of the Medtech business for a total of 22.3 million euros, the purchase of minority shareholdings of GIMA S.p.A. and GIMA TT S.p.A. for 34.3 million euros, net of the 90.7 million euro increase in capital concluded in the first half of the year. Net financial indebtedness is expected to fall considerably in the latter part of the year.

## 15. EMPLOYEE DEFINED BENEFIT LIABILITIES

This item includes post-employment benefits valued actuarially by independent actuaries using the project unit credit method under IAS 19. It mainly comprises the pension funds belonging to the newly-acquired companies of the Dairy&Food business and severance indemnity provisions made by the Group's Italian companies.

The movements in these provisions in the period were as follows:

in millions of euros	
<b>Balance at 01.01.2016</b>	<b>51.2</b>
Current service cost	0.7
Financial expense	0.7
Net actuarial losses (gains) recognized during the period	8.7
Change in scope of consolidation	1.6
Severance payments made during the period	(2.2)
Other changes	0.1
<b>Balance at 30.09.2016</b>	<b>60.8</b>

The change in the scope of consolidation includes defined benefit plans of the newly-acquired company Telerobot S.p.A. and of the TEAMAC business.

The employee defined benefit liabilities are analyzed below by geographical area:

in millions of euros	30.09.2016	31.12.2015
Italy	21.1	18.7
Germany	34.0	28.1
France	2.4	2.1
Switzerland	2.3	1.3
North America	0.2	0.3
Other countries	0.8	0.7
<b>Total</b>	<b>60.8</b>	<b>51.2</b>

## 16. PROVISIONS FOR RISKS AND CHARGES

These provisions are analysed as follows:

in millions of euros	Balance at 31.12.2015	Net increases	Net decreases	Change in scope of consolidation	Exchange rate differences	Balance at 30.09.2016
Non-current:						
Agency termination indemnities	5.1	-	(0.2)	-	-	4.9
Other provisions	1.0	-	(0.4)	-	-	0.6
	<b>6.1</b>	<b>-</b>	<b>(0.6)</b>	<b>-</b>	<b>-</b>	<b>5.5</b>
Current:						
Product guarantee provision	23.2	4.1	(2.2)	0.5	(0.2)	25.4
Other provisions	2.8	1.8	(1.7)	2.0	-	4.9
	<b>26.0</b>	<b>5.9</b>	<b>(3.9)</b>	<b>2.5</b>	<b>(0.2)</b>	<b>30.3</b>
<b>Total</b>	<b>32.1</b>	<b>5.9</b>	<b>(4.5)</b>	<b>2.5</b>	<b>(0.2)</b>	<b>35.8</b>

The change in the scope of consolidation refers to the companies of the Medtech business and to Telerobot S.p.A.

The warranty provision was established on the basis of the estimated cost of work to be performed under guarantee subsequent to 30 September 2016.

Other provisions are made up of provisions for risks and charges made to cover tax liabilities or charges that might arise from contractual obligations.

## 17. TRADE AND OTHER PAYABLES

This item comprises:

in millions of euros	30.09.2016	31.12.2015
Trade payables	266.5	250.9
Advances from customers	167.3	138.9
Social security and defined-contribution plans payables	7.3	11.3
Tax payables	7.6	10.6
Employee payables	58.1	46.0
Payables in respect of acquisitions	20.1	33.9
Guarantee deposits	5.1	5.0
Other payables	13.0	13.1
<b>Total</b>	<b>545.0</b>	<b>509.7</b>

### TRADE PAYABLES

This item includes trade payables of 197.8 million euros (196.4 million euros at 31 December 2015), payables to agents of 10.5 million euros (10.4 million euros at 31 December 2015) and trade payables to associates of 58.2 million euros (44.1 million euros at 31 December 2015).

### ADVANCES FROM CUSTOMERS

The high amount of advances from customers reflects the substantial volume of orders acquired at the date of this report.

### TAX PAYABLES

Tax payables mainly consist of income tax withheld from employees' wages and salaries.

### EMPLOYEE PAYABLES

The increase in this caption since 31 December 2015 mainly reflects deferred payroll which will be paid during the last quarter of the year. This item includes 3.2 million euros classified among the non-current liabilities (1.8 million euros at 31 December 2015).

PAYABLES IN RESPECT OF ACQUISITIONS

This item includes payables for the purchase of equity investments attributable to the acquisitions of the Teknoweb and Medtech businesses and of Telerobot S.p.A., for 8.9 million euros, 7.4 million euros and 2.6 million euros respectively.

This item also includes the residual payable of 1.2 million euros following the acquisition of G.S. Coating Technologies S.r.l.

In April 2016, the Parent Company signed an agreement with Lin Vermoegensverwaltung GmbH for the purchase of the remaining 20% of the Dairy&Food Group, following the early exercise of the put&call option. This is discussed further in the section of this report on Scope of consolidation.

