

INTERIM REPORT ON OPERATIONS
AT 31 MARCH 2017





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INTERIM REPORT ON OPERATIONS
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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 - Chairman - Independent Director

Pierantonio Riello - Independent Director

Maria Carla Schiavina - Non-executive Director

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

**MANAGER RESPONSIBLE
FOR PREPARING
FINANCIAL REPORTS**

Sergio Marzo

LEAD INDEPENDENT DIRECTOR

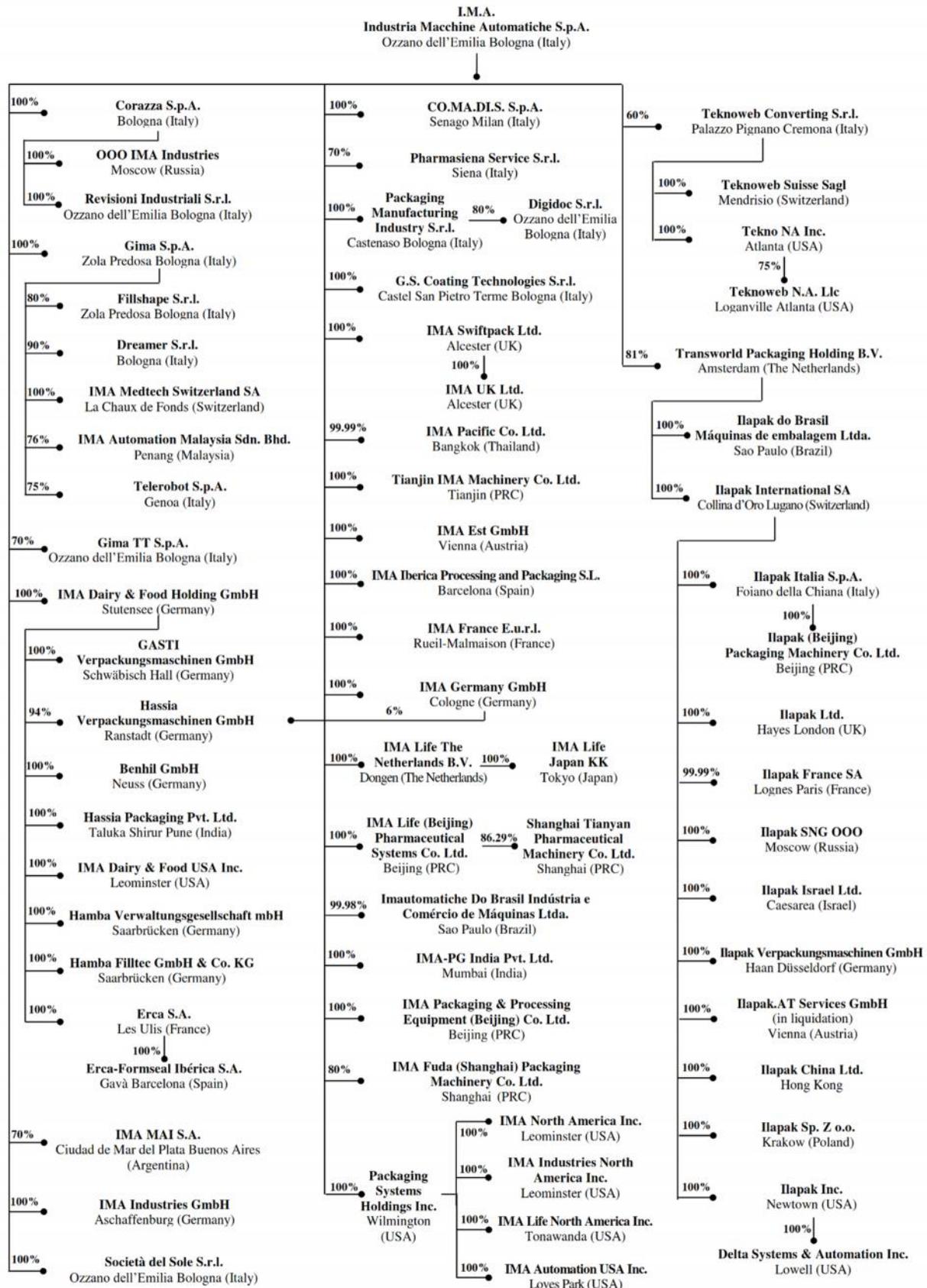
Paolo Frugoni

INDEPENDENT AUDITORS

(In office until the Shareholders' Meeting called to approve the financial statements at 31 December 2021)

EY S.p.A.

GROUP STRUCTURE AT 31 MARCH 2017



GROUP PERFORMANCE

GENERAL PERFORMANCE

The world economy has overcome the financial crisis and, after some uncertainty in 2016, has started on a path of growth consolidation. Positive signs are multiplying throughout the world: the expected expansionary fiscal policy in the USA, the recovery in commodity prices, the risk of deflation significantly reduced and the continued growth in world liquidity thanks to expansion in the EMU, Japan and the UK. In particular, for Europe, the economic indicators share the world-wide optimism that has been fuelled by the outcome of the elections in the Netherlands and France.

However, it is not a scenario without uncertainty, such as the risk of US protectionism and its consequences on world investment decisions, the fragility of emerging countries and the unknown consequences of Brexit.

In this context, during the first quarter of 2017 the Group still managed to generate a steady stream of orders in all key sectors, with a further increase over the same period in 2016.

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

Group revenues in first quarter 2017 amounted to 294.4 million euros, compared with 244.2 million euros in the same period of 2016. EBITDA amounted to 29.6 million euros, an increase over the first quarter of 2016 when it was 21.7 million euros before non-recurring items.

The operating profit amounted to 20.0 million euros, compared with 11.1 million euros in first quarter 2016.

The following is a summarized version of the income statement for the period under review, with comparative figures for the corresponding period in 2016:

in millions of euros	1st quarter 2017		1st quarter 2016	
	Amount	% Amount	Amount	%
Revenues	294.4		244.2	
Cost of sales	(183.6)	62.4	(153.3)	62.8
Industrial gross profit	110.8	37.6	90.9	37.2
R&D costs	(14.2)		(11.1)	
Sales costs	(34.2)		(30.1)	
General and administrative costs	(42.4)		(36.7)	
Operating profit before non-recurring items (EBITA)	20.0	6.8	13.0	5.3
Non-recurring items	-		(1.9)	
Operating profit (EBIT)	20.0	6.8	11.1	4.5
Net financial income (expense)	(3.1)		(2.1)	
Profit (loss) from investments accounted for using the equity method	-		-	
Profit before tax	16.9	5.7	9.0	3.7
Taxes	(5.6)		(3.1)	
Profit for the period	11.3	3.8	5.9	2.4
Profit attributable to non-controlling interests	(2.0)		(0.8)	
Profit attributable to equity holders of the parent	9.3	3.2	5.1	2.1
Gross operating profit (EBITDA) before non-recurring items	29.6	10.1	21.7	8.9
Gross operating profit (EBITDA)	29.6	10.1	19.8	8.1
Order book	855.3		748.4	

REVENUES AND ORDERS

Consolidated revenues for the first quarter of 2017 come to 294.4 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 2017 shows strong growth in the order book, which now amounts to 855.3 million euros, an increase of 106.9 million euros compared with the previous year. Total orders acquired during the period amount to 383.4 million euros versus 342.6 million euros in 2016, an increase of 11.9%.

OPERATING PROFIT (EBIT)

In the first quarter of 2017 the industrial gross profit (as a percentage of revenues) came in at 37.6%, with a slight rise compared with the previous year (37.2%), also thanks to a favourable mix.

Operating profit of 20.0 million euros was higher than in the prior year (11.1 million euros), even after the recognition during the period of non-recurring charges of 1.9 million euros.

