

ANNUAL FINANCIAL REPORT

AT 31 DECEMBER 2015



TABLE OF CONTENTS

NOTICE OF CALL		PAGE	3 - 5
REPORT ON OPERATIONS		PAGE	7 - 42
DIRECTORS AND OFFICERS OF THE PARENT COMPANY IMA S.P.A.	PAGE	8 - 9	
GROUP STRUCTURE	"	10	
GROUP PERFORMANCE	"	11 - 24	
PERFORMANCE OF IMA S.P.A.	"	25 - 33	
OTHER INFORMATION	"	34 - 42	
CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015		PAGE	43 - 48
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	PAGE	44	
CONSOLIDATED INCOME STATEMENT	"	45	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	"	46	
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	"	47	
CONSOLIDATED STATEMENT OF CASH FLOWS	"	48	
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS		PAGE	49 - 110
OVERVIEW	"	50	
GENERAL PREPARATION POLICIES	"	50 - 51	
ACCOUNTING POLICIES AND PRINCIPLES	"	51 - 59	
FINANCIAL RISK MANAGEMENT	"	59 - 64	
CONSOLIDATION PRINCIPLES	"	64 - 65	
SCOPE OF CONSOLIDATION	"	65 - 66	
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	"	67 - 107	
EQUITY INVESTMENTS INCLUDED IN THE SCOPE OF CONSOLIDATION AND METHOD USED	"	108 - 109	
DISCLOSURE REQUIRED UNDER ARTICLE 149-DUODECIES OF THE CONSOB ISSUERS' REGULATION	"	110	
CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART.81-TER OF CONSOB REGULATION		PAGE	111 - 112
REPORT OF THE INDEPENDENT AUDITORS		PAGE	113 - 115

NOTICE OF CALL

Published on the Company's website www.ima.it (investor relations section) on 14 March 2016 and on Milano Finanza on 15 March 2016, to call for the Ordinary Shareholders' Meeting on 27 April 2016, 10.30 a.m. at the Company premises in Via Emilia no. 237, Ozzano dell'Emilia - Bologna, to resolve the following:

AGENDA

Extraordinary part

1. Granting of a mandate to the Board of Directors, for a five year period from the date of the resolution under art. 2443 of the Italian Civil Code, to increase the share capital for payment in one or more tranches by up to a maximum par of Euro 1,950,520 by issuing a maximum of 3,751,000 ordinary shares of par value Euro 0.52 each, to be placed exclusively with third parties excluding current shareholders' option rights, in accordance with art. 2441, paragraph 4 second part and/or art. 2441, paragraph 5 of the Italian Civil Code; consequent amendment of art. 5 of the Articles of Association; related and consequent resolutions.

Ordinary part

2. Approval of the financial statements for the year ended 31 December 2015; related and consequent resolutions.
3. Proposed purchase, sale and/or disposal of treasury shares; related and consequent resolutions.
4. Appointment of the Board of Statutory Auditors and its Chairman; fixing appropriate remuneration.
5. Remuneration report : resolution pursuant to art. 123 ter, paragraph 6 of Legislative Decree 58/1998.

Right to attend the Shareholders' Meeting

Pursuant to article 83-sexies of Legislative Decree no. 58/1998, the persons entitled to attend the Shareholders' Meeting and exercise their right to vote are those with voting rights at the end of the accounting day on 18 April 2016 ("record date"), that is, the seventh market trading day prior to the date of the Shareholders' Meeting and from whom the Company has received, prior to the start of the meeting, the required communication from an authorised intermediary. Those registered as shareholders after that date will not be entitled to attend the Shareholders' Meeting. The communication from the intermediary must be received by the Company by the end of the third trading day prior to the date fixed for the Shareholders' Meeting i.e. by 22 April 2016. Shareholders are nevertheless entitled to attend and vote if the communications are received after that deadline, but before the start of the Shareholders' Meeting.

Proxy

Those entitled to vote can have themselves represented at the Shareholders' Meeting by means of a written proxy, bearing in mind any situations of incompatibility and the limits set by current regulations; use the proxy form attached to the foot of the communication issued by the authorised intermediary or a facsimile which is available on the Company's website: www.ima.it (Investor Relations section). Proxies should be sent to the Company to the administrative offices in Via Tosarelli 184, Castenaso (Bologna) to the attention of the Company's legal department by registered mail or by certified e-mail to ima@legalmail.it.

If the representative delivers or transmits, even in an electronic format, to the Company a copy of the proxy, he/she must certify, assuming full responsibility, that the proxy corresponds to the original and must also certify the identity of the delegator.

There is no provision for postal or on-line voting.

Right to ask questions

In accordance with art. 127-ter of D.Lgs 58/1998, shareholders can also ask questions about the matters on the agenda prior to the Shareholders' Meeting. The questions, accompanied by the personal details of the requesting shareholder and the certification attesting to the ownership of the shareholding, must be in writing and be received by the deadline of 24 April 2016, either hand-delivered or mailed to the administrative offices in Via Tosarelli 184, Castenaso (BO), or even by electronic notification to the certified mail address ima@legalmail.it. Questions arrived within that date, will be answered at latest at the Shareholders' Meeting.

Right to add to the agenda or to submit further proposed resolutions concerning topics already on the agenda

In accordance with art. 126-bis of D.Lgs 58/1998, within ten days of publication of this notice, shareholders who, individually or jointly, represent at least 1/40th of the share capital can ask for the matters under discussion to be integrated, indicating the topics that they would like to add to the agenda or present proposals on topics already on the agenda. The requests, accompanied by the personal details of the requesting shareholder and the certification attesting to the ownership of the shareholding, must be in writing and be either hand-delivered or mailed to the administrative offices in Via Tosarelli 184, Castenaso (BO), or even by electronic notification to the certified mail address ima@legalmail.it.

Any additions to the list of topics that the Shareholders' Meeting has to address or the submission of further proposed resolutions concerning topics already on the agenda have to be notified in the same manner prescribed for the publication of the notice of calling at least 15 days prior to the date set for the Shareholders' Meeting.

Within that timeframe, the shareholder proponents must submit a report stating the reasons for the proposed resolutions on new topics to be added to the agenda or the reasons for the further proposed resolutions concerning topics already on the agenda.

At the same time that this notice of integration or presentation is published, the report prepared by the shareholder(s) making the proposal will be made publicly available in the same way as for the AGM documentation, accompanied by any comments that the Board of Directors would like to make. Additions to the agenda are not permitted if they concern matters, which the law requires to be resolved upon at the Shareholders' Meeting based on a proposal from the directors either on a project or a report prepared by them.

Appointment of the Board of Statutory Auditors and its Chairman

The Board of Statutory Auditors will be appointed on the basis of the lists submitted by the shareholders. The rules and procedures applying to the lists of candidates and the necessary accompanying documentation are specified in art. 23 of the articles of association.

Each list must contain the name of the person presenting it and must consist of two sections, one for the appointment of the Standing Auditors and the other for the appointment of the Alternate Auditors. The lists must contain a number of candidates that does not exceed the number of Auditors to be elected, listed in numerical sequence; the first two candidates in both sections of the lists must be of different gender.

The lists of candidates, accompanied by the professional curriculum of each person nominated, as well as declarations by which they accept the candidature and certify, assuming full

responsibility, that there are no causes of incompatibility or ineligibility and that they meet the requirements of office set down in law and the articles of association, must be signed by the shareholders submitting them and must be filed at the company's registered office by 2 April 2016, that is, 25 days prior to the date of the Shareholders' Meeting.

The right to present lists of candidates is reserved to those shareholders who alone or together with others represent at least 1% of the share capital, as set out in the Company's articles of association and Consob resolution 19499 of 28 January 2016.

Shareholders must submit, together with the list, the appropriate documentation showing the identity of the shareholder or shareholders who have submitted the list and the percentage of shares held at the time of submission of the list.

The certification of intermediaries proving ownership of the shares as of the date on which the list was filed should reach the Company no later than 6 April 2016, i.e. not less than twenty-one days before the date set for the meeting.

In the event that, by the aforementioned date of 2 April 2016, only one list has been filed, or only lists submitted by shareholders, who are related have been filed, notice will be given pursuant to the legislation in force. In this case, other lists can be presented up to 5 April 2016, that is, until the third day from that date. In such a case the aforementioned minimum percentage is reduced to 0.5% of the share capital. If no lists are submitted, the Shareholders' Meeting will appoint the Board of Statutory Auditors and its Chairman by majority vote to ensure the composition of the Board complies with the law and the Articles of Association.

Each Shareholder acting directly, or via an intermediary or a trust company, may contribute to the presentation of one list only. In the event of non-compliance, the support given by such shareholder to any list will be ignored. Each candidate may only be present on one list or, otherwise, will be ineligible for election. Lists presented without complying with the above requirements will be treated as though not presented.

Information and documentation

The Company's share capital, fully subscribed and paid-in, amounts to Euro 19,505,200, split into 37,510,000 shares of par value Euro 0.52 each, each of which gives the right to one vote at the Shareholders' Meeting. Note that as of today the Company holds 5,500 own shares; by law, the voting rights on these shares are suspended. This information is also available on the Company's website (www.ima.it), where the Articles of Association and the Regulations for Shareholders' Meetings can also be found.

The documentation and information required under current regulations for the Shareholders' Meeting, including the separate and consolidated financial statements at 31 December 2015, related reports and the annual report on corporate governance and the ownership structure, are made available to the public by the legal deadline at the registered office located at Via Emilia 428/442, Ozzano dell'Emilia (Bologna). Shareholders are entitled to view these documents and to obtain a copy of them. This documentation will also be available on the website www.ima.it in the Investor Relations section.

