

INTERIM REPORT ON OPERATIONS
AT 31 MARCH 2016





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(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 STATUTORY AUDITORS

(Appointed 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

Elena Spagnol

Giovanna Bolognese

Federico Ferracini

COMMITTEE (*)

Paolo Frugoni - 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

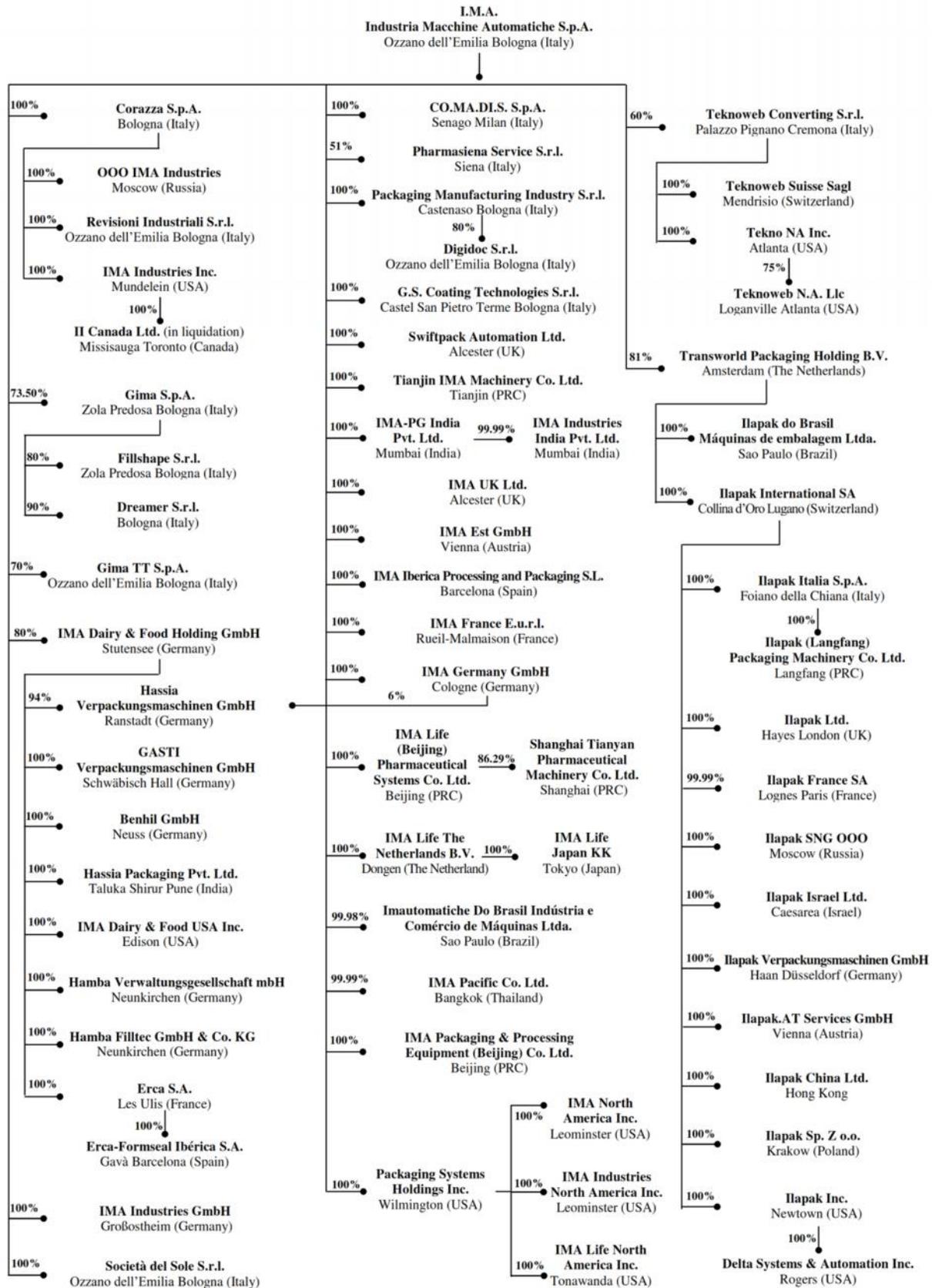
LEAD INDEPENDENT DIRECTOR

Paolo Frugoni

INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

GROUP STRUCTURE AT 31 MARCH 2016



GROUP PERFORMANCE

GENERAL PERFORMANCE

Two different circumstances arose during the last six months that are influencing the global economic situation. Firstly, the ongoing recovery started to slow, initially in the emerging markets but then in the major industrialised countries as well. Secondly, a combination of events has been building over the past three months, with the risk that a sharp slowdown in the emerging economies may be compounded by slower growth in the United States and the problems of European governance (immigration and Brexit), not to mention those specific to Italy (bad bank, bail in, cooperative banks).

Short-term prospects are therefore conditioned by this tangle of events, which may cause global growth to slow and create additional volatility in the currency markets.

In this unstable context, during the first quarter of 2016 the Group still managed to generate a steady stream of orders in all key sectors, with a further increase over the same period in 2015.

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;
- 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 experiments and overheads for technical offices;
- 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 is the sum of operating profit, depreciation and amortisation for the period and writedowns.

The following main reclassified income statement items 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 first quarter 2016 amounted to 244.2 million euros, compared with 191.3 million euros in the same period of 2015. EBITDA before non-recurring charges amounted to 21.7 million euros, a strong increase over the first quarter of 2015 when it was 17.7 million euros.

The operating profit, before non-recurring charges, amounted to 11.1 million euros, compared with 7.3 million euros in first quarter 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	1st quarter 2016		1st quarter 2015	
	Amount	%	Amount	%
Revenues	244.2		191.3	
Cost of sales	(153.3)	62.8	(119.7)	62.6
Gross industrial income	90.9	37.2	71.6	37.4
R&D costs	(11.1)		(9.9)	
Sales costs	(30.1)		(22.8)	
General and administrative costs	(36.7)		(26.8)	
Operating profit before non-recurring items (EBITA)	13.0	5.3	12.1	6.3
Non-recurring items	(1.9)		(4.8)	
Operating profit (EBIT)	11.1	4.5	7.3	3.8
Net financial income (expense)	(2.1)		(5.3)	
Profit (loss) from investments accounted for using the equity method	-		-	
Profit before tax	9.0	3.7	2.0	1.0
Taxes	(3.1)		(0.7)	
Profit for the period	5.9	2.4	1.3	0.7
Profit attributable to non-controlling interests	(0.8)		(0.5)	
Profit attributable to equity holders of the parent	5.1	2.1	0.8	0.4
Gross operating profit (EBITDA) before non-recurring items	21.7	8.9	17.7	9.3
Gross operating profit (EBITDA)	19.8	8.1	12.9	6.7
Order book	748.4		585.5	

REVENUES AND ORDERS

Consolidated revenues for the first quarter of 2016 come to 244.2 million euros, an increase on the same period last year thanks to a higher order book at the beginning of the period.

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 2016 shows strong growth in the order book, which now amounts to 748.4 million euros, an increase of 162.9 million euros compared with the previous year. Total orders acquired during the period amount to 342.6 million euros versus 250.8 million euros in 2015, an increase of 36.6%.

OPERATING PROFIT (EBIT)

Gross industrial income for the first quarter of 2016 (as a percentage of sales) was 37.2%, substantially unchanged compared with the previous year (37.4%), despite a different sales mix. Operating profit of 11.1 million euros was higher than in the prior year (7.3 million euros), even after the recognition during the period of non-recurring charges of 1.9 million euros that are expected to result in cost savings over the rest of the year.

PROFIT BEFORE TAX

Net financial expense amounts to 2.1 million euros (5.3 million euros at 31 March 2015), a decrease compared with the first quarter of last year due mainly to exchange differences.