PROFIT BEFORE TAX

Net financial expense amounts to 3.1 million euros (2.1 million euros at 31 March 2016), an increase compared with the first quarter of last year due mainly to exchange differences. Accordingly, profit before tax was 16.9 million euros versus 9.0 million euros at the end of March 2016.

PROFIT FOR THE PERIOD

The profit for the period of 11.3 million euros compares with 5.9 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 2017	158.9	135.5	–	294.4
1st quarter 2016	113.2	131.0	–	244.2
Gross operating profit (EBITDA) before non-recurring items				
1st quarter 2017	4.8	24.8	–	29.6
1st quarter 2016	1.7	20.0	–	21.7
Gross operating profit (EBITDA)				
1st quarter 2017	4.8	24.8	–	29.6
1st quarter 2016	(0.2)	20.0	–	19.8
Operating profit (EBIT)				
1st quarter 2017	(2.1)	22.1	–	20.0
1st quarter 2016	(6.5)	17.6	–	11.1
Net capital employed (*)				
31 March 2017	329.7	140.3	3.4	473.4
31 March 2016	251.3	129.0	2.1	382.4
R&D costs				
1st quarter 2017	7.4	6.8	–	14.2
1st quarter 2016	5.1	6.0	–	11.1
Average personnel				
1st quarter 2017	2,724	2,546	–	5,270
1st quarter 2016	2,327	2,489	–	4,816
Order book				
31 March 2017	378.5	476.8	–	855.3
31 March 2016	308.3	440.1	–	748.4

(*) 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 of the Tea, Food & Other sector, 158.9 million euros, were higher than in the same period of the prior year (45.7 million euros) due to the higher order book at the beginning of the period and to the contribution of 20.7 million euros of the Medtech and Telerobot businesses, which have been consolidated from the second quarter of 2016. Gross operating profit (EBITDA) before non-recurring charges was higher, at 4.8 million euros, due to the different sales mix during the period and the contribution, 1.7 million euros, made by the Medtech and Telerobot businesses. The organic growth in orders during the period by 18.0 million euros (+10.9%), together with the contribution of 22.1 million euros made by the Medtech and Telerobot businesses, has resulted in a much larger order book than in the previous year (+70.2 million euros or +22.8%, with a contribution from the Medtech and Telerobot businesses of 60.1 million euros). This means that the trend over the year should be in line with expectations.

Revenues in the Pharmaceutical sector were 4.5 million euros higher than in the same period of last year (organic growth of 3.4%). Gross operating profit before non-recurring charges of 24.8 million euros was up from 20.0 million euros previously, due to higher volume and a different sales mix. Orders are slightly higher than in the same period of 2016 with an order book that has grown by 36.7 million euros (growth of 8.3%) with a good outlook for the rest of this year.

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 table summarizes the Group's balance sheet and financial position at 31 March 2017:

in millions of euros	31.03.2017	31.12.2016
Trade receivables	318.1	308.9
Inventories	315.2	278.9
Trade payables	(436.5)	(476.8)
Other, net	(106.0)	(107.6)
Working capital	90.8	3.4
Property, plant and equipment	91.0	88.2
Intangible assets	326.8	332.8
Investments	33.7	26.0
Non-current assets	451.5	447.0
Severance obligations and other provisions	(68.9)	(80.3)
Net capital employed	473.4	370.1
FINANCED BY:		
Net debt	190.2	99.9
Non-controlling interests	16.6	14.6
Group equity attributable to equity holders of the parent	266.6	255.6
Total sources of financing	473.4	370.1

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

The net capital employed at the end of the first quarter of 2017 was 103.3 million euros higher than at the end of 2016. 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	31.03.2017	31.12.2016
A. Cash and cash equivalents	(98.8)	(201.1)
B. Other cash equivalents	(4.7)	(3.9)
C. Investments in securities	(3.6)	(3.5)
D. Liquidity (A)+(B)+(C)	(107.1)	(208.5)
E. Current financial receivables	(2.2)	(2.2)
F. Current payables to banks	30.3	35.5
G. Current portion of non-current payables	57.7	57.0
H. Other current financial payables	1.8	1.0
I. Current financial debt (F) + (G) + (H)	89.8	93.5
J. Net current financial debt (D)+(E)+(I)	(19.5)	(117.2)
K. Non-current portion of non-current bank payables	106.3	108.4
L. Bonds issued	105.3	110.5
M. Other non-current financial payables	2.3	2.3
N. Non-current financial assets	(4.2)	(4.1)
O. Net non-current financial debt (K)+(L)+(M)+(N)	209.7	217.1
P. Net financial debt (J) + (O)	190.2	99.9

Net debt at the end of the period amounts to 190.2 million euros (99.9 million euros at 31 December 2016). The increase since 31 December 2016 reflects the physiological growth of borrowing linked to the rise in operating capital, the purchase of the minority interests in Maisa and the price adjustment for the Medtech business for a total of 9.2 million euros. Net debt is expected to fall considerably in the latter part of the year.

CAPITAL EXPENDITURE

Capital expenditure on intangible assets amounted to 2.5 million euros (3.4 million euros in the first quarter of 2016) and related mainly to the capitalisation of development costs incurred on totally new products for market segments not previously occupied.

Group capital expenditure amounted to 5.8 million euros (3.6 million euros in first quarter 2016) and mainly relate to costs incurred to extend and upgrade buildings leased by IMA S.p.A., to the completion of the new production site in Arkansas (USA) and to the purchase of plant, machinery and electronic machines.

Amortization and depreciation expense for the period was 9.6 million euros, compared with 8.7 million euros in the same period of last year); the increase is mainly attributable to the amortization of development costs.

ALTERNATIVE PERFORMANCE INDICATORS

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

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

-) cost of sales: represents costs incurred directly by the Group to generate revenues. For example, it includes materials, labour, the technical offices' costs involved in customizing products and production overheads;
-) research and development costs: these include, by function, costs relating to the research and development of new products or to the maintenance of existing products. They also include costs relating to technical personnel, materials used for experiments and the overheads of 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 amortization not directly related to the foregoing functions;
-) gross operating profit (EBITDA): this corresponds to the sum of operating profit, depreciation and amortization for the period and writedowns. EBITDA is an indicator used as a financial target in internal and external presentations and is a useful measure for evaluating the Group's performance.

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

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

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

OTHER INFORMATION

RELATED-PARTY TRANSACTIONS

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

By a resolution adopted on 1 December 2010, the Board therefore implemented the procedure on related parties, which takes account of the additional instructions on how to apply the new rules provided in Consob Communication DEM/10078683 of 24 September 2010.

The purpose of this procedure, which is published on the Company's website (www.ima.it), 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 the balance sheets or results of Group companies;
-) there have been no changes or developments in related-party transactions as disclosed in the last annual report that have had a significant effect on 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 2017 reflects the higher level of the order book outstanding at the end of 2016 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 over 1.4 billion euros with a gross operating profit of around 205 million euros could be feasible.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2017

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SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MILLIONS OF EUROS)