REPORT ON OPERATIONS

AT 31 DECEMBER 2015

(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

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

CHIEF OPERATING OFFICERS

Andrea Malagoli

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

Giovanni Pecchioli

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

DIRECTORS

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

BOARD OF AUDITORS

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

STANDING AUDITORS

Giacomo Giovanardi - Chairman

Roberta De Simone

Riccardo Pinza

ALTERNATE AUDITORS

Vittorio Coraducci

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 THE FINANCIAL
REPORTS**

Sergio Marzo

LEAD INDEPENDENT DIRECTOR

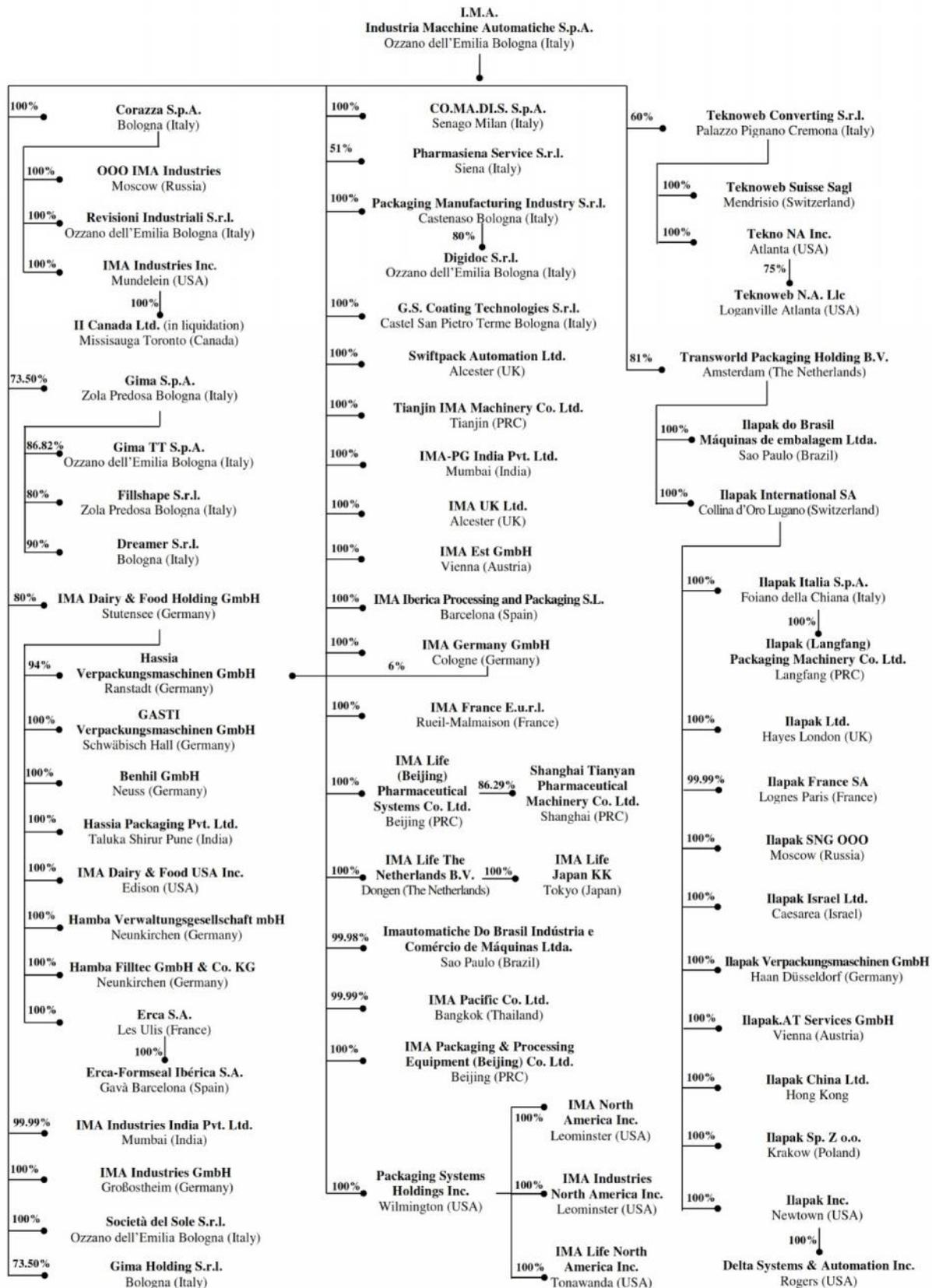
Paolo Frugoni

INDEPENDENT AUDITORS

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

Reconta Ernst & Young S.p.A.

GROUP STRUCTURE



GROUP PERFORMANCE

THE ECONOMIC SCENARIO

Shareholders,

The economic prospects at international level are uncertain; the recovery in developed countries continues, but it appears to be less strong than it was hoped for a few months ago. At the beginning of 2016, significant tensions emerged in China's financial market and there has been a slowdown in growth which is also affecting other developing countries.

Recovery in the Eurozone continues at a moderate pace and inflation remains at low levels. The monetary policy of the European Central Bank is supporting economic activity in the area, countering the deflationary impact of international developments. With particular reference to the Italian situation there are positive signals, although there are still considerable gaps between less competitive companies and more solid ones, which are generally larger and above all exporters.

In this context, our Group has achieved its objectives for 2015, surpassing the milestone of one billion euros in revenues and increasing profits, confirming the strength of the IMA brand and of our product policies.

The high level of the order book at 31 December 2015 and the positive trend in new orders during the first few months of the current year enable us to confirm our forecasts of further growth.

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 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 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.

The Group closed 2015 with net profit of 69.92 million euros, compared with 51.56 million euros in 2014.

The following table sets out on a comparative basis the most significant figures from the Group's reclassified income statement of the previous year:

in millions of euros	2015		2014		Change %
	Amount	%	Amount	%	
Revenues	1,109.54		854.61		29.8
Cost of sales	(688.77)	62.1	(496.41)	58.1	
Gross industrial income	420.77	37.9	358.20	41.9	17.5
R&D costs	(40.05)		(36.22)		
Sales costs	(115.33)		(99.29)		
General and administrative costs	(140.30)		(113.56)		
Operating profit before writedowns/impairment/ non-recurring items (EBITA)	125.09	11.3	109.13	12.8	14.6
Non-recurring items	(9.47)		(1.22)		
Operating profit (EBIT)	115.62	10.4	107.91	12.6	7.1
Net financial income (expense)	(1.04)		(18.51)		
Profit (loss) from investments accounted for using the equity method	0.51		1.39		
Profit before tax	115.09	10.4	90.79	10.6	26.8
Taxes	(37.25)		(34.04)		
Profit for the year	77.84	7.0	56.75	6.6	37.2
Profit attributable to non-controlling interests	(7.92)		(5.19)		
Profit attributable to equity holders of the parents	69.92	6.3	51.56	6.0	35.6
Gross operating profit (EBITDA) before non-recurring items	157.52	14.2	131.55	15.4	19.7
Gross operating profit (EBITDA)	148.05	13.3	130.33	15.3	13.6
Order book	649.92		525.88		23.6

REVENUES BY SECTOR

in millions of euros	2015		2014		Change %
	Amount	%	Amount	%	
Tea, Food & Other	590.46	53.2	401.23	46.9	47.2
Pharmaceutical	519.08	46.8	453.38	53.1	14.5
Total	1,109.54	100.0	854.61	100.0	29.8

The segment information has been changed in order to identify areas of activity on the basis of internal reports used by the chief operating decision maker to allocate resources to the segment and to assess the performance of Tea, Food & Other and Pharmaceuticals business areas. The 2014 figures have been reclassified for comparison purposes.

Consolidated revenues in 2015 amounted to 1,109.54 million euros, an overall increase of 29.8%, of which 12.2% due to the organic growth, with respect to the previous year.

The performance of revenues by segment is discussed in detail in the section entitled "Analysis of segment performance". However, in this regard: the Tea, Food & Other Sector reports an increase in revenues of 47.2% and revenues in the Pharmaceutical sector grow by 14.5% with respect to last year.

The following table shows the size of the order book at the end of the year:

in millions of euros	2015		2014		Change %
	Amount	%	Amount	%	
Tea, Food & Other	256.46	39.5	198.45	37.7	29.2
Pharmaceutical	393.46	60.5	327.43	62.3	20.2
Total	649.92	100.0	525.88	100.0	23.6

REVENUES BY GEOGRAPHICAL AREA

in millions of euros	2015		2014		Change %
	Amount	%	Amount	%	
European Union (excluding Italy)	352.71	31.8	241.99	28.3	45.8
Other European countries	68.89	6.2	84.93	9.9	(18.9)
North America	223.42	20.1	133.80	15.7	67.0
Asia & Middle East	227.77	20.5	199.33	23.3	14.3
Other countries	118.26	10.7	117.06	13.7	1.0
Total foreign markets	991.05	89.3	777.11	90.9	27.5
Italy	118.49	10.7	77.5	9.1	52.9
Total	1,109.54	100.0	854.61	100.0	29.8

About 90% of revenues came from outside Italy with growth in the European Union, Asia & Middle East and North America and a slight decrease in the other European countries. About 70% of revenues were generated by plant and machines, while 30% came from after-sales activities (support, spares, kits etc.).

In particular:

- revenues from European Union countries, excluding Italy, are growing in United Kingdom, Poland, France and Germany
- sales in other European countries record a decrease compared with the previous year, especially in Russia;
- North America is growing in a context essentially without significant local competition;
- Asia & Middle East grew overall by 14.3%, thus confirming the importance and the past trends of this market, which always generates more than 20% of the Group's sales. The progress in local economies is generating an improvement in production standards that is closer to those of the West and, as a consequence, a demand for machinery more in line with what we can offer. In particular, there has been growth in Saudi Arabia and India, whereas revenues slightly declined in China and Turkey;
- sales in other countries reflect a variety of trends, with a sales uplift in Brazil and Algeria and a decrease in Argentina and Chile;
- the increase in sales in Italy was due to a larger number of projects compared with the previous year. These fluctuations recur annually, since revenues depend on the level of investment projects of the pharmaceutical companies, which is inevitably unstable in a small market like the Italian one.

GROSS INDUSTRIAL INCOME

Gross industrial income was 37.9% of revenues, compared with 41.9% in 2014, because of a different mix of products connected with the acquisition of the Dairy&Food business.

R&D COSTS

Research and development costs amount to 40.05 million euros, with a slight rise compared with 36.22 million last year, representing 3.6% of revenues.

This item primarily includes the research costs incurred on the technological upgrading and normal revamping of standard products. The balance does not include the cost of development work ordered by specific clients, or the cost of customizing standard products. This expenditure is included in the cost of sales, as a result it is invoiced to the clients concerned.

The scale of this commitment is a concrete confirmation of our strong orientation to be seen as a solution provider rather than a vendor of products. This approach has always been a distinguishing characteristic of our Group and, over the years, has resulted in a strong market leadership position.

Development continued during the year on several entirely new product families, thus expanding the Group's products range. The costs capitalised during the year in relation to the projects for the Tea&Food and Pharmaceuticals segments amounted to 11.8 million euros (7.5 million euros in 2014) and will be amortized once the products are available for sale.

SALES COSTS

Sales costs inclusive of commissions paid to sales agents and intermediaries, amounted to 115.33 million euros, up 16.04 million euros with respect to 2014. Part of the change, 14.4 million euros, reflects the contribution of the Dairy&Food and Teknoweb businesses. They decline slightly as a percentage of sales at 10.4% compared with 11.6% in 2014, and include commissions paid to commercial intermediaries of 13.7 million euros (12.6 million euros in 2014) with a contribution from the new business of 2.9 million euros.

GENERAL AND ADMINISTRATIVE COSTS

General and administrative costs increased by 26.74 million euros, from 113.56 million euros in 2014 to 140.30 million euros in 2015, with the Dairy&Food and Teknoweb businesses contributing for 25.8 million euros. The increase is linked to the rise in unit labour costs and higher general costs.

OPERATING PROFIT (EBIT)

Consolidated EBITA amounts to 125.09 million euros, which is 11.3% of sales, less than the previous year when it represented 12.8% of sales, because of the matters explained earlier.

Operating profit (EBIT) amounts to 115.62 million euros (107.91 million euros in 2014) with non-recurring expenses of 4.36 million euros relating to the acquisition of the Dairy&Food and Teknoweb businesses and, for the remaining part, to reorganisation costs related to the merger of IMA Industries S.r.l. with IMA S.p.A.

NET FINANCIAL INCOME (EXPENSE)

Net financial expense, detailed in the notes to the financial statements, was 1.04 million euros compared with 18.51 million euros in 2014.

The change is due to the net gain related to the sale of the investment in CMH for 16.06 million euros, and to lower exchange losses.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENTS

The profit attributable to the shareholders of the parent company amounts to 69.92 million euros, compared with 51.56 million euros in the previous year, net of taxes of 37.25 million euros (34.04 million euros in 2014).

This increase on 2014 stems from a higher pre-tax result as a consequence of the matters discussed previously and to the net gain from the sale of the investment in CMH.

PROFITABILITY RATIOS

The principal profitability parameters are presented below:

Ratio	Breakdown	2015	2014
Return on sales (ROS)	Operating profit (EBIT)	10.4%	12.6%
	Revenues		
Return on investment (ROI)	Operating profit (EBIT)	34.1%	45.9%
	Net capital employed		
Return on equity (ROE)	Profit attributable to equity holders of the parent Equity	44.0%	50.0%

The change in the profitability indices between 2015 and 2014 is the result of the operating profit and profit attributable to the shareholders of the parent company, as illustrated above.

CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

The following main items in the statement of financial position are equivalent to the corresponding items reported in the consolidated statement of financial position included in the consolidated financial statements: inventories, property, plant and equipment and intangible assets, equity pertaining to the parent company's shareholders and minority interest.