Accordingly, profit before tax was 9.0 million euros versus 2.0 million euros at the end of March 2015.

PROFIT FOR THE PERIOD

The profit for the period of 5.9 million euros compares with 1.3 million euros in the same period of 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- ceutical	Unallocated	Total
Revenues				
1st quarter 2016	113.2	131.0	–	244.2
1st quarter 2015	83.1	108.2	–	191.3
Gross operating profit (EBITDA) before non-recurring items				
1st quarter 2016	1.7	20.0	–	21.7
1st quarter 2015	7.1	10.6	–	17.7
Gross operating profit (EBITDA)				
1st quarter 2016	(0.2)	20.0	–	19.8
1st quarter 2015	2.6	10.3	–	12.9
Operating profit (EBIT)				
1st quarter 2016	(6.5)	17.6	–	11.1
1st quarter 2015	(0.6)	7.9	–	7.3
Net capital employed (*)				
31 March 2016	251.3	129.0	2.1	382.4
31 March 2015	212.0	130.5	32.8	375.3
R&D costs				
1st quarter 2016	5.1	6.0	–	11.1
1st quarter 2015	4.3	5.6	–	9.9
Average personnel				
1st quarter 2016	2,327	2,489	–	4,816
1st quarter 2015	1,412	2,414	–	3,826
Order book				
31 March 2016	308.3	440.1	–	748.4
31 March 2015	208.4	377.1	–	585.5

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

The revenues of the Tea, Food & Other Sector, 113.2 million euros, were higher than in the same period of the prior year (83.1 million euros) due to the contribution of the Dairy&Food and Teknoweb businesses, which have been consolidated from the second quarter of 2015. Gross operating profit (EBITDA) before non-recurring charges was lower, at 1.7 million euros, due to the different sales mix during the period and the negative contribution, -2.4 million euros, made by the Dairy&Food business as a result of incurring additional costs on the completion of certain contracts. Non-recurring charges, 1.9 million euros, related to the post-acquisition reorganisation of the business that will result in savings during the remainder of the year. The organic growth in orders during the period by 29.8 million euros (+32%), together with the contribution of 42.2 million euros made by the Dairy&Food business, has resulted in a much larger order book than in the previous year (+99.9 million euros or +48%, with a contribution from the Dairy&Food business and Teknoweb of 71.5 million euros). This means that the trend over the year should be in line with expectations.

Revenues in the Pharmaceutical sector were 22.8 million euros higher than in the same period of last year (organic growth of 21.1%). Gross operating profit before non-recurring charges of 20.0 million euros was up sharply from 10.6 million euros previously, due to higher volume and a different sales mix. Orders were higher than in the same period of 2015 (+12.5%); the order book has grown by 63.0 million euros (+16.7%) and the outlook for the current year is good.

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 balance sheet components are equivalent to those reported 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.

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

The following table summarizes the Group's balance sheet and financial position at 31 March 2016:

in millions of euros	31.03.2016	31.12.2015
Trade receivables	252.6	248.0
Inventories	273.6	233.0
Trade payables	(376.3)	(374.6)
Other, net	(86.2)	(92.4)
Working capital	63.7	14.0
Property, plant and equipment	75.6	75.5
Intangible assets	319.2	321.4
Investments	23.1	23.1
Non-current assets	417.9	420.0
Severance obligations and other provisions	(99.2)	(95.1)
Net capital employed	382.4	338.9

FINANCED BY:

Net debt	220.5	163.1
Non-controlling interests	16.1	16.8
Group equity attributable to equity holders of the parent	145.8	159.0
Total sources of financing	382.4	338.9

The net capital employed at the end of the first quarter of 2016 was 43.5 million euros higher than at the end of 2015. The difference is entirely due to the increase in working capital. Analysing the changes in working capital, we see that there has been an increase in inventories due to the timing of purchases, which take 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	31.03.2016	31.12.2015
A. Cash and cash equivalents	(114.6)	(156.1)
B. Other cash equivalents	(3.4)	(2.9)
C. Investments in securities	(0.8)	(1.6)
D. Liquidity (A)+(B)+(C)	(118.8)	(160.6)
E. Current financial receivables	(4.7)	(4.2)
F. Current payables to banks	64.0	61.1
G. Current portion of non-current payables	47.4	40.3
H. Other current financial payables	1.5	1.0
I. Current financial debt (F) + (G) + (H)	112.9	102.4
J. Net current financial debt (D)+(E)+(I)	(10.6)	(62.4)
K. Non-current portion of non-current bank payables	122.4	112.1
L. Bonds issued	110.7	115.5
M. Other non-current financial payables	1.9	1.8
N. Non-current financial assets	(3.9)	(3.9)
O. Net non-current financial debt (K)+(L)+(M)+(N)	231.1	225.5
P. Net financial debt (J) + (O)	220.5	163.1

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.

Net debt at the end of the period amounts to 220.5 million euros (163.1 million euros at 31 December 2015). The increase since 31 December 2015 reflects the physiological growth of borrowing linked to the rise in operating capital, the purchase of the minority interests in GIMA TT S.p.A. and the acquisition of the TEAMAC line of business for a total of 15.7 million euros. Net debt is expected to fall considerably in the latter part of the year.

CAPITAL EXPENDITURE

Group capital expenditure amounted to 3.6 million euros (6.8 million euros in first quarter 2015) and mainly relate to costs incurred to extend and upgrade buildings leased by IMA S.p.A. and the capitalisation of machinery.

Capital expenditure on intangible assets amounted to 3.4 million euros (3.2 million euros in the first quarter of 2015) and related mainly to the capitalisation of development costs incurred on totally new products for market segments not previously occupied. In addition, via Revisioni Industriali S.r.l., the Group has purchased the TEAMAC line of business - dedicated to the design, production and sale of automated plant and machinery for the packaging of tea products - for 3.0 million euros.

Amortization and depreciation expense for the period was 8.7 million euros, compared with 5.6 million euros in the same period of last year. The increase mainly reflects amortisation of the intangible assets recognised following the acquisition of the Dairy&Food business.

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), 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 comprising persons who are responsible for administration and management within IMA S.p.A., or entities that are controlled by them. Such transactions mainly 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 consent from 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 Group companies' balance sheets 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;

Transactions with related parties are described more fully in Note 24.

OUTLOOK FOR OPERATIONS

The economic performance of the first quarter of 2016 reflects the higher level of the order book outstanding at the end of 2015 and the higher level of orders acquired during the period. The steady trend in orders in all segments, as confirmed in April, combined with the size of the order book at the end of the first quarter, is a positive sign, even though it does not 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 the above signs are confirmed in the coming months, annual sales of about 1,270 million euros with a gross operating profit of around 178 million euros should be achievable, having regard for the contributions to be made by Komax's Medtech business, purchased in April, and by Telerobot once the related acquisition has been finalised.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2016

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MILLIONS OF EUROS)