The total amount of payables for acquisitions classified under non-current liabilities comes to 14.1 million euros (32.7 million euros at 31 December 2015).

OTHER PAYABLES

Other payables at 30 September 2016 include 5.1 million euros classified as non-current liabilities related to the medium and long term variable component of payroll that can be earned by three directors on achieving pre-defined measurable targets over three years (2.7 million at 31 December 2015).

**18. PERSONNEL COSTS**

This item comprises:

<b>in millions of euros</b>	<b>from 01.01.2016 to 30.09.2016</b>	<b>from 01.01.2015 to 30.09.2015</b>	<b>Change</b>
Wages and salaries	198.1	173.4	24.7
Social security contributions	44.5	40.7	3.8
Remuneration of directors	6.6	5.5	1.1
Pensions - defined-benefit plans	0.9	0.5	0.4
Pensions - defined-contribution plans	8.0	7.9	0.1
Other personnel costs	15.0	14.9	0.1
<b>Total</b>	<b>273.1</b>	<b>242.9</b>	<b>30.2</b>

Personnel costs related to the companies of the Medtech business and of Telerobot S.p.A., which were not included in the scope of consolidation in the first nine months of 2015, amounted to a total of 12.4 million euros.

In the first nine months of 2016 the IMA Group employed an average of 5,058 persons (4,496 persons in the same prior year period). At the end of the period, the Group had 5,228 employees (4,781 at 31 December 2015), of which 255 and 48 work for the companies of the Medtech business and for Telerobot S.p.A., respectively.

**19. DEPRECIATION AND AMORTIZATION EXPENSE**

This caption includes depreciation of property, plant and equipment of 8.6 million euros (7.1 million euros in the same period of 2015), amortisation of intangible assets of 18.8 million euros (16.5 million euros in the first nine months of 2015) and writedowns of receivables for 0.8 million euros (utilisation of 0.6 million euros in the same period last year).

The increase in amortisation of intangible assets mainly reflects the amortisation of unpatented technologies, customer lists and trademarks accounted for after the consolidation of the Dairy&Food business for 7 months in the previous period.

**20. FINANCIAL INCOME**

This item comprises:

in millions of euros	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015	Change
Income from exercise of the option of Dairy&Food business	18.7	–	18.7
Interest income from banks	0.2	0.2	–
Income from derivative financial instruments	0.3	–	0.3
Other interest income and financial income	0.3	0.5	(0.2)
Exchange rate gains	10.5	13.9	(3.4)
<b>Total</b>	<b>30.0</b>	<b>14.6</b>	<b>15.4</b>

On 28 April 2016, the Parent Company signed an agreement with Lin Vermoegensverwaltung GmbH for the purchase of the remaining 20% interest in the Dairy&Food Group. The price paid was 4 million euros. The deal generated a financial income of 18.7 million euros and was completed following an agreement for the early exercise of the put&call option, originally scheduled for April 2017.

**21. FINANCIAL EXPENSE**

This item comprises:

in millions of euros	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015	Change
Interest expense on bank payables	3.4	5.0	(1.6)
Interest expense on bond	4.4	4.3	0.1
Net financial expense on defined-benefit plans	0.7	0.6	0.1
Expense on bank guarantees	0.6	0.6	–
Expense from derivative financial instruments	0.2	0.2	–
Other interest and financial expense	0.9	1.0	(0.1)
Exchange rate losses	9.8	16.3	(6.5)
<b>Total</b>	<b>20.0</b>	<b>28.0</b>	<b>(8.0)</b>

The decrease in interest expense reflects the lower level of borrowing during the period.

Exchange gains and losses in the period to 30 September 2016 included, respectively, unrealised gains of 4.2 million euros and unrealised losses of 4.1 million euros (6.8 million euros and 7.1 million euros, respectively, in the same period of the prior year).

**22. TAXES**

The following companies form part of the domestic tax group: IMA S.p.A., Corazza S.p.A., Packaging Manufacturing Industry S.r.l. and Revisioni Industriali S.r.l. as consolidated companies and SO.FI.MA. S.p.A. as the consolidating company. Furthermore, GIMA S.p.A. as consolidating company and Fillshape S.r.l. as consolidated company form part of the domestic tax group.

Taxation includes taxes for the period, calculated using the best estimate of the weighted average tax rate for the full year.

**23. EARNINGS PER SHARE**

Basic earnings per share are calculated as the ratio of Group net profit to the weighted average number of ordinary shares outstanding during the year, as follows:

	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015
Net profit for the period (millions of euros)	54.5	19.1
Average number of outstanding ordinary shares (millions of shares)	38.2	37.3
<b>Earning per share (in euros)</b>	<b>1.43</b>	<b>0.51</b>

For the IMA Group, basic earnings per share and diluted earnings per share are the same, given the absence of instruments that might result in dilution.

