

INTERIM REPORT ON OPERATIONS
AT 31 MARCH 2014



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INTERIM REPORT ON OPERATIONS
AT 31 MARCH 2014

(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 2014)

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 OFFICER

Andrea Malagoli

Delegated powers: the powers associated with responsibility for the pharmaceutical business and operations.

DIRECTORS

Paolo Frugoni, Marco Galliani, Italo Giorgio Minguzzi, Luca Poggi, Enrico Ricotta, Pierantonio Riello, Maria Carla Schiavina, Gianluca Vacchi, Romano Volta.

BOARD OF STATUTORY AUDITORS

(Appointed until the Shareholders' Meeting called to approve the financial statements at 31 December 2015)

STANDING AUDITORS

Giacomo Giovanardi - Chairman

Roberta De Simone

Riccardo Pinza

ALTERNATE AUDITORS

Vittorio Coraducci

Giovanna Bolognese

Federico Ferracini

COMMITTEE (*)

Marco Galliani - 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

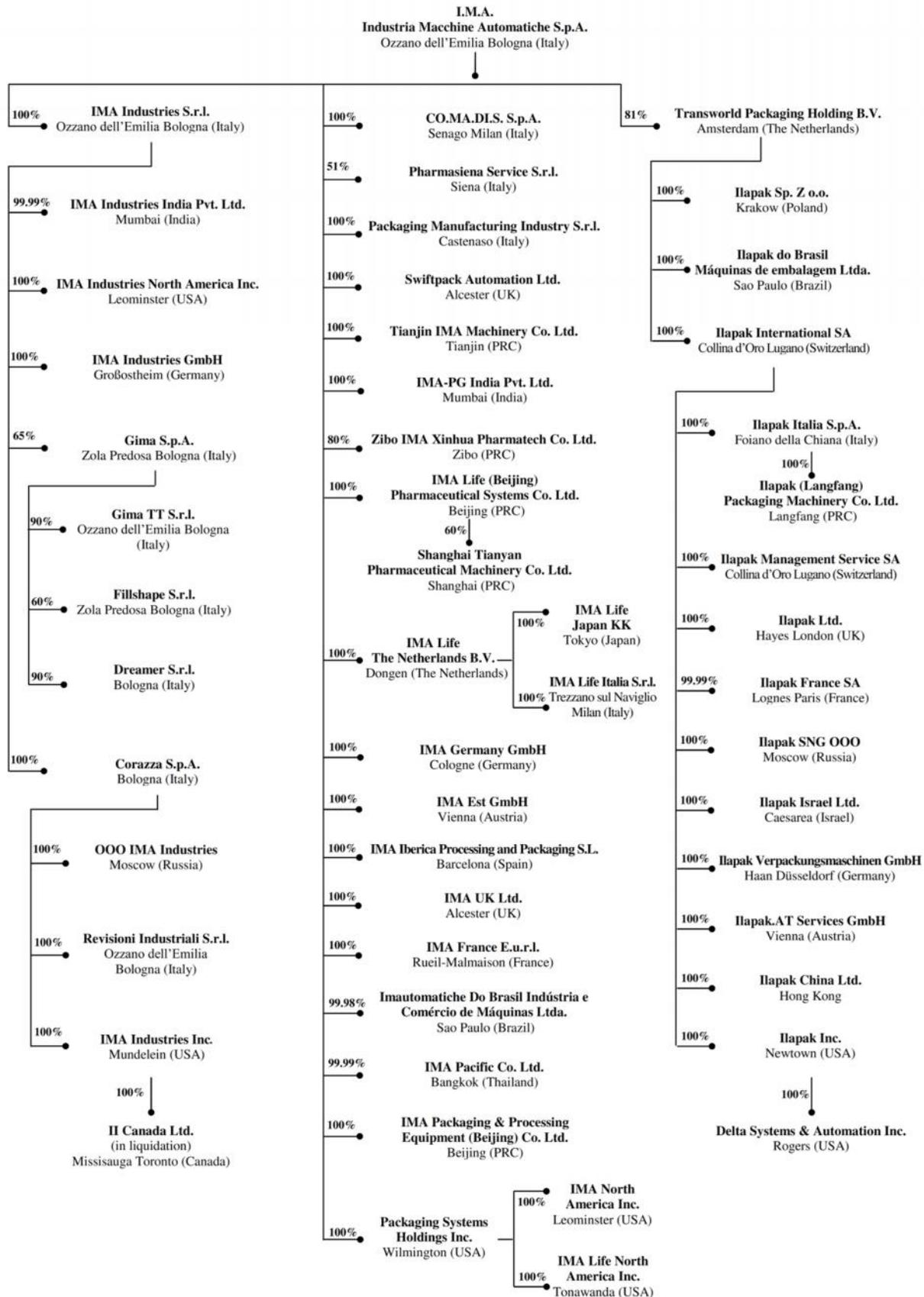
LEAD INDEPENDENT DIRECTOR

Paolo Frugoni

INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

GROUP STRUCTURE AT 31 MARCH 2014



GROUP PERFORMANCE

GENERAL PERFORMANCE

The year 2013 closed with an increase in the rate of growth of world GDP, but it was followed by signs that the recovery was slowing down. The GDP of emerging countries has confirmed their trend growth rate, while that of industrialised nations has decelerated. These trends partly reflect phenomena destined to run out in 2014 and in part may be harbingers of a weakness in the global economic cycle that could be worse than previously estimated.

In this unstable context, during the first quarter of 2014 the Group still managed to generate a steady stream of orders in all of our key sectors, with a further increase over the same period in 2013.

We are therefore convinced that, providing there is no new financial turmoil, we should be able to continue this process of growth according to plan.

CONSOLIDATED INCOME STATEMENT

The income statement reclassified by purpose has been 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;
- R&D costs: these include the costs involved in developing new products or maintaining existing products. They also include the costs of technical personnel, the materials used in tests and experiments and the technical offices' overheads;
- selling costs: these include costs connected with commercial operations, such as staff, commissions paid to agents, promotional and advertising costs and related overheads;
- general and administrative costs: these include all costs associated with general operations such as administrative offices in the broadest sense, the management of sectors or divisions, production planning, and all amortization and depreciation not connected directly with the business areas already mentioned above;
- gross operating profit: this corresponds to the sum of operating profit, depreciation and amortization for the period and writedowns.

The following main items in the reclassified income statement are equivalent to those reported in the consolidated income statement contained in the section entitled "Consolidated financial statements": revenues, operating profit, financial income and expense, profit before tax, income taxes and net profit for the year.

Group revenues in the first quarter 2014 amounted to 177.1 million euros, compared with 134.2 million euros in the same period of 2013. EBITDA amounted to 16.5 million euros, a strong increase over the first quarter of 2013 when it was 8.3 million euros.

The operating profit amounted to 11.2 million euros, compared with 4.1 million euros in first quarter 2013.

The following is a summarized version of the income statement for the period under review, with comparative figures for the corresponding period in 2013:

in millions of euros	1st quarter 2014		1st quarter 2013	
	Amount	%	Amount	%
			RESTATED	
Revenues	177.1		134.2	
Cost of sales	(105.1)	59.3	(80.7)	60.1
Industrial gross profit	72.0	40.7	53.5	39.9
R&D costs	(10.4)		(9.0)	
Sales costs	(23.1)		(18.4)	
General and administrative costs	(26.5)		(22.0)	
Operating profit before non-recurring items (EBITA)	12.0	6.8	4.1	3.1
Non-recurring items	(0.8)		–	
Operating profit (EBIT)	11.2	6.3	4.1	3.1
Net financial income (expense)	(2.4)		(1.6)	
Profit (loss) from investments accounted for using the equity method	–		–	
Profit before tax	8.8	5.0	2.5	1.9
Taxes	(3.3)		(1.6)	
Net profit from continuing operations	5.5	3.1	0.9	0.7
Net profit from discontinued operations / disposal groups	–		1.6	
Profit for the period	5.5	3.1	2.5	1.9
Profit (loss) for the period attributable to minority interests	(0.2)		(0.1)	
Group profit	5.3	3.0	2.4	1.8
Gross operating profit (EBITDA) before non-recurring items	17.3	9.8	8.3	6.2
Gross operating profit (EBITDA)	16.5	9.3	8.3	6.2
Order book	506.4		446.1	

The comparative figures for the first quarter of 2013 have been restated following the sale of the Kilian business.

REVENUES AND ORDERS

Consolidated revenues for the first quarter of 2014 come to 177.1 million euros, an increase on the same period last year thanks to a higher order book at the beginning of the period compared with the previous year.

The sector in which the Group operates is affected by the strong seasonality of deliveries, such that the early quarters of the year are never truly indicative of the results achievable for the full year.

The order trend in the first quarter of 2014 shows strong growth in the order book, which now amounts to 506.4 million euros, an increase of 60.3 million euros compared with the previous year. Orders received in the first quarter amounted to 227.2 million euros, compared with 206.7 million euros in 2013.

OPERATING PROFIT

The industrial gross profit in the first quarter of 2014 (as a percentage of sales) came to 40.7%, a slight improvement over the previous year (39.9%) thanks to higher volumes and a different sales mix.

The operating profit comes to 11.2 million euros, an increase over the previous year (4.1 million euros).