ASSETS	Note	31 March 2016	31 December 2015
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2	75.6	75.5
<i>Intangible assets</i>	3	319.2	321.4
<i>Investments accounted for using the equity method</i>	4	20.3	20.2
<i>Financial assets</i>	5	6.7	6.7
<i>Receivables from others</i>		2.5	2.5
<i>Deferred tax assets</i>	7	55.0	54.0
TOTAL NON-CURRENT ASSETS		479.3	480.3
CURRENT ASSETS			
<i>Inventories</i>	8	273.6	233.0
<i>Trade and other receivables</i>	9	298.0	288.4
<i>Income tax receivables</i>		8.8	7.7
<i>Financial assets</i>	5	8.9	8.7
<i>Derivative financial instruments</i>	6	0.6	0.5
<i>Cash and cash equivalents</i>	10	114.6	156.1
TOTAL CURRENT ASSETS		704.5	694.4
TOTAL ASSETS		1,183.8	1,174.7
EQUITY AND LIABILITIES			
EQUITY			
<i>Equity attributable to equity of the parent</i>	11	145.8	159.0
<i>Non-controlling interests</i>	12	16.1	16.8
TOTAL EQUITY		161.9	175.8
NON-CURRENT LIABILITIES			
<i>Borrowings</i>	13	235.0	229.4
<i>Employee defined benefit liabilities</i>		56.0	51.2
<i>Provisions for risks and charges</i>	14	6.0	6.1
<i>Other payables</i>	15	15.2	37.2
<i>Derivative financial instruments</i>	6	3.0	2.6
<i>Deferred tax liabilities</i>	7	59.0	59.5
TOTAL NON-CURRENT LIABILITIES		374.2	386.0
CURRENT LIABILITIES			
<i>Borrowings</i>	13	112.9	102.4
<i>Trade and other payables</i>	15	494.6	472.5
<i>Income tax liabilities</i>		13.0	11.9
<i>Provisions for risks and charges</i>	14	27.1	26.0
<i>Derivative financial instruments</i>	6	0.1	0.1
TOTAL CURRENT LIABILITIES		647.7	612.9
TOTAL LIABILITIES		1,021.9	998.9
TOTAL EQUITY AND LIABILITIES		1,183.8	1,174.7

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

	Note	1st quarter 2016	1st quarter 2015
REVENUES	1	244.2	191.3
OTHER REVENUES		4.8	2.9
OPERATING COSTS			
<i>Change in work in progress, semifinished and finished goods</i>		33.0	13.8
<i>Change in inventory of raw, ancillary and consumable materials</i>		7.0	(0.8)
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>		(116.9)	(74.2)
<i>Services, rentals and leases</i>		(59.9)	(45.0)
<i>Personnel costs</i>	16	(88.2)	(74.3)
<i>Depreciation and amortization expense</i>	17	(9.2)	(5.7)
<i>Provisions for risks and charges</i>		(1.7)	0.6
<i>Other operating costs</i>		(2.0)	(1.3)
TOTAL OPERATING COSTS		(237.9)	(186.9)
OPERATING PROFIT	1	11.1	7.3
<i>- of which: effect of non-recurring items</i>	25	(1.9)	(4.8)
FINANCIAL INCOME AND EXPENSE			
<i>Financial income</i>	18	8.6	14.6
<i>Financial expense</i>	19	(10.7)	(19.9)
TOTAL FINANCIAL INCOME AND EXPENSE		(2.1)	(5.3)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		-	-
PROFIT BEFORE TAX		9.0	2.0
TAXES	20	(3.1)	(0.7)
PROFIT FOR THE PERIOD		5.9	1.3
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE PARENT		5.1	0.8
NON-CONTROLLING INTERESTS		0.8	0.5
		5.9	1.3
EARNINGS PER SHARE (in euros)		0.14	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MILLIONS OF EUROS)

	1st quarter 2016	1st quarter 2015
Net profit for the period	5.9	1.3
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>	(4.3)	9.0
<i>Gains (losses) on financial assets available for sale</i>	–	–
<i>Gains (losses) on cash flow hedges</i>	(0.1)	(1.8)
<i>Tax effect</i>	–	0.5
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(4.4)	7.7
Other comprehensive income not being reclassified to profit or loss in subsequent periods:		
<i>Actuarial gains (losses) on post employment benefit obligations</i>	(4.2)	(1.3)
<i>Tax effect</i>	1.2	0.3
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	(3.0)	(1.0)
Gains and losses recognized in equity	(7.4)	6.7
Total comprehensive income	(1.5)	8.0
Attributable to:		
Equity holders of the parent	(2.1)	7.5
Non-controlling interests	0.6	0.5
	(1.5)	8.0

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(MILLIONS OF EUROS)

	Share capital	Share premium reserve	Treasury shares	Translation 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
Balances at 01.01.2015	19.2	4.8	(0.1)	4.2	(3.4)	26.9	51.6	103.2	13.4	116.6
Allocation of result for 2014	-	-	-	-	-	51.6	(51.6)	-	-	-
Capital increase	-	27.9	-	-	-	0.4	-	28.3	-	28.3
Purchase of non-controlling interests	-	-	-	-	-	(2.8)	-	(2.8)	(1.8)	(4.6)
Total comprehensive income	-	-	-	8.8	(1.3)	(0.8)	0.8	7.5	0.5	8.0
Balances at 31.03.2015	19.2	32.7	(0.1)	13.0	(4.7)	75.3	0.8	136.2	12.1	148.3
Balances at 01.01.2016	19.5	32.6	(0.1)	9.8	(1.7)	29.0	69.9	159.0	16.8	175.8
Allocation of result for 2015	-	-	-	-	-	69.9	(69.9)	-	-	-
Purchase of non-controlling interests	-	-	-	-	-	(11.1)	-	(11.1)	(1.3)	(12.4)
Total comprehensive income	-	-	-	(4.2)	(0.1)	(2.9)	5.1	(2.1)	0.6	(1.5)
Balances at 31.03.2016	19.5	32.6	(0.1)	5.6	(1.8)	84.9	5.1	145.8	16.1	161.9

CONSOLIDATED STATEMENT OF CASH FLOWS

(MILLIONS OF EUROS)

	31 March 2016	31 March 2015
OPERATING ACTIVITIES		
<i>Profit attributable to equity holders of the parent</i>	5.1	0.8
<i>Adjustments for:</i>		
- <i>Depreciation and amortization</i>	8.7	5.6
- <i>Capital (gains) losses on disposal of non-current assets</i>	(0.3)	-
- <i>Changes in provisions for risks and charges and employee defined benefit liabilities</i>	1.2	(0.3)
- <i>Unrealized losses (gains) on exchange rate differences</i>	(0.9)	1.0
- <i>Other changes</i>	0.3	-
- <i>Taxes</i>	3.1	0.7
- <i>Non-controlling interests</i>	0.8	0.5
Operating profit before changes in working capital	18.0	8.3
<i>(Increase) decrease in trade and other receivables</i>	(9.6)	(31.9)
<i>(Increase) decrease in inventories</i>	(38.2)	(17.7)
<i>Increase (decrease) in trade and other payables</i>	(0.1)	(5.5)
<i>Taxes paid</i>	(3.8)	(1.9)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	(33.7)	(48.7)
INVESTING ACTIVITIES		
<i>Investments in property, plant and equipment</i>	(3.6)	(6.8)
<i>Investments in intangible assets</i>	(3.4)	(3.2)
<i>Acquisition business divisions / companies</i>	(3.0)	-
<i>Purchase of investments</i>	-	(78.5)
<i>Sale of non-current assets</i>	0.4	-
<i>Other changes</i>	(2.6)	6.2
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(12.2)	(82.3)
FINANCING ACTIVITIES		
<i>Granting of loans</i>	15.0	51.4
<i>Repayment of borrowings</i>	(3.7)	(6.9)
<i>Increase (decrease) in other financial payables</i>	7.4	39.1
<i>Capital increases</i>	-	28.1
<i>Change in non-controlling interests</i>	(12.4)	(4.6)
<i>Net change in financial assets and other non-current receivables</i>	(0.2)	(0.6)
<i>Payment of interest</i>	(1.7)	(1.8)
<i>Receipt of interest</i>	-	0.1
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	4.4	104.8
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(41.5)	(26.2)
CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)	156.1	133.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	114.6	107.1

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 2016, which is unaudited, was approved by the Board of Directors on 13 May 2016.

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. (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 electronic stock exchange of Borsa Italiana S.p.A. in the S.T.A.R. segment.

At 31 March 2016, IMA S.p.A. is 60% 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. Management 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 policies adopted to prepare the interim report as of 31 March 2016 are consistent with those used to prepare the consolidated financial statements at 31 December 2015, to which the reader is referred for further information. 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 amendments to, changes to and interpretations of accounting standards that have not yet been endorsed.