ASSETS	Note	31 March 2017	31 December 2016
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2	91.0	88.2
<i>Intangible assets</i>	3	326.8	332.8
<i>Investments accounted for using the equity method</i>	4	23.1	23.0
<i>Investments in non-consolidated subsidiaries</i>	5	7.6	–
<i>Financial assets</i>	6	7.2	7.1
<i>Receivables from others</i>		3.2	3.2
<i>Deferred tax assets</i>	8	65.1	64.9
TOTAL NON-CURRENT ASSETS		524.0	519.2
CURRENT ASSETS			
<i>Inventories</i>	9	315.2	278.9
<i>Trade and other receivables</i>	10	384.9	359.4
<i>Income tax receivables</i>		10.8	8.0
<i>Financial assets</i>	6	10.5	9.6
<i>Derivative financial instruments</i>	7	0.2	0.2
<i>Cash and cash equivalents</i>	11	98.8	201.1
TOTAL CURRENT ASSETS		820.4	857.2
TOTAL ASSETS		1,344.4	1,376.4
EQUITY AND LIABILITIES			
EQUITY			
<i>Equity attributable to equity of the parent</i>	12	266.6	255.6
<i>Non-controlling interests</i>	13	16.6	14.6
TOTAL EQUITY		283.2	270.2
NON-CURRENT LIABILITIES			
<i>Borrowings</i>	14	213.9	221.2
<i>Employee defined benefit liabilities</i>		56.6	57.9
<i>Provisions for risks and charges</i>	15	5.8	5.9
<i>Other payables</i>	16	15.9	20.1
<i>Derivative financial instruments</i>	7	2.6	2.3
<i>Deferred tax liabilities</i>	8	61.2	62.1
TOTAL NON-CURRENT LIABILITIES		356.0	369.5
CURRENT LIABILITIES			
<i>Borrowings</i>	14	89.8	93.5
<i>Trade and other payables</i>	16	563.0	596.8
<i>Income tax liabilities</i>		21.0	14.4
<i>Provisions for risks and charges</i>	15	30.9	30.9
<i>Derivative financial instruments</i>	7	0.5	1.1
TOTAL CURRENT LIABILITIES		705.2	736.7
TOTAL LIABILITIES		1,061.2	1,106.2
TOTAL EQUITY AND LIABILITIES		1,344.4	1,376.4

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

	Note	1st quarter 2017	1st quarter 2016
REVENUES	1	294.4	244.2
OTHER REVENUES		3.6	4.8
OPERATING COSTS			
<i>Change in work in progress, semifinished and finished goods</i>		35.2	33.0
<i>Change in inventory of raw, ancillary and consumable materials</i>		1.0	7.0
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>		(127.2)	(116.9)
<i>Services, rentals and leases</i>		(72.8)	(59.9)
<i>Personnel costs</i>	17	(101.0)	(88.2)
<i>Depreciation and amortization expense</i>	18	(9.7)	(9.2)
<i>Provisions for risks and charges</i>		(0.9)	(1.7)
<i>Other operating costs</i>		(2.6)	(2.0)
TOTAL OPERATING COSTS		(278.0)	(237.9)
OPERATING PROFIT	1	20.0	11.1
<i>- of which: effect of non-recurring items</i>	25	-	(1.9)
FINANCIAL INCOME AND EXPENSE			
<i>Financial income</i>	19	8.4	8.6
<i>Financial expense</i>	20	(11.5)	(10.7)
TOTAL FINANCIAL INCOME AND EXPENSE		(3.1)	(2.1)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		-	-
PROFIT BEFORE TAX		16.9	9.0
TAXES	21	(5.6)	(3.1)
PROFIT FOR THE PERIOD		11.3	5.9
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE PARENT		9.3	5.1
NON-CONTROLLING INTERESTS		2.0	0.8
		11.3	5.9
BASIC/DILUTED EARNINGS PER SHARE (in euros)		0.24	0.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MILLIONS OF EUROS)

	1st quarter 2017	1st quarter 2016
Net profit for the period	11.3	5.9
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>	0.1	(4.3)
<i>Gains (losses) on cash flow hedges</i>	0.4	(0.1)
<i>Tax effect</i>	(0.1)	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	0.4	(4.4)
Other comprehensive income not being reclassified to profit or loss in subsequent periods:		
<i>Actuarial gains (losses) on post employment benefit obligations</i>	1.6	(4.2)
<i>Tax effect</i>	(0.3)	1.2
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	1.3	(3.0)
Gains and losses recognized in equity	1.7	(7.4)
Total comprehensive income	13.0	(1.5)
Attributable to:		
Equity holders of the parent	11.0	(2.1)
Non-controlling interests	2.0	0.6
	13.0	(1.5)

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 01.01.2016	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
Balances at 01.01.2017	20.4	122.8	(0.1)	9.6	(2.2)	11.6	93.5	255.6	14.6	270.2
Allocation of result for 2016	-	-	-	-	-	93.5	(93.5)	-	-	-
Total comprehensive income	-	-	-	0.1	0.3	1.3	9.3	11.0	2.0	13.0
Balances at 31.03.2017	20.4	122.8	(0.1)	9.7	(1.9)	106.4	9.3	266.6	16.6	283.2

CONSOLIDATED STATEMENT OF CASH FLOWS

(MILLIONS OF EUROS)

	31 March 2017	31 March 2016
OPERATING ACTIVITIES		
<i>Profit attributable to equity holders of the parent</i>	9.3	5.1
<i>Adjustments for:</i>		
- <i>Depreciation and amortization</i>	9.6	8.7
- <i>Capital (gains) losses on disposal of non-current assets</i>	(0.1)	(0.3)
- <i>Changes in provisions for risks and charges and employee defined benefit liabilities</i>	0.5	1.2
- <i>Unrealized losses (gains) on exchange rate differences</i>	2.0	(0.9)
- <i>Other changes</i>	0.1	0.3
- <i>Taxes</i>	5.6	3.1
- <i>Non-controlling interests</i>	2.0	0.8
Operating profit before changes in working capital	29.0	18.0
<i>(Increase) decrease in trade and other receivables</i>	(25.5)	(9.6)
<i>(Increase) decrease in inventories</i>	(36.3)	(38.2)
<i>Increase (decrease) in trade and other payables</i>	(34.4)	(0.1)
<i>Taxes paid</i>	(3.7)	(3.8)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	(70.9)	(33.7)
INVESTING ACTIVITIES		
<i>Investments in property, plant and equipment</i>	(5.8)	(3.6)
<i>Investments in intangible assets</i>	(2.5)	(3.4)
<i>Acquisition business divisions / companies</i>	-	(3.0)
<i>Amounts paid as earn out</i>	(3.8)	-
<i>Purchase of investments</i>	(5.8)	-
<i>Sale of non-current assets</i>	0.1	0.4
<i>Other changes</i>	0.4	(2.6)
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(17.4)	(12.2)
FINANCING ACTIVITIES		
<i>Granting of loans</i>	0.8	15.0
<i>Repayment of borrowings</i>	(2.9)	(3.7)
<i>Bonds</i>	(5.2)	-
<i>Increase (decrease) in other financial payables</i>	(4.2)	7.4
<i>Change in non-controlling interests</i>	-	(12.4)
<i>Net change in financial assets and other non-current receivables</i>	(1.0)	(0.2)
<i>Payment of interest</i>	(1.5)	(1.7)
<i>Receipt of interest</i>	-	-
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	(14.0)	4.4
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(102.3)	(41.5)
CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)	201.1	156.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	98.8	114.6

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

A) OVERVIEW

The interim report at 31 March 2017, which is unaudited, was approved by the Board of Directors on 15 May 2017.

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

At 31 March 2017, IMA S.p.A. is 57% 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

As an issuer trading on the STAR segment of the MTA market run by Borsa Italiana, IMA is subject to the aforementioned art. 2.2.3 of the Stock Exchange Regulations. As announced on 20 January 2017 and in continuity with the past, IMA will continue to publish quarterly reports within 45 days from the end of the first and third quarter of 2017.

This interim report on operations has been prepared using the measurement criteria envisaged in the IAS/IFRS endorsed by the European Union.

The accounting policies adopted to prepare the interim report as of 31 March 2017 are consistent with those used to prepare the consolidated financial statements at 31 December 2016, to which the reader is referred for further information. The amendments and interpretations in force from 1 January 2017 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 accounting standards that have been issued but not yet in force. The Group has continued to carry out the analysis started in 2016 of the potential impact that adoption of the new standards IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers, and IFRS 16 Leases could have on the Group financial statements. Based on a preliminary assessment of a qualitative nature, we do not expect there to be any potentially significant impacts on the Group's assets and liabilities, results and financial position from IFRS 9 and IFRS 15. Regarding IFRS 16, please refer to the section on "Implementation of accounting standards" of the 2016 Annual Financial Report.