PROFIT BEFORE TAX

Net financial expense amounts to 2.4 million euros (1.6 million euros at 31 March 2013), a slight increase compared with the first quarter of last year due to a higher level of debt during the period, net of exchange differences.

Accordingly, profit before tax was 8.8 million euros versus 2.5 million euros in the period to 31 March 2013.

PROFIT FOR THE PERIOD

The profit for the period of 5.5 million euros compares with 2.5 million euros in the same period last year. The reasons for this difference were explained in the previous two sections.

**ANALYSIS OF PERFORMANCE
BY SEGMENT**

The following schedule analyses operations by business sector:

in millions of euros	Tea, Food & Other	Pharma	Ilapak	Unallocated	Total
Revenues					
1st quarter 2014	57.5	99.6	20.0	–	177.1
1st quarter 2013	42.5	91.7	n.a.	–	134.2
Operating profit					
1st quarter 2014	3.7	8.7	(1.2)	–	11.2
1st quarter 2013	(0.2)	4.3	n.a.	–	4.1
Net capital employed (*)					
31 March 2014	103.6	137.5	40.6	21.2	302.9
31 March 2013	128.7	175.7	n.a.	19.5	323.9
R&D costs					
1st quarter 2014	5.0	5.4	–	–	10.4
1st quarter 2013	3.6	5.4	n.a.	–	9.0
Average personnel					
1st quarter 2014	947	2,295	447	–	3,689
1st quarter 2013	897	2,344	n.a.	–	3,241
Order book					
31 March 2014	180.0	308.6	17.8	–	506.4
31 March 2013	161.7	284.4	n.a.	–	446.1

(*) *Unallocated assets and liabilities mainly relate to investments, income tax receivables and payables and net deferred tax assets which cannot be divided exactly among the divisions reported.*

The revenues generated by the Tea, Food & Other segment amount to 57.5 million euros and are up compared to the same period last year (42.5 million euros) thanks to the higher order book at the beginning of the period. The industrial gross profit is higher as a result of the larger volumes and reflects onto the operating profit which is also up on last year. The order book is significantly higher than last year (+18.3 million euros), which means that we can look forward to an annual trend in line with expectations.

Revenues in the Pharma segment are 7.9 million euros higher than in the same period last year. The operating result is a profit of 8.7 million euros which is a considerable improvement on 4.3 million euros at 31 March 2013, not only because of higher sales volumes, but above all thanks to a better performance by the business. Orders are higher than in the same period of 2013 with an order book that has grown by 24.2 million euros with a good outlook for the rest of this year.

The revenues of the Ilapak segment come to 20.0 million euros showing a net operating loss of 1.2 million euros after depreciation and amortization of 1.1 million euros and non-recurring expenses of 0.8 million euros relating to the purchase of 30% of the shares during the quarter.

In any event, the Group is increasing its efforts to rationalize expenses by reducing production costs and limiting overheads.

**CONSOLIDATED
BALANCE SHEET AND
FINANCIAL POSITION**

The following main items in the statement of financial position are equivalent to the corresponding items reported in the consolidated statement of financial position included in the consolidated financial statements: inventories, property, plant and equipment and intangible assets, Group equity and minority interests.

Non-financial assets (liabilities) held for sale include the carrying value at 31 December 2013 of disposal groups attributable to Zibo Pharmatech Co. Ltd.

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

The following table summarizes the Group's balance sheet and financial position at 31 March 2014:

in millions of euros	31.03.2014	31.12.2013
Trade receivables	141.8	143.3
Inventories	222.7	204.7
Trade payables	(237.9)	(262.1)
Other, net	(68.8)	(66.0)
Working capital	57.8	19.9
Property, plant and equipment	45.0	43.3
Intangible assets	175.4	175.8
Investments	30.7	29.5
Non-current assets	251.1	248.6
Severance obligations and other provisions	(10.3)	(9.7)
Net capital employed	298.6	258.8
Non-financial assets (liabilities) held for sale	4.3	4.3
Total net capital employed	302.9	263.1
FINANCED BY:		
Net debt (*)	188.5	130.4
Minority interests	10.8	16.9
Group equity	103.6	115.8
Total sources of financing	302.9	263.1

(*) This item includes net financial assets held for sale of 3.2 million euros.

The net capital employed at the end of the first quarter of 2014 was 39.8 million euros higher than at the end of 2013. The difference is entirely due to the increase in working capital. Analysing the changes in working capital, against the slight reduction in trade receivables, there was an increase in inventories and a reduction in trade payables. This reflects the timing of purchases, which takes place well before the shipment of finished products and reflects the increased size of the order book.

Net debt is analyzed below:

in millions of euros	31.03.2014	31.12.2013
A. Cash and cash equivalents	(68.9)	(80.1)
B. Other cash equivalents	(0.8)	(1.0)
C. Investments in securities	(1.2)	(1.1)
D. Liquidity (A)+(B)+(C)	(70.9)	(82.2)
E. Current financial receivables	(1.5)	(1.3)
F. Current payables to banks	81.5	48.6
G. Current portion of non-current payables	31.4	32.8
H. Other current financial payables	3.3	5.0
I. Current financial debt (F) + (G) + (H)	116.2	86.4
J. Net current financial debt (D)+(E)+(I)	43.8	2.9
K. Non-current portion of non-current bank payables	112.9	96.2
L. Bonds issued	36.2	36.2
M. Other non-current financial payables	1.6	1.6
N. Non-current financial assets	(2.8)	(3.3)
O. Net non-current financial debt (K)+(L)+(M)+(N)	147.9	130.7
P. Net financial debt (J) + (O)	191.7	133.6
Q. Net financial assets held for sale	(3.2)	(3.2)
R. Total net financial debt (P) + (Q)	188.5	130.4

For the purpose of the preparation of the table of net financial indebtedness, account was taken of the requirements of Consob Communication DEM/6064293 of 28 July 2006. Non-current financial assets are represented by financial receivables. The figure differs from that shown in the balance sheet as it does not include equity interests in other companies.

Net debt at the end of the period amounts to 188.5 million euros (130.4 million euros at 31 December 2013). The increase compared with 31 December 2013 comes from the normal rise in debt due to the increase in working capital and the acquisition of a further 30% interest in Ilapak for 23 million euros. Net debt is expected to fall considerably in the latter part of the year.

CAPITAL EXPENDITURE

Group capital expenditure on property, plant and equipment amounted to 3.2 million euros (3.2 million euros in first quarter 2013) and mainly relate to the extension and upgrading of leasehold properties, plant and the purchase of electronic equipment.

Capital expenditure on intangible assets amounted to 1.2 million euros (0.9 million euros in 2013) and related mainly to the capitalisation of development costs incurred on totally new products for market segments not previously occupied. In addition, during the period we recorded 2.1 million euros of goodwill following the acquisition of the DOSA business unit which designs, manufactures and markets dosing machines for pharmaceutical products.

Amortization and depreciation charges for the period come to 5.3 million euros (4.2 million euros in first quarter 2013). The increase largely reflects the amortization of unpatented technology and the customer lists booked following the consolidation of the Ilapak Group.

OTHER INFORMATION

RELATED-PARTY TRANSACTIONS

The "Regulation containing instructions 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.

With a resolution passed on 1 December 2010, the Board implemented the procedure on related parties, which was drawn up taking into consideration the instructions subsequently provided by Consob on how to apply the new rules with communication DEM/10078683 of 24 September 2010. The purpose of this procedure, which is published on the Company's website (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.

More relevant 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 also make use of outside experts, who also have to be independent.

Note that during the period:

- there were no "more relevant transactions", as defined in the Consob regulation;
- there were no individual related-party transactions that could have had a significant influence over the companies' balance sheet or results;
- 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 the companies' balance sheets or results;

The IMA Group conducts business with related parties, mainly persons responsible for administration and management at IMA S.p.A., or entities controlled by such persons. 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.

Transactions with related parties are described more fully in Note 24, to which reference should be made for further information.

OUTLOOK FOR OPERATIONS

The largely positive economic performance of the first quarter of 2014 reflects the higher level of the order book outstanding at the end of 2013 and the higher level of orders acquired during the period. The steady trend in orders in all segments, combined with the size of the order book at the end of the first quarter, is a positive sign, even if cannot provide total visibility for the entire year. The level of market activity and the number of potential projects, some of them worth considerable amounts, make us confident about the rest of the year, during which we will always maintain a focus on cost restraint and on improving commercial incisiveness.