## 24. BUSINESS COMBINATIONS

From 1 January 2016 the acquisition by Revisioni Industriali S.r.l. of the TEAMAC business came into effect. This is a company dedicated to the design, manufacture and marketing of automatic systems and machines for the packaging of tea products for a consideration of 3.0 million euros.

The main provisional values for assets and liabilities at the acquisition date were as follows:

in millions of euros	Total book values	Fair value
Intangible assets	0.6	0.6
Inventories	2.4	2.4
Employee defined benefit liabilities	(0.5)	(0.5)
Trade and other payables	(0.2)	(0.2)
<b>Total</b>	<b>2.3</b>	<b>2.3</b>
Purchase cost		3.0
<b>Goodwill</b>		<b>0.7</b>

On 15 April 2016 GIMA S.p.A. and Packaging Systems Holdings Inc., subsidiaries of IMA, completed the acquisition from Komax Holding AG of the entire share capital of Komax Systems LCF SA and Komax Systems Rockford Inc., together with 76% of Komax Systems Malaysia Sdn. Bhd.

The agreement also provides for an option to buy the other 24% of Komax Systems Malaysia, which can be exercised in 2018. The three companies are leaders in the design, production and commercialisation of machines for assembling medical products for self-medication (Medtech business).

Note that Komax Systems LCF SA and Komax Systems Rockford Inc. have changed their name, respectively, to IMA Medtech Switzerland SA and IMA Automation USA Inc.

The companies included in the scope of consolidation are as follows:

	Registered office	Percent of share
IMA Medtech Switzerland SA	La Chaux de Fonds (Switzerland)	100% (1)
IMA Automation USA Inc.	Loves Park - Illinois (USA)	100% (2)
Komax Systems Malaysia Sdn. Bhd.	Penang (Malaysia)	76% (1)

(1) Held by GIMA S.p.A.

(2) Held by Packaging Systems Holdings Inc.

The main provisional values for assets and liabilities at the acquisition date were as follows:

in millions of euros	Total book values	Fair value
Property, plant and equipment	3.1	3.1
Intangible assets	0.4	0.4
Deferred tax assets	4.3	4.3
Inventories	1.4	1.4
Trade and other receivables	26.7	26.7
Cash and cash equivalents	6.2	6.2
Borrowings	(16.9)	(16.9)
Provisions for risks and charges	(0.1)	(0.1)
Deferred tax liabilities	(0.2)	(0.2)
Trade and other payables	(14.8)	(14.8)
<b>Total</b>	<b>10.1</b>	<b>10.1</b>
Purchase cost		17.7
<b>Goodwill</b>		<b>7.6</b>

The acquisition cost includes the purchase price paid of 10.4 million euros and an estimated amount of 8.0 million Swiss francs, of which 6.0 million as earn-out and 2.0 million for the option to buy the other 24% of Komax Systems Malaysia.

At 30 September 2016 the key figures of the newly acquired business, consolidated for 6 months, are as follows:

in thousands of euros	
Property, plant and equipment	3.0
Intangible assets	0.4
Goodwill	7.6
Inventories	1.7
Trade receivables	28.6
Cash and cash equivalents	4.0
Trade payables	(10.3)
Revenues	42.4
Gross operating profit (EBITDA) before non-recurring items	3.1
Personnel cost	(11.4)

On 20 May 2016 GIMA S.p.A. completed the acquisition from the Xenon fund of 75% of Telerobot S.p.A., with operations based in Alessandria. The company is market leader in machines for assembling plastics in the field of caps and closures. The agreement includes an option to buy the other 25%, to be exercised by the date of approval of the financial statements at 31 December 2017.

The main provisional values for assets and liabilities at the acquisition date were as follows:

in millions of euros	Total book values	Fair value
Property, plant and equipment	0.4	0.4
Intangible assets	0.8	–
Financial assets	0.9	0.9
Deferred tax assets	3.2	3.2
Inventories	3.2	3.2
Trade and other receivables	3.0	3.0
Cash and cash equivalents	1.1	1.1
Other net assets	0.3	0.3
Borrowings	(2.0)	(2.0)
Employee defined benefit liabilities	(1.1)	(1.1)
Provisions for risks and charges	(2.4)	(2.4)
Trade and other payables	(6.6)	(6.6)
<b>Total</b>	<b>0.8</b>	<b>–</b>
Purchase cost		4.9
<b>Goodwill</b>		<b>4.9</b>

The acquisition cost includes the purchase price of 2.3 million euros and the fair value of the amount due for the option to buy the other 25% of the capital equal to 2.6 million euros.