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

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

Financial statements

The statement of financial position has been classified on the basis of the operating cycle, distinguishing between current and non-current items. 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 2017 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 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 2016. 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 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 2017 by fair value hierarchy level:

in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	–	–	6.6	6.6
Derivative financial instruments	–	0.2	–	0.2
Total assets at 31 March 2017	–	0.2	6.6	6.8
Liabilities:				
Payables for acquisition	–	–	13.4	13.4
Derivative financial instruments	–	3.1	–	3.1
Total liabilities at 31 March 2017	–	3.1	13.4	16.5

The following tables show the assets and liabilities measured at fair value at 31 December 2016 by fair value hierarchy level:

in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	–	–	6.5	6.5
Derivative financial instruments	–	0.2	–	0.2
Total assets at 31 December 2016	–	0.2	6.5	6.7
Liabilities:				
Payables for acquisition	–	–	19.0	19.0
Derivative financial instruments	–	3.4	–	3.4
Total liabilities at 31 December 2016	–	3.4	19.0	22.4

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

During the first quarter of 2017, 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 2017:

in millions of euros	Assets	Liabilities
Balance at 01.01.2016	4.5	32.3
Increases / (decreases)	(0.9)	0.1
Balance at 31.03.2016	3.6	32.4
Balance at 01.01.2017	6.5	19.0
Amounts paid as earn out	–	(5.6)
Increases / (decreases)	0.1	–
Balance at 31.03.2017	6.6	13.4

The liabilities at 31 March 2017 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 2017 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.

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.

On 4 January 2017 IMA SpA completed the closing for the purchase of a 70% stake in MAI SA, based in Argentina, which manufactures and sells machines for the packaging of tea and herbal teas in filter bags; See Note 5 for further information.

E) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The changes reported below were determined with respect to the amounts at 31 December 2016 for balance sheet items and the amounts for first quarter 2016 for income statement items.

1. SEGMENT INFORMATION

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

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

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

The information on operating segments for first quarter 2017 and 2016 is as follows:

in millions of euros	Tea, Food & Other	Pharmaceutical	Total
Revenues	158.9	135.5	294.4
Segment operating profit	(2.1)	22.1	20.0
Net financial income (expense) (*)			(3.1)
Profit before tax			16.9
Taxes			(5.6)
Net profit for the period			11.3

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

(*) 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 2017 come to 294.4 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, 158.9 million euros, were higher than in the same period of the prior year (45.7 million euros) due to the higher order book at the beginning of the period and to the contribution of 20.7 million euros of the Medtech and Telerobot businesses, which have been consolidated from the second quarter of 2016. The operating result comes in at -2.1 million euros, improving by 4.4 million euros also thanks to the different sales mix and to the contribution of 1.3 million euros made by the Medtech and Telerobot businesses.

Revenues in the Pharmaceuticals sector were 4.5 million euros higher than in the same period of last year (organic growth of 3.4%). The operating profit of 22.1 million euros was up from 17.6 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 2017 by geographical and business segment:

REVENUES BY GEOGRAPHICAL AREA

in millions of euros	1st quarter 2017	1st quarter 2016	Change
European Union (excluding Italy)	79.8	75.7	4.1
Other European countries	23.0	16.4	6.6
North America	49.0	39.2	9.8
Asia & Middle East	70.7	53.5	17.2
Other countries	35.5	31.6	3.9
Total exports	258.0	216.4	41.6
Italy	36.4	27.8	8.6
Total	294.4	244.2	50.2

REVENUES BY BUSINESS SEGMENT

in millions of euros	1st quarter 2017	1st quarter 2016	Change
Machines and change parts	58.4	62.6	(4.2)
Contract work	157.3	114.1	43.2
Spare parts and other materials	51.6	44.9	6.7
Technical assistance	22.7	19.2	3.5
Other services	4.4	3.4	1.0
Total	294.4	244.2	50.2

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.		Plant and machinery	Industrial and commercial equipment		Asset under construction and advances		Total
	Land					Other assets		
Balance at 01.01.17	13.1	38.5	14.1	5.5	9.1	7.9	88.2	
Increases	–	0.9	1.1	0.6	0.8	2.4	5.8	
Sales and disposals	–	–	–	–	–	–	–	
Depreciation	–	(1.0)	(0.8)	(0.5)	(0.7)	–	(3.0)	
Reclassifications	–	5.2	–	–	–	(5.2)	–	
Exchange rate difference	0.1	–	–	–	–	(0.1)	–	
Balance at 31.03.17	13.2	43.6	14.4	5.6	9.2	5.0	91.0	

Leasehold improvements amount to 24.8 million euros (25.3 million euros at 31 December 2016).

Reclassifications reflect the completion of the new production site in Arkansas (USA) by Delta Systems & Automation Inc.

Additions in the period mainly relate to costs incurred to extend and upgrade buildings leased by IMA S.p.A., to the above mentioned building in Arkansas (USA) and to the purchase of plant, machinery and electronic machines.

3. INTANGIBLE ASSETS

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

in millions of euros	Development costs	Industrial patents right	Software		Assets under development and advances	Total
			licences, trademarks and similar	Goodwill		
Balances at 01.01.17	100.6	5.6	65.4	152.5	8.7	332.8
Increases	0.2	0.5	0.3	–	1.5	2.5
Amortization	(4.2)	(0.4)	(2.0)	–	–	(6.6)
Reclassifications and other changes	(0.7)	–	–	(1.7)	0.7	(1.7)
Exchange rate difference	–	(0.1)	–	(0.1)	–	(0.2)
Balances at 31.03.17	95.9	5.6	63.7	150.7	10.9	326.8

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 Medtech business, acquired in 2016, 3.4 million euros;
-)] the Dairy&Food business acquired in 2015, 43.7 million euros;
-)] DOSA S.r.l. and G.S. Coating Technologies S.r.l. businesses, purchased in 2014, for 0.5 million euros and 1.6 million euros respectively;
-)] Ilapak Group, which took place in 2013, for 10.6 million euros;
-)] Dairy & Convenience Food business of the Corazza Group, occurred in 2011, for 6.8 million euros.

In addition, this caption includes costs of 13.2 million euros incurred by the Parent Company on projects related to the Pharmaceuticals sector and of 2.7 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 25.5 million euros, 6.9 million euros and 6.0 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 17.7 million euros that relate to the Dairy&Food business.

Goodwill comprises the following:

in millions of euros	31.03.2017	31.12.2016
Tea, Food & Other sector:		
CGU B.F.B. S.p.A.	1.8	1.8
CGU GIMA S.p.A.	1.7	1.7
CGU Corazza Group	18.9	18.9
CGU Dairy&Food Group	24.7	24.7
CGU Ilapak Group	4.1	4.1
CGU Teknoweb Group	13.3	13.3
CGU Medtech	9.9	11.6
CGU Naturapack S.r.l.	8.7	8.7
CGU TEAMAC	0.7	0.7
CGU Telerobot S.p.A.	4.9	4.9
	88.7	90.4
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	14.2	14.3
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
	62.0	62.1
Total	150.7	152.5

The reduction in the value of the Medtech CGU goodwill refers to the definition of the consideration paid as earn-out and which took place during the valuation period. Initial recognition of this business combination was carried out provisionally on the basis of IFRS 3, which provides for a 12-month valuation period to correct the provisional amounts initially recorded.

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 (5.4 million euros), Ilapak Italia S.p.A (2.5 million euros) and Ilapak International SA, (1.3 million euros).