If these signs are confirmed over the next few months, a sales forecast of about 850 million euros with a gross operating profit of around 127 million euro could be feasible.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MILLIONS OF EUROS)

ASSETS	Note	31 March 2014	31 December 2013
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2	45.0	43.3
<i>Intangible assets</i>	3	175.4	175.8
<i>Investments accounted for using the equity method</i>	4	27.1	25.9
<i>Financial assets</i>	5	6.4	6.9
<i>Receivables from others</i>		1.4	1.4
<i>Deferred tax assets</i>	7	39.6	39.0
TOTAL NON-CURRENT ASSETS		294.9	292.3
CURRENT ASSETS			
<i>Inventories</i>	8	222.7	204.7
<i>Trade and other receivables</i>	9	174.7	174.0
<i>Income tax receivables</i>		5.7	6.3
<i>Financial assets</i>	5	3.5	3.4
<i>Derivative financial instruments</i>	6	0.1	0.1
<i>Cash and cash equivalents</i>	10	68.9	80.1
TOTAL CURRENT ASSETS		475.6	468.6
ASSETS HELD FOR SALE	20	10.1	10.1
TOTAL ASSETS		780.6	771.0
EQUITY AND LIABILITIES	Note	31 March 2014	31 December 2013
EQUITY			
<i>Share capital</i>	11	19.2	19.2
<i>Share premium reserve</i>		16.1	16.1
<i>Treasury shares</i>	11	(0.1)	(0.1)
<i>Translation reserve</i>		(2.5)	(2.5)
<i>Fair value reserve</i>	11	(3.4)	(3.2)
<i>Actuarial gain (loss) on post employment benefit obligations reserve</i>	11	(2.2)	(1.6)
<i>Other reserves and retained earnings</i>	11	71.2	36.4
<i>Net profit (loss) for the period</i>		5.3	51.5
Total capital and reserves pertaining to the Group		103.6	115.8
<i>Reserves pertaining to minority interests</i>		10.6	13.6
<i>Profit pertaining to minority interests</i>		0.2	3.3
Total minority interests		10.8	16.9
EQUITY PERTAINING TO THE GROUP AND MINORITY INTERESTS		114.4	132.7
NON-CURRENT LIABILITIES			
<i>Borrowings</i>	12	150.6	133.9
<i>Severance and pension obligations</i>		20.9	20.0
<i>Provisions for risks and charges</i>	13	2.5	2.6
<i>Other payables</i>	14	2.7	2.4
<i>Derivative financial instruments</i>	6	3.8	3.8
<i>Deferred tax liabilities</i>	7	23.6	23.7
TOTAL NON-CURRENT LIABILITIES		204.1	186.4
CURRENT LIABILITIES			
<i>Borrowings</i>	12	116.2	86.4
<i>Trade and other payables</i>	14	310.5	332.7
<i>Income tax liabilities</i>		14.4	12.3
<i>Provisions for risks and charges</i>	13	18.4	17.9
TOTAL CURRENT LIABILITIES		459.5	449.3
LIABILITIES HELD FOR SALE	20	2.6	2.6
TOTAL LIABILITIES		666.2	638.3
TOTAL EQUITY AND LIABILITIES		780.6	771.0

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

INCOME STATEMENT	Note	1st quarter 2014	1st quarter 2013 RESTATED
REVENUES	1	177.1	134.2
<i>Other revenues</i>		2.4	1.8
OPERATING COSTS			
<i>Change in work in progress, semifinished and finished goods</i>		17.2	22.0
<i>Change in inventory of raw, ancillary and consumable materials</i>		0.5	1.6
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>		(69.9)	(59.2)
<i>Services, rentals and leases</i>		(46.2)	(37.5)
<i>Personnel costs</i>	15	(62.4)	(52.4)
<i>Depreciation, amortization and writedowns</i>	16	(5.5)	(4.5)
<i>Provisions for risks and charges</i>		(0.8)	(0.5)
<i>Other operating costs</i>		(1.2)	(1.4)
TOTAL OPERATING COSTS		(168.3)	(131.9)
OPERATING PROFIT	1	11.2	4.1
<i>- of which: effect of non-recurring items</i>	25	(0.8)	-
FINANCIAL INCOME AND EXPENSE			
<i>Financial income</i>	17	2.1	2.2
<i>Financial expense</i>	18	(4.5)	(3.8)
TOTAL FINANCIAL INCOME AND EXPENSE		(2.4)	(1.6)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		-	-
PROFIT BEFORE TAX		8.8	2.5
TAXES	19	(3.3)	(1.6)
NET PROFIT FROM CONTINUING OPERATIONS		5.5	0.9
PROFIT FROM DISCONTINUED OPERATIONS / DISPOSAL GROUPS		-	1.6
PROFIT FOR THE PERIOD		5.5	2.5
ATTRIBUTABLE TO:			
PARENT COMPANY SHAREHOLDERS		5.3	2.4
MINORITY INTERESTS		0.2	0.1
		5.5	2.5
EARNINGS (LOSS) PER SHARE (in euros)		0.14	0.07
<i>- of which from continuing operations</i>		0.14	0.02
<i>- of which from discontinued operations / disposal groups</i>		-	0.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MILLIONS OF EUROS)

	1st quarter 2014	1st quarter 2013 RESTATED
Net profit for the period	5.5	2.5
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>	(0.2)	1.7
<i>Gains (losses) on financial assets available for sale</i>	–	–
<i>Gains (losses) on cash flow hedges</i>	(0.2)	(1.2)
<i>Tax effect</i>	–	0.3
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(0.4)	0.8
Other comprehensive income not being reclassified to profit or loss in subsequent periods:		
<i>Actuarial gains (losses) on post employment benefit obligations</i>	(1.1)	(1.2)
<i>Tax effect</i>	0.4	0.3
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	(0.7)	(0.9)
Gains and losses recognized in equity	(1.1)	(0.1)
Total comprehensive income for the period	4.4	2.4
Attributable to:		
Parent Company shareholders	4.5	2.2
Minority interests	(0.1)	0.2
	4.4	2.4

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(MILLIONS OF EUROS)

Description	Share capital	Share premium reserve	Treasury shares	Translation reserve	Fair value reserve	Actuarial gain (loss) on post employment benefit obligations reserve	Other reserves and retained earnings	Group result	Total Group equity	Minority interests	Total equity
Balances at 01.01.2013	19.2	47.0	(0.7)	1.0	(0.5)	(2.5)	41.8	47.7	153.0	5.5	158.5
Allocation of result for 2012	-	-	-	-	-	-	47.7	(47.7)	-	-	-
Purchase and sale of treasury shares	-	-	0.6	-	-	-	0.2	-	0.8	-	0.8
Total comprehensive income for the period	-	-	-	1.6	(0.9)	(0.9)	-	2.4	2.2	0.2	2.4
Balances at 31.03.2013	19.2	47.0	(0.1)	2.6	(1.4)	(3.4)	89.7	2.4	156.0	5.7	161.7
Balances at 01.01.2014	19.2	16.1	(0.1)	(2.5)	(3.2)	(1.6)	36.4	51.5	115.8	16.9	132.7
Allocation of result for 2013	-	-	-	-	-	-	51.5	(51.5)	-	-	-
Acquisition of minority interests	-	-	-	-	-	-	(16.7)	-	(16.7)	(6.0)	(22.7)
Total comprehensive income for the period	-	-	-	-	(0.2)	(0.6)	-	5.3	4.5	(0.1)	4.4
Balances at 31.03.2014	19.2	16.1	(0.1)	(2.5)	(3.4)	(2.2)	71.2	5.3	103.6	10.8	114.4

CONSOLIDATED STATEMENT OF CASH FLOWS

(MILLIONS OF EUROS)

	31 March 2014	31 March 2013 RESTATED
OPERATING ACTIVITIES		
Net profit from continuing operations	5.3	0.8
Net profit from discontinued operations / disposal groups	-	1.6
Net profit (loss) for the period	5.3	2.4
Adjustments for:		
- Depreciation and amortization	5.3	4.2
- Changes in provisions for risks and charges and staff severance obligations	0.1	0.2
- Unrealized losses (gains) on exchange rate differences	(0.8)	(0.1)
- Other non-monetary changes	0.1	-
- Taxes	3.3	1.6
- Minority interests	0.2	0.1
Operating profit (loss) before changes in working capital	13.5	8.4
(Increase) decrease in trade and other receivables	(0.7)	(10.8)
(Increase) decrease in inventories	(17.7)	(24.7)
Increase (decrease) in trade and other payables	(22.6)	6.5
Taxes paid	(0.9)	(1.6)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	(28.4)	(22.2)
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(3.2)	(3.2)
Investments in intangible assets	(1.2)	(0.9)
Exchange rate differences on property, plant and equipment and intangible assets	-	(0.5)
Acquisition business divisions / companies	(1.7)	-
Purchase of investments	(1.2)	(8.0)
Acquisition of minority interests	(22.7)	-
Repayment of finance lease debts	(0.1)	-
Sale of non-current assets	-	0.1
Other changes	(0.2)	1.7
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(30.3)	(10.8)
FINANCING ACTIVITIES		
Granting of loans	30.0	-
Repayment of borrowings	(14.0)	(48.6)
Bond	-	36.6
Increase (decrease) in other financial payables	33.0	40.0
Net change in financial assets and other non-current receivables	0.1	(4.9)
(Purchase) and sale of treasury shares	-	0.8
Payment of interest	(1.6)	(1.6)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	47.5	22.3
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(11.2)	(10.7)
CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)	80.1	68.9
CASH AND CASH EQUIVALENTS FROM ASSETS HELD FOR SALE (F)	-	(8.5)
CASH AND CASH EQUIVALENTS AT END OF PERIOD (G=D+E+F)	68.9	49.7

A BREAKDOWN OF "CASH AND CASH EQUIVALENTS" IS PROVIDED IN NOTE 10.

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 31 March 2014, which is unaudited, was approved by the Board of Directors on 15 May 2014.

The 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. Interim results for the market sector in which the 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 second half of the year.