At 30 September 2016 the key figures of the newly acquired company, consolidated for 5 months, are as follows:

in thousands of euros	
Goodwill	4.9
Deferred tax assets	3.2
Inventories	3.6
Trade receivables	1.3
Cash and cash equivalents	2.4
Borrowings	(1.5)
Employee defined benefit liabilities	(1.1)
Provisions for risks and charges	(2.3)
Trade payables and advances	(5.7)
Revenues	2.8
Gross operating profit (EBITDA) before non-recurring items	0.4
Personnel cost	(1.0)

The initial values for these business combinations were determined on a provisional basis, since the fair value of the related assets, liabilities and contingent liabilities, as well as the costs of the operations, have not been finalized. As required by IFRS 3, any adjustments will be made within twelve months of the acquisition date.

2.2 million euros of ancillary charges related to the acquisition were booked to the income statement under services, rentals and leases.

At 30 September 2016 the amount of the purchase price that has been paid, net of the cash acquired, amounts to 8.4 million euros.

## 25. GUARANTEES GRANTED

At 30 September 2016, the Group has given sureties and other bank guarantees to customers totalling 28.6 million euros for the proper operation of machinery, bid bonds and advances not yet received, sureties to guarantee rental contracts for 7.0 million euros, sureties in favour of the Tax Authorities for VAT credits for 1.7 million euros, sureties associated with the purchase of the Medtech business and the sale of CMH S.r.l. for 5.1 million euros and 3.5 million euros respectively and sureties in favour of others for 2.6 million euros.

The Parent Company has also given sureties and other guarantees (binding letters of patronage) to third parties on behalf of subsidiaries and associates, with respect to lines or credit or financing extended by banks and the payment of rental fees for 259.9 million euros. Lastly, Ilapak International SA has provided guarantees to third parties in the interest of certain companies of the Ilapak Group for 1.4 million euros.

Sureties given against advances received from customers amount to about 125.7 million euros (102.9 million euros at 31 December 2015).

## 26. COMMITMENTS

It should be noted that at 30 September 2016 there are commitments for the purchase of property, plant and equipment and intangible assets of 0.9 million euros relating principally to leasehold improvements and machinery.

The Group also has commitments in respect of minimum lease payments for non-cancellable operating leases totalling 3.3 million euros (3.3 million euros at 31 December 2015) and for rentals totalling 145.7 million euros (149.0 million euros at 31 December 2015).

Other commitments in favour of third parties, 11.5 million euros, mainly consist of the Parent Company's agreement to buy further units of the mutual funds.

## 27. RELATED-PARTY TRANSACTIONS

In compliance with current Consob regulations on related party transactions, from 2010 IMA S.p.A. adopted procedures to be followed by IMA and its subsidiaries when carrying out transactions with parties related to IMA.

The Parent Company of the IMA Group is I.M.A. Industria Macchine Automatiche S.p.A., which at 30 September 2016 is 57.326% owned by SO.FI.M.A. S.p.A. (60% at 31 December 2015), which is in turn controlled by Lopam Fin S.p.A.

Intercompany transactions are carried out in the ordinary course of business on arm's-length terms. Relations with other related parties are mainly attributable to the persons who control the Parent Company, to persons who administer and direct the activities of IMA S.p.A. and to entities that are controlled by them. The Board must give advance approval in its meetings for all transactions with related parties, including inter-company transactions, except for transactions carried out in the ordinary course of business on arm's-length terms.

Related Party transactions mainly refer to commercial and property operations (leased premises used by the Parent Company or Group companies), as well as to membership of the tax group.

Note that during the first nine months there were no significant transactions, as defined in the Consob regulation, no individual related-party transactions that could have had a significant impact on the companies' balance sheets or results and no changes or developments in related-party transactions disclosed in the latest annual report that could have had a significant impact on Group companies' balance sheet or results.

The following table details the main transactions carried out with related parties:

in millions of euros	Receivables at 30.09.2016	Receivables at 31.12.2015	Payables at 30.09.2016	Payables at 31.12.2015
Associates and joint venture:				
Amherst Stainless LLC	0.6	1.1	0.3	0.6
B.C. S.r.l.	2.4	2.1	0.8	0.7
Bacciottini F.lli S.r.l.	0.7	0.6	5.6	4.0
Bolognesi S.r.l.	1.1	0.9	1.6	1.6
Brio Pharma Tech. Ltd.	0.5	0.5	0.9	0.6
CMRE S.r.l.	5.3	7.1	–	–
Doo Officina-Game East Vrsac	1.2	0.8	–	–
I.E.M.A. S.r.l.	3.5	0.9	13.6	11.3
L.A.CO S.r.l.	0.8	0.7	3.8	3.1
Logimatic S.r.l.	8.6	6.6	17.0	12.5
Masterpiece S.r.l.	–	–	0.5	0.3
Meccanica Sarti S.r.l.	1.2	1.2	0.5	0.4
MORC 2 S.r.l.	1.6	1.4	1.0	1.2
Plasticenter S.r.l.	0.6	0.5	4.7	2.9
Powertransmission.it S.r.l.	0.1	0.1	0.4	0.2
Scriba Nanotecnologie S.r.l.	0.4	0.4	–	–
SIL.MAC S.r.l.	1.7	1.0	4.9	3.5
S.I.Me. S.r.l.	0.4	0.4	0.2	0.3
STA.MA. S.r.l.	0.2	0.1	1.1	0.8
Talea S.r.l.	0.8	n.a.	1.2	n.a.
Other associates	–	0.1	0.1	0.1
	<b>31.7</b>	<b>26.5</b>	<b>58.2</b>	<b>44.1</b>
Other related parties:				
Banca di Bologna	0.5	0.4	–	–
Costal S.r.l.	–	–	0.6	0.5
Datalogic Automat. S.r.l.	–	–	0.2	0.2
EPSOL S.r.l.	0.3	0.2	3.7	3.2
Morosina S.p.A.	0.1	–	0.2	0.3
Poggi & Associati	–	0.2	0.2	0.3
Schiavina S.r.l.	0.3	0.3	–	–
Verniciatura Ozzanese S.r.l.	0.3	–	0.6	0.3
Other related parties	0.1	0.1	–	0.1
	<b>1.6</b>	<b>1.2</b>	<b>5.5</b>	<b>4.9</b>
<b>Total</b>	<b>33.3</b>	<b>27.7</b>	<b>63.7</b>	<b>49.0</b>

The following table details the main transactions carried out with related parties:

in millions of euros	Revenues	Revenues	Costs	Costs
	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015	from 01.01.2016 to 30.09.2016	from 01.01.2015 to 30.09.2015
Associates and joint venture:				
Amherst Stainless LLC	0.1	–	3.8	3.1
B.C. S.r.l.	0.3	0.3	3.8	3.7
Bacciottini F.lli S.r.l.	0.1	0.1	5.2	3.2
Bognesi S.r.l.	0.1	0.2	3.8	3.0
Brio Pharma Technologies Ltd.	–	–	1.1	0.7
CMFIMA S.r.l.	n.a.	0.6	n.a.	–
CMH S.r.l.	n.a.	–	n.a.	0.3
Doo Officina-Game East Vrsac	–	–	0.2	0.4
I.E.M.A. S.r.l.	2.7	0.2	11.6	8.6
LA.CO S.r.l.	0.2	0.1	3.1	2.8
Logimatic S.r.l.	4.3	2.3	14.2	11.3
Masterpiece S.r.l.	–	–	0.5	0.4
Meccanica Sarti S.r.l.	–	–	0.5	0.4
MORC2 S.r.l.	0.2	–	2.8	0.7
Plasticenter S.r.l.	0.1	0.1	3.6	2.3
Powertransmission.it S.r.l.	–	–	0.7	0.6
SIL.MAC. S.r.l.	1.2	0.3	4.5	2.2
S.I.Me. S.r.l.	–	0.2	0.8	0.1
STA.MA. S.r.l.	0.1	0.1	1.0	1.1
Talea S.r.l.	–	n.a.	1.0	n.a.
Other associates	0.1	–	0.2	0.1
	<b>9.5</b>	<b>4.5</b>	<b>62.4</b>	<b>45.0</b>
Other related parties:				
Cataudella Stefano	–	–	0.4	0.4
Costal S.r.l.	–	–	1.0	0.3
Datalogic Automation S.r.l.	–	–	0.3	0.3
EPSOL S.r.l.	0.6	0.4	3.3	2.7
Lopam S.r.l.	–	–	0.4	0.3
Morosina S.p.A.	–	–	0.7	0.7
Nemo Investimenti S.r.l.	–	0.2	1.5	1.4
Poggi & Associati	–	–	1.9	0.4
Verniciatura Ozzanese S.r.l.	–	–	0.5	0.4
Other related parties	–	–	0.2	0.4
	<b>0.6</b>	<b>0.6</b>	<b>10.2</b>	<b>7.3</b>
<b>Total</b>	<b>10.1</b>	<b>5.1</b>	<b>72.6</b>	<b>52.3</b>

These balances and transactions relate primarily to the Group's Italian companies. Lastly, there are dealings with SO.FI.MA. S.p.A., the Parent Company, as a result of setting up the domestic tax group, as mentioned in Note 22.

On 3 March 2016, IMA S.p.A. acquired a further 6.189% interest in GIMA TT S.p.A. for 12.4 million euros and now owns 70% of that company. Some of the parties to the transaction are related parties.