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 December 2015:

in millions of euros	31.12.2015		31.12.2014		Change %
	Amount	%	Amount	%	
Trade receivables	247.98	73.2	142.61	60.7	73.9
Inventories	232.96	68.7	212.85	90.6	9.4
Trade payables	(374.57)	(110.5)	(298.19)	(126.9)	25.6
Other, net	(92.38)	(27.3)	(79.86)	(34.0)	15.7
Working capital	13.99	4.1	(22.59)	(9.6)	(161.9)
Property, plant and equipment	75.50	22.3	53.54	22.8	41.0
Intangible assets	321.44	94.8	178.89	76.1	79.7
Investments	23.06	6.8	32.00	13.6	(27.9)
Non-current assets	420.00	123.9	264.43	112.5	58.8
Provision for severance indemnities and other provisions	(95.09)	(28.0)	(6.79)	(2.9)	n.s.
Net capital employed	338.90	100.0	235.05	100.0	44.2
FINANCED BY:					
Net debt	163.12	48.1	118.44	50.4	37.7
Non-controlling interests	16.78	5.0	13.39	5.7	25.3
Group equity attributable to equity holders of the parents	159.00	46.9	103.22	43.9	54.0
Total sources of financing	338.90	100.0	235.05	100.0	44.2

WORKING CAPITAL

Working capital at 31 December 2015 amounted to 13.99 million euros. It has grown by 36.58 million euros compared with the same date in 2014.

The change stems from the consolidation of the Dairy&Food and Teknoweb businesses for a total of 14.9 million euros and to the slight increase in working capital linked to the strong growth in sales volumes. In this context, Management remains strongly committed to the structural control of working capital.

The changes in the main balances are discussed below:

- net trade receivables, increased by 105.37 million euros, because of the effect of the consolidation of the Dairy&Food and Teknoweb businesses of 50.2 million euros;
- inventories increased by 20.11 million euros with the contribution of the Dairy&Food and Teknoweb businesses of 18.9 million euros, despite the higher volumes sold and the higher order book achieved at the end of 2015. The Group is continuing its efforts to improve inventory levels through innovation in production scheduling processes and by improving management of the supply chain to reduce lead times;
- trade payables, which include advances from customers, have increased by 76.38 million euros, thanks to the contribution of the Dairy&Food and Teknoweb businesses for 41.8 million euros and to advances from customer due to the growth in the order book;
- the “other, net” item amounted to 92.38 million euros on 79.86 million euros in 2014.

NON-CURRENT ASSETS

In total, non-current assets have increased by 155.57 million euros since 31 December 2014, principally due to the acquisition of the Dairy&Food and Teknoweb businesses (+152.94 million euros) and to investments carried out net of depreciation and amortization.

The following note analyses the changes in property, plant and equipment and intangible fixed assets:

in millions of euros	Non-current assets		
	Property, plant and equipment	Intangibles	Total
Increases	19.55	15.74	35.29
Sales and eliminations	(0.39)	(0.10)	(0.49)
Change in scope of consolidation	11.24	5.68	16.92
Acquisition of Dairy&Food business	–	129.52	129.52
Acquisition of Teknoweb business	–	13.19	13.19
Amortization and depreciation charges	(9.74)	(22.69)	(32.43)
Traslation differences and other changes	1.30	1.21	2.51
Total	21.96	142.55	164.51

NET CAPITAL EMPLOYED

Compared with 31 December 2014, capital employed net of operating liabilities has increased by 103.85 million euros to 338.90 million euros as a result of the matters explained above.

NET DEBT

Net debt at 31 December 2015 amounts to 163.12 million euros and comprises:

in millions of euros	31.12.2015	31.12.2014
A. Cash and cash equivalents	(156.08)	(133.26)
B. Other cash equivalents	(2.86)	(0.69)
C. Investments in securities	(1.64)	(1.89)
D. Liquidity (A)+(B)+(C)	(160.58)	(135.84)
E. Current financial receivables	(4.18)	(1.37)
F. Current payables to banks	61.07	23.29
G. Current portion of non-current payables	40.34	34.11
H. Other current financial payables	0.98	3.43
I. Current financial debt (F)+(G)+(H)	102.39	60.83
J. Net current financial debt (D)+(E)+(I)	(62.37)	(76.38)
K. Non-current portion of non-current bank payables	112.11	80.99
L. Bond issued	115.45	115.27
M. Other non-current financial payables	1.82	2.06
N. Non-current financial assets	(3.89)	(3.50)
O. Net non-current financial debt (K)+(L)+(M)+(N)	225.49	194.82
P. Net financial debt (J)+(O)	163.12	118.44

The items included in net debt are analyzed in notes 5, 12 and 15 to the consolidated financial statements.

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.

At 31 December 2015, the increase in debt of 44.68 million euros, is largely due to the acquisition of the Dairy&Food and Teknoweb businesses which, net of the receivable collected for the sale of the interest in CMH, amounts to 50.6 million euros. The total increase is lower thanks to strong Group cash generation and the increase in capital of 28 million euros carried out in April 2014, which absorbed the payment of 53.55 million euros for ordinary dividends (+5.60 million euros with respect to 2014), confirming once again the Group's effective working capital management.

EQUITY ATTRIBUTABLE TO
EQUITY HOLDERS OF THE PARENT

Equity totalled euros 159.00 million at year end. The increase of 55.78 million euros since 31 December 2014, was due to the following movements:

Distribution of dividends	(50.63)
Capital increases	28.13
Purchase and sale of treasury shares	-
Exchange rate differences on the translation of foreign currency financial statements	5.49
Measurement of financial instruments recognised in equity	1.67
Remeasurement of defined benefit plans	4.03
Change in non-controlling interests	(2.83)
Profit attributable to equity holders of the parent	69.92
Total	55.78

**RECONCILIATION OF
SHAREHOLDERS' EQUITY AND
PROFIT FOR THE YEAR OF THE
PARENT COMPANY WITH THE
CORRESPONDING CONSOLIDATED
FIGURES**

The following table reconciles equity and net profit for the year reported in the Parent Company's financial statements with the corresponding consolidated figures pertaining to the Group at 31 December 2015:

in millions of euros	Shareholders' equity	Profit for the year
Equity and Profit for the year of IMA S.p.A.	159.47	67.12
Elimination of book value of consolidated investments and related dividends	(520.24)	(38.60)
Elimination of writedowns of consolidated investments	–	0.90
Equity and Result for the year of consolidated companies and measurement of investments using the equity method	369.18	58.46
Recognition of differences arising from purchase of investments	154.18	(9.23)
Elimination of intercompany profit/loss on inventories and fixed assets and other adjustments	(3.59)	(8.73)
Equity and Profit attributable to equity holders of the parent	159.00	69.92

**ANALYSIS OF
PERFORMANCE BY SECTOR**

The following table analyzes consolidated performance by business segment in 2015:

in millions of euros	Tea, Food & Other	Pharmaceutical	Not allocated	Total
Revenues	590.46	519.08	–	1,109.54
Gross operating profit (EBITDA) before non-recurring items	83.34	74.18	–	157.52
Gross operating profit (EBITDA)	74.18	73.87	–	148.05
Operating profit (EBIT)	51.21	64.41	–	115.62
Net capital employed (*)	231.46	107.17	0.27	338.90
R&D costs	18.24	21.81	–	40.05
Average personnel	2,144	2,432	–	4,576
Order book	256.46	393.46	–	649.92

(*) *Unallocated assets and liabilities mainly relate to investments, income tax receivables and payables and net deferred tax liabilities not directly attributable to the operating sectors.*

Net capital employed includes 135.61 million euros of goodwill, attributed to the Tea, Food & Other Sector for 73.45 million euros and to the Pharmaceutical sector for 62.16 million euros.

TEA, FOOD & OTHER

in millions of euros	2015	2014	Change %
Revenues	590.46	401.23	47.2
Gross operating profit (EBITDA) before non-recurring items	83.34	68.79	21.2
Gross operating profit (EBITDA)	74.18	67.70	9.6
Operating profit (EBIT)	51.21	55.90	(8.4)
Net capital employed (*)	231.46	105.40	119.6
R&D costs	18.24	16.13	13.1
Average personnel	2,144	1,403	
Order book	256.46	198.45	29.2

(*) *Net capital employed includes goodwill of 73.45 million euros (35.15 million euros at 31 December 2014).*

The Tea, Food & Other Sector 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 cheese 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.

The Tea, Food & Other Sector comprises activities carried out by the Tea & Herbs and BFB divisions of IMA S.p.A., GIMA S.p.A., GIMA TT S.p.A., Corazza S.p.A. and Revisioni Industriali S.r.l. and by the Ilapak, Teknoweb and Dairy&Food businesses.

Products sales and the related after-sales support in North America, Central and Eastern Europe and the UK are handled by the Group's branches operating in these countries, while all other locations are covered by Companies, either directly or via agents.

The sector's revenue has increased by 47.2% (+189.23 million euros) over the previous year, thanks to the contribution of Dairy&Food and Teknoweb businesses (151.3 million euros) and that of Ilapak and GIMA TT S.p.A., generally confirming the strong leadership position held by the Group in these niche markets. The operating profit came in at 74.18 million euros (12.6% of sales) compared with 67.70 million euros in 2014 (16.9% of sales). The order book has risen by 29.2% compared with the previous year, providing good visibility for the coming year.

Net invested capital increased thanks to the Dairy&Food and Teknoweb businesses as mentioned above.

PHARMACEUTICAL

in millions of euros	2015	2014	Change %
Revenues	519.08	453.38	14.5
Gross operating profit (EBITDA) before non-recurring items	74.18	62.76	18.2
Gross operating profit (EBITDA)	73.87	62.63	17.9
Operating profit (EBIT)	64.41	52.01	23.8
Net capital employed (*)	107.17	99.12	8.1
R&D costs	21.81	20.09	8.6
Average personnel	2,432	2,327	
Order book	393.46	327.43	20.2

(*) Net capital employed includes goodwill of 62.16 million euros (61.28 million euros at 31 December 2014).

The Pharmaceuticals sector produces 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.

It also includes the activities of the following divisions: Active, Safe and Life of IMA S.p.A., and of the following companies: CO.MA.DI.S. S.p.A., G.S. Coating Technologies S.r.l., Pharmasiena Service S.r.l., IMA-PG India Pvt Ltd., Shanghai Tianyan Co. Ltd., Swiftpack Automation Ltd., IMA North America Inc., IMA Life The Netherlands B.V., IMA Life North America Inc. and IMA Life (Beijing) Pharmaceutical Systems Co. Ltd.

IMA's network of branches covering 16 countries sells this segment's products and provides the related after-sales service. The rest of the world is covered by an established network of agents. The pharmaceuticals industry represents the principal market, although there is growing demand from the cosmetics industry.

The revenues of the Pharmaceutical sector show a good increase of 14.5% (+65.70 million euros). The sector has seen a sharp increase over the previous year, achieving a gross operating profit (EBITDA) of 73.87 million euros (14.2% of sales) compared with 62.63 million euros in 2014 (13.8% of sales) as a result of higher volumes, higher profitability of contracts due to an improved sales margins of certain products that have achieved the expected levels of profitability.

Net capital employed grows slightly to 107.17 million euros (99.12 million euros at the end of 2014). The difference is due to the rise in non-current assets caused by investments of the period.

The order book, which is growing rapidly, is the result of an ongoing process of acquiring an increasing number of new orders during the year, a reflection of the success of this segment's product range.

INVESTMENTS

In 2015, the capital expenditure on property, plant and equipment amounted to 19.55 million euros (13.35 million euros in 2014) and is mainly related to the extension and upgrading of existing buildings rented by IMA S.p.A. and to the capitalisation of plant, machinery and to the purchase of land in Arkansas (USA) for the construction of a factory by Delta Systems & Automation Inc.

Capital expenditure on intangible assets amounted to 15.74 million euros (10.60 million euros in 2014) and is mainly related to the capitalization of development costs incurred on totally new products for market segments not previously occupied. During the acquisitions of the Dairy&Food and Teknoweb businesses, we provisionally recognised unpatented technology for 55.14 million euros, intangible assets related to customers ("customer list") for 29.63 million euros, trademarks for 19.73 million euros and goodwill for 38.21 million euros.