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

At 31 March 2014, IMA S.p.A. is 66.219% owned by SO.FI.MA. 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 for the period ended 31 March 2014 has been prepared in accordance with art. 154-ter of Legislative Decree 58/98 and subsequent amendments and with the Issuers' Regulation issued by Consob. The report complies with international accounting standards (IAS/IFRS) as approved by the European Union and, in particular, with IAS 34 "Interim Financial Reporting".

The accounting principles used in preparing the interim report as of 31 March 2014 are consistent with those used to prepare the consolidated financial statements at 31 December 2013, to which the reader is referred for further information, except for the following international standards in force from 1 January 2014.

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities

The new provisions introduced by IFRS 10 and IFRS 11 have not had a material impact on the financial position, results and cash flows of the Group. The extension of the disclosure to be made on investments in other entities required by IFRS 12 for inclusion in consolidated financial statements will be applied in the interim financial report at 30 June 2014.

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 balance sheet has been classified on the basis of the operating cycle, distinguishing between current and non-current items.

The 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.

All of the figures in the interim report at 31 March 2014 are in millions of euros, unless stated otherwise.

C) FINANCIAL RISK MANAGEMENT

RISK FACTORS

The Group is exposed to financial risks connected with its business activities, particularly the following:

- 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 risks, 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 2013.

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

FAIR VALUE

IFRS 13 lays down the following fair value hierarchy 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 show the assets and liabilities measured at fair value at 31 March 2014 and 31 December 2013 by fair value hierarchy level (million euros):

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	-	-	4.8	4.8
Derivative financial instruments	-	0.1	-	0.1
Total assets	-	0.1	4.8	4.9
Liabilities:				
Payables for acquisition	-	-	0.5	0.5
Derivative financial instruments	-	3.8	-	3.8
Total liabilities	-	3.8	0.5	4.3

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	-	-	4.7	4.7
Derivative financial instruments	-	0.1	-	0.1
Total assets	-	0.1	4.7	4.8
Liabilities:				
Payables for acquisition	-	-	0.5	0.5
Derivative financial instruments	-	3.8	-	3.8
Total liabilities	-	3.8	0.5	4.3

Investments in other companies and investments in securities included in the financial assets available for sale whose gains and losses are reflected in other comprehensive income.

During the first quarter of 2014, 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 first quarter of 2014 (millions of euros):

	Assets	Liabilities
Balance at 01.01.2014	4.7	0.5
Profits / (losses) recognized in other comprehensive income	-	-
Profits / (losses) recognized in the income statement	-	-
Increases / (decreases)	0.1	-
Balance at 31.03.2014	4.8	0.5

D) SCOPE OF CONSOLIDATION

The interim report at 31 March 2014 includes the financial and operating information of IMA - Industria Macchine Automatiche S.p.A. (Parent Company) and of all the companies over which it exercises direct or indirect control.

Set out below are the major events that have affected the Group companies in the 1st quarter of 2014:

- on 10 January 2014 Packaging Manufacturing Industry S.r.l. acquired 30% of Meccanica Sarti S.r.l., located in Bologna and active in the construction of mechanical components for machinery, for 1.2 million euros;
- on 25 February 2014 the Parent Company completed its acquisition from DOSA S.r.l. of the DOSA business unit which designs, manufactures and markets dosing machines for pharmaceutical products for a total of 2.5 million euros;
- on 25 March 2014 IMA S.p.A. finalized with Transworld Packaging Holding B.V. and its shareholders the purchase of an additional 30% stake in the Ilapak Group which produces packaging machines for primary packaging in the food sector, thereby raising the stake held by the IMA Group in the Ilapak Group to 81%. The price for this transaction was 22.7 million euros, which was settled at the time of the closing. Under a separate option agreement, IMA also has the right to acquire the other 19% of TWP's share capital in 2017 or 2018. For further details, please read Note 11.

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 reported below were determined with respect to the amounts at 31 December 2013 for balance sheet items and the amounts for first quarter 2013 for income statement items. The income statement figures for the first quarter of 2013 have been restated following the sale of the Kilian business.

1. SEGMENT INFORMATION

Operating segments have been identified based on the internal reports used by senior management to allocate resources and evaluate the results of each business.

The Group's activities comprise the following operating segments:

- Tea, Food & Other segment: machines for the packaging of tea and herbal teas in filter bags and 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, as well as related services;
- Pharma segment: 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;
- the Ilapak segment manufactures packaging machines employed for primary packaging in the food sector using flexible materials (horizontal and vertical flow packs), and also provides the related services.

The information on operating segments for first quarter 2014 is as follows (millions of euros):

1st quarter 2014	Tea, Food & Other	Pharma- ceutical	Ilapak	Total
Revenues	57.5	99.6	20.0	177.1
Segment operating profit	3.7	8.7	(1.2)	11.2
Net financial income (expense) (*)				(2.4)
Profit (loss) from investments accounted for using the equity method				-
Profit before tax				8.8
Taxes				(3.3)
Net profit for the period				5.5

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

The information on operating segments for first quarter 2013 is as follows (millions of euros):

1st quarter 2013	Tea, Food & Other	Pharma- ceutical	Ilapak	Total
Revenues	42.5	91.7	n.a.	134.2
Segment operating profit	(0.2)	4.3	n.a.	4.1
Net financial income (expense) (*)				(1.6)
Profit (loss) from investments accounted for using the equity method				-
Profit before tax				2.5
Taxes				(1.6)
Net profit from continuing operations				0.9
Net profit from discontinued operations / disposal groups				1.6
Net profit for the period				2.5

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

Consolidated revenues for the first quarter of 2014 come to 177.1 million euros, an increase on the same period last year thanks to a higher order book at the beginning of the period compared with the previous year. The sector in which the Group operates is affected by the strong seasonality of deliveries, such that the early quarters of the year are never truly indicative of the results achievable for the full year.

The revenues generated by the Tea, Food & Other segment amount to 57.5 million euros and are up compared with the same period last year (42.5 million euros) thanks to the higher order book at the beginning of the period. The operating profit for the period amounts to 3.7 million euros as a consequence of higher volumes.

Revenues in the Pharma segment are 7.9 million euros higher than in the same period last year. The operating result is a profit of 8.7 million euros which is a considerable improvement on 4.3

million euros at 31 March 2013, not only because of higher sales volumes, but also thanks to a better performance by the business.

The revenues of the Ilapak segment come to 20.0 million euros showing a net operating loss of 1.2 million euros after depreciation and amortization of 1.1 million euros and non-recurring expenses of 0.8 million euros relating to the purchase of a further 30% of the shares during the quarter.

In any event, the Group is increasing its efforts to rationalize expenses by reducing production costs and limiting overheads.

The following is a breakdown of IMA Group revenues for the period to 31 March 2014 by geographical and business segment (millions of euros):

REVENUES BY GEOGRAPHICAL AREA

	1st quarter 2014	1st quarter 2013	Change
European Union (excluding Italy)	53.9	42.9	11.0
Other European countries	15.5	8.6	6.9
North America	24.3	26.0	(1.7)
Asia & Middle East	41.0	30.7	10.3
Other countries	28.6	18.5	10.1
Total	163.3	126.7	36.6
Italy	13.8	7.5	6.3
Total	177.1	134.2	42.9

REVENUES BY BUSINESS SEGMENT

	1st quarter 2014	1st quarter 2013	Change
Machines and change parts	78.5	48.9	29.6
Contract work	55.3	47.6	7.7
Spare parts	26.0	22.9	3.1
Technical assistance	13.5	11.2	2.3
Other services	3.8	3.6	0.2
Total	177.1	134.2	42.9

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment show a net increase of 1.7 million euros compared with 31 December 2013. Movements in property, plant and equipment during the period are analysed as follows (millions of euros):

	Land	Buildings and leasehold improv.	Plant and machinery	Industrial and commercial equipment	Other assets	Asset under construction and advances	Total
Balance at 01.01.14	4.7	22.0	6.9	2.3	5.2	2.2	43.3
Increases in the period	–	1.4	0.5	0.2	0.6	0.5	3.2
Change in scope of consolidation	–	–	–	0.1	–	–	0.1
Depreciation	–	(0.4)	(0.4)	(0.2)	(0.6)	–	(1.6)
Reclassifications	–	0.3	–	0.1	(0.1)	(0.3)	–
Balance at 31.03.14	4.7	23.3	7.0	2.5	5.1	2.4	45.0

Leasehold improvements amount to 13.3 million euros.

Assets under development and advances mainly relate to machinery under construction by the Parent Company and GIMA S.p.A.

Increases during the period mainly relate to costs incurred to extend and upgrade leased buildings and plant, and to purchase electronic equipment.

3. INTANGIBLE ASSETS

Movements in intangible assets during the period are analysed as follows (millions of euros):

	Development costs	Industrial patents right	Software licences, trademarks and similar	Goodwill	Assets under development and advances	Total
Balances at 01.01.14	44.4	4.9	26.0	94.1	6.4	175.8
Increases in the period	-	0.2	0.1	-	0.9	1.2
Acquisition business divisions	-	-	-	2.1	-	2.1
Amortization	(2.3)	(0.3)	(1.1)	-	-	(3.7)
Reclassifications	0.3	-	-	-	(0.3)	-
Balances at 31.03.14	42.4	4.8	25.0	96.2	7.0	175.4

Development costs mainly include the costs incurred for new products that were not previously available and are targeted at new market segments. They relate principally to unpatented technology acquired as part of the acquisition of the Ilapak Group in 2013, of the Dairy & Convenience Food sector of the Corazza Group that took place in 2011 and to the know-how involved in the freeze-drying plant for the pharmaceutical industry, which was recognised following the acquisition of the Edwards Group in 2008. They also include capitalised costs of the Xtrema Series linear filling machines, the Adapta capsule filling machines, the P.O.D. decartoning machine, the thermo-forming machine and compact systems for the biotechnology industry.