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This caption is analyzed as follows:

in millions of euros	31.03.2017	31.12.2016
Associates:		
Amherst Stainless Fabrication LLC	0.4	0.4
B.C. S.r.l.	2.4	2.4
Bacciottini F.lli S.r.l.	0.6	0.6
Bolognesi S.r.l.	1.0	1.0
Brio Pharma Technologies Pvt. Ltd.	0.4	0.4
Doo Officina-Game East Vrsc	0.3	0.3
I.E.M.A. S.r.l.	1.0	1.0
LA.CO. S.r.l.	0.5	0.5
Logimatic S.r.l.	0.7	0.7
Meccanica Sarti S.r.l.	1.2	1.2
MORC 2 S.r.l.	1.5	1.5
Petroncini Impianti S.r.l.	2.1	2.0
Plasticenter S.r.l.	0.6	0.6
SIL.MAC. S.r.l.	0.8	0.8
Sirio S.p.A. Associazione in partecipazione	4.6	4.6
Other associates	0.7	0.7
	18.8	18.7
Joint venture:		
CMRE S.r.l.	4.3	4.3
	4.3	4.3
Total	23.1	23.0

5. INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

On 4 January 2017 IMA SpA completed the closing for the purchase of a 70% stake in MAI SA, based in Argentina, which manufactures and sells machines for the packaging of tea and herbal teas in filter bags. The financial outlay amounts to 7.7 million US dollars, of which 5.7 million US dollars paid at the closing and the balance in three annual tranches. IMA has also been granted an option to buy 100%, which can be exercised in April 2021.

The company has been measured at cost because of the immateriality of the amounts involved and in view of the time required for it to adopt the IMA Group's consolidation procedures. The company will be fully consolidated from the interim financial statements as at 30 June 2017.

6. FINANCIAL ASSETS

Non-current financial assets of 7.2 million euros include investments in other companies of 3.0 million euros (3.0 million euros at 31 December 2016) and financial receivables of 4.2 million euros (4.1 million euros at 31 December 2016).

Investments in other companies mainly include the interest held in InterMedia Holding S.p.A., 1.3 million euros (1.3 million euros at 31 December 2016), and the shares held in Continuous Pharmaceuticals Inc. totalling 1.4 million euros (1.4 million euros at 31 December 2016). 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 essentially relate to Ilapak International SA, 2.9 million euros for loans to third parties, to a loan of 0.5 million euros granted by the Parent Company to Logimatic S.r.l., an associated company, on market terms and to financial receivables of 0.7 million euros relating to Telerobot S.p.A.

Current financial assets, 10.5 million euros 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 Me.Mo. S.r.l. associates, totalling 1.7 million euros, and other liquid assets for 4.7 million euros consisting of the bank deposits of IMA-PG India Pvt Ltd., financial receivables granted to third parties by Ilapak International SA for 0.5 million euros and the investments of IMA S.p.A. in mutual funds, 3.6 million euros.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments comprise:

in millions of euros	31.03.2017		31.12.2016	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - cash flow hedges	-	2.6	-	2.3
Exchange rate hedging instruments - cash flow hedges	0.2	0.5	0.2	1.1
Total	0.2	3.1	0.2	3.4

INTEREST RATE DERIVATIVES

At 31 March 2017, the amounts of 2.6 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 42.9 million US dollars and 115.5 million euros.

EXCHANGE RATE DERIVATIVES

At 31 March 2017, the amount of 0.2 million euros in assets and 0.5 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 39.2 million US dollars, 55.7 million Chinese yuan and 1.2 million Canadian dollars.

8. DEFERRED TAX ASSETS AND LIABILITIES

At 31 March 2017, the deferred tax asset of 65.1 million euros (64.9 million euros at 31 December 2016), 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 2017, deferred tax liabilities amount to 61.2 million euros (62.1 million euros at 31 December 2016) and relate mainly to temporary differences between the book values of certain tangible and intangible assets and their values recognised for tax purposes.

9. INVENTORIES

This item is made up as follows:

in millions of euros	31.03.2017			31.12.2016		
	Gross value	Impairment provision	Net value	Gross value	Impairment provision	Net value
Raw, ancillary and consumable materials	65.7	(14.4)	51.3	64.6	(14.3)	50.3
Work in progress and semifinished goods	279.3	(29.7)	249.6	244.7	(28.4)	216.3
Finished products and goods for resale	18.1	(3.8)	14.3	16.1	(3.8)	12.3
Total	363.1	(47.9)	315.2	325.4	(46.5)	278.9

The increase in inventories since 31 December 2016 reflects the preparation of machines for delivery to customers in subsequent quarters, as well as the substantial order backlog at the end of March.

10. TRADE AND OTHER RECEIVABLES

This item comprises:

in millions of euros	31.03.2017	31.12.2016
Trade receivables	318.1	308.9
Advances to suppliers	29.4	22.1
Tax receivables	18.6	16.3
Deferrals	11.3	6.0
Other receivables	7.5	6.1
Total	384.9	359.4

TRADE RECEIVABLES

Trade receivables include amounts due from customers of 171.7 million euros (167.5 million euros at 31 December 2016), amounts due on contract work in progress of 137.8 million euros (130.7 million euros at 31 December 2016) and trade receivables from associates of 8.6 million euros (10.7 million euros at 31 December 2016).

Credit facilities 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 18.4 million euros (18.5 million euros at 31 December 2016).

Assigned receivables not yet due at 31 March 2017 amount to 17.3 million euros, of which 13.6 million euros have been assigned to factoring companies and 3.7 million euros to other financial institutions. 2017 saw the assignment without recourse of receivables with an overall nominal value of around 1.1 million euros.

ADVANCES TO SUPPLIERS

At 31 March 2017, these relate to advances for goods to be used in production and for services totalling, respectively, 22.7 million euros (16.5 million euros at 31 December 2016) and 6.7 million euros (5.6 million euros at 31 December 2016). This balance includes 4.1 million euros of advances to associated companies (2.7 million at 31 December 2016).

TAX RECEIVABLES

Tax receivables mainly consist of VAT receivables.

11. CASH AND CASH EQUIVALENTS

This item comprises:

in millions of euros	31.03.2017	31.12.2016
Bank current accounts	98.3	196.7
Deposits	0.3	4.2
Cheques and cash	0.2	0.2
Total	98.8	201.1

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

12. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

SHARE CAPITAL

The share capital reported in the consolidated financial statements at 31 March 2017, 20.4 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 39,260,000 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 2017, nor during the whole of 2016. At 31 March 2017, 5,500 shares were held in portfolio (0.014% 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 01.01.2016	(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)
Balance at 01.01.2017	(2.2)
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	0.1
Realization recognized in income - revenues	0.1
Realization recognized in income - costs	(0.1)
Realization recognized in income - financial income and expense	0.3
Tax effect - realization in income statement	(0.1)
Balance at 31.03.2017	(1.9)

OTHER RESERVES AND RETAINED EARNINGS

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

in millions of euros	
Balance at 01.01.2016	(8.2)
Actuarial value	(4.1)
Tax effect	1.2
Balance at 31.03.2016	(11.1)
Balance at 01.01.2017	(12.6)
Actuarial value	1.6
Tax effect	(0.3)
Balance at 31.03.2017	(11.3)

13. 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 2017		31 December 2016	
		% held by the Group	% held by third parties	% held by the Group	% held by third parties
Direct investments:					
GIMA TT S.p.A.	Italy	70%	30%	70%	30%
IMA Fuda (Shanghai) Packaging Mach. Co. Ltd.	PRC	80%	20%	80%	20%
Pharmasiena S.r.l.	Italy	70%	30%	70%	30%
Transworld Packaging Holding B.V.	The Netherlands	81%	19%	81%	19%
Indirect investments:					
Digidoc S.r.l.	Italy	80%	20%	80%	20%
Dreamer S.r.l.	Italy	90%	10%	90%	10%
Fillshape S.r.l.	Italy	80%	20%	80%	20%
Shanghai Tianyan Ph. Mach. Co. Ltd.	PRC	86.29%	13.71%	86.29%	13.71%
Teknoweb N.A. Llc	USA	75%	25%	75%	25%

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 2017, minority interests total 16.6 million euros (14.6 million euros at 31 December 2016) and principally relate to GIMA TT S.p.A., 10.9 million euros, and the Ilapak Group, 5.1 million euros.