Depreciation and amortization for the period was 32.43 million euros, compared with 22.42 million euros in the previous year. The increase mainly reflects amortisation of the intangible assets recognised after the acquisition of the Dairy&Food business.

HUMAN RESOURCES, TRAINING AND INDUSTRIAL RELATIONS

For our clients, the IMA Group is not merely a supplier of products, albeit incorporating highly sophisticated technology, but rather a solver of complex problems via specially designed solutions that are custom-tailored to meet their individual requirements. This means that all our business processes, from preparing bids to sales, from production/design to after-sales support, including contractual and administrative matters, have to be conducted with an extremely low level of repetitiveness. Accordingly, the proper functioning of these processes depends on the initiative and pro-active approach of the individuals who work within them, and on their ability to work together with everyone else in the organisation, in teamwork at its best. As such, although it is true for every firm that the quality of its human resources represents a critical success factor, this is even more true for the IMA Group, where our people represent our principal asset, incorporating all our knowledge and skills. Knowledge and skills that cannot be easily documented and codified, for the very reason that it is non-repetitive. In line with this vision, the Group dedicates considerable attention to the proper management of employees, investing heavily and continually in their professional development, adopting an organisational model with a high degree of participation and applying a bonus system based on the rigorous identification and assessment of the skills acquired by each employee.

EMPLOYEES

In 2015, the average number of Group employees came to 4,576, compared with 3,730 in 2014.

The geographical breakdown of the workforce is as follows:

	2015	2014	Change
Italy	2,343	2,215	128
India	523	428	95
Germany	454	51	403
USA	353	327	26
China	271	264	7
France	178	43	135
Switzerland	134	131	3
UK	97	100	(3)
Eastern Europe	96	88	8
Spain	53	16	37
The Netherlands	28	27	1
Brazil	22	20	2
Japan	10	10	-
Thailand	7	3	4
Israel	7	7	-
Total	4,576	3,730	846

The excellent educational standard of the human resources employed by the Group is demonstrated by the fact that more than 88% have a high-school diploma or university degree.

With reference to the Group's organisational structure, around 21.5% of employees work in the commercial area, including pre-sales and after-sales, 21.6% in our R&D laboratories, 14.9% in central functions (Administration, IT, Procurement, Quality, Human Resources, etc.) and 42.0% in production/logistics.

This distribution of the workforce is a good reflection of the Group's business model, which is designed to retain the activities that represent critical and distinctive skills and outsource all other activities. The high degree of professionalism is also reflected in the fact that over 72% of employees occupy clerical and managerial grades.

PERSONNEL COSTS

Payroll amounted to 329.45 million euros, compared with 254.21 million euros in the prior year, absorbing 29.7% of net revenues.

Personnel costs related to the companies of the Dairy&Food and Teknoweb businesses, not included in the scope of consolidation in 2014, amounted to 49.57 million euros in the period March to December 2015.

In addition, the higher level of costs compared with the prior year is mainly due to Italian labour costs, which, taking into account the major elements of remuneration, have increased by 4.83%, triggered by pay rises under the National Collective Bargaining Agreement for Metalworkers, pay rises under the Company Supplementary Agreement, as well as more overtime worked and the Group's bonus policy. Personnel costs has also risen in line with an increase in the number of employees and collaborators in the year.

Lastly, personnel costs include 5.11 million euros of non-recurring charges relating mainly to the reorganisation of the Tea, Food & Other business following the merger by absorption by IMA S.p.A. of IMA Industries S.r.l.

HUMAN RESOURCES POLICY

The IMA Group continued to focus on the individual within the organisation. This is confirmed by:

- the continual improvement of the selection process for more strategic roles;
- the average age of new recruits is still less than 30;
- most of the staff recruited has been engaged with permanent or trainee contracts that guarantee certification of the training process followed;
- closer ties with national and international universities and centres of excellence, as well as traditional partnerships with local technical institutes;
- extensive training and orientation programs for new recruits that are structured to facilitate entry and communicate the company's values.

In general, the contractual conditions offered to employees by all IMA Group companies are better than average for the sector as a whole.

Comprehensive health and accident coverage, agreements for discounted purchases and the best terms for numerous aspects of the employment contract (salaries, maternity leave, advances against severance pay, use of part-time work, etc.) are just some of tools used by the Italian companies within the IMA Group to create favourable conditions for the expression of individual talent, founded on our business culture with its system of strongly shared values. In this light, we also provide a psychological counselling service, backed up by the role of Employee Representative, which confirms the importance to us of our people. We take action to promote conditions of wellbeing in the workplace, especially with reference to phenomena that might result in social exclusion. This attention to the Group's human resources is tangibly demonstrated by our low turnover of less than 3% and an absenteeism, which remains at a level that can be considered normal.

TRAINING

During the year, more than 66% of employees were involved in training designed to improve the expertise of the Group's technical, administrative and commercial personnel. Specialized training, the updating of professional skills, work safety and managerial development continue to be the main topics.

INDUSTRIAL RELATIONS

On the industrial relations front, we pursued our ongoing and constructive relationship with the trade unions. This consolidated relationship allows a substantial absence of disputes.

HEALTH, SAFETY AND THE ENVIRONMENT

The IMA Group takes care of safety and the working environment via full compliance with current legislation, not least through specific training designed to create a "culture of safety".

These principles are applied in full by all Group companies throughout the world.

As confirmation of the above, during 2015 we further increased our commitment and investment in staff training and information, which is considered the fulcrum of the safety management system currently in use. Above all, we can confirm that a culture of safety has to be pursued by involving all those who are in charge of the various production structures.

Then, it is a matter of providing specific information on a timely basis to all of our employees about the risks to which they may be exposed, together with training designed to instill the use of safe working practices.

The Company pays great attention to the assessment of all sources of risk for the employees' health. This includes periodic analyses and measurements of the working environment, which have been found to comply in full with current standards; similar care is dedicated to determining how to handle any emergency situations that arise.

On the topics of corporate social responsibility and responsibility versus the local community, we confirm our commitment to maintain high levels of safety and environmental protection. In fact, during the year no events took place, which had a damaging effect on the environment.

RELATED-PARTY TRANSACTIONS

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

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 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.

Significant 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 completely in Note 32 to the consolidated financial statements.

PERFORMANCE OF IMA S.P.A.

The commentary on Group performance has implicitly covered the activities of the Parent Company.

INCOME STATEMENT

The income statement reclassified by use as shown below was prepared applying the same criteria as those used to prepare the Group's income statement. For a breakdown of the various items (cost of sales, research and development costs, selling costs, general and administrative costs and gross operating margin) reference is made to the Report on Operations covering the consolidated financial statements.

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

The Parent Company's reclassified income statement for 2015, along with 2014 comparatives, is set out as follows and reflects the merger by absorption of IMA Industries S.r.l. and IMA Life Italia S.r.l., which took place with effect from 1 January 2015:

in millions of euros	2015		2014		Change %
	Amount	%	Amount	%	
Revenues	541.87		391.24		38.5
Cost of sales	(327.02)	60.4	(241.73)	61.8	
Gross industrial income	214.85	39.6	149.51	38.2	43.7
R&D costs	(27.46)		(17.84)		
Sales costs	(60.60)		(51.55)		
General and administrative costs	(60.66)		(45.35)		
Operating profit before writedowns/impairment/ non-recurring items (EBITA)	66.13	12.2	34.77	8.9	90.2
Non-recurring items	(5.11)		-		
Operating profit (EBIT)	61.02	11.3	34.77	8.9	75.5
Net financial income (expense)	26.20		41.27		
Profit before tax	87.22	16.1	76.04	19.4	14.7
Taxes	(20.10)		(12.62)		
Profit for the year	67.12	12.4	63.42	16.2	5.8
Gross operating profit (EBITDA) before non-recurring items	74.37	13.7	41.35	10.6	79.9
Gross operating profit (EBITDA)	69.26	12.8	41.35	10.6	67.5
Order book	356.99		255.27		39.8

REVENUES BY GEOGRAPHICAL AREA

in millions of euros	2015		2014		Change %
	Amount	%	Amount	%	
European Union (excluding Italy)	178.65	33.0	126.78	32.4	40.9
Other European countries	33.93	6.2	29.55	7.5	14.8
North America	68.12	12.6	27.16	7.0	150.8
Asia & Middle East	115.88	21.4	109.60	28.0	5.7
Other countries	55.49	10.2	36.37	9.3	52.6
Total foreign markets	452.07	83.4	329.46	84.2	37.2
Italy	89.80	16.6	61.78	15.8	45.4
Total	541.87	100.0	391.24	100.0	38.5

About 83% of revenues were generated outside Italy, even more than in 2014, due to the absorption of IMA Industries S.r.l. and IMA Life Italia S.r.l. About 70% of revenues were generated by plant and machines, while 30% came from after-sales activities (support, spares, kits etc.).

As to the geographical distribution of sales, there has been a steady increase in all areas, especially in North America.

GROSS INDUSTRIAL INCOME

The increase in gross industrial income reflects the higher volume of sales, with an improvement in the profit margin to 39.6% from 38.2% in 2014.

R&D COSTS

The R&D costs incurred during the year amounted to 27.46 million euros (17.84 million Euro in 2014). This amount only relates to costs incurred to develop new products or update the technology of products already in distribution. The balance therefore excludes the cost of development work ordered by specific clients and the cost of customizing products that are already being distributed. Such expenditure is included in the cost of sales, since it is invoiced to the clients concerned.

SALES COSTS

Sales costs, including commissions paid to agents and intermediaries, totalled 60.60 million euros, compared with 51.55 million euros in 2014 and include 21.05 million euros of commissions paid to agents (21.09 million in 2014). Management is nevertheless working to improve the efficiency of the commercial structure all this will increase unit labour costs.

GENERAL AND ADMINISTRATIVE COSTS

General and administrative costs amounted to 60.66 million euros on 45.35 million euros in 2014. This increase is linked to the rise in personnel costs and general expenses, as well as to the effect of merger of IMA Industries S.r.l. and IMA Life Italia S.r.l.

OPERATING PROFIT (EBIT)

EBITA is consequently higher compared with the previous year, with operating profit rising to 61.02 million euros versus 34.77 million euros in 2014.

NET FINANCIAL INCOME (EXPENSE)

Net financial income, described further in the notes to the financial statements, amounted to 26.20 million euros (41.27 million euros in 2014).

The principal captions and changes are discussed below:

- dividends received from subsidiaries amounted to 23.20 million euros in 2015 compared with 68.63 million euros in the previous year; the decrease derives from dividends received in 2014 from IMA Industries S.r.l., a company that was absorbed on 1 January 2015, and from extraordinary distributions made by a subsidiary;
- the interest paid to service debt, including discount interest, amounts to 12.59 million euros (11.92 million euros in 2014);
- the gain on the sale of the joint venture CMH S.r.l., which took place during 2015, amounts to 17.59 million euros.

PROFIT FOR THE YEAR

The profit for the year was 67.12 million euros (63.42 million euros in 2014), net of income taxes of 20.10 million euros (12.62 million euros in 2014).

The higher impact of taxation on the pre-tax result was mainly due to lower dividends compared with the previous year.