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 recognised 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.

All of the figures in the interim report at 31 March 2016 are in millions of euros, unless stated otherwise.

C) FINANCIAL RISK MANAGEMENT**RISK FACTORS**

The Group is exposed to various types of financial risk connected with its business activities. 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 in 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 2016 by fair value hierarchy level:

in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	–	–	3.6	3.6
Derivative financial instruments	–	0.6	–	0.6
Total assets at 31 March 2016	–	0.6	3.6	4.2
Liabilities:				
Payables for acquisition	–	–	32.4	32.4
Derivative financial instruments	–	3.1	–	3.1
Total liabilities at 31 March 2016	–	3.1	32.4	35.5

The following tables show the assets and liabilities measured at fair value at 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	-	-	4.5	4.5
Derivative financial instruments	-	0.5	-	0.5
Total assets at 31 December 2015	-	0.5	4.5	5.0
Liabilities:				
Payables for acquisition	-	-	32.3	32.3
Derivative financial instruments	-	2.7	-	2.7
Total liabilities at 31 December 2015	-	2.7	32.3	35.0

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 5 in relation to InterMedia Holding S.p.A.

During the first quarter 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 first quarter of 2016:

in millions of euros	Assets	Liabilities
Balance at 01.01.2015	5.9	0.5
Profits / (losses) recognized in OCI	-	-
Profits / (losses) recognized in the income statement	-	-
Increases / (decreases)	-	-
Balance at 31.03.2015	5.9	0.5
Balance at 01.01.2016	4.5	32.3
Profits / (losses) recognized in OCI	-	-
Profits / (losses) recognized in the income statement	-	-
Increases / (decreases)	(0.9)	0.1
Balance at 31.03.2016	3.6	32.4

The liabilities at 31 March 2016 consist of payables for the options subscribed in connection with the purchase of minority interests in subsidiaries.

D) SCOPE OF CONSOLIDATION

The interim report at 31 March 2016 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 2016:

- 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.;

- 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 3,000 thousand euros;
- as part of a reorganisation of the Group, on 12 January 2016 IMA S.p.A. sold its stake in IMA Industries India Pvt. Ltd. to IMA PG-India Pvt. Ltd., with a view to a merger;
- 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 14 March 2016 GIMA S.p.A. signed an agreement with the Xenon fund for the purchase 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.

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 2015 for balance sheet items and the amounts for first quarter 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:

- The Tea, Food & Other Sector, which produces machines for the packaging of tea and herbal teas in filter bags and the packaging of coffee for the food & beverage sector, for the personal care sector, for end-of-line equipment, for the dairy and stock cubes sector, for the tobacco sector, as well as for primary packaging in the food sector with the use of flexible material (horizontal and vertical flow packs) plus related services;
- Pharmaceutical 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.

The information on operating segments for first quarter 2016 and 2015 is as follows:

in millions of euros	Tea, Food & Other	Pharmaceutical	Total
Revenues	113.2	131.0	244.2
Segment operating profit	(6.5)	17.6	11.1
Net financial income (expense) (*)			(2.1)
Profit before tax			9.0
Taxes			(3.1)
Net profit for the period			5.9

in millions of euros	Tea, Food & Other	Pharmaceutical	Total
Revenues	83.1	108.2	191.3
Segment operating profit	(0.6)	7.9	7.3
Net financial income (expense) (*)			(5.3)
Profit before tax			2.0
Taxes			(0.7)
Net profit for the period			1.3

(*) 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 2016 come to 244.2 million euros, an increase on the same period last year thanks to a higher order book at the beginning of the period.

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 of the Tea, Food & Other Sector, 113.2 million euros, were higher than in the same period of the prior year (83.1 million euros) due to the contribution of the Dairy&Food and Teknoweb businesses, which have been consolidated from the second quarter of 2015. The operating result of -6.5 million euros was attributable to the different sales mix in the period, as well as to the negative contribution made by the Dairy&Food business, which incurred additional costs for the completion of certain contracts. Non-recurring charges, 1.9 million euros, principally related to the post-acquisition reorganisation of the business that will result in savings during the remainder of the year.

Revenues in the Pharmaceutical sector were 22.8 million euros higher than in the same period of last year (organic growth of 21.1%). The operating profit of 17.6 million euros was up sharply from 7.9 million euros previously, due to higher volume and a different sales mix.

The following is a breakdown of IMA Group revenues for the period to 31 March 2016 by geographical and business segment:

REVENUES BY GEOGRAPHICAL AREA

in millions of euros	1st quarter 2016	1st quarter 2015	Change
European Union (excluding Italy)	75.7	59.9	15.8
Other European countries	16.4	15.7	0.7
North America	39.2	37.8	1.4
Asia & Middle East	53.5	38.7	14.8
Other countries	31.6	18.3	13.3
Total	216.4	170.4	46.0
Italy	27.8	20.9	6.9
Total	244.2	191.3	52.9

REVENUES BY BUSINESS SEGMENT

in millions of euros	1st quarter 2016	1st quarter 2015	Change
Machines and change parts	62.6	73.1	(10.5)
Contract work	114.1	68.2	45.9
Spare parts and other materials	44.9	30.4	14.5
Technical assistance	19.2	15.4	3.8
Other services	3.4	4.2	(0.8)
Total	244.2	191.3	52.9

2. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the period are analysed as follows:

in millions of euros	Buildings and leasehold improv.		Industrial and commercial equipment		Asset under construction and advances		Total
	Land	Plant and machinery	Other assets				
Balance at 01.01.16	11.1	35.9	13.5	4.8	7.6	2.6	75.5
Increases	–	1.5	0.6	0.3	0.6	0.6	3.6
Sales and disposals	–	–	(0.1)	–	–	–	(0.1)
Depreciation	–	(0.9)	(0.7)	(0.4)	(0.6)	–	(2.6)
Reclassifications	–	–	0.5	–	–	(0.5)	–
Traslation differences	(0.2)	(0.3)	(0.2)	–	–	(0.1)	(0.8)
Balance at 31.03.16	10.9	36.2	13.6	4.7	7.6	2.6	75.6

Leasehold improvements amount to 22.9 million euros (22.2 million euros at 31 December 2015).

Assets under construction and advances mainly include equipment under construction by the Parent Company and land in Indore owned by IMA-PG India Pvt Ltd.

Additions in the period mainly relate to costs incurred to extend and upgrade buildings leased by IMA S.p.A. and the capitalisation of machinery.

3. INTANGIBLE ASSETS

Movements in intangible assets during the period are analysed as follows:

in millions of euros	Development costs		Industrial patents right		Software licences, trademarks and similar		Assets under development and advances		Total
	Goodwill								
Balances at 01.01.16	100.3	4.7	70.0	135.6	10.8	321.4			
Increases	0.4	0.4	0.4	–	2.2	3.4			
Acquisition of TEAMAC business	0.4	0.2	–	0.7	–	1.3			
Amortization	(3.7)	(0.4)	(2.0)	–	–	(6.1)			
Reclassifications and other changes	0.8	–	–	(0.3)	(0.8)	(0.3)			
Traslation differences	–	–	–	(0.5)	–	(0.5)			
Balances at 31.03.16	98.2	4.9	68.4	135.5	12.2	319.2			

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, 49.2 million euros;
- DOSA S.r.l. and G.S. Coating Technologies S.r.l. businesses, purchased in 2014, for 0.7 million euros and 2.2 million euros respectively;
- Ilapak Group, which took place in 2013, for 12.3 million euros;
- Dairy & Convenience Food business of the Corazza Group, occurred in 2011, for 8.6 million euros.

In addition, this caption includes costs of 11.9 million euros incurred by the Parent Company on projects related to the Pharma sector and of 3.1 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 27.5 million euros, 7.5 million euros and 7.6 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 18.7 million euros that relate to the Dairy&Food business.