Software, licences, trademarks and other rights primarily include operating and technical software applications and two intangible assets linked to the "customer list" of 8.7 million euros and 10.7 million euros respectively. They arose on the acquisition of the Ilapak Group and the Corazza Group.

Goodwill comprises the following (millions of euros):

	31.03.2014	31.12.2013
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 Naturapack S.r.l.	8.7	8.7
CGU Corazza Group	18.9	18.9
	31.0	31.0
Pharma sector:		
CGU CO.MA.DI.S. S.p.A.	3.8	3.8
CGU DOSA S.r.l.	2.1	n.a.
CGU G.S. S.r.l. Coating System	7.4	7.4
CGU Edwards Group	23.1	23.1
CGU Nova Group	12.7	12.7
CGU ICO OLEODINAMICI S.p.A.	1.6	1.6
CGU MKCS Inc.	0.5	0.5
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
	61.1	59.0
Ilapak sector:		
CGU Ilapak Group	4.1	4.1
	4.1	4.1
Total	96.2	94.1

On 25 February 2014 the Parent Company completed its acquisition of the DOSA business unit which designs, manufactures and markets dosing machines for pharmaceutical products for a total of 2.5 million euros. The acquisition involved booking goodwill of 2.1 million euros.

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.

Assets under development and advances mainly relate to the capitalization of development costs incurred by the Parent Company (3.2 million euros) and IMA Industries S.r.l. (2.9 million euros).

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This caption is analyzed as follows (millions of euros):

	31.03.2014	31.12.2013
Amherst Stainless Fabrication LLC	0.2	0.2
B.C. S.r.l.	1.5	1.5
Bacciottini F.lli S.r.l.	0.5	0.5
Bolognesi S.r.l.	0.6	0.6
Brio Pharma Technologies Pvt. Ltd.	0.4	0.4
CMH S.r.l.	8.1	8.1
CMRE S.r.l.	4.4	4.4
Doo Officina-Game East Vrsc	0.5	0.5
I.E.M.A. S.r.l.	0.7	0.7
LA.CO. S.r.l.	0.4	0.4
Logimatic S.r.l.	0.3	0.3
Meccanica Sarti S.r.l.	1.2	n.a.
Plasticenter S.r.l.	0.9	0.9
Scriba Nanotecnologie S.r.l.	0.4	0.4
SIL.MAC. S.r.l.	0.3	0.3
Sirio S.p.A. Associazione in partecipazione	6.5	6.5
Other investments	0.2	0.2
Total	27.1	25.9

See the section on the scope of consolidation for comments on Meccanica Sarti S.r.l.

5. FINANCIAL ASSETS

Non-current financial assets of 6.4 million euros include investments in other companies of 3.6 million euros (3.6 million euros at 31 December 2013) and financial receivables of 2.8 million euros (3.3 million euros at 31 December 2013).

Investments in other companies mainly include shares of InterMedia Holding S.p.A. for 3.4 million euros (3.4 million euros at 31 December 2013).

Non-current financial receivables are attributable to Ilapak International SA, 2.1 million euros, and to a loan of 0.7 million euros granted by the Parent Company to Logimatic S.r.l., an associated company, on market terms

The current financial assets of 3.5 million euros (3.4 million euros at 31 December 2013) include financial receivables of the Parent Company due from CMH S.r.l., InterMedia Holding S.p.A. and Logimatic S.r.l. for a total of 1.1 million euros, other liquid funds represented by bank deposits belonging to IMA-PG India Pvt Ltd. for 0.8 million euros and investments of IMA S.p.A. in mutual funds for 1.2 million euros.

6. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments comprise (millions of euros):

	Assets		Liabilities	
	31.03.2014	31.03.2014	31.12.2013	31.12.2013
Interest rate swaps - cash flow hedges	-	3.8	-	3.8
Exchange rate hedging instruments - cash flow hedges	0.1	-	0.1	-
Total	0.1	3.8	0.1	3.8

INTEREST RATE DERIVATIVES

At 31 March 2014, the amounts of 3.8 million euros represent the fair value of option contracts to hedge the interest rate risk stipulated by the Parent Company with leading banks and connected to the bond loan and part of the medium-term loans that expire by the end of 2016, on a nominal value of 53.4 million euros and 50.0 million US dollars.

EXCHANGE RATE DERIVATIVES

At 31 March 2014, the amount of 0.1 million euros represents the fair value of contracts for the forward sale of currency arranged by the Group to hedge exchange rate risk exposure based on notional of 5.0 million US dollars and 0.7 million GBP.

7. DEFERRED TAX ASSETS AND LIABILITIES

At 31 March 2014, the deferred tax assets of 39.6 million euros (39.0 million euros at 31 December 2013), mainly relates 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 31 March 2014, deferred tax liabilities amount to 23.6 million euros (23.7 million euros at 31 December 2013) and relate mainly to temporary differences between the book values of certain tangible and intangible assets and their values recognised for tax purposes.

8. INVENTORIES

This item is made up as follows (millions of euros):

	31.03.2014			31.12.2013		
	Gross value	Impairment provision	Net value	Gross value	Impairment provision	Net value
Raw, ancillary and consumable materials	45.9	(8.4)	37.5	45.3	(8.3)	37.0
Work in progress and semifinished goods	205.3	(26.9)	178.4	186.4	(25.9)	160.5
Finished products and goods for resale	10.4	(3.6)	6.8	10.6	(3.4)	7.2
Total	261.6	(38.9)	222.7	242.3	(37.6)	204.7

The increase in inventories since 31 December 2013 reflects the preparation of machines for delivery to customers in subsequent quarters, as well as the order backlog at the end of March.

9. TRADE AND OTHER RECEIVABLES

This item comprises (millions of euros):

	31.03.2014	31.12.2013
Trade receivables	141.8	143.3
Advances to suppliers	12.6	9.5
Tax receivables	9.1	9.9
Deferrals	6.9	3.2
Other receivables	4.3	8.1
Total	174.7	174.0

TRADE RECEIVABLES

Trade receivables include amounts due from customers of 90.0 million euros (95.7 million euros at 31 December 2013), amounts due on contract work in progress of 49.5 million euros (44.4 million euros at 31 December 2013) and receivables from associates of 2.3 million euros (3.2 million euros at 31 December 2013).

Payment extensions granted to customers who reside 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 13.1 million euros (12.9 million euros at 31 December 2013).

Assigned receivables not yet due at 31 March 2014 amount to around 10.5 million euros, of which 8.7 million euros have been assigned to factoring companies and 1.8 million euros to other financial institutions. No receivables have been assigned without recourse during the period.

ADVANCES TO SUPPLIERS

At 31 March 2014, these relate to advances for goods to be used in production and for services totalling, respectively, 6.5 million euros (4.4 million euros at 31 December 2013) and 6.1 million euros (5.1 million euros at 31 December 2013). This balance includes 1.6 million euros of advances to associated companies (1.7 million euros at 31 December 2013).

10. CASH AND CASH EQUIVALENTS

This item comprises (millions of euros):

	31.03.2014	31.12.2013
Bank current accounts	62.8	76.8
Deposits	5.9	3.1
Cheques and cash	0.2	0.2
Total	68.9	80.1

For a better understanding of the trend in net financial indebtedness, reference should be made to Note 12.

11. EQUITYSHARE CAPITAL

The share capital at 31 March 2014, 19.2 million euros, is the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A., and is made up of 36,828,000 ordinary shares with a par value of 0.52 euros each.

TREASURY SHARES

During the first quarter of 2014, the Parent Company did not carry out any transactions in treasury shares. In 2013 the Parent Company sold 50,000 treasury shares for 0.8 million euros. These transactions were recognized directly in equity in accordance with IAS 32.

The table below shows the number of outstanding shares:

Thousands of shares	
Balance at 01.01.2013	36,772
Purchase of treasury shares	-
Sale of treasury shares	50
Balance at 31.03.2013	36,822
Purchase of treasury shares	-
Sale of treasury shares	-
Balance at 31.12.2013	36,822
Purchase of treasury shares	-
Sale of treasury shares	-
Balance at 31.03.2014	36,822

At 31 March 2014, 5,500 shares were held in portfolio (0.015% of share capital) for a total value of 0.1 million euros.