BALANCE SHEET AND FINANCIAL POSITION

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

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

The company's balance sheet and financial position at 31 December 2015 are summarized below:

in millions of euros	31.12.2015		31.12.2014		Change %
	Amount	%	Amount	%	
Trade receivables	125.41	33.2	88.89	32.8	41.1
Inventories	117.61	31.2	72.73	26.8	61.7
Trade payables	(221.95)	(58.8)	(148.62)	(54.8)	49.3
Other, net	(38.87)	(10.3)	(37.67)	(13.9)	3.2
Working capital	(17.80)	(4.7)	(24.67)	(9.1)	(27.8)
Property, plant and equipment	28.57	7.6	21.00	7.7	36.0
Intangible assets	42.22	11.2	34.44	12.7	22.6
Investments	324.02	85.9	236.85	87.4	36.8
Non-current assets	394.81	104.7	292.29	107.8	35.1
Provision for severance indemnities and other provisions	0.25	–	3.40	1.3	(92.6)
Net capital employed	377.26	100.0	271.02	100.0	39.2

FINANCED BY:

Net debt	217.79	57.7	175.83	64.9	23.9
Equity	159.47	42.3	95.19	35.1	67.5
Total sources of financing	377.26	100.0	271.02	100.0	39.2

WORKING CAPITAL

Working capital at 31 December 2015 amounted to negative 17.80 million euros, slightly higher than at the end of 2014 (-24.67 million euros) because of the growth in volumes and the effect of the merger of IMA Industries S.r.l. and IMA Life Italia S.r.l. It is made up of:

- trade receivables have increased by 36.52 million euros, from 88.89 million euros at 31 December 2014 to 125.41 million euros at 31 December 2015, mainly because of the mergers and higher sales volumes.
- inventories are up by 44.88 million euros (from 72.73 million euros at 31 December 2014 to 117.61 million euros at 31 December 2015), mainly due to the mergers and to higher sales volumes.
- trade payables, including advances from customers, are up by 73.33 million euros (from 148.62 million euros at 31 December 2014 to 221.95 million euros at 31 December 2015), because of the effect of the mergers and the growth in the order book at the end of the year, resulting in higher purchases and advances from customers.

NON-CURRENT ASSETS

Overall, non-current assets have increased by euros 102.52 million since 31 December 2014. As part of this aggregate, equity investments have increased by 87.17 million euros and non-current assets by 15.35 million euros.

The changes in tangible and intangible assets, net of depreciation and amortization, are as follows:

in millions of euros	Non-current assets		
	Property, plant and equipment	Intangible	Total
Merger of IMA Industries S.r.l. and IMA LIFE Italia S.r.l.	0.29	5.84	6.13
Increases	11.17	6.34	17.51
Sales and eliminations	(0.03)	(0.02)	(0.05)
Amortization and depreciation charges	(3.86)	(4.38)	(8.24)
Total	7.57	7.78	15.35

The change in equity investments is due to the following transactions occurred in 2015:

- recognition of investments in GIMA S.p.A., IMA Industries GmbH and IMA Industries India Pvt. Ltd., as a result of the merger of IMA Industries S.r.l.;
- purchase of 80% in IMA Dairy & Food Holding GmbH (Parent Company of Benhill, Erca, Hassia, Hamba and Gasti) for 66.87 million euros;
- purchase of 60% in Teknoweb Converting S.r.l. for 6.71 million euros;
- sale to third parties of the investment in the joint ventures CMH S.r.l. for a consideration of 25.50 million euros;

The changes in individual items are described in the notes to the financial statements.

NET CAPITAL EMPLOYED

Compared with 31 December 2014, capital employed net of operating liabilities has increased by 106.24 million euros to 377.26 million euros for the reasons described above.

NET DEBT

Net debt at 31 December 2015 amounts to 217.79 million euros and comprises:

in millions of euros	31.12.2015	31.12.2014
A. Cash and cash equivalents	(99.44)	(62.15)
B. Other cash equivalents	-	-
C. Investments in securities	(1.64)	(1.89)
D. Liquidity (A)+(B)+(C)	(101.08)	(64.04)
E. Current financial receivables	(23.08)	(39.39)
F. Current payables to banks	27.58	6.41
G. Current portion of non-current payables	39.86	33.70
H. Other current financial payables	51.17	45.52
I. Current financial debt (F)+(G)+(H)	118.61	85.63
J. Net current financial debt (D)+(E)+(I)	(5.55)	(17.80)
K. Non-current portion of non-current bank payables	111.84	79.82
L. Bonds issued	115.45	115.27
M. Other non-current financial payables	-	0.01
N. Non-current financial assets	(3.95)	(1.47)
O. Non-current financial debt (K)+(L)+(M)+(N)	223.34	193.63
P. Net financial debt (J)+(O)	217.79	175.83

A breakdown of the items comprising net debt is given in Notes 4, 11 and 14.

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, amounting to 217.79 million euros, has increased by 41.96 million euros since 31 December 2014, when it totalled 175.83 million euros. The rise essentially reflects the payment of dividends of 50.63 million euros, the investments described above and the mergers of IMA Industries S.r.l. and IMA Life Italia S.r.l., net of the increase in share capital and of the sale of the joint venture CMH S.r.l.

Since we plan to maintain the same level of investment and continue to hold down working capital, good cash generation can be expected in 2016 in view of the improved results that we are looking for.

SHAREHOLDERS' EQUITY

Equity totalled euros 159.47 million at year end. The increase of 64.28 million euros since 31 December 2014, was due to the following movements:

Distribution of dividends	(50.63)
Merger of IMA Industries S.r.l. and IMA LIFE Italia S.r.l.	17.55
Capital increases	28.13
Purchase and sale of treasury shares	–
Measurement of financial instruments recognised in equity	1.62
Remeasurement of defined benefit plans	0.49
Profit for the year	67.12
Total	64.28

INVESTMENTS

During 2015, the Company invested 6.34 million euros (4.44 million euros in 2014) in intangible assets and 11.17 million euros (6.40 million euros in 2014) in property, plant and equipment, for a total of 17.51 million euros (10.84 million euros in 2014).

Capital expenditure on intangible assets refers mainly to software and licences related to the commercial, sale, logistics and technical area for 1.98 million euros and to the capitalisation of development costs incurred on totally new products for market segments not previously occupied for 3.73 million euros.

The expenditure on tangible assets mainly relates to leasehold improvements (7.03 million euros), plant and equipment (2.14 million euros) and electronic equipment and office furniture and fittings (0.98 million euros).

HUMAN RESOURCES, TRAINING AND INDUSTRIAL RELATIONS

The policies and guidelines for the management of human resources are discussed in relation to the IMA Group.

EMPLOYEES

In 2015, the average number of IMA employees came to 1,761, compared with 1,357 in 2014. It is worth mentioning that, at 31 December 2014 the workforce of IMA Industries S.r.l. and IMA Life Italia S.r.l., which were both absorbed by IMA S.p.A. from 1 January 2015, consisted of 361 and 10 persons respectively.

The breakdown of the workforce by grade is summarized below:

	31.12.2015	31.12.2014
Management	48	43
Office workers	1,369	1,035
Production workers	344	279
Total	1,761	1,357

The excellent educational standard of the human resources employed by the Company is demonstrated by the fact that around 91% possess a high-school diploma or a university degree.

In terms of the organizational structure, employees work in the following main professional areas:

	%		
	Total employees	of which: men	of which: women
Sales and marketing, including pre-sales and post-sales	18.1%	54.2%	45.8%
Research and development	24.0%	96.7%	3.3%
Production	43.8%	93.7%	6.3%
Central and administrative functions	14.1%	45.2%	54.8%
Total	100.0%	80.5%	19.5%

This distribution of the workforce is a good reflection of IMA's business model, which is designed to retain the activities that represent critical and distinctive skills and outsource all other activities. The high degree of professionalism is partly reflected in the fact that clerical and managerial grades occupy 80.6% of our employees.

Women, who make up 19.5% of total human resources, work mainly in sales and marketing and administrative functions. In the production areas, women are mostly employed in production logistics and planning.

PERSONNEL COSTS

Personnel costs totalled 149.09 million euros, compared with 107.81 million euros in the prior year.

Taking into account the principal elements of remuneration, personnel costs have risen by 5.17% on the previous year due to pay rises established by the National Collective Labour Contract for Metalworkers, to the Supplementary Agreement as well as an increase in overtime hours and the company's policy on bonuses. Personnel costs have also risen in line with an increase in the number of employees and collaborators in the year.

Lastly, personnel costs include 5.11 million euros of non-recurring charges relating mainly to the reorganisation of the Tea, Food & Other business following the merger by absorption by IMA S.p.A. of IMA Industries S.r.l.

TRAINING

IMA, like all organisations that wish to tackle the market's competitive challenges, considers continuous training to be a strategic area.

Investment is not only intended for initial training but is maintained over time, increasingly using training as a lever for employee growth and motivation, and consequently for the business' competitive development.

Complex organisations, in continuous evolution, like IMA, require employees equipped with enterprise and initiative, driven by the desire to learn and improve continuously, questioning their own skills and ready for continuous assessment.

From this point of view, IMA is also a point of reference for the district system to which it belongs, working hard to adapt its organisational and management models to the "knowledge economy", in which professional careers - which are increasingly discontinuous and

multidisciplinary – require “generalist” skills that accompany the high standard of professionalism required to work in an international context, in contact with innovative technologies and in a competitive market.

During 2015, IMA S.p.A. continued efforts to spread a culture of equality and growth by extending the training programmes on equal opportunities to employees outside of the pharmaceutical segment.

INDUSTRIAL RELATIONS

On the industrial relations front, we pursued our ongoing and constructive relationship with the trade unions. This consolidated relationship allows a substantial absence of disputes

HEALTH, SAFETY AND THE ENVIRONMENT

For IMA, the safety and health of workers and the working environment involves full compliance with current legislation and a management system focused on continuous improvement, also through specific training designed to create a “culture of safety”.

These principles are applied in full by all Group companies throughout the world.

As confirmation of the above, during 2015 we further increased our commitment and investment in staff training and information, which is considered the fulcrum of the safety management system currently in use. Overall, in 2015 around 5,965 hours of staff training was carried out on specific aspects of safety and hygiene in the workplace, involving 85% of all employees, in line with the previous year.

Special attention is dedicated to the communication of safety to employees. In this regard, the Company has organised specific refresher courses to train those who hold positions of coordination and supervision of the working activities inside the Company, in order to provide them with effective tools so that they can clearly communicate the importance of safety as a value to their staff. In 2015 these courses involved 150 persons.

The Company pays great attention to the assessment of all sources of risk for the health of employees. This includes periodic analyses and measurements of the working environment, which have been found to comply in full with current standards; similar care is dedicated to determining how to handle any emergency situations that arise.

Wanting to focus on specific activities carried out in 2015, we have maintained BS OHSAS 18001 certification of our Safety at Work Management System. For this purpose, an audit was performed in February 2015 by an independent certification company which confirmed full compliance with all applicable regulations and full and correct implementation and effectiveness of the Safety at Work Management System. This system is applied at all sites in which IMA S.p.A. operates. The frequency and seriousness statistics, respectively 6.04 (IF) and 0.192 (IG), are leading indicators of the effectiveness and quality of the action taken. These were determined with reference to the accident experience within the Company and based on the Uni 7249 regulation.

On the topics of corporate social responsibility and responsibility versus the local community, we confirm our commitment to maintain high levels of safety and environmental protection. Specifically, the Company did not cause any damage to the environment during the year.

TRANSACTIONS WITH PARENT, SUBSIDIARY, ASSOCIATED COMPANIES AND JOINT VENTURE

There were numerous intercompany transactions during the year, all carried out within the framework of ordinary operations and on an arm's-length basis.

Intercompany transactions are in fact a part of the Group's organisational structure. They involve commercial activities (companies wholly owned by IMA S.p.A. in various countries that market the Group's products as agents or dealers) and the manufacturing phase (subsidiaries of IMA S.p.A. that make certain types of machines and supplement the range supplied of IMA S.p.A. or their own range, by selling machines to or buying machines from IMA S.p.A.), as well as participation in the consolidated tax mechanism.

Transactions also include financial transactions among the Group companies, carried out within the framework of ordinary operations and on an arm's-length basis; none of these transactions can be considered atypical.

Further information is provided in Note 30 to the Company's financial statements.

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. In addition to the intercompany transactions described above, the Company enters into transactions with other related parties, mainly persons responsible for administration and management at IMA S.p.A., or entities controlled by such persons. The transactions concerned mostly involve real estate (premises rented for operational purposes) and commercial activities and are carried out in the ordinary course of business on arm's-length terms as well as the tax consolidation.

Significant 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.

Transactions with related parties are described more fully in Note 30 to the Company's financial statements.