Goodwill comprises the following:

in millions of euros	31.03.2016	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 Teknoweb Group	13.3	13.3
CGU Naturapack S.r.l.	8.7	8.7
CGU TEAMAC	0.7	n.a.
	73.8	73.4
Pharmaceutical 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
	61.7	62.2
Total	135.5	135.6

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 acquisition involved booking goodwill of 0.7 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.

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 (4.9 million euros), Ilapak Italia S.p.A. (2.7 million euros) and GIMA S.p.A. (3.7 million euros).

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This caption is analyzed as follows:

in millions of euros	31.03.2016	31.12.2015
Associates:		
Amherst Stainless Fabrication LLC	0.2	0.2
B.C. S.r.l.	2.1	2.1
Bacciottini F.lli S.r.l.	0.6	0.6
Bolognesi S.r.l.	0.9	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.	0.8	0.8
LA.CO. S.r.l.	0.4	0.4
Logimatic S.r.l.	0.6	0.6
Meccanica Sarti S.r.l.	1.2	1.2
MORC 2 S.r.l.	1.4	1.4
Plasticenter S.r.l.	0.5	0.5
SIL.MAC. S.r.l.	0.4	0.4
Sirio S.p.A. Associazione in partecipazione	5.2	5.2
Other associates	0.9	0.8
	15.9	15.8
Joint venture:		
CMRE S.r.l.	4.4	4.4
	4.4	4.4
Total	20.3	20.2

5. FINANCIAL ASSETS

Non-current financial assets of 6.7 million euro include investments in other companies of 2.8 million euros (2.8 million euros at 31 December 2015) and financial receivables of 3.9 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., 1.2 million euros (1.2 million euros at 31 December 2015), and the shares held in Continuus 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, 3.3 million euros for loans to third parties, and to a loan of 0.6 million euros granted by the Parent Company to Logimatic S.r.l., an associated company, on market terms

Current financial assets, 8.9 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., Doo Officina-Game East Vrsac and InterMedia Holding S.p.A., associates, totalling 1.8 million euros, and other liquid assets consisting of the bank deposits of IMA-PG India Pvt Ltd. 3.4 million euros, financial receivables due to GIMA S.p.A., 2.9 million euros, and the investments of IMA S.p.A. in mutual funds, 0.8 million euros.

6. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments comprise:

in millions of euros	Assets 31.03.2016	Liabilities 31.03.2016	Assets 31.12.2015	Liabilities 31.12.2015
Interest rate swaps - cash flow hedges	-	3.0	-	2.6
Exchange rate hedging instruments - cash flow hedges	0.6	0.1	0.5	0.1
Total	0.6	3.1	0.5	2.7

INTEREST RATE DERIVATIVES

At 31 March 2016, the amounts of 3.0 million euros 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 97.5 million euros.

EXCHANGE RATE DERIVATIVES

At 31 March 2016, the amount of 0.6 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 24.0 million US dollars, 35.9 million Chinese yuan and 0.6 million Pounds Sterling.

7. DEFERRED TAX ASSETS AND LIABILITIES

At 31 March 2016, the deferred tax asset of 55.0 million euros (54.0 million euros at 31 December 2015), 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 2016, deferred tax liabilities amount to 59.0 million euros (59.5 million euros at 31 December 2015) 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:

in millions of euros	31.03.2016			31.12.2015		
	Gross value	Impairment provision	Net value	Gross value	Impairment provision	Net value
Raw, ancillary and consumable materials	67.5	(14.5)	53.0	59.5	(14.1)	45.4
Work in progress and semifinished goods	239.2	(31.2)	208.0	206.0	(29.7)	176.3
Finished products and goods for resale	16.3	(3.7)	12.6	15.2	(3.9)	11.3
Total	323.0	(49.4)	273.6	280.7	(47.7)	233.0

The increase in inventories since 31 December 2015 reflects the preparation of machines for delivery to customers in subsequent quarters, as well as the substantial order backlog at the end of March.

9. TRADE AND OTHER RECEIVABLES

This item comprises:

in millions of euros	31.03.2016	31.12.2015
Trade receivables	252.5	248.0
Advances to suppliers	16.3	15.2
Tax receivables	7.9	9.6
Deferrals	7.3	3.4
Other receivables	14.0	12.2
Total	298.0	288.4

TRADE RECEIVABLES

Trade receivables include amounts due from customers of 136.7 million euros (148.6 million euros at 31 December 2015), amounts due on contract work in progress of 110.4 million euros (93.6 million euros at 31 December 2015) and trade-related receivables from associates and non-consolidated subsidiaries of 5.4 million euros (5.8 million euros at 31 December 2015).

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

Trade receivables from customers are carried net of accumulated provisions amounting to 15.1 million euros (14.8 million euros at 31 December 2015).

Assigned receivables not yet due at 31 March 2016 amount to 21.9 million euros, of which 15.4 million euros have been assigned to factoring companies and 6.5 million euros to other financial institutions. No receivables have been assigned without recourse during the period.

ADVANCES TO SUPPLIERS

At 31 March 2016, these relate to advances for goods to be used in production and for services totalling, respectively, 9.7 million euros (10.3 million euros at 31 December 2015) and 6.6 million euros (4.9 million euros at 31 December 2015). This balance includes 2.0 million euros of advances to associated companies (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.

10. CASH AND CASH EQUIVALENTS

This item comprises:

in millions of euros	31.03.2016	31.12.2015
Bank current accounts	107.5	150.8
Deposits	6.9	5.1
Cheques and cash	0.2	0.2
Total	114.6	156.1

For a better understanding of the trend in net financial indebtedness, reference should be made to Note 13.

**11. EQUITY ATTRIBUTABLE TO
EQUITY HOLDERS OF THE PARENT**SHARE CAPITAL

The share capital reported in the consolidated financial statements at 31 March 2016, 19.5 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 37,510,000 ordinary shares with a par value of 0.52 euros each.

TREASURY SHARES

The Parent Company did not carry out any transactions in its own shares during the first quarter of 2016, nor during the whole of 2015. At 31 March 2016, 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:

in millions of euros	
Balance at 01.01.2015	(3.4)
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	(2.5)
Fair value - Tax effect	0.7
Realization recognized in income - revenues	1.3
Realization recognized in income - financial income and expense	(0.6)
Tax effect - realization in income statement	(0.2)
Balance at 31.03.2015	(4.7)
Balance at 01.01.2016	(1.7)
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	(0.2)
Realization recognized in income - financial income and expense	0.1
Balance at 31.03.2016	(1.8)

REMEASUREMENT OF DEFINED BENEFIT PLANS RESERVE

The item breaks down as follows:

in millions of euros	
Balance at 01.01.2015	(3.7)
Actuarial value	(1.1)
Tax effect	0.3
Balance at 31.03.2015	(4.5)
Balance at 01.01.2016	(8.2)
Actuarial value	(4.1)
Tax effect	1.2
Balance at 31.03.2016	(11.1)

12. NON-CONTROLLING INTERESTS

The direct and indirect investments held by the Parent Company IMA S.p.A. together with minority shareholders are indicated below:

	Country	31 March 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	73.5%	26.5%	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%
Fillshape S.r.l.	Italy	58.8%	41.2%	58.8%	41.2%
Dreamer S.r.l.	Italy	66.15%	33.85%	66.15%	33.85%
Shanghai Tianyan Ph. Mach. Co. Ltd.	PRC	86.29%	13.71%	86.29%	13.71%
Teknoweb N.A. Llc	USA	75%	25%	75%	25%

(*) 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 31 March 2016, minority interests total 16.1 million euros (16.8 million euros at 31 December 2015) and principally relate to GIMA S.p.A., 3.1 million euros, GIMA TT S.p.A., 7.3 million euros, and the Ilapak Group, 5.4 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., comprising 191,000 shares with a total nominal value of Euro 95,500, as well as the absorption by GIMA TT S.p.A. of its parent, GIMA Holding S.r.l. As a result of the transactions described, GIMA Holding S.r.l. has been struck off and IMA S.p.A. now owns the 140,385 shares in GIMA TT S.p.A., with a total nominal value of 70,192.50 euros, that were 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.