FAIR VALUE RESERVE

The changes in the fair value reserve are analyzed as follows (millions of euros):

Balance at 01.01.2013	(0.5)
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	(1.0)
Tax effect	0.3
Realization recognized in income - revenues	(0.2)
Balance at 31.03.2013	(1.4)
Balance at 01.01.2014	(3.2)
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	(0.4)
Tax effect	0.1
Realization recognized in income - financial income and expense	0.2
Tax effect - realization in income statement	(0.1)
Balance at 31.03.2014	(3.4)

ACTUARIAL GAIN (LOSS) ON POST EMPLOYMENT BENEFIT OBLIGATIONS RESERVE

The item breaks down as follows (millions of euros):

Balance at 01.01.2013	(2.5)
Actuarial value	(1.2)
Tax effect	0.3
Balance at 31.03.2013	(3.4)
Balance at 01.01.2014	(1.6)
Actuarial value	(1.0)
Tax effect	0.4
Balance at 31.03.2014	(2.2)

OTHER RESERVES AND RETAINED EARNINGS

On 25 March 2014 the Parent Company purchased an additional interest of 30% in the Ilapak Group, raising its investment to 81%. The price for the acquisition was 22.7 million euros. The difference of 16.7 million euros between the price paid and the value of the additional interest acquired has been recognised in equity reserves.

12. BORROWINGS

This includes amounts due to banks of 225.6 million euros (176.9 million euros at 31 December 2013), amounts due to other lenders of 4.9 million euros (6.5 million euros at 31 December 2013) and bonds of 36.3 million euros (36.9 million euros at 31 December 2013).

PAYABLES TO BANKS

Applied research and technological innovation loans

Repayments for a total of 0.1 million euros were made by Corazza S.p.A. as they fell due during the period; no new loans were received.

Other loans

In February 2014, IMA S.p.A. obtained 29 million euros of funding from the European Investment Bank (EIB) to support its 2013-2016 R&D programme, which envisages using total resources of more than 60 million euros. The loan has a maximum duration of 6 years and is

50% guaranteed by SACE. Its purpose is to fund the R&D activities carried by the Group in Italy, both in the Pharmaceuticals sector and in the Tea, Food & Other sector.

The main changes in Other loans are contractual repayments made by IMA S.p.A. for 13.1 million euros.

PAYABLES TO OTHER LENDERS

At 31 March 2014 this item includes payables to leasing companies for 1.1 million euros (1.1 million euros at 31 December 2013), mainly in relation to the plant in Krakow (Poland), payables to factoring companies for 0.1 million euros (1.7 million euros at 31 December 2013) and financial payables to GIMA TT S.r.l. and Ilapak Italia S.p.A. for a total of 3.7 million euros (3.7 million euros at 31 December 2013).

There are no payables that fall due beyond 5 years.

BONDS

In February 2013, IMA S.p.A. completed the placement with U.S. institutional investors ("US Private Placement") of a non-convertible bond of 50 million US dollars. This bond issue, which is not secured by collateral, allows us to refinance our debt at more favourable terms, as well as to diversify our sources of funding. The securities, which are unrated and are not intended to be listed on any regulated market or MTF, were issued in a single tranche and have a duration of ten years. The principal will be repaid annually in equal capital instalments from the fourth year, without prejudice to the possibility for IMA to repay the entire amount in advance. The bonds bear interest from the issue date at a fixed rate of 6.25%, which can be stepped up if certain financial parameters apply. The bond agreement provides for compliance with certain restrictions (called "covenants") in line with the market practice for similar transactions.

At 31 March 2014 the bond is recorded at an amount of 36.3 million euros, being the equivalent of the nominal redemption value of 50 million US dollars.

NET DEBT

The composition of net debt at 31 March 2014 is as follows (millions of euros):

	31.03.2014	31.12.2013	31.03.2013
A. Cash and cash equivalents	(68.9)	(80.1)	(49.7)
B. Other cash equivalents	(0.8)	(1.0)	(1.5)
C. Investments in securities	(1.2)	(1.1)	(1.7)
D. Liquidity (A)+(B)+(C)	(70.9)	(82.2)	(52.9)
E. Current financial receivables	(1.5)	(1.3)	(3.8)
F. Current payables to banks	81.5	48.6	87.1
G. Current portion of non-current payables	31.4	32.8	33.0
H. Other current financial payables	3.3	5.0	5.5
I. Current financial debt (F) + (G) + (H)	116.2	86.4	125.6
J. Net current financial debt (D)+(E)+(I)	43.8	2.9	68.9
K. Non-current portion of non-current bank payables	112.9	96.2	74.3
L. Bonds issued	36.2	36.2	36.3
M. Other non-current financial payables	1.6	1.6	-
N. Non-current financial assets	(2.8)	(3.3)	(5.5)
O. Net non-current financial debt (K)+(L)+(M)+(N)	147.9	130.7	105.1
P. Net financial debt (J) + (O)	191.7	133.6	174.0
Q. Net financial assets held for sale	(3.2)	(3.2)	(11.8)
R. Total net financial debt (P) + (Q)	188.5	130.4	162.2

The figure for non-current financial assets differs from that reported in the balance sheet as it does not include equity interests in other companies. At 31 March 2014, the net financial assets held for sale refer to Zibo IMA Xinhua Pharmatech Co. Ltd.

Net debt at the end of the period amounts to 188.5 million euros (130.4 million euros at 31 December 2013). The increase compared with 31 December 2013 comes from the normal rise in debt due to the increase in working capital and the acquisition of a further 30% interest in Ilapak for 23 million euros. Net debt is expected to fall considerably in the last part of the year.

13. PROVISIONS FOR RISKS AND CHARGES

These provisions are analysed as follows (millions of euros):

	Balance at 31.12.2013	Increases	Decrease	Exchange rate differences	Balance at 31.03.2014
Non-current:					
Agency termination indemnities	1.8	–	–	–	1.8
Other provisions	0.8	–	(0.1)	–	0.7
	2.6	–	(0.1)	–	2.5
Current:					
Product guarantee provision	14.7	0.9	(0.2)	(0.1)	15.3
Other provisions	3.2	–	(0.1)	–	3.1
	17.9	0.9	(0.3)	(0.1)	18.4
Total	20.5	0.9	(0.4)	(0.1)	20.9

The product guarantee provision was established on the basis of estimated expenses for work performed under guarantee after 31 March 2014.

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

14. TRADE AND OTHER PAYABLES

This item is made up as follows (millions of euros):

	31.03.2014	31.12.2013
Trade payables	156.4	174.6
Advances from customers	94.1	97.0
Social security and defined-contribution plan payables	8.8	9.7
Tax payables	6.2	7.7
Due to employees	33.7	32.0
Payables in respect of acquisitions	0.8	0.5
Deposits	2.8	3.0
Other payables	10.4	10.6
Total	313.2	335.1

TRADE PAYABLES

This item includes trade payables of 122.8 million euros (138.1 million euros at 31 December 2013), payables to agents of 7.3 million euros (6.5 million euros at 31 December 2013) and trade payables to associates of 26.3 million euros (30.0 million euros at 31 December 2013).

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.

DUE TO EMPLOYEES

These mainly relate to deferred payroll and accrued holiday entitlement, which will mostly be taken during the second half of the year.

PAYABLES IN RESPECT OF ACQUISITIONS

The item includes the residual liability of 0.3 million euros for the Parent Company's acquisition of the DOSA business unit and the estimated liability of 0.5 million euros for the Parent Company's purchase of an additional 19% interest in Pharmasiena Service S.r.l. The put option granted is exercisable in April 2016.

OTHER PAYABLES

The amount of 2.7 million euros included in non-current liabilities is attributable to a medium to long term variable component payable to two directors for the achievement of measurable and predefined objectives for a three year period.

At 31 March 2014 this item also includes an advance payment of 1.8 million euros received by the Parent Company for the sale of Zibo IMA Xinhua Pharmatech Co. Ltd. to third parties.

15. PERSONNEL COSTS

Personnel costs comprise (millions of euros):

	1st quarter 2014	1st quarter 2013	Change
Wages and salaries	44.5	36.5	8.0
Social security contributions	11.2	9.7	1.5
Remuneration of directors	1.3	1.3	–
Pensions - defined-benefit plans	–	0.1	(0.1)
Pensions - defined-contribution plans	2.4	2.1	0.3
Other personnel costs	3.0	2.7	0.3
Total	62.4	52.4	10.0

Personnel costs attributable to companies of the Ilapak Group, not included in the scope of consolidation in the first quarter of 2013, amount to 6.7 million euros

In the first quarter of 2014, the IMA Group employed 3,689 people on average (3,241 persons in the first quarter of 2013). At the end of the period there were 3,706 employees (3,885 at 31 December 2013).

16. DEPRECIATION, AMORTIZATION AND WRITEDOWNS

This includes depreciation of property, plant and equipment of 1.6 million euros (1.4 million euros in the first quarter of 2013), amortization of intangible assets of 3.7 million euros (2.8 million euros in the first quarter of the previous year) and writedowns of receivables of 0.2 million euros (0.3 million euros in the first quarter of 2013). The increase in amortization largely reflects the amortization of unpatented technology and of the customer list booked following the consolidation of the Ilapak Group.

17. FINANCIAL INCOME

This item comprises (millions of euros):

	1st quarter 2014	1st quarter 2013	Change
Interest income from banks	0.1	0.1	–
Other interest and financial income	0.1	–	0.1
Exchange rate gains	1.9	2.1	(0.2)
Total	2.1	2.2	(0.1)

18. FINANCIAL EXPENSE

This item comprises (millions of euros):

	1st quarter 2014	1st quarter 2013	Change
Interest expense on bank payables	1.8	1.2	0.6
Interest expense on bond	0.6	0.2	0.4
Net financial expense on defined-benefit plans	0.2	0.1	0.1
Expense on bank guarantees	0.1	0.1	–
Other interest and financial expense	0.1	0.1	–
Exchange rate losses	1.7	2.1	(0.4)
Total	4.5	3.8	0.7

Exchange gains and losses in the period to 31 March 2014 included, respectively, an unrealized gain of 1.3 million euros and an unrealized loss of 0.5 million euros (1.3 million euros and 1.2 million euros respectively in first quarter of the previous year).