COMPANY'S LOCATIONS OF OPERATION

The activities of IMA S.p.A. are carried out at the following locations:

Via Tosarelli, 184 Castenaso (Bologna) Head office

Via 1 Maggio, 14/16 Ozzano dell'Emilia (Bologna) Factory

Via 1 Maggio, 93 Ozzano dell'Emilia (Bologna) Factory

Via 1 Maggio, 99/107 Ozzano dell'Emilia (Bologna) Warehouse

Via Emilia, 428/442 Ozzano dell'Emilia (Bologna) Factory

Via Emilia, 217/219 Ozzano dell'Emilia (Bologna) Factory

Via Emilia, 237 Ozzano dell'Emilia (Bologna) Offices

Via della Libertà, 13/15 Ozzano dell'Emilia (Bologna) Factory

Via Nobel, 1 Ozzano dell'Emilia (Bologna) Factory

Via Nobel, 32/A Ozzano dell'Emilia (Bologna) Warehouse

Via Piave, 16 Ozzano dell'Emilia (Bologna) Factory

Via Tolara di Sotto, 51/A Ozzano dell'Emilia (Bologna) Offices

Via Tolara di Sotto, 121/A Ozzano dell'Emilia (Bologna) Factory

Via Romagnoli, 11 Bentivoglio(Bologna) Warehouse

Via Francesco Petrarca, 34/38/40 Calenzano (Florence) Factory

Via Francesco Petrarca, 35/37 Calenzano (Florence) Warehouse

Via J.F. Kennedy, 17 Zola Predosa (Bologna) Offices

Via Nobel 32/B Ozzano dell'Emilia (Bologna) Factory

Via Romagnoli, 11/2 Bentivoglio(Bologna) Factory

Via Nobel, 28/B Ozzano dell'Emilia (Bologna) Factory

Via Romagnoli, 2 Bentivoglio(Bologna) Factory

Via Bertella, 24 Ozzano dell'Emilia (Bologna) Warehouse

Via Piero della Francesca, 26 Trezzano sul Naviglio (Milan) Offices

Via Ugo Ferrandi snc Parma (Parma) Offices

OTHER INFORMATION

SIGNIFICANT EVENTS
AFTER YEAR-END

The following main events took place subsequent to year end:

- from 1 January 2016 the following became effective (i) 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 Euro 95,500 GIMA TT S.p.A., as well as (ii) 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 in (i) and (ii) above, since the aforementioned date of 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 Euro 70,192.85 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 12.37 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 Komax Holding AG to buy 100% of Komax Systems LCF SA and Komax Systems Rockford Inc. and 76% of Komax Systems Malaysia. The agreement also 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. The deal involves a financial contribution due at the time of the closing, expected in the second quarter of 2016, for 7 million Swiss francs for its equity value, in addition to 21.3 million Swiss francs to take over outstanding loans between the target companies and Komax Holding AG. There is also provision for a further payment for 6 million Swiss francs by way of an earn-out and for 2 million Swiss francs in the event of a call option on the other 24% of Komax Systems Malaysia;
- on 14 March 2016 GIMA S.p.A. signed an agreement with the Xenon fund for the acquisition of 75% of Telerobot S.p.A., based in Alessandria, which is market leader in machines for assembling plastics in the field of caps and closures. The transaction involves a financial investment of 2.2 million euros for the acquisition that will lead GIMA to hold 75% of the company's shares and an option to purchase the other 25% to be exercised by the date of approval of the financial statements at 31.12.2017.

OUTLOOK FOR THE CURRENT YEAR

After turning in very good results, the Group closed 2015 with an order book that is excellent in terms of both quantity and quality, giving good visibility for the current year. The positive trend of the acquisition of new orders is continuing into the early months of this year in all sectors. Thanks to this situation, it is reasonable to assume that 2016 will have revenues of around 1,215 million euros and a gross operating profit (EBITDA) of around 174 million euros.

PRINCIPAL RISKS AND UNCERTAINTIES TO WHICH IMA S.P.A. AND THE GROUP ARE EXPOSED

In conducting its business, the IMA Group is exposed to various types of risk which could have an impact on its performance and financial situation:

- **competition:** the market in which the Group operates is extremely dynamic and the success of the Group's business depends on its ability to maintain and increase market share and to expand into new markets with innovative products. To counter the risk of new competitors entering the market, the Group maintains a high level of investment in R&D, has a wide array of registered trademarks and a strong sales team with a direct presence in the countries where it operates, which ensures a high level of customer service;
- **exchange rate fluctuations:** exposure to exchange risk is primarily due to the geographic distribution of production and sales, which results in exports denominated in currencies different from those of production. In particular the IMA Group is primarily exposed to exchange risk for exports from the euro area to that of the US dollar. The Group uses currency hedging to limit exchange rate risk. For a more detailed analysis of financial risk, please refer to the section below entitled "Financial risk management policy and objectives";
- **staff skills:** for the IMA Group, human resources are a critical success factor. The Group therefore considers proper HR management as a matter of the highest importance. In order to increase its ability to attract and keep highly qualified staff, the Group constantly refines its recruitment process for its strategically important positions and rewards staff with contractual conditions that are better than those offered on average in the sector;
- **technology protection:** the Group's market sector is characterised by the planning and production of products with a high technological content which run the risk that competitors might try to replicate the technologies used. In order to counter such risk the Group invests heavily in intellectual property and holds a large number of registered patents.

FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES

The following disclosures are provided about the objectives and policies adopted for financial risk management, as they relate to the statutory financial statements pursuant to Art. 2428 of the Italian Civil Code, and to the consolidated financial statements pursuant to Art. 40 of Legislative Decree 127/1991:

Financial risk factors

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

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

The objectives and policies of the Company and the Group concerning financial risk management and exposure to risk are more fully described in the "Financial Risk Management" sections of the consolidated and statutory financial statements; specifically in Notes 4, 6, 11 and 14 of the Parent Company's financial statements and in Notes 5, 7, 12 and 15 of the consolidated financial statements.

Hedging instruments

The Company and the Group mainly use derivatives to hedge exchange rate and interest rate risk and do not hold any speculative financial instruments, as required by the procedure approved by the Executive Committee.

All further details are duly provided in the "General preparation policies" section in the paragraphs on hedging instruments: specifically in Note 6 to the Parent Company's financial statements and in Note 7 to the consolidated financial statements.

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

No significant atypical and/or unusual transactions have been carried out by IMA S.p.A. or the IMA Group.

TREASURY SHARES

At 31 December 2015 treasury shares totalled 0.07 million euros, represented by 5,500 shares with a par value of 3 thousand euros. During the year the Parent Company did not carry out any transactions in treasury shares. The official market value at 31 December 2015 was 0.26 million euros (0.20 million euros at 31 December 2014).

**LEGISLATIVE
DECREE 231/2001**

At a meeting held on 27 March 2008, the Board of Directors adopted the organisation, management and control model envisaged by Decree 231 of 8 June 2001 concerning the administrative responsibility of legal persons.

The organisation, management and control model consists of a general part and several special parts; essentially, it explains IMA's corporate governance structure, the way that the Supervisory Board is established and functions, along with an explanation of the system of sanctions.

The types of crimes that the model is designed to avoid are (by way of example):

- a) crimes against the public administration;
- b) corporate crimes;
- c) market abuse;
- d) computer crimes;
- e) crimes against the person;
- f) crimes against industry and commerce and copyright;
- g) hygiene, health and safety at work;
- h) transnational crimes;
- i) receiving, laundering and using money, goods or assets of illicit origin;
- j) employing illegal immigrants.

Following the adoption of this model, certain internal procedures have been introduced or modified.

At the same time as adopting this model, a Code of Ethics was adopted and a Supervisory Board was appointed.

Despite having taken into consideration new legislation that provides for the possibility to assign the functions of the Supervisory Board to the Board of Statutory Auditors, the Board has decided, for the moment, not to take up this option, but is willing to examine the feasibility of this option in the near future.

The Supervisory Board comprises:

- Maria Lucia Sireci – Chairman, a professional with a legal background, who has a particular knowledge of the Company's organisational structure;
- Gerardo Diamanti, an independent professional with an economics background and particular experience in cash flow management;
- Mario Panzeri, a professional with a background in company law, specific experience of supervisory boards and particularly knowledgeable about protocols and procedures.

The Supervisory Board is responsible for supervision of the Organisation, Management and Control Model, monitoring compliance and taking care of updates, reporting periodically to the Board of Directors.

The members of this body do not hold any positions in the Company and satisfy the requirements of autonomy and independence needed to perform their duties.

Over the years and most recently in 2014, the Organisation, Management and Control Model has been updated to reflect the results of its application and changes in the regulatory framework. The Compliance Manual and the Code of Ethics can be viewed on the Company's website: <http://www.ima.it>.

CORPORATE GOVERNANCE
AND CORPORATE
GOVERNANCE CODE

IMA subscribes to and enforces the Code of Conduct for Listed Companies approved in July 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria, with the exceptions indicated in the Report on Corporate Governance and Ownership Structure prepared in accordance with art. 123 bis CFA.

The Code can be viewed on the website of Borsa Italiana (<http://www.borsaitaliana.it>).

A description of the Company's corporate governance system and its ownership structure can also be viewed, as can adoption of the individual items of the Code of Conduct in the Company's report on corporate governance and its ownership structure.

The Board discloses the positions of director or auditor held by its members in listed companies, including foreign companies, financing companies, banks, insurance companies and other large companies, on the basis of their own declarations:

Galliani Marco

- Cassa di Risparmio di Ravenna (Director)

Malagoli Andrea

- SO.FI.M.A. S.p.A. (Director)

Poggi Luca

- Boato Holding S.p.A. (Director)
- Finanziaria del Vetro (Director)
- SO.FI.M.A. S.p.A. (Director)

Rita Rolli

- Cassa dei Risparmi di Forlì e della Romagna (Independent Director)
- Trevi Finanziaria S.p.A. (Independent Director)

Schiavina Maria Carla

- Eredi Schiavina S.r.l. (Chairman)
- Immobiliare Schiavina S.r.l. (Vice Chairman)
- Murazzi Ecostruttura-Mecos S.r.l. (Vice Chairman)
- Schiavina S.r.l. (Chairman)
- SO.FI.M.A. S.p.A. (Director)

Vacchi Alberto

- ALVA S.p.A. (Sole Director)
- Etrusco S.r.l. (Sole Director)
- Gavignana S.r.l. (Director)
- Maestrale Investimenti S.r.l. (Sole Director)
- Nemo Investimenti S.r.l. (Chairman)
- SO.FI.M.A. S.p.A. (Director)
- Wailea S.r.l. (Sole Director)

Vacchi Gianluca

- Boato Holding S.p.A. (Chairman)
- Cofiva S.A. (Director)
- Eleven Finanziaria S.r.l. (Sole Director)
- First Investment S.p.A. (Sole Director)
- SO.FI.M.A. S.p.A. (Director)

Vacchi Marco

- Banca di Bologna Credito Cooperativo SCRL (Chairman)
- B Group S.p.A. (Director)
- Lopam Fin S.p.A. (Chairman)
- SO.FI.M.A. S.p.A. (Chairman)

Volta Valentina

- Datalogic S.p.A. (Director)
- Hydra S.p.A. (Director)

The Directors with delegated powers must provide to the Board of Directors and the Board of Statutory Auditors, at least every quarter, at the time of Board meetings or in a written communication, the information on related-party transactions required by art. 150 of the CFA and art. 2381 of the Italian Civil Code.

During 2015 the Delegated Committees reported to the Board of Directors about the activities which were delegated to them at the first available Board meeting.

Certain members of the Board of Statutory Auditors of IMA, in compliance with the recommendation of Consob no. 97001574 of 20/02/1997, hold Board positions also in the following subsidiaries: CO.MA.DI.S. S.p.A., GIMA S.p.A., GIMA TT S.p.A. and Corazza S.p.A., thus facilitating the provision of the information necessary to complete their duties to the Board of Statutory Auditors of the Parent Company.