13. BORROWINGS

This includes amounts due to banks of 225.7 million euros (210.5 million euros at 31 December 2015), amounts due to other lenders of 3.8 million euros (3.2 million euros at 31 December 2015) and bonds of 118.4 million euros (118.1 million euros at 31 December 2015).

PAYABLES TO BANKS

The principal changes in Other loans comprise the new loans obtained by the Parent Company, 15.0 million euros, and the contractual repayments made by IMA S.p.A., 2.9 million euros.

PAYABLES TO OTHER LENDERS

At 31 March 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 0.6 million euros (0.1 million euros at 31 December 2015) and financial payables to Ilapak Italia S.p.A. for a total of 2.1 million euros (2.1 million euros at 31 December 2015).

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.

At 31 March 2016 bonds are made up of:

in millions of euros	31.03.2016	31.12.2015
Non-current portion	110.7	115.5
Current portion	7.7	2.6
Totale book value	118.4	118.1
Adjustment to fair values as result of transactions in fair value hedge and measurement at amortized cost	5.5	7.8
Present value of finance lease payables	123.9	125.9

NET DEBT

The composition of net debt at 31 March 2016 is as follows:

in millions of euros	31.03.2016	31.12.2015	31.03.2015
A. Cash and cash equivalents	(114.6)	(156.1)	(107.1)
B. Other cash equivalents	(3.4)	(2.9)	(1.0)
C. Investments in securities	(0.8)	(1.6)	(1.9)
D. Liquidity (A)+(B)+(C)	(118.8)	(160.6)	(110.0)
E. Current financial receivables	(4.7)	(4.2)	(1.3)
F. Current payables to banks	64.0	61.1	63.5
G. Current portion of non-current payables	47.4	40.3	42.9
H. Other current financial payables	1.5	1.0	2.2
I. Current financial debt (F) + (G) + (H)	112.9	102.4	108.6
J. Net current financial debt (D)+(E)+(I)	(10.6)	(62.4)	(2.7)
K. Non-current portion of non-current bank payables	122.4	112.1	116.0
L. Bonds issued	110.7	115.5	115.3
M. Other non-current financial payables	1.9	1.8	2.1
N. Non-current financial assets	(3.9)	(3.9)	(3.7)
O. Net non-current financial debt (K)+(L)+(M)+(N)	231.1	225.5	229.7
P. Net financial debt (J) + (O)	220.5	163.1	227.0

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 information on the breakdown of the items in net debt, see Notes 5 and 10.

The Group also has payables in respect of acquisitions totalling 33.6 million euros (33.9 million euros at 31 December 2015), mainly relating to the options agreed in 2015 for the purchase of the minority interests in subsidiaries linked to the Dairy&Food and Teknoweb businesses.

Net debt at the end of the period amounts to 220.5 million euros (163.1 million euros at 31 December 2015). The increase since 31 December 2015 reflects the physiological growth of borrowing linked to the rise in operating capital, the purchase of the minority interests in GIMA TT S.p.A. and the acquisition of the TEAMAC line of business for a total of 15.7 million euros.

It is expected that net debt will fall considerably in the latter part of the year.

14. PROVISIONS FOR RISKS AND CHARGES

These provisions are analysed as follows:

in millions of euros	Balance at 31.12.2015	Net increases	Net decrease	Exchange rate differences	Balance at 31.03.2016
Non-current:					
Agency termination indemnities	5.1	–	–	–	5.1
Other provisions	1.0	–	(0.1)	–	0.9
	6.1	–	(0.1)	–	6.0
Current:					
Product guarantee provision	23.2	1.8	(1.0)	(0.2)	23.8
Other provisions	2.8	1.1	(0.6)	–	3.3
	26.0	2.9	(1.6)	(0.2)	27.1
Total	32.1	2.9	(1.7)	(0.2)	33.1

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

15. TRADE AND OTHER PAYABLES

This item is made up as follows:

in millions of euros	31.03.2016	31.12.2015
Trade payables	233.8	250.9
Advances from customers	158.9	138.9
Social security and defined-contribution plan payables	9.4	11.3
Tax payables	7.8	10.6
Employee payables	49.2	46.0
Payables in respect of acquisitions	33.6	33.9
Deposits	5.5	5.0
Other payables	11.6	13.1
Total	509.8	509.7

TRADE PAYABLES

This item includes trade payables of 177.3 million euros (196.4 million euros at 31 December 2015), payables to agents of 9.9 million euros (10.4 million euros at 31 December 2015) and trade payables to associates of 46.6 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

These mainly relate to deferred payroll and accrued holiday entitlement, which will mostly be taken during the second half of the year. This item includes 1.9 million euros classified among the non-current liabilities.

PAYABLES IN RESPECT OF ACQUISITIONS

This item includes payables related to the acquisition of the Dairy&Food and Teknoweb businesses for 23.0 million and 8.9 million euros respectively.

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 significant events subsequent to the end of the first quarter.

This item includes the residual payable of 1.2 million euros following the acquisition of G.S. Coating Technologies S.r.l., and the estimated payable of 0.5 million euros for the acquisition by the Parent Company of a further 19% equity interest in Pharmasiena Service S.r.l. The put option granted was exercised during the second quarter of 2016.

The total amount of payables for acquisitions classified under non-current liabilities comes to 9.8 million euros (32.7 million euros at 31 December 2015).

OTHER PAYABLES

At 31 March 2016 other payables include 3.5 million classified as non-current liabilities (2.7 million euros at 31 December 2015). The amount relates to the medium and long term variable component of payroll that can be earned by three directors on the achievement of pre-defined measurable targets over three years.

16. PERSONNEL COSTS

This caption is analysed as follows:

in millions of euros	1st quarter 2016	1st quarter 2015	Change
Wages and salaries	63.7	51.3	12.4
Social security contributions	14.6	12.4	2.2
Remuneration of directors	2.1	1.3	0.8
Pensions - defined-benefit plans	0.2	0.1	0.1
Pensions - defined-contribution plans	2.7	2.8	(0.1)
Other personnel costs	4.9	6.4	(1.5)
Total	88.2	74.3	13.9

Personnel costs related to the companies of the Dairy & Food and Teknoweb businesses, not included in the scope of consolidation in the first quarter of 2015, amounted to 15.2 million euros and 0.7 million euros respectively. The 2016 amount includes non-recurring charges of 1.9 million euros relating to the post-acquisition reorganization of the Dairy&Food business, which will generate saving over the remainder of the year (4.8 million euros in 2015 relating to the reorganization of the Tea, Food & Other business following the absorption by IMA S.p.A. of IMA Industries S.r.l.).

In the first quarter of 2016, the IMA Group employed 4,816 people on average. (3,826 persons in the first quarter of 2015). At the end of period employees are 4,819 (4,781 at 31 December 2015).

17. DEPRECIATION AND AMORTIZATION EXPENSE

This includes depreciation of property, plant and equipment of 2.6 million euros (2.0 million euros in the first quarter of 2015), amortization of intangible assets of 6.1 million euros (3.6 million euros in the first quarter of the previous year), and other writedowns of 0.5 million euros (0.1 million euros in the first quarter of 2015).

The increase in amortization of intangible assets mainly reflects the amortization of unpatented technologies, customer lists and trademarks recorded following the consolidation of the Dairy&Food business.