19. TAXES

The following companies form part of the domestic tax group: IMA S.p.A., IMA Industries S.r.l., CO.MA.DI.S. S.p.A., GIMA S.p.A., GIMA TT S.r.l. and Corazza S.p.A. as consolidated companies and SO.FI.MA. S.p.A. as the consolidating company.

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

**20. ASSETS AND LIABILITIES
HELD FOR SALE**

In October 2013, the parties signed a contract for the sale to third parties of the Parent Company's entire 80% interest in Zibo IMA Xinhua Pharmatech Co. Ltd., which assembles machinery for the pharmaceutical industry. The price agreed is 50 million Renminbi.

A summary of the principal amounts included in these items is as follows (millions of euros):

Inventories	4.7
Cash and cash equivalents	3.2
Trade receivables and other assets	2.2
Total assets held for sale	10.1
Advances	0.7
Trade payables	1.7
Other liabilities	0.2
Total liabilities held for sale	2.6

**21. NET PROFIT FROM DISCONTINUED
OPERATIONS / DISPOSAL GROUPS**

The amount of 1.6 million euros in the first quarter of 2013 is attributable to the sale of the Kilian business in the second half of 2013. For further information please read the 2013 annual report.

22. GUARANTEES GRANTED

At 31 March 2014, the Group has given sureties and other bank guarantees to customers totalling 21.3 million euros for the proper operation of machinery, bid bonds and advances not yet received, sureties to guarantee rental contracts for 6.5 million euros, sureties in favour of the Tax Authorities for VAT credits for 1.7 million euros and sureties in favour of others for 5.2 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 and joint-ventures, with respect to lines or credit or financing extended by banks and the payment of rental fees for 181.0 million euros.

Ilapak International SA and Transworld Packaging Holding B.V. have provided guarantees to third parties in the interest of companies of the Ilapak Group of 5.6 million euros.

Sureties given against advances received from customers amount to about 55.5 million euros (55.9 million euros at 31 December 2013).

23. COMMITMENTS

At 31 March 2014 there are commitments for the purchase of property, plant and equipment and intangible assets of 0.3 million euros and 0.6 million euros respectively, relating principally to leasehold improvements and plant and machinery and software.

The Group also has commitments in respect of minimum lease payments for non-cancellable operating leases totalling 1.1 million euros (1.2 million euros at 31 December 2013) and for rentals totalling 110.0 million euros (110.5 million euros at 31 December 2013).

There are also other commitments in favour of third parties of 5.7 million euros, consisting mainly of the Parent Company's commitment to buy further units of the mutual funds shown under financial assets.

24. 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 31 March 2014 is owned 66.219% by SO.FI.MA. S.p.A., which in turn is 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 parties that control the Parent Company, to parties who administer and direct the activities of IMA S.p.A. and to parties that are controlled thereby.

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 period there were no "more relevant transactions", as defined in the Consob regulation, no individual related-party transactions that could have had a significant influence over the companies' balance sheet or results and no changes or developments in related-party transactions explained in the last annual report that could have had a significant influence over the companies' balance sheet or results.

The following table details the main transactions carried out with related parties (millions of euros):

	Receivables at 31.03.2014	Receivables at 31.12.2013	Payables at 31.03.2014	Payables at 31.12.2013
Associates:				
Amherst Stainless LLC	0.4	0.4	0.3	0.3
B.C. S.r.l.	1.5	1.5	0.7	0.7
Bacciottini F.lli S.r.l.	0.6	0.6	1.7	2.1
Bolognesi S.r.l.	0.6	0.6	1.3	1.3
Brio Pharma Tech. Ltd.	0.4	0.4	1.0	1.0
Carle & Montanari-OPM S.p.A.	-	-	0.3	0.4
CMFIMA S.r.l.	0.1	0.1	0.1	0.1
CMH S.r.l.	8.9	8.9	-	-
CMRE S.r.l.	4.4	4.4	-	-
Doo Officina-Game East Vrsac	0.5	0.5	-	-
I.E.M.A. S.r.l.	0.7	0.7	6.7	6.9
LA.CO. S.r.l.	0.7	0.8	1.6	1.6
Logimatic S.r.l.	4.3	5.1	7.9	11.0
Masterpiece S.r.l.	-	-	0.1	0.1
Meccani Sarti S.r.l.	1.2	n.a.	0.3	n.a.
Plasticenter S.r.l.	0.9	0.9	2.6	2.7
Powertransmission.it S.r.l.	0.1	0.1	0.2	0.3
Scriba Nanotecnologie S.r.l.	0.5	0.5	-	0.1
SIL.MAC S.r.l.	0.5	0.6	1.9	1.7
Other associates	-	0.1	-	-
	26.3	26.2	26.7	30.3
Other related parties:				
Banca di Bologna	1.4	0.8	-	-
Datalogic Automat. S.r.l.	-	-	0.2	0.2
Galliani & Sistema S.p.A.	-	-	0.1	0.1
EPSOL S.r.l.	0.2	0.2	0.2	1.2
Mandarin Capital Man. SA	0.8	0.6	-	-
Morosina S.p.A.	0.3	-	-	-
Poggi & Associati	-	-	0.6	0.2
Schiavina S.r.l.	0.4	0.4	-	-
Verniciatura Dozzese S.r.l.	-	-	0.3	0.3
	3.1	2.0	1.4	2.0
Total	29.4	28.2	28.1	32.3

The following table details the main transactions carried out with related parties (millions of euros):

	Revenues 1st quarter 2014	Revenues 1st quarter 2013	Costs 1st quarter 2014	Costs 1st quarter 2013
Associates:				
Amherst Stainless LLC	–	–	0.5	0.5
B.C. S.r.l.	–	–	1.1	1.2
Bacciottini F.lli S.r.l.	–	–	0.7	0.9
Bolognesi S.r.l.	–	–	1.2	1.1
Brio Pharma Tech. Ltd.	–	–	0.3	0.3
I.E.M.A. S.r.l.	–	–	3.5	2.3
LA.CO. S.r.l.	–	0.1	0.7	0.5
Logimatic S.r.l.	0.4	0.6	2.8	1.3
Masterpiece S.r.l.	–	–	0.1	0.1
Plasticenter S.r.l.	–	n.a.	1.0	n.a.
Powertransmission.it S.r.l.	–	–	0.2	0.2
SIL.MAC S.r.l.	–	–	0.8	0.7
Other associates	0.2	–	0.2	–
	0.6	0.7	13.1	9.1
Other related parties:				
Datalogic Automat. S.r.l.	–	–	0.1	0.1
EPSOL S.r.l.	–	–	0.3	0.6
ILAPAK International SA	n.a.	0.2	n.a.	–
ILAPAK Italia S.p.A.	n.a.	0.1	n.a.	–
Lopam S.r.l.	–	–	0.1	0.1
Mandarin Capital Man. SA	–	–	0.2	0.2
Nemo Investimenti S.r.l.	–	–	0.4	0.4
Poggi & Associati	–	–	0.2	0.3
Verniciatura Dozzese S.r.l.	–	–	0.1	–
Other related parties	–	–	0.2	0.1
	–	0.3	1.6	1.8
Total	0.6	1.0	14.7	10.9

These transactions relate primarily to the Group's Italian companies.

There are also 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 19.

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

25. SIGNIFICANT NON-RECURRING TRANSACTIONS AND EVENTS

In the first quarter of 2014, Services, rentals and leases include ancillary charges incurred in relation to the business combinations totaling 0.8 million euros, essentially in relation to the acquisition of the additional 30% in the Ilapak Group.

26. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

No significant atypical and/or unusual transactions or positions are reported.

27. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST QUARTER

The Shareholders' Meeting held on 29 April 2014 approved:

- the financial statements at 31 December 2013 and the Board of Directors' Report on the operations of IMA S.p.A.;
- the proposal to distribute a dividend of 1.25 euros gross per outstanding share, allocating for this purpose the entire net profit for the year, a portion of the reserve known as "Retained earnings" and the "Share premium reserve" for the balance;

- to grant the necessary powers to the Board of Directors, for a period of 12 months, to buy and sell treasury shares up to the maximum permitted by law and within the limits of unrestricted reserves and distributable earnings;
- the Remuneration Report.

The following significant events took place after the end of the first quarter:

- on 8 May 2014, as part of the plan to reorganise the Group, IMA S.p.A. acquired from IMA Industries S.r.l., a wholly-owned subsidiary, its investment in Corazza S.p.A., equal to 100% of the share capital;
- on 13 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. Issuing these bonds, which are not backed by collateral, allows us to diversify our sources of funding and the proceeds will be used to finance the Group's various activities. The securities representing the two issues will have a duration of five and seven years respectively. On 13 May 2014 the securities were admitted to the Multilateral Trading Facility (MTF) run by the Luxembourg Stock Exchange. The principal will be repaid in a lump sum on their respective due dates, subject, however, to the possibility of the early repayment of the securities in accordance with their regulations. The bonds bear interest from the issue date at a fixed rate of 3.875% for the 5-year bonds and 4.375% for the 7-year bonds. The bond agreement provides for compliance with certain restrictions (called "covenants").