As regards the information on the remuneration of directors, statutory auditors and managers with strategic responsibilities, specific reference should be made to the Remuneration Report prepared in accordance with Art. 123 ter CFA, which is published separately.

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

REPORT ON CORPORATE
GOVERNANCE AND OWNERSHIP
STRUCTURE IN COMPLIANCE WITH
ART. 123 BIS OF THE CONSOLIDATED
LAW ON FINANCIAL
INTERMEDIATION

In accordance with the provisions of Art. 123 bis, (3), of CFA, the Company has prepared the Report on Corporate Governance and Ownership Structure separately from the Report on Operations. It has therefore been made public by posting it on the Company's website (<http://www.ima.it>).

The following are some of the major items of information published in the said Report:

-a- Capital structure (ex Art. 123 bis, 1, (a), CFA)

The share capital at 31 December 2015 amounts to 19,505,200 euros represented by 37,510,000 ordinary shares with a par value of 0.52 euros each.

The Company's shares are listed on the STAR segment of the screen-traded market (MTA) organised and run by Borsa Italiana S.p.A.

The Company has not issued other financial instruments that grant the right to subscribe for newly-issued shares.

The Company has not approved a stock-based incentive plan (stock options, stock grants, etc.).

-b- Restrictions on the transfer of securities (Art. 123 bis, 1, (b), CFA)

At the date of this Report, there are no restrictions on the transfer of the Company's shares.

-c- Significant shareholdings (Art. 123 bis, 1, (c), CFA)

At the date of this Report, based on the shareholders' register and the communications pursuant to art. 120 of the CFA and other information received, the parties listed in Table 1 directly or indirectly hold at least 2% of the Company's share capital:

Declarant	Direct shareholder	Percent share of ordinary capital	Percent share of voting capital
Lopam Fin S.p.A.	SO.FI.M.A. S.p.A.	60.000%	60.000%
Hydra S.p.A.	Hydra S.p.A.	2.003%	2.003%

-d- Securities that entitle holders to special rights (Art. 123 bis, 1, (d), CFA)

At the date of this Report, the Company has not issued any securities that entitle holders to special rights of control or rights to exercise special powers.

IMA Articles of Association do not envisage giving shares extra votes nor do they provide for the issuance of multiple voting shares.

-e- Shares held by employees: exercise of voting rights (Art. 123 bis, 1, (e), CFA)

At the date of this Report, there is no provision for an employee stock ownership plan.

-f- Restrictions on voting rights (Art. 123 bis, 1, (f), CFA)

At the date of this Report, there is no provision for restrictions on voting rights.

-g- Shareholders' agreements (Art. 123 bis, 1, (g), CFA)

As of the date of this Report, the Company is not aware of any agreement among significant shareholders pursuant to Art. 122 of the CFA.

-h- Change of control clauses (as per art. 123 bis, 1, letter h), CFA) and provisions concerning takeover bids (as per art. 104, 1 ter and 104 bis, 1, CFA)

At the date of this Report, neither IMA or its subsidiaries are party to material agreements that would become effective, be changed or terminate in the event of a change of control of the contracting party, with the sole exception of the contract underlying the bond loan placed with US institutional investors (the so-called "US Private Placement") and certain financing contracts that could oblige the Company to repay the loan if there is a change in the majority shareholders.

IMA Articles of Association do not make any exceptions to the passivity rule laid down in art. 104, paragraphs 1 and 1-bis of the CFA and does not envisage application of the neutralisation rules laid down in art. 104 bis, paragraphs 2 and 3, of the CFA.

-i- Authority to increase the share capital and authorisations to purchase treasury shares (art. 123 bis, 1 (m), CFA)

The Extraordinary Shareholders' Meeting on 28 January 2011 granted a mandate to the Board of Directors, in accordance with art. 2443 of the Civil Code, to increase the share capital on a cash basis in one or more tranches by up to a maximum of Euro 1,773,200 at par by issuing a maximum of 3,410,000 ordinary shares of par value Euro 0.52 each, to be placed exclusively with qualified third-party investors excluding current shareholders' option rights, in accordance with art. 2441, paragraph 4, second part, of the Civil Code and/or art. 2441, paragraph 5, of the Civil Code.

In partial execution of the authority granted to the Board by the Extraordinary Shareholders' Meeting of 28 January 2011, at the board meeting on 21 March 2011, the Board of Directors resolved to increase the share capital for payment, in one or more tranches, by a maximum nominal amount of Euro 1,418,560.00 and in any case within the limit of 10% of the Company's existing share capital by issuing up to 2,728,000 new ordinary shares, of par value Euro 0.52 each, with normal dividend rights, with the exclusion of option rights pursuant to art. 2441, paragraph 4, part 2, of the Civil Code, offered for subscription to Qualified Investors (as defined in Article 34-ter, paragraph 1 (b) of the Regulations adopted by Consob Resolution 11971 of 14 May 1999, as amended) in Italy and institutional investors abroad (excluding the United States, Canada, Japan or any other jurisdiction in which offers or sales of shares to be offered are prohibited by law).

On 22 March 2011 the Company announced that the increase in capital approved by the Board of Directors had been successfully subscribed.

In partial execution of the mandate granted to the Board by the Extraordinary Shareholders' Meeting of 28 January 2011, at the board meeting on 26 March 2015, the Board of Directors resolved to increase the share capital for payment, in one or more tranches, by a maximum nominal amount of Euro 354,640.00 corresponding to 2% of the IMA's existing share capital by issuing up to 682,000 new ordinary shares, with a par value of Euro 0.52 each, excluding shareholders' option rights pursuant to art. 2441, paragraph 4, part 2, of the Civil Code, offered for subscription to qualified investors in Italy and institutional investors abroad, as defined in Regulation S and Rule 144A, issued pursuant to the US Securities Act of 1933 and excluding any country or jurisdiction in which offers or sales of the shares being offered are prohibited by law or in the absence of exemptions.

On 26 March 2015 the Company announced that the increase in capital approved by the Board of Directors had been successfully subscribed; in addition, we would point out that the mandate has terminated following the expiration on 28 January 2016 of the five-year term assigned by the Extraordinary Meeting of 28 January 2011 and, in any case, on full exercise of the mandate through the various partial executions mentioned above.

The Shareholders' Meeting, held on 28 April 2015, also approved the purchase of treasury shares pursuant to art. 2357 of the Civil Code, under a mandate with a duration of 12 months.

In this way, the Shareholders' Meeting authorised the Board of Directors to purchase the Company's own shares up to the maximum permitted by law and within the limits of available reserves and distributable profits as shown in the latest approved financial statements, as well as to sell or make use of such treasury shares.

The Shareholders' Meeting authorised the purchase, sale or disposal of treasury shares in order to stabilise the stock price and, more generally, for share buy-back programs to increase the stock price to the advantage of shareholders.

However, the Company did not exercise its right to carry out transactions in its own shares during the period.

At the date of this report, IMA owns 5,500 treasury shares; this holding derives from purchases made under shareholders' resolutions dating back many years.

-j- Management and coordination activity (as per art. 2497 of the Italian Civil Code)

Although it is controlled by SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A. ("SO.FI.M.A."), IMA is not subject to its management or coordination pursuant to Arts. 2497 et seq. of the Italian Civil Code.

In compliance with art. 37, paragraph 2, of CONSOB's Market Regulations, below we explain the reasons why we believe that IMA is not subject to management and coordination on the part of the Parent Company SO.FI.M.A.: The decision-making process, management decisions and operations of IMA are not influenced in any way by its parent company, which is also ensured by the fact that IMA Board of Directors includes a sufficient number of independent directors to make a significant contribution to any of the Board's resolutions.

Further evidence of IMA decision-making independence is that fact that the Company enjoys full negotiating power with all customers, suppliers and banks and that there is no centralized treasury mechanism involving IMA or its subsidiaries and SO.FI.M.A.

CERTIFICATION UNDER ART. 2.6.2 OF THE ISSUERS' REGULATIONS

In connection with foreign subsidiaries incorporated and regulated by the law of States that do not belong to the European Union, Consob's Market Regulations lay down the conditions that have to exist for IMA, as their parent company, to maintain its listing on an organised market.

The conditions laid down by Consob's Market Regulations that IMA has to comply with are as follows:

- making available to the general public the subsidiaries' accounts prepared for consolidation purposes, including at least a balance sheet and an income statement;
- obtaining from the subsidiaries a copy of their Articles of Association and the composition and powers of their corporate bodies;
- checking the fact that the subsidiaries provide IMA's auditors with all of the information that they need to perform their audit on IMA's annual and interim accounts, as well as to have a suitable administrative and accounting system to provide IMA's management and auditors the economic and financial data to prepare the consolidated financial statements.

The Board of Directors identified the companies to which these rules apply.

Even though the Group's non-EU companies are the same as last year, for a total of 29 companies based in eleven different countries not belonging to the European Union, the scope of application of the said rules covers all of these companies. In fact, there were no cases of exclusion, as there were in previous years, as all of the companies exceeded the materiality limits imposed by the regulations.

With regard to these companies, IMA has therefore drawn up suitable procedures to comply with all of the matters laid down in the regulations.

This is the reason for the certification that all of the conditions foreseen in Consob's Market Regulations on "Conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries" exist at all of IMA's non-EU subsidiaries that are considered relevant for the purposes of these rules.

CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(THOUSANDS OF EUROS)

ASSETS	Note	31 December 2015	31 December 2014
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2	75,498	53,544
<i>Intangible assets</i>	3	321,443	178,893
<i>Investments accounted for using the equity method</i>	4	20,229	27,968
<i>Financial assets</i>	5	6,714	7,539
<i>Receivables from others</i>	6	2,482	1,418
<i>Deferred tax assets</i>	8	53,989	42,794
TOTAL NON-CURRENT ASSETS		480,355	312,156
CURRENT ASSETS			
<i>Inventories</i>	9	232,960	212,854
<i>Trade and other receivables</i>	10	288,413	171,294
<i>Income tax receivables</i>	11	7,681	7,177
<i>Financial assets</i>	5	8,683	3,948
<i>Derivative financial instruments</i>	7	549	–
<i>Cash and cash equivalents</i>	12	156,078	133,264
TOTAL CURRENT ASSETS		694,364	528,537
TOTAL ASSETS		1,174,719	840,693
EQUITY AND LIABILITIES			
EQUITY			
<i>Equity attributable to equity holders of the parents</i>	13	158,995	103,223
<i>Non-controlling interests</i>	14	16,784	13,395
TOTAL EQUITY		175,779	116,618
NON-CURRENT LIABILITIES			
<i>Borrowings</i>	15	229,382	198,325
<i>Employee defined benefit liabilities</i>	16	51,184	22,560
<i>Provisions for risks and charges</i>	17	6,147	2,727
<i>Other payables</i>	18	37,249	2,224
<i>Derivative financial instruments</i>	7	2,592	3,725
<i>Deferred tax liabilities</i>	8	59,526	22,582
TOTAL NON-CURRENT LIABILITIES		386,080	252,143
CURRENT LIABILITIES			
<i>Borrowings</i>	15	102,389	60,833
<i>Trade and other payables</i>	18	472,508	380,823
<i>Income tax liabilities</i>	11	11,870	8,811
<i>Provisions for risks and charges</i>	17	25,954	20,305
<i>Derivative financial instruments</i>	7	139	1,160
TOTAL CURRENT LIABILITIES		612,860	471,932
TOTAL LIABILITIES		998,940	724,075
TOTAL EQUITY AND LIABILITIES		1,174,719	840,693

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE CONSOLIDATED BALANCE SHEET ARE SHOWN IN NOTE 32 - RELATED-PARTY TRANSACTIONS.