18. FINANCIAL INCOME

This item comprises:

in millions of euros	1st quarter 2016	1st quarter 2015	Change
Interest income from banks	0.1	0.1	-
Income from derivative financial instruments	0.2	-	0.2
Exchange rate gains	8.3	14.5	(6.2)
Total	8.6	14.6	(6.0)

19. FINANCIAL EXPENSE

This item comprises:

in millions of euros	1st quarter 2016	1st quarter 2015	Change
Interest expense on bank payables	1.1	1.2	(0.1)
Interest expense on bonds	1.4	1.4	-
Net financial expense on defined-benefit plans	0.2	0.1	0.1
Expense on bank guarantees	0.2	0.1	0.1
Expense from derivative financial instruments	0.1	0.1	-
Other interest and financial expense	0.3	0.2	0.1
Exchange rate losses	7.4	16.8	(9.4)
Total	10.7	19.9	(9.2)

Exchange gains and losses in the period to 31 March 2016 included, respectively, an unrealized gain of 5.6 million euros and an unrealized loss of 4.7 million euros (10.3 million euros and 11.3 million euros respectively in first quarter of the previous year).

20. TAXES

The following companies form part of the domestic tax group: IMA S.p.A., CO.MA.DI.S. S.p.A., Corazza S.p.A. and Packaging Manufacturing Industry S.r.l. as consolidated companies and SO.FI.M.A. 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.

21. BUSINESS COMBINATION

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 thousands of euros	Fair value
Intangible assets	0.6
Inventories	2.4
Employee defined benefit liabilities	(0.5)
Trade and other payables	(0.2)
Total	2.3
Purchase cost	3.0
Goodwill	0.7

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.

22. GUARANTEES GRANTED

At 31 March 2016, the Group has given sureties and other bank guarantees to customers totalling 29.9 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 sale of CMH S.r.l. for 3.5 million euros and sureties in favour of others for 2.4 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 228.2 million euros.

Lastly, Ilapak International SA has provided guarantees to third parties in the interest of certain companies of the Ilapak Group for a total of 1.7 million euros.

Sureties given against advances received from customers amount to about 116.6 million euros (102.9 million euros at 31 December 2015).

23. COMMITMENTS

At 31 March 2016, commitments to purchase property, plant and equipment and intangible assets total 0.6 million euros, mainly relating to plant and electronic equipment.

The Group also has commitments in respect of minimum lease payments for non-cancellable operating leases totalling 3.2 million euros (3.3 million euros at 31 December 2015) and for rentals totalling 145.1 million euros (149.0 million euros at 31 December 2015).

Other commitments in favour of third parties, 13.6 million euros, mainly consist of the Parent Company's agreement to buy further units of the mutual funds.

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 2016 is owned 60% by SO.FI.M.A. 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 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 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:

in millions of euros	Receivables at 31.03.2016	Receivables at 31.12.2015	Payables at 31.03.2016	Payables at 31.12.2015
Associates and joint venture:				
Amherst Stainless LLC	1.2	1.1	0.2	0.6
B.C. S.r.l.	2.1	2.1	1.0	0.7
Bacciottini F.lli S.r.l.	0.6	0.6	4.8	4.0
Bolognesi S.r.l.	0.9	0.9	1.5	1.6
Brio Pharma Tech. Ltd.	0.5	0.5	0.8	0.6
CMRE S.r.l.	5.4	7.1	-	-
Doo Officina-Game East Vrsac	0.8	0.8	-	-
I.E.M.A. S.r.l.	1.6	0.9	11.4	11.3
LA.CO S.r.l.	0.7	0.7	3.5	3.1
Logimatic S.r.l.	5.7	6.6	11.6	12.5
Masterpiece S.r.l.	-	-	0.4	0.3
Meccanica Sarti S.r.l.	1.2	1.2	0.5	0.4
MORC 2 S.r.l.	1.4	1.4	1.5	1.2
Plasticenter S.r.l.	0.5	0.5	4.0	2.9
Powertransmission.it S.r.l.	0.1	0.1	0.3	0.2
Scriba Nanotecnologie S.r.l.	0.4	0.4	-	-
SIL.MAC S.r.l.	1.1	1.0	3.5	3.5
S.I.Me. S.r.l.	0.5	0.4	0.4	0.3
STA.MA. S.r.l.	0.1	0.1	1.1	0.8
Other associates	-	0.1	0.1	0.1
	24.8	26.5	46.6	44.1
Other related parties:				
Banca di Bologna	0.4	0.4	-	-
Costal S.r.l.	-	-	0.5	0.5
Datalogic Automat. S.r.l.	-	-	0.2	0.2
EPSOL S.r.l.	0.4	0.2	3.5	3.2
Morosina S.p.A.	0.4	-	-	0.3
Poggi & Associati	0.2	0.2	0.2	0.3
Schiavina S.r.l.	0.3	0.3	-	-
Verniciatura Ozzanese S.r.l.	-	-	0.3	0.3
Other related parties	0.2	0.1	0.2	0.1
	1.9	1.2	4.9	4.9
Total	26.7	27.7	51.5	49.0

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

in millions of euros	Revenues		Costs	
	1st quarter 2016	1st quarter 2015	1st quarter 2016	1st quarter 2015
Associates:				
Amherst Stainless LLC	-	-	1.3	0.5
B.C. S.r.l.	-	-	1.4	1.2
Bacciottini F.lli S.r.l.	-	-	1.8	1.0
Bognesi S.r.l.	-	-	1.4	1.2
Brio Pharma Tech. Ltd.	-	-	0.3	0.2
I.E.M.A. S.r.l.	0.6	-	3.5	2.6
LA.CO S.r.l.	-	-	1.0	0.7
Logimatic S.r.l.	1.3	0.5	4.4	4.2
Meccanica Sarti S.r.l.	-	-	0.2	0.1
MORC 2 S.r.l.	-	n.a.	0.4	n.a.
Plasticenter S.r.l.	-	-	0.9	0.6
Powertransmission.it S.r.l.	-	-	0.3	0.2
SIL.MAC. S.r.l.	0.1	-	1.0	0.6
S.I.Me. S.r.l.	-	-	0.3	-
STA.MA. S.r.l.	-	-	0.3	0.3
Other associates	0.1	0.3	0.3	0.1
	2.1	0.8	18.8	13.5
Other related parties:				
Costal S.r.l.	-	-	0.3	-
Datalogic Automat. S.r.l.	-	-	0.1	0.1
EPSOL S.r.l.	0.3	0.2	1.0	0.8
Lopam S.r.l.	-	-	0.1	0.1
Morosina S.p.A.	-	-	0.2	0.3
Nemo Investimenti S.r.l.	-	-	0.5	0.4
Poggi & Associati	-	-	0.3	0.1
Verniciatura Ozzanese S.r.l.	-	-	0.2	0.1
Other related parties	-	-	0.1	0.3
	0.3	0.2	2.8	2.2
Total	2.4	1.0	21.6	15.7

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

There are also dealings with SO.FI.M.A. S.p.A., the Parent Company, as a result of setting up the domestic tax group, as mentioned in Note 20.

The balances and transactions with related parties do not represent a significant percentage of the Group's financial position and results of operations.

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.

Given that some of the operators involved were related parties and in accordance with the requirements of the specific procedure in this area, the Parent Company arranged to inform the appropriate Committee so that it could comment as part of the process of ensuring the necessary transparency and fairness during the investigation, negotiation and approval of these transactions.

Before expressing its opinion and in order to complete the investigation, the Committee considered it appropriate to commission an appraisal from independent expert.

On completion, the Committee expressed a positive opinion, having classified the transaction as "less relevant related party transaction".

25. SIGNIFICANT NON-RECURRING TRANSACTIONS AND EVENTS

The non-recurring charges recognised during the first quarter of 2016, 1.9 million euros, relate to payroll costs linked to the post-acquisition reorganisation of the Dairy&Food business.