14. BORROWINGS

This includes amounts due to banks of 185.7 million euros (192.6 million euros at 31 December 2016), amounts due to other lenders of 4.6 million euros (3.8 million euros at 31 December 2016) and bonds of 113.4 million euros (118.3 million euros at 31 December 2016).

PAYABLES TO BANKS

The main changes in payables to banks relate to the Parent Company's new loans for applied research and technological innovation of 0.8 million euros and repayments of other loans for 2.9 million euros.

PAYABLES TO OTHER LENDERS

At 31 March 2017 this item includes payables to leasing companies, 1.0 million euros (1.0 million euros at 31 December 2016) essentially related to the factory in Krakow (Poland), payables to factoring companies, 0.9 million euros (0.1 million euros at 31 December 2016) and financial payables to other, 2.7 million euros (2.7 million euros at 31 December 2016) attributable to Ilapak Italia S.p.A., 1.9 million euros.

BONDS

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

In February 2013 IMA S.p.A. completed the US Private Placement of a non-convertible bond totalling 50 million US dollars with repayment in equal instalments over 10 years, starting from the fourth year. This bond incurs interest at a fixed rate of 6.25%. The first tranche was repaid in February 2017 for a total of 7.1 million US dollars.

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

At 31 March 2017 bonds are made up of:

in millions of euros	31.03.2017	31.12.2016
Non-current portion	105.3	110.5
Current portion	8.1	7.8
Totale book value	113.4	118.3
Adjustment to fair value and measurement at amortized cost	6.7	9.1
Present value of finance lease payables	120.1	127.4

NET DEBT

The composition of net debt at 31 March 2017 is as follows:

in millions of euros	31.03.2017	31.12.2016	31.03.2016
A. Cash and cash equivalents	(98.8)	(201.1)	(114.6)
B. Other cash equivalents	(4.7)	(3.9)	(3.4)
C. Investments in securities	(3.6)	(3.5)	(0.8)
D. Liquidity (A)+(B)+(C)	(107.1)	(208.5)	(118.8)
E. Current financial receivables	(2.2)	(2.2)	(4.7)
F. Current payables to banks	30.3	35.5	64.0
G. Current portion of non-current payables	57.7	57.0	47.4
H. Other current financial payables	1.8	1.0	1.5
I. Current financial debt (F) + (G) + (H)	89.8	93.5	112.9
J. Net current financial debt (D)+(E)+(I)	(19.5)	(117.2)	(10.6)
K. Non-current portion of non-current bank payables	106.3	108.4	122.4
L. Bonds issued	105.3	110.5	110.7
M. Other non-current financial payables	2.3	2.3	1.9
N. Non-current financial assets	(4.2)	(4.1)	(3.9)
O. Net non-current financial debt (K)+(L)+(M)+(N)	209.7	217.1	231.1
P. Net financial debt (J) + (O)	190.2	99.9	220.5

When preparing the table of net financial indebtedness, which is not identified as an accounting measurement by international accounting standards, we took into account the requirements of Consob Communication DEM/6064293 of 28 July 2006, even though we included 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 6 and 11.

The Group also has payables in respect of acquisitions totalling 16.0 million euros (19.9 million euros at 31 December 2016), essentially relating to the options agreed for the purchase of the minority interests in subsidiaries.

Net debt at the end of the period amounts to 190.2 million euros (99.9 million euros at 31 December 2016). The increase reflects the physiological growth in borrowing due to the rise in working capital, the purchase of the quotas in MAI S.A. and the price adjustment on Medtech for a total of 9.2 million euros. Net debt is expected to fall considerably in the latter part of the year.

**15. PROVISIONS FOR RISKS
AND CHARGES**

These provisions are analysed as follows:

in millions of euros	Balance at 31.12.2016	Net increases	Net decrease	Exchange rate differences	Balance at 31.03.2017
Non-current:					
Agency termination indemnities	5.0	-	(0.1)	-	4.9
Other provisions	0.9	-	-	-	0.9
	5.9	-	(0.1)	-	5.8
Current:					
Product guarantee provision	25.7	1.3	(1.0)	(0.1)	25.9
Other provisions	5.2	0.2	(0.4)	-	5.0
	30.9	1.5	(1.4)	(0.1)	30.9
Total	36.8	1.5	(1.5)	(0.1)	36.7

The product guarantee provision was established on the basis of estimated expenses for work performed under guarantee after 31 March 2017.

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

16. TRADE AND OTHER PAYABLES

This item is made up as follows:

in millions of euros	31.03.2017	31.12.2016
Trade payables	301.3	328.2
Advances from customers	164.6	170.7
Social security and defined-contribution plan payables	11.2	12.1
Tax payables	11.0	12.8
Employee payables	56.8	54.7
Payables in respect of acquisitions	16.0	19.9
Deposits	4.3	3.7
Other payables	13.7	14.8
Total	578.9	616.9

TRADE PAYABLES

This item includes trade payables of 213.8 million euros (241.8 million euros at 31 December 2016), payables to agents of 11.5 million euros (11.5 million euros at 31 December 2016) and trade payables to associates of 76.0 million euros (74.9 million euros at 31 December 2016).

ADVANCES FROM CUSTOMERS

The high level 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 1.1 million euros classified among the non-current liabilities (0.4 million euros at 31 December 2016).

PAYABLES IN RESPECT OF ACQUISITIONS

At 31 March 2017 this item includes payables for the purchase of investments for the acquisition of the Teknoweb and Medtech businesses for 8.9 million euros and 1.9 million euros respectively and of the companies Telerobot S.p.A., G.S. Coating Technologies S.r.l. and MAI S.A. for a total of 5.2 million euros.

The total amount of payables for acquisitions classified under non-current liabilities comes to 14.8 million euros (13.8 million euros at 31 December 2016).

OTHER PAYABLES

At 31 March 2017, other payables include 6.7 million euros classified under current liabilities (5.9 million euros classified as non-current liabilities at 31 December 2016) related 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.

17. PERSONNEL COSTS

This caption is analysed as follows:

in millions of euros	1st quarter 2017	1st quarter 2016	Change
Wages and salaries	73.0	63.7	9.3
Social security contributions	16.7	14.6	2.1
Remuneration of directors	2.4	2.1	0.3
Pensions - defined-benefit plans	0.3	0.2	0.1
Pensions - defined-contribution plans	3.3	2.7	0.6
Other personnel costs	5.3	4.9	0.4
Total	101.0	88.2	12.8

Personnel costs related to the companies of the Medtech and Telerobot S.p.A. businesses, not included in the scope of consolidation in the first quarter of 2016, amounted to 6.0 million euros and 0.7 million euros respectively. It is worth pointing out that in 2016 this item included non-recurring charges of 1.9 million euros.

In the first quarter of 2017, the IMA Group employed 5,270 people on average. (4,816 persons in the first quarter of 2016). At the end of period employees are 5,294 (5,249 at 31 December 2016).

18. DEPRECIATION AND AMORTIZATION EXPENSE

This includes depreciation of property, plant and equipment of 3.0 million euros (2.6 million euros in the first quarter of 2016), amortization of intangible assets of 6.6 million euros (6.1 million euros in the first quarter of the previous year), and other writedowns of 0.1 million euros (0.5 million euros in the first quarter of 2016).