CONSOLIDATED INCOME STATEMENT

(THOUSANDS OF EUROS)

	Note	2015	2014
REVENUES	1	1,109,537	854,617
OTHER REVENUES	19	19,973	14,446
OPERATING COSTS			
<i>Change in work in progress, semifinished and finished goods</i>		(3,529)	4,383
<i>Change in inventory of raw, ancillary and consumable materials</i>		(1,949)	(1,521)
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>	20	(398,313)	(277,588)
<i>Services, rentals and leases</i>	21	(239,470)	(200,100)
<i>Personnel costs</i>	22	(329,452)	(254,207)
<i>Depreciation and amortization expense</i>	23	(32,519)	(23,700)
<i>Provisions for risks and charges</i>		(66)	(1,688)
<i>Other operating costs</i>	24	(8,594)	(6,729)
TOTAL OPERATING COSTS		(1,013,892)	(761,150)
<i>- of which: effect of non-recurring items</i>	33	(9,467)	(1,223)
OPERATING PROFIT	1	115,618	107,913
<i>- of which: effect of non-recurring items</i>	33	(9,467)	(1,223)
FINANCIAL INCOME AND EXPENSE			
<i>Financial income</i>	25	36,325	13,527
<i>Financial expense</i>	26	(37,363)	(32,039)
TOTAL FINANCIAL INCOME AND EXPENSE		(1,038)	(18,512)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		512	1,392
PROFIT (LOSS) BEFORE TAX		115,092	90,793
TAXES	27	(37,256)	(34,045)
PROFIT FOR THE YEAR		77,836	56,748
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE PARENTS		69,915	51,562
NON-CONTROLLING INTERESTS		7,921	5,186
		77,836	56,748
EARNINGS PER SHARE (in euros)	28	1.88	1.40

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE CONSOLIDATED INCOME STATEMENT ARE SHOWN IN NOTE 32 - RELATED-PARTY TRANSACTIONS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(THOUSANDS OF EUROS)

	Note	2015	2014
Net profit for the year		77,836	56,748
Other comprehensive income to be reclassified to profit or loss in subsequent year:			
<i>Exchange rate gains (losses) on the translation of foreign currency financial statements</i>		5,627	6,955
<i>Gains (losses) on financial assets available for sale</i>	13	–	631
<i>Gains (losses) on cash flow hedges</i>	13	2,426	(1,154)
<i>Tax effect</i>		(743)	315
Net other comprehensive income to be reclassified to profit or loss in subsequent year		7,310	6,747
Other comprehensive income not being reclassified to profit or loss in subsequent year:			
<i>Actuarial gains (losses) on post employment benefit obligations</i>	13	5,645	(3,070)
<i>Tax effect</i>		(1,658)	865
Net other comprehensive income not being reclassified to profit or loss in subsequent year		3,987	(2,205)
Gains and losses recognized in equity		11,297	4,542
Total comprehensive income		89,133	61,290
Attributable to:			
Equity holders of the parent		81,104	56,149
Non-controlling interests		8,029	5,141
		89,133	61,290

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(THOUSANDS OF EUROS)

	Share capital	Share premium reserve	Treasury shares	Trans-lation reserve	Fair value reserve	Other reserves and retained earnings	Profit attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balances at 01.01.2014	19,151	16,126	(71)	(2,553)	(3,167)	34,790	51,540	115,816	16,876	132,692
Distribution of dividends	-	(11,308)	-	-	-	(1,483)	(33,237)	(46,028)	(1,925)	(47,953)
Allocation of earnings for 2013	-	-	-	-	-	18,303	(18,303)	-	-	-
Sale of shares in subsidiaries	-	-	-	-	-	-	-	-	(1,497)	(1,497)
Change in non-controlling interests	-	-	-	-	-	(22,714)	-	(22,714)	(5,200)	(27,914)
Total comprehensive income	-	-	-	6,801	(196)	(2,018)	51,562	56,149	5,141	61,290
Balances at 31.12.2014	19,151	4,818	(71)	4,248	(3,363)	26,878	51,562	103,223	13,395	116,618
Distribution of dividends	-	-	-	-	-	-	(50,631)	(50,631)	(2,917)	(53,548)
Allocation of earnings for 2014	-	-	-	-	-	931	(931)	-	-	-
Capital increases	354	27,773	-	-	-	-	-	28,127	-	28,127
Change of non-controlling interests	-	-	-	-	-	(2,828)	-	(2,828)	(1,723)	(4,551)
Total comprehensive income	-	-	-	5,488	1,670	4,031	69,915	81,104	8,029	89,133
Balances at 31.12.2015	19,505	32,591	(71)	9,736	(1,693)	29,012	69,915	158,995	16,784	175,779

AS REGARDS THE ITEMS IN CONSOLIDATED EQUITY, SEE NOTES 13 AND 14.

CONSOLIDATED STATEMENT OF CASH FLOWS

(THOUSANDS OF EUROS)

	Note	31 December 2015	31 December 2014
OPERATING ACTIVITIES			
Profit attributable to equity holders of the parent		69,915	51,562
Adjustments for:			
- Depreciation and amortization	23	32,437	22,414
- Capital (gains) losses on disposal of non-current assets		(101)	(400)
- Capital (gains) losses on disposal of investments	4	(16,055)	-
- Changes in provisions for risks and charges and employee defined benefit liabilities		(803)	2,264
- Unrealized losses (gains) on exchange rate differences	26	1,769	543
- Other changes		(278)	151
- Change in value of financial assets	26	1,205	1,599
- Taxes	27	37,256	34,045
- Non-controlling interests		7,921	5,186
- Result from investments accounted for using the equity method		(512)	(1,392)
Operating profit before changes in working capital		132,754	115,972
(Increase) decrease in trade and other receivables		(60,070)	2,801
(Increase) decrease in inventories		2,470	(6,647)
Increase (decrease) in trade and other payables		31,742	44,169
Taxes paid		(38,341)	(43,250)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)		68,555	113,045
INVESTING ACTIVITIES			
Investments in property, plant and equipment	2	(19,550)	(13,350)
Investments in intangible assets	3	(15,737)	(10,601)
Acquisition business divisions/companies	29	(63,584)	(5,267)
Purchase of investments		(914)	(697)
Sale of subsidiaries and joint venture	4	17,500	5,889
Sale of non-current assets		597	1,037
Other changes		3,314	4,535
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)		(78,374)	(18,454)
FINANCING ACTIVITIES			
Granting of loans	15	95,957	83,583
Repayment of borrowings	15	(61,217)	(101,458)
Bonds	15	-	80,000
Repayment of finance lease debts		(171)	(257)
Increase (decrease) in other financial payables		44,362	(17,692)
Capital increases	13	27,913	-
Change in non-controlling interests	14	(4,600)	(27,914)
Net change in financial assets and other non-current receivables		(6,102)	(1,904)
Dividends paid to equity holders of the parent	13	(50,631)	(46,028)
Dividends paid to non-controlling interests	14	(2,917)	(1,925)
Payment of interest		(10,123)	(7,912)
Receipt of interest		162	125
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)		32,633	(41,382)
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)		22,814	53,209
CASH AND CASH EQUIVALENTS AT START OF YEAR (E)	12	133,264	80,055
CASH AND CASH EQUIVALENTS AT END OF YEAR (F=D+E)	12	156,078	133,264

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

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

A) OVERVIEW

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.

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

At 31 December 2015, IMA S.p.A. is 60% (66.219% at 31 December 2014) owned by SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A.

IMA S.p.A. has dealings mainly of a commercial nature with the Group's manufacturing companies, involving the purchase and sale of machines required for the assembly of complete product lines. It also provides these companies with services. IMA's dealings with the Group's marketing companies relate to the sale, distribution and related customer service activities in their respective territories of products manufactured by IMA's various divisions. IMA's manufacturing subsidiaries also have similar relationships with these marketing companies.

These financial statements for the year ended 31 December 2015 were prepared by the Board of Directors on 14 March 2016 for approval by the Shareholders' Meeting of 27 April 2016 and have been audited by Reconta Ernst & Young S.p.A.

B) GENERAL PREPARATION POLICIES

General principles

In compliance with Regulation (EC) no. 1606/2002, the consolidated financial statements were prepared in accordance with the IAS/IFRS International Accounting Standards issued by the International Accounting Standards Board (IASB) currently in force and the related interpretations issued to date by the Standing Interpretations Committee and the International Financial Reporting Interpretations Committee (SIC/IFRIC), as endorsed by the European Union.

The IMA Group adopted IFRS in 2005, whereas the Parent Company, I.M.A. S.p.A., adopted them for its separate financial statements from 1 January 2006, as permitted by Decree 38 of 28 February 2005.

The consolidated financial statements of the IMA Group have been prepared on a going-concern basis, since there are no significant doubts or uncertainties about its ability to continue in business for the foreseeable future.

Financial statements

The statement of financial position has been classified on the basis of the operating cycle, distinguishing between current and non-current items. With this distinction, assets and liabilities are considered current if they are expected to be realized or settled as part of the Group's normal operating cycle or within twelve months. Non-current assets held for sale and related liabilities, if any, are shown in the appropriate items.

The costs and revenues for the year are presented in two statements: a consolidated income statement, which analyses costs according to their nature, and a consolidated statement of comprehensive income. The result deriving from discontinued assets and/or disposal groups, if any, is shown under an appropriate item of the consolidated income statement.

The statement of cash flows has been prepared using the indirect method for determining cash flows from operating activities. Under this method, the profit for the period is adjusted for the

effects of non-monetary transactions, any deferral of operational collections and payments already made, any accrued cash movements, the revenues or costs deriving from cash flows attributable to investment or financing activities. The Group classifies interest paid and received and dividends as cash flows from financing activities.

The figures contained in the consolidated financial statements as of 31 December 2015 are expressed in thousands of euros, except where otherwise indicated.

C) ACCOUNTING POLICIES AND PRINCIPLES

The most significant accounting policies are as follows:

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at purchase or construction cost, including directly attributable ancillary expenses. Property, plant and equipment are depreciated each year on a straight-line basis over their estimated remaining useful life, as follows:

- Buildings and lightweight constructions from 10 to 40 years
- Plant and machinery from 5 to 10 years
- Industrial and commercial equipment 4 years
- Other assets from 3 to 9 years

The residual value and the estimated useful lives of property, plant and equipment are reviewed at the end of each financial year, if not more frequently.

Land is not depreciated since it has an unlimited useful life.

Ordinary maintenance costs are expensed as incurred. When property, plant and equipment need to be replaced at regular intervals, the cost of the part replaced is reversed from the book value of the asset and the cost of the replacement is capitalised in its place.

The carrying amount of property, plant and equipment is checked periodically for impairment losses, in the manner described in the section on impairment of assets.

LEASES

Finance lease contracts are accounted for in accordance with IAS 17. This provides that:

- the cost of the leased assets is recognized under property, plant and equipment and depreciated on a straight-line basis over the assets' estimated useful life; the financial liability to the lessor is recognized for an amount equal to the value of the leased asset;
- the recognition of lease instalments separates the interest element from the principal, which is deemed to represent repayment of the liability to the lessor.

Lease contracts under which the lessor retains substantially all of the risks and benefits of ownership are classified as operating leases, and the related instalments are charged to the income statement on a straight-line basis over the duration of the contract.

INTANGIBLE ASSETS

Bought-in or internally produced intangible assets are recognized when it is likely that their use will generate economic benefits in the future and when their cost can be reliably determined. These assets are recognized at their purchase or production cost.

Intangible assets with finite useful lives are amortized each year on a straight-line basis over their estimated useful lives, as follows:

- Industrial patents and intellectual property rights from 3 to 15 years
- Software, licences and similar rights from 5 to 15 years
- Trademarks from 10 to 20 years
- Development costs from 5 to 15 years

Assets with indefinite useful lives are not amortized but are tested for possible impairment of value on an annual basis, or more frequently if evidence suggests an impairment has occurred.

Research costs are charged to the income statement as soon as they are incurred. Development costs that qualify for capitalization as assets under IAS 38 (in relation to their technical feasibility, the intention and ability of the enterprise to complete, use or sell the assets, the availability of the resources required for the completion of the development project and the ability to measure the expenditure reliably) are