During the first quarter of 2015, non-recurring charges of 4.8 million euros mostly related to the reorganisation of the Tea, Food & Other sector following the absorption by IMA S.p.A. of IMA Industries S.r.l.

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 27 April 2016 approved:

- a mandate for the Board of Directors to increase share capital for payment;
- the financial statements at 31 December 2015 and the Board of Directors' Report on the operations of IMA S.p.A.;
- the allocation of the entire profit for the year ended 31 December 2015 by means of a distribution of a gross dividend of 1.40 euro for each outstanding share and by an allocation of the residual amount to the extraordinary reserve;
- 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 appointment of a new Board of Statutory Auditors which will remain in office until the date of the shareholders' meeting called to approve the financial statements for the year ended 31 December 2018. See the section on Directors and Officers for a list of members of the Board of Statutory Auditors;
- the Remuneration Report.

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

- 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. The agreement provides for the subscription of 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. This transaction involved the payment on closing of 7 million Swiss francs for the equity value, plus 21.3 million Swiss francs to take over the loans granted to the target companies by Komax Holding AG, subject to adjustment with reference to the balance sheet at 31 March 2016. There is also provision for a further payment of 6 million Swiss francs by way of an earn-out and 2 million Swiss francs on exercise of the call option on the other 24% of Komax Systems Malaysia;
- 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 transaction as "less relevant related party transaction";

- 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 about 19 million euros, since the option had previously been valued with reference to the projections made until 2017. This income will be recognised in full in the income statement for 2016. 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.

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
Industrial and service companies:						
- I.M.A. Industria Macchine Automatiche S.p.A.	Ozzano dell'Emilia	Bologna - Italy	19,505,200	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	-	58.8% (1)
- GIMA S.p.A.	Zola Predosa	Bologna - Italy	1,000,000	EUR	73.5%	-
- 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% (3)	-
- Revisioni Industriali S.r.l.	Ozzano dell'Emilia	Bologna - Italy	100,000	EUR	-	100% (4)
- Teknoweb Converting S.r.l.	Palazzo Pignano	Cremona - Italy	1,000,000	EUR	100% (5)	-
- Benhil GmbH	Neuss	Germany	5,500,000	EUR	-	100% (6)
- Delta Systems & Automation Inc.	Rogers	USA	1,000	USD	-	81% (7)
- Erca S.A.	Les Ulis	France	2,594,390	EUR	-	100% (6)
- Erca-Formseal Ibérica S.A.	Gavà Barcelona	Spain	60,101	EUR	-	100% (8)
- GASTI Verpackungsmaschinen GmbH	Schwaebisch Hall	Germany	25,000	EUR	-	100% (6)
- Hamba Filltec GmbH & Co. KG	Neunkirchen	Germany	1,700,000	EUR	-	100% (6)
- Hamba Verwaltungsgesellschaft mbH	Neunkirchen	Germany	25,000	EUR	-	100% (6)
- Hassia Packaging Pvt. Ltd.	Taluka Shirur Pune	India	42,000,000	INR	-	100% (6)
- Hassia Verpackungsmaschinen GmbH	Ranstadt	Germany	2,100,000	EUR	-	100% (9)
- Ilapak International SA	Collina d'Oro Lugano	Switzerland	4,000,000	CHF	-	81% (10)
- Ilapak (Langfang) Packaging Machinery Co. Ltd.	Langfang	PRC	3,000,000	USD	-	81% (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% (12)
- IMA Life (Beijing) Pharmaceutical Systems Co. Ltd.	Beijing	PRC	400,000	USD	100%	-
- IMA North America Inc.	Leominster	USA	8,052,500	USD	-	100% (12)
- IMA-PG India Pvt. Ltd.	Mumbai	India	17,852,100 (*)	INR	100%	-
- Shanghai Tianyan Pharmaceutical Co. Ltd.	Shanghai	PRC	5,250,000	RMB	-	86.29% (13)
- Swiftpack Automation Ltd.	Alcester	UK	1,403,895	GBP	100%	-
- Tianjin IMA Machinery Co. Ltd.	Tianjin	PRC	200,000	USD	100%	-
Commercial companies:						
- Ilapak.AT Services GmbH	Vienna	Austria	17,500 (*)	EUR	-	81% (2)
- Ilapak do Brasil Maquinas de embalagem Ltda.	Sao Paulo	Brazil	5,610,814	BRL	-	81% (10)
- 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	1	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.	Edison	USA	1	USD	-	100% (6)
- 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	Großostheim	Germany	100,000	EUR	100%	-
- IMA Industries Inc.	Mundelein	USA	1,856,106	USD	-	100% (4)
- IMA Industries India Pvt. Ltd.	Mumbai	India	5,000,100 (*)	INR	-	99.99% (14)
- IMA Industries North America Inc.	Leominster	USA	100,000	USD	-	100% (12)
- IMA Life Japan KK	Tokyo	Japan	40,000,000	YEN	-	100% (15)
- IMA Pacific Co. Ltd.	Bangkok	Thailand	132,720,000	THB	99.99%	-
- IMA Packaging & Processing 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% (4)
- Teknoweb N.A. LLC	Loganville Atlanta	USA	56,000	USD	-	75% (16)
- Teknoweb Suisse Sagl	Mendrisio	Switzerland	40,000	CHF	-	100% (17)

(*) 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.

Companies consolidated line-by-line (continued)	Registered office		Share		Direct investment	Indirect investment
			capital	Currency		
Financial companies:						
- Packaging Systems Holdings Inc.	Wilmington	USA	1,000	USD	100%	-
- IMA Dairy & Food Holding GmbH	Stutensee	Germany	25,000	EUR	100% (18)	-
- Tekno NA Inc	Atlanta	USA	50,000	USD	-	100% (17)
- Transworld Packaging Holding B.V.	Amsterdam	The Netherlands	3,241,661	EUR	81%	-
Other companies:						
- Digidoc S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	-	80% (19)
- Dreamer S.r.l.	Bologna	Bologna - Italy	100,000	EUR	-	66.15% (1)
- II Canada Ltd. (in liquidation)	Mississauga Toronto	Canada	-	CAD	-	100% (20)
- 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.: Fillshape S.r.l. at 80%, GIMA TT S.p.A. at 86.82% and Dreamer S.r.l. at 90%
- (2) Held by Ilapak International SA at 100% except Ilapak France SA held at 99.99%
- (3) The percentage interest held in Pharmasiensa Service S.r.l. includes an option to purchase 19% of the quota capital.
- (4) Held by Corazza S.p.A.
- (5) The percentage interest held in Teknoweb Converting S.r.l. includes an option to purchase 40% of the quota capital.
- (6) Held by IMA Dairy & Food Holding GmbH
- (7) Held by Ilapak Inc. at 100%
- (8) Held by Erca S.A. at 100%
- (9) Held by IMA Dairy & Food Holding GmbH at 94% and by IMA Germany GmbH at 6%
- (10) Held by Transworld Packaging Holding B.V. at 100%
- (11) Held by Ilapak Italia S.p.A. at 100%
- (12) Held by Packaging Systems Holdings Inc.
- (13) Held by IMA Life (Beijing) Ph. Systems Co. Ltd.
- (14) Held by IMA-PG India Pvt. Ltd.
- (15) Held by IMA Life The Netherlands B.V.
- (16) Held by Tekno NA Inc. at 75%
- (17) Held by Teknoweb Converting S.r.l. at 100%
- (18) The percentage interest held in IMA Dairy & Food Holding GmbH includes an option to purchase 20% of the quota capital.
- (19) Held by Packaging Manufacturing Industry S.r.l.
- (20) Held by IMA Industries Inc.

Investments accounted for using the equity method	Registered office		Share		Direct investment
			capital	Currency	
Industrial and service companies:					
- 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%
- Consorzio Servizi (in liquidation)	Bologna	Bologna - Italy	50,000 (3)	EUR	50%
- 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)
- 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.**

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.