On 18 April 2016, IMA S.p.A. acquired from related parties a further 25% interest in GIMA S.p.A. for 21.7 million euros and now owns 98.5% of that company.

In compliance with the requirements of the established procedure, the Parent Company informed the Related Party Transactions Committee, which commissioned an appraisal from an independent professional. On completion, the Committee expressed a positive opinion, having classified the transactions as "less relevant related party transactions".

Related-party transactions do not represent a significant proportion of the totals reported in the financial statements.

**28. SIGNIFICANT NON-RECURRING  
TRANSACTIONS AND EVENTS**

During the first nine months of 2016, non-recurring charges classified under Personnel costs and under Services, rentals and leases amount to 2.2 million euros and 2.2 million euros respectively, and principally relate to the reorganisation of the Dairy&Food business and to the purchase of the Medtech and Telerobot businesses.

During the first nine months of 2015, non-recurring charges classified under Personnel costs and under Services, rentals and leases amount to 5.1 million euros and 4.1 million euros respectively.

**29. ATYPICAL AND/OR UNUSUAL  
TRANSACTIONS**

No positions or operations deriving from atypical and/or unusual transactions arose during the first nine months of 2016.

**30. SIGNIFICANT EVENTS AFTER THE  
END OF THE THIRD QUARTER**

No significant events have taken place since the end of the third quarter.