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

Companies consolidated line-by-line	Registered office		Share capital	Direct investment	Indirect investment
Industrial and service companies:					
- I.M.A. Industria Macchine Automatiche S.p.A.	Ozzano dell'Emilia	Bologna - Italy	EUR 19,150,560	Parent company	
- CO.MA.DI.S. S.p.A.	Senago	Milan - Italy	EUR 1,540,000	100%	-
- Corazza S.p.A.	Bologna	Bologna - Italy	EUR 15,675,000	-	100% (1)
- GIMA S.p.A.	Zola Predosa	Bologna - Italy	EUR 1,000,000	-	65% (1)
- GIMA TT S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR 100,000	-	58.5% (2)
- Fillshape S.r.l.	Zola Predosa	Bologna - Italy	EUR 100,000	-	39% (2)
- Ilapak Italia S.p.A.	Foiano della Chiana	Arezzo - Italy	EUR 4,074,000	-	81% (3)
- IMA Industries S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR 4,000,000	100%	-
- Pharmasiena Service S.r.l.	Siena	Siena - Italy	EUR 100,000	70% (4)	-
- Revisioni Industriali S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR 100,000	-	100% (5)
- Delta Systems & Automation Inc.	Rogers	USA	USD 1,000	-	81% (6)
- Ilapak International SA	Collina d'Oro Lugano	Switzerland	CHF 4,000,000	-	81% (7)
- Ilapak (Langfang) Packaging Machinery Co. Ltd.	Langfang	PRC	USD 3,000,000	-	81% (8)
- IMA Life The Netherlands B.V.	Dongen	The Netherlands	EUR 22,382,654 (*)	100%	-
- IMA Life North America Inc.	Tonawanda	USA	USD 100	-	100% (9)
- IMA Life (Beijing) Pharmaceutical Systems Co. Ltd.	Beijing	PRC	USD 400,000	100%	-
- IMA North America Inc.	Leominster	USA	USD 8,052,500	-	100% (9)
- IMA-PG India Pvt. Ltd.	Mumbai	India	INR 17,852,100 (*)	100%	-
- Shanghai Tianyan Pharmaceutical Co. Ltd.	Shanghai	PRC	RMB 5,250,000	-	60% (10)
- Swiftpack Automation Ltd.	Alcester	UK	GBP 1,403,895	100%	-
- Tianjin IMA Machinery Co. Ltd.	Tianjin	PRC	USD 200,000	100%	-
- Zibo IMA Xinhua Pharmatech Co. Ltd.	Zibo	PRC	USD 6,419,868	80%	-
Commercial companies:					
- Ilapak.AT Services GmbH	Vienna	Austria	EUR 17,500 (*)	-	81% (3)
- Ilapak do Brasil Maquinas de embalagem Ltda.	Sao Paulo	Brazil	BRL 2,717,839	-	81% (7)
- Ilapak France SA	Lognes Paris	France	EUR 105,130	-	81% (3)
- Ilapak Inc.	Newtown	USA	USD 12,500	-	81% (3)
- Ilapak Israel Ltd.	Caesarea	Israel	ILS 1	-	81% (3)
- Ilapak Ltd.	Hayes London	UK	GBP 795,536	-	81% (3)
- Ilapak SNG OOO	Moscow	Russia	RUB 1,785,700	-	81% (3)
- Ilapak Sp. Z o.o.	Krakow	Poland	PLN 3,740,400	-	81% (7)
- Ilapak Verpackungsmaschinen GmbH	Haan	Germany	EUR 102,500	-	81% (3)
- IMA Est GmbH	Vienna	Austria	EUR 280,000	100%	-
- IMA France E.u.r.l.	Rueil Malmaison	France	EUR 45,735	100%	-
- IMA Germany GmbH	Cologne	Germany	EUR 90,000	100%	-
- IMA Iberica Processing and Packaging S.L.	Barcelona	Spain	EUR 590,000	100%	-
- IMA Industries GmbH	Großostheim	Germany	EUR 100,000	-	100% (1)
- IMA Industries Inc.	Mundelein	USA	USD 1,856,106	-	100% (5)
- IMA Industries India Pvt. Ltd.	Mumbai	India	INR 5,000,100 (*)	-	99.99% (1)
- IMA Industries North America Inc.	Leominster	USA	USD 100,000	-	100% (1)
- IMA Life Italia S.r.l.	Trezzano Naviglio	Milan - Italy	EUR 80,000	-	100% (11)
- IMA Life Japan KK	Tokyo	Japan	YEN 40,000,000	-	100% (11)
- IMA Pacific Co. Ltd.	Bangkok	Thailand	THB 132,720,000	99.99%	-
- IMA Packaging & Processing Co. Ltd.	Beijing	PRC	USD 2,350,000	100%	-
- IMA UK Ltd.	Alcester	UK	GBP 50,000	100%	-
- Imautomatiche Do Brasil Ltda.	Sao Paulo	Brazil	BRL 6,651,550	99.98%	-
- OOO IMA Industries	Moscow	Russia	RUB 12,000,000	-	100% (5)
Financial companies:					
- Packaging Systems Holdings Inc.	Wilmington	USA	USD 1,000	100%	-
- Transworld Packaging Holding B.V.	Amsterdam	The Netherlands	EUR 3,241,661	81%	-
Other companies:					
- Dreamer S.r.l.	Bologna	Bologna - Italy	EUR 100,000	-	58.5% (2)
- II Canada Ltd. (in liquidation)	Mississauga Toronto	Canada	CAD -	-	100% (12)
- Ilapak China Ltd.	Hong Kong	PRC	USD 13	-	81% (3)
- Ilapak Management Service SA	Collina d'Oro Lugano	Switzerland	CHF 100,000	-	81% (3)
- Packaging Manufacturing Industry S.r.l.	Castenaso	Bologna - Italy	EUR 110,000	100%	-

The nominal share capital of IMA-PG India Pvt Ltd., IMA Industries India Ltd., IMA Life The Netherlands B.V. and Ilapak.AT Services GmbH amounts to Inr 20,000,000, Inr 10,000,000, Eur 45,400,000 and Eur 35,000 respectively.

Notes:

- (1) Held by IMA Industries S.r.l.
- (2) Held by GIMA S.p.A.: GIMA TT S.r.l. and Dreamer S.r.l. at 90%, Fillshape S.r.l. at 60%
- (3) Held by Ilapak International SA at 100% except Ilapak France SA held at 99.99%
- (4) The percentage interest held in Pharmasiena Service S.r.l. includes an option to purchase 19% of the quota capital.
- (5) Held by Corazza S.p.A.
- (6) Held by Ilapak Inc. at 100%
- (7) Held by Transworld Packaging Holding B.V. at 100%
- (8) Held by Ilapak Italia S.p.A. at 100%
- (9) Held by Packaging Systems Holdings Inc.
- (10) Held by IMA Life (Beijing) Ph. Systems Co. Ltd.
- (11) Held by IMA Life The Netherlands B.V.
- (12) Held by IMA Industries Inc.

Investments accounted for using the equity method	Registered office			Share capital	Direct investment
Industrial and service companies:					
- Amherst Stainless Fabrication LLC	Amherst NY	USA	USD	1,100,000	20% (1)
- B.C.S.r.l.	Imola	Bologna - Italy	EUR	36,400	30%
- Bacciottini F.lli S.r.l.	Oste Montemurlo	Prato - Italy	EUR	60,000	30% (2)
- Bognesi S.r.l.	Dozza	Bologna - Italy	EUR	10,920	30% (2)
- Brio Pharma Technologies Pvt. Ltd.	Mumbai	India	INR	1,000,000	30%
- CMH S.r.l.	Bologna	Bologna - Italy	EUR	2,500,000	50%
- CMRE S.r.l.	Bologna	Bologna - Italy	EUR	50,000	50%
- Consorzio L.I.A.M.	Vignola	Modena - Italy	EUR	20,000 (3)	25%
- Consorzio Servizi	Bologna	Bologna - Italy	EUR	50,000 (3)	50%
- Doo Officina-Game East Vrsac	Vrsac	Serbia	RSD	105,842,643	30.7% (2)
- FID S.r.l. Impresa Sociale	Bologna	Bologna - Italy	EUR	20,000	30%
- I.E.M.A. S.r.l.	S.Giorgio di Piano	Bologna - Italy	EUR	100,000	30% (2)
- LA.CO S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	30,000	30% (2)
- Logimatic S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	100,000	32% (2)
- Masterpiece S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	10,000	30% (2)
- Meccanica Sarti S.r.l.	Bologna	Bologna - Italy	EUR	102,000	30% (2)
- Plasticenter S.r.l.	Granarolo dell'Emilia	Bologna - Italy	EUR	50,960	20% (2)
- Powertransmission.it S.r.l.	Castenaso	Bologna - Italy	EUR	50,000	20% (2)
- Scriba Nanotecnologie S.r.l.	Bologna	Bologna - Italy	EUR	25,556	24.9%
- SIL.MAC. S.r.l.	Gaggio Montano	Bologna - Italy	EUR	90,000	30% (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

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 agrees with the books of account, the accounting entries and supporting documentation.