19. FINANCIAL INCOME

This item comprises:

in millions of euros	1st quarter 2017	1st quarter 2016	Change
Interest income from banks	0.1	0.1	-
Income from derivative financial instruments	0.1	0.2	(0.1)
Exchange rate gains	8.2	8.3	(0.1)
Total	8.4	8.6	(0.2)

20. FINANCIAL EXPENSE

This item comprises:

in millions of euros	1st quarter 2017	1st quarter 2016	Change
Interest expense on bank payables	0.9	1.1	(0.2)
Interest expense on bonds	1.4	1.4	-
Net financial expense on defined-benefit plans	0.5	0.2	0.3
Expense on bank guarantees	0.2	0.2	-
Expense from derivative financial instruments	0.2	0.1	0.1
Other interest and financial expense	0.1	0.3	(0.2)
Exchange rate losses	8.2	7.4	0.8
Total	11.5	10.7	0.8

Exchange gains and losses in the period to 31 March 2017 included, respectively, an unrealized gain of 2.4 million euros and an unrealized loss of 4.4 million euros (5.6 million euros and 4.7 million euros respectively in first quarter of the previous year).

21. TAXES

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

Note that on 4 April 2017 a tax audit began on IMA S.p.A. for income tax, IRAP and VAT by the Revenue Agency, Emilia Romagna Regional Directorate, for the tax period 2014.

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

22. GUARANTEES GRANTED

At 31 March 2017, the Group has given sureties and other bank guarantees to customers totalling 23.3 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 2.5 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 302.3 million euros.

Ilapak International SA has provided guarantees to third parties on behalf of Ilapak Verpackungsmaschinen GmbH for total 2.1 million euros.

Lastly, note that sureties were issued against advances received from customers for a total of 135.0 million euros (146.7 million euros at 31 December 2016), of which 60.2 million euros reflect the use of credit lines guaranteed by commitments on the part of the Parent Company, as shown in the above table.

23. COMMITMENTS

At 31 March 2017 there are commitments for the purchase of property, plant and equipment and intangible assets of 0.7 million euros relating principally to leasehold improvements and plant and machinery.

The Group also has commitments in respect of minimum lease payments for non-cancellable operating leases totalling 3.0 million euros (3.4 million euros at 31 December 2016) and for rentals totalling 138.4 million euros (143.9 million euros at 31 December 2016).

Other commitments in favour of third parties, 10.8 million euros, mainly consist of the Parent Company's agreement to buy further units of the mutual funds.

Note that in December 2016 IMA, through its subsidiary GIMA S.p.A., signed an agreement to buy 80% of Mapster S.r.l.; the acquisition was completed in April 2017 with a financial outlay of 2.4 million euros.

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 2017 is owned 57% 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 31.03.2017	Receivables at 31.12.2016	Payables at 31.03.2017	Payables at 31.12.2016
Associates and joint venture:				
Amherst Stainless LLC	0.7	0.8	0.2	–
B.C. S.r.l.	2.4	2.4	1.0	1.2
Bacciottini F.lli S.r.l.	0.7	0.7	5.5	5.8
Bolognesi S.r.l.	1.0	1.1	2.5	1.9
Brio Pharma Tech. Ltd.	0.5	0.5	0.7	0.8
CMRE S.r.l.	5.7	5.6	–	–
Doo Officina-Game East Vrsac	1.1	0.9	0.1	–
I.E.M.A. S.r.l.	3.6	3.7	17.9	17.0
LA.CO S.r.l.	0.8	0.8	3.8	4.0
Logimatic S.r.l.	8.3	7.1	24.1	22.7
Masterpiece S.r.l.	–	–	0.6	0.6
Meccanica Sarti S.r.l.	1.2	1.2	0.5	0.5
MORC2 S.r.l.	1.5	1.6	0.6	1.3
Petroncini Impianti S.p.A.	2.1	2.0	–	–
Plasticenter S.r.l.	0.6	0.6	5.5	6.2
Powertransmission.it S.r.l.	0.1	0.1	0.5	0.4
Scriba Nanotecnologie S.r.l.	0.2	0.2	–	–
SIL.MAC S.r.l.	1.9	2.0	7.4	7.0
S.I.Me. S.r.l.	0.4	0.4	0.4	0.6
STA.MA. S.r.l.	0.1	0.1	1.5	1.4
Talea S.r.l.	2.0	3.6	3.2	3.3
Other associates	0.1	0.1	–	0.2
	35.0	35.5	76.0	74.9
Other related parties:				
Banca di Bologna	0.5	0.5	–	–
Costal S.r.l.	–	–	0.9	0.8
Datalogic S.r.l.	–	–	0.3	0.3
EPSOL S.r.l.	0.4	0.3	3.9	4.2
Morosina S.p.A.	0.3	–	0.1	0.2
Poggi & Associati	0.6	0.3	0.5	0.3
Schiavina S.r.l.	0.3	0.3	–	–
Verniciatura Ozzanese S.r.l.	0.2	0.2	0.3	0.6
Other related parties	0.2	0.1	0.2	0.2
	2.5	1.7	6.2	6.6
Total	37.5	37.2	82.2	81.5

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

in millions of euros	Revenues		Costs	
	1st quarter 2017	1st quarter 2016	1st quarter 2017	1st quarter 2016
Associates:				
Amherst Stainless LLC	–	–	0.9	1.3
B.C. S.r.l.	–	–	1.5	1.4
Bacciottini F.lli S.r.l.	–	–	1.4	1.8
Bognesi S.r.l.	–	–	1.2	1.4
Brio Pharma Tech. Ltd.	–	–	0.3	0.3
I.E.M.A. S.r.l.	1.0	0.6	4.7	3.5
LA.CO S.r.l.	–	–	1.0	1.0
Logimatic S.r.l.	1.5	1.3	5.1	4.4
Meccanica Sarti S.r.l.	–	–	0.3	0.2
MORC 2 S.r.l.	–	–	0.3	0.4
Plasticenter S.r.l.	–	–	0.9	0.9
Powertransmission.it S.r.l.	–	–	0.3	0.3
SIL.MAC. S.r.l.	0.3	0.1	2.3	1.0
S.I.Me. S.r.l.	–	–	0.4	0.3
STA.MA. S.r.l.	–	–	0.4	0.3
Talea S.r.l.	–	n.a.	1.4	n.a.
Other associates	0.1	0.1	0.3	0.3
	2.9	2.1	22.7	18.8
Other related parties:				
Costal S.r.l.	–	–	0.6	0.3
EPSOL S.r.l.	0.3	0.3	1.0	1.0
Nemo Investimenti S.r.l.	–	–	0.5	0.5
Other related parties	–	–	1.1	1.0
	0.3	0.3	3.2	2.8
Total	3.2	2.4	25.9	21.6

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 21.

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

25. ATYPICAL, UNUSUAL AND/OR NON-RECURRING TRANSACTIONS AND EVENTS

No positions or operations deriving from atypical, unusual or non-recurring transactions arose during the first quarter of 2017.

It is worth pointing out that 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.

26. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST QUARTER

The Shareholders' Meeting held on 21 April 2017 approved:

-) Amendments to arts 6 and 12 of the Articles of Association;
-) the financial statements at 31 December 2016 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 2016 by means of a distribution of a gross dividend of 1.60 euros 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 Remuneration Report.

On 20 April 2017, IMA, through its subsidiary GIMA S.p.A., completed the acquisition of 80% of Mapster S.r.l. This company, which is based in Parma, is an important player in the design, manufacture and marketing of automatic machines for the filling and packaging of single-serve coffee capsules. IMA's financial outlay for the equity value was 2.4 million euros.