## F) EQUITY INVESTMENTS INCLUDED IN THE SCOPE OF CONSOLIDATION AND METHOD USED

Companies consolidated line-by-line	Registered office		Share capital	Currency	Direct investment	Indirect investment
<b>Industrial and service companies:</b>						
- I.M.A. Industria Macchine Automatiche S.p.A.	Ozzano dell'Emilia	Bologna - Italy	20,415,200	EUR	Parent company	-
- CO.MA.DI.S. S.p.A.	Senago	Milan - Italy	1,540,000	EUR	100%	-
- Corazza S.p.A.	Bologna	Bologna - Italy	15,675,000	EUR	100%	-
- Fillshape S.r.l.	Zola Predosa	Bologna - Italy	100,000	EUR	-	78.8% (1)
- GIMA S.p.A.	Zola Predosa	Bologna - Italy	1,000,000	EUR	98.5%	-
- GIMA TT S.p.A.	Ozzano dell'Emilia	Bologna - Italy	110,000	EUR	70%	-
- G.S. Coating Technologies S.r.l.	Castel San Pietro T.	Bologna - Italy	100,000	EUR	100%	-
- Ilapak Italia S.p.A.	Foiano della Chiana	Arezzo - Italy	4,074,000	EUR	-	81% (2)
- Pharmasiena Service S.r.l.	Siena	Siena - Italy	100,000	EUR	70%	-
- Revisioni Industriali S.r.l.	Ozzano dell'Emilia	Bologna - Italy	100,000	EUR	-	100% (3)
- Teknoweb Converting S.r.l.	Palazzo Pignano	Cremona - Italy	1,000,000	EUR	100% (4)	-
- Telerobot S.p.A.	Genoa	Genoa - Italy	50,000	EUR	-	98.5% (1)
- Benhil GmbH	Neuss	Germany	5,500,000	EUR	-	100% (5)
- Delta Systems & Automation Inc.	Rogers	USA	1,000	USD	-	81% (6)
- Erca S.A.	Les Ulis	France	2,594,390	EUR	-	100% (5)
- Erca-Formseal Ibérica S.A.	Gavà Barcelona	Spain	60,101	EUR	-	100% (7)
- GASTI Verpackungsmaschinen GmbH	Schwaebisch Hall	Germany	25,000	EUR	-	100% (5)
- Hamba Filtec GmbH & Co. KG	Saarbrücken	Germany	1,700,000	EUR	-	100% (5)
- Hassia Packaging Pvt. Ltd.	Taluka Shirur Pune	India	42,000,000	INR	-	100% (5)
- Hassia Verpackungsmaschinen GmbH	Ranstadt	Germany	2,100,000	EUR	-	100% (8)
- Ilapak International SA	Collina d'Oro Lugano	Switzerland	4,000,000	CHF	-	81% (9)
- Ilapak (Beijing) Packaging Machinery Co. Ltd.	Beijing	PRC	3,000,000	USD	-	81% (10)
- IMA Automation USA Inc.	Loves Park	USA	10,610,000	USD	-	100% (11)
- IMA Life The Netherlands B.V.	Dongen	The Netherlands	22,382,654 (*)	EUR	100%	-
- IMA Life North America Inc.	Tonawanda	USA	100	USD	-	100% (11)
- IMA Life (Beijing) Pharmaceutical Systems Co. Ltd.	Beijing	PRC	400,000	USD	100%	-
- IMA Medtech Switzerland SA	La Chaux de Fonds	Switzerland	13,250,000	CHF	-	98.5% (1)
- IMA North America Inc.	Leominster	USA	8,052,500	USD	-	100% (11)
- IMA-PG India Pvt. Ltd.	Mumbai	India	17,852,100 (*)	INR	100%	-
- Komax Systems Malaysia Sdn. Bhd.	Penang	Malaysia	3,000,000	MYR	-	98.5% (1)
- Shanghai Tianyan Pharmaceutical Co. Ltd.	Shanghai	PRC	5,250,000	RMB	-	86.29% (12)
- Swiftpack Automation Ltd.	Alcester	UK	1,403,895	GBP	100%	-
- Tianjin IMA Machinery Co. Ltd.	Tianjin	PRC	200,000	USD	100%	-
<b>Commercial companies:</b>						
- Ilapak.AT Services GmbH (in liquidation)	Vienna	Austria	17,500 (*)	EUR	-	81% (2)
- Ilapak do Brasil Maquinas de embalagem Ltda.	Sao Paulo	Brazil	5,951,799	BRL	-	81% (9)
- Ilapak France SA	Lognes Paris	France	105,130	EUR	-	81% (2)
- Ilapak Inc.	Newtown	USA	12,500	USD	-	81% (2)
- Ilapak Israel Ltd.	Caesarea	Israel	5,310,505	ILS	-	81% (2)
- Ilapak Ltd.	Hayes London	UK	795,536	GBP	-	81% (2)
- Ilapak SNG OOO	Moscow	Russia	1,785,700	RUB	-	81% (2)
- Ilapak Sp. Z o.o.	Krakow	Poland	3,740,400	PLN	-	81% (2)
- Ilapak Verpackungsmaschinen GmbH	Haan Düsseldorf	Germany	102,500	EUR	-	81% (2)
- IMA Dairy & Food USA Inc.	Leominster	USA	1	USD	-	100% (5)
- IMA Est GmbH	Vienna	Austria	280,000	EUR	100%	-
- IMA France E.u.r.l.	Rueil Malmaison	France	45,735	EUR	100%	-
- IMA Germany GmbH	Cologne	Germany	90,000	EUR	100%	-
- IMA Iberica Processing and Packaging S.L.	Barcelona	Spain	590,000	EUR	100%	-
- IMA Industries GmbH	Aschaffenburg	Germany	100,000	EUR	100%	-
- IMA Industries North America Inc.	Leominster	USA	100,000	USD	-	100% (11)
- IMA Life Japan KK	Tokyo	Japan	40,000,000	YEN	-	100% (13)
- IMA Pacific Co. Ltd.	Bangkok	Thailand	132,720,000	THB	99.99%	-
- IMA Packaging & Processing Equip. (Beijing) Co. Ltd.	Beijing	PRC	2,350,000	USD	100%	-
- IMA UK Ltd.	Alcester	UK	50,000	GBP	100%	-
- Imautomatiche Do Brasil Ltda.	Sao Paulo	Brazil	6,651,550	BRL	99.98%	-
- OOO IMA Industries	Moscow	Russia	12,000,000	RUB	-	100% (3)
- Teknoweb N.A. LIC	Loganville Atlanta	USA	56,000	USD	-	75% (14)
- Teknoweb Suisse Sagl	Mendrisio	Switzerland	40,000	CHF	-	100% (15)

(\*) The nominal share capital of IMA-PG India Pvt Ltd., IMA Life The Netherlands B.V. and Ilapak.AT Services GmbH amounts to Inr 20,000,000, Eur 45,400,000 and Eur 35,000 respectively.

Companies consolidated line-by-line (continued)	Registered office		Share capital	Currency	Direct investment	Indirect investment
<b>Financial companies:</b>						
- Packaging Systems Holdings Inc.	Wilmington	USA	1,000	USD	100%	-
- IMA Dairy & Food Holding GmbH	Stutensee	Germany	25,000	EUR	100%	-
- Tekno NA Inc	Atlanta	USA	50,000	USD	-	100% (15)
- Transworld Packaging Holding B.V.	Amsterdam	The Netherlands	3,241,661	EUR	81%	-
<b>Other companies:</b>						
- Digidoc S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	-	80% (16)
- Dreamer S.r.l.	Bologna	Bologna - Italy	100,000	EUR	-	88.65% (1)
- Hamba Verwaltungsgesellschaft mbH	Saarbrücken	Germany	25,000	EUR	-	100% (5)
- Ilapak China Ltd.	Hong Kong	PRC	13	USD	-	81% (2)
- Packaging Manufacturing Industry S.r.l.	Castenaso	Bologna - Italy	110,000	EUR	100%	-
- Società del Sole S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	100%	-