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	20,415,200	EUR	Parent company	-
- CO.MA.DI.S. S.p.A.	Senago	Milan - Italy	1,540,000	EUR	100%	-
- Corazza S.p.A.	Bologna	Bologna - Italy	15,675,000	EUR	100%	-
- Fillshape S.r.l.	Zola Predosa	Bologna - Italy	100,000	EUR	-	80% (1)
- GIMA S.p.A.	Zola Predosa	Bologna - Italy	1,000,000	EUR	100%	-
- 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)
- Pharmasienna Service S.r.l.	Siena	Siena - Italy	100,000	EUR	70%	-
- Revisioni Industriali S.r.l.	Ozzano dell'Emilia	Bologna - Italy	100,000	EUR	-	100% (3)
- Teknoweb Converting S.r.l.	Palazzo Pignano	Cremona - Italy	1,000,000	EUR	100% (4)	-
- Telerobot S.p.A.	Genoa	Genoa - Italy	50,000	EUR	-	100% (1)
- Benhil GmbH	Neuss	Germany	5,500,000	EUR	-	100% (5)
- Delta Systems & Automation Inc.	Rogers	USA	1,000	USD	-	81% (6)
- Erca S.A.	Les Ulis	France	2,594,390	EUR	-	100% (5)
- Erca-Formseal Ibérica S.A.	Gavà Barcelona	Spain	60,101	EUR	-	100% (7)
- GASTI Verpackungsmaschinen GmbH	Schwaebisch Hall	Germany	25,000	EUR	-	100% (5)
- Hamba Filltec GmbH & Co. KG	Saarbrücken	Germany	1,700,000	EUR	-	100% (5)
- Hassia Packaging Pvt. Ltd.	Taluka Shirur Pune	India	42,000,000	INR	-	100% (5)
- Hassia Verpackungsmaschinen GmbH	Ranstadt	Germany	2,100,000	EUR	-	100% (8)
- Ilapak International SA	Collina d'Oro Lugano	Switzerland	4,000,000	CHF	-	81% (9)
- Ilapak (Beijing) Packaging Machinery Co. Ltd.	Beijing	PRC	3,000,000	USD	-	81% (10)
- IMA Automation Malaysia Sdn. Bhd.	Penang	Malaysia	3,000,000	MYR	-	100% (1)
- IMA Automation USA Inc.	Loves Park	USA	10,610,000	USD	-	100% (11)
- IMA Life (Beijing) Pharmaceutical Systems Co. Ltd.	Beijing	PRC	400,000	USD	100%	-
- IMA Life North America Inc.	Tonawanda	USA	100	USD	-	100% (11)
- IMA Life The Netherlands B.V.	Dongen	The Netherlands	22,382,654 (*)	EUR	100%	-
- IMA Medtech Switzerland SA	La Chaux de Fonds	Switzerland	13,250,000	CHF	-	100% (1)
- IMA North America Inc.	Leominster	USA	8,052,500	USD	-	100% (11)
- IMA-PG India Pvt. Ltd.	Mumbai	India	17,852,100 (*)	INR	100%	-
- IMA Swiftpack Ltd.	Alcester	UK	1,403,895	GBP	100%	-
- Shanghai Tianyan Pharmaceutical Co. Ltd.	Shanghai	PRC	5,250,000	RMB	-	86.29% (12)
- Tianjin IMA Machinery Co. Ltd.	Tianjin	PRC	200,000	USD	100%	-
Commercial companies:						
- Ilapak.AT Services GmbH (in liquidation)	Vienna	Austria	17,500 (*)	EUR	-	81% (2)
- Ilapak do Brasil Maquinas de embalagem Ltda.	Sao Paulo	Brazil	5,951,799	BRL	-	81% (9)
- Ilapak France SA	Lognes Paris	France	105,130	EUR	-	81% (2)
- Ilapak Inc.	Newtown	USA	12,500	USD	-	81% (2)
- Ilapak Israel Ltd.	Caesarea	Israel	5,310,505	ILS	-	81% (2)
- Ilapak Ltd.	Hayes London	UK	795,536	GBP	-	81% (2)
- Ilapak SNG OOO	Moscow	Russia	1,785,700	RUB	-	81% (2)
- Ilapak Sp. Z o.o.	Krakow	Poland	3,740,400	PLN	-	81% (2)
- Ilapak Verpackungsmaschinen GmbH	Haan Düsseldorf	Germany	102,500	EUR	-	81% (2)
- IMA Dairy & Food USA Inc.	Leominster	USA	1	USD	-	100% (5)
- IMA Est GmbH	Vienna	Austria	280,000	EUR	100%	-
- IMA France E.u.r.l.	Rueil Malmaison	France	45,735	EUR	100%	-
- IMA Fuda (Shanghai) Packaging Machinery Co. Ltd.	Shanghai	PRC	6,000,000	RMB	80%	-
- IMA Germany GmbH	Cologne	Germany	90,000	EUR	100%	-
- IMA Iberica Processing and Packaging S.L.	Barcelona	Spain	590,000	EUR	100%	-
- IMA Industries GmbH	Aschaffenburg	Germany	100,000	EUR	100%	-
- IMA Industries North America Inc.	Leominster	USA	100,000	USD	-	100% (11)
- IMA Life Japan KK	Tokyo	Japan	40,000,000	YEN	-	100% (13)
- IMA Pacific Co. Ltd.	Bangkok	Thailand	132,720,000	THB	99.99%	-
- IMA Packaging & Processing Equip. (Beijing) Co. Ltd.	Beijing	PRC	2,350,000	USD	100%	-
- IMA UK Ltd.	Alcester	UK	50,000	GBP	-	100% (14)
- Imautomatiche Do Brasil Ltda.	Sao Paulo	Brazil	6,651,550	BRL	99.98%	-
- OOO IMA Industries	Moscow	Russia	12,000,000	RUB	-	100% (3)
- Teknoweb N.A. LIC	Loganville Atlanta	USA	56,000	USD	-	75% (15)
- Teknoweb Suisse Sagl	Mendrisio	Switzerland	40,000	CHF	-	100% (16)

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

Companies consolidated line-by-line (continued)	Registered office		Share		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%	-
- Tekno NA Inc	Atlanta	USA	50,000	USD	-	100% (16)
- 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% (17)
- Dreamer S.r.l.	Bologna	Bologna - Italy	100,000	EUR	-	90% (1)
- Hamba Verwaltungsgesellschaft mbH	Saarbrücken	Germany	25,000	EUR	-	100% (5)
- Ilapak China Ltd.	Hong Kong	PRC	13	USD	-	81% (2)
- Packaging Manufacturing Industry S.r.l.	Castenaso	Bologna - Italy	110,000	EUR	100%	-
- Società del Sole S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	100%	-

Notes:

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

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%
- 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)
- Me.Mo S.r.l.	Gaggio Montano	Bologna - Italy	10,000	EUR	20% (2)
- MORC 2 S.r.l.	Castel Bolognese	Ravenna - Italy	20,800	EUR	20% (2)
- Petroncini Impianti S.p.A.	Modena	Modena - Italy	120,000	EUR	49% (4)
- Plasticenter S.r.l.	Granarolo dell'Emilia	Bologna - Italy	50,960	EUR	20% (2)
- Powertransmission.it S.r.l.	Castenaso	Bologna - Italy	50,000	EUR	20% (2)
- Scriba Nanotecnologie S.r.l.	Bologna	Bologna - Italy	25,556	EUR	24.9%
- SIL.MAC S.r.l.	Gaggio Montano	Bologna - Italy	90,000	EUR	30% (2)
- S.I.Me. S.r.l.	Granarolo dell'Emilia	Bologna - Italy	100,000	EUR	49% (2)
- STA.MA. S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,400	EUR	30% (2)
- Talea S.r.l.	Castel Guelfo	Bologna - Italy	25,000	EUR	20% (2)
- Sirio S.p.A. Associazione in partecipazione (5)	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) Held by GIMA S.p.A.
- (5) 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.