**Notes:**

- (1) Held by GIMA S.p.A.: Dreamer S.r.l. at 90%, Fillshape S.r.l. at 80%, Telerobot S.p.A. at 75%, IMA Medtech Switzerland SA at 100% and Komax Systems Malaysia Sdn. Bhd. at 76%. The percentage interest held in Telerobot S.p.A. and Komax Systems Malaysia Sdn. Bhd. includes an option to purchase 25% and 24% of the quota capital respectively.
- (2) Held by Ilapak International SA at 100% except Ilapak France SA held at 99.99%
- (3) Held by Corazza S.p.A.
- (4) The percentage interest held in Teknoweb Converting S.r.l. includes an option to purchase 40% of the quota capital.
- (5) Held by IMA Dairy & Food Holding GmbH
- (6) Held by Ilapak Inc. at 100%
- (7) Held by Erca S.A. at 100%
- (8) Held by IMA Dairy & Food Holding GmbH at 94% and by IMA Germany GmbH at 6%
- (9) Held by Transworld Packaging Holding B.V. at 100%
- (10) Held by Ilapak Italia S.p.A. at 100%
- (11) Held by Packaging Systems Holdings Inc.
- (12) Held by IMA Life (Beijing) Ph. Systems Co. Ltd.
- (13) Held by IMA Life The Netherlands B.V.
- (14) Held by Tekno NA Inc. at 75%
- (15) Held by Teknoweb Converting S.r.l. at 100%
- (16) Held by Packaging Manufacturing Industry S.r.l.

Investments accounted for using the equity method	Registered office		Share capital	Currency	Direct investment
<b>Industrial and service companies:</b>					
- Amherst Stainless Fabrication LLC	Amherst NY	USA	1,100,000	USD	20% (1)
- B.C.S.r.l.	Imola	Bologna - Italy	36,400	EUR	30%
- Bacciottini F.lli S.r.l.	Oste Montemurlo	Prato - Italy	60,000	EUR	30% (2)
- Bolognesi S.r.l.	Dozza	Bologna - Italy	10,920	EUR	30% (2)
- Brio Pharma Technologies Pvt. Ltd.	Mumbai	India	1,000,000	INR	30%
- CMRE S.r.l.	Bologna	Bologna - Italy	50,000	EUR	50%
- Consorzio L.I.A.M.	Vignola	Modena - Italy	20,000 (3)	EUR	25%
- Doo Officina-Game East Vrsac	Vrsac	Serbia	130,474,863	RSD	49% (2)
- FID S.r.l. Impresa Sociale	Bologna	Bologna - Italy	20,000	EUR	30%
- I.E.M.A. S.r.l.	S.Giorgio di Piano	Bologna - Italy	100,000	EUR	30% (2)
- LA.CO S.r.l.	Ozzano dell'Emilia	Bologna - Italy	30,000	EUR	30% (2)
- Logimatic S.r.l.	Ozzano dell'Emilia	Bologna - Italy	100,000	EUR	35% (2)
- Masterpiece S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	30% (2)
- Meccanica Sarti S.r.l.	Bologna	Bologna - Italy	102,000	EUR	30% (2)
- MORC 2 S.r.l.	Castel Bolognese	Ravenna - Italy	20,800	EUR	20% (2)
- Plasticenter S.r.l.	Granarolo dell'Emilia	Bologna - Italy	50,960	EUR	20% (2)
- Powertransmission.it S.r.l.	Castenaso	Bologna - Italy	50,000	EUR	20% (2)
- Scriba Nanotecnologie S.r.l.	Bologna	Bologna - Italy	25,556	EUR	24.9%
- SIL.MAC. S.r.l.	Gaggio Montano	Bologna - Italy	90,000	EUR	30% (2)
- S.I.Me. S.r.l.	Granarolo dell'Emilia	Bologna - Italy	100,000	EUR	49% (2)
- STA.MA. S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,400	EUR	30% (2)
- Talea S.r.l.	Castel Guelfo	Bologna - Italy	25,000	EUR	20% (2)
- Sirio S.p.A. Associazione in partecipazione (4)	Milan	Milan - Italy			

**Notes:**

- (1) Held by IMA Life North America Inc.
- (2) Held by Packaging Manufacturing Industry S.r.l.
- (3) Shares in the consortium fund
- (4) Agreement signed in the last quarter of 2007 for the management of an aircraft

**G) DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS  
PURSUANT TO ART. 154 BIS, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998.**

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The manager responsible for preparing financial reports, Sergio Marzo, declares in accordance with article 154 bis paragraph 2 of the Consolidated Finance Act that the accounting information contained in this Interim Report on Operations at 30 September 2016 agrees with the books of account, the accounting entries and supporting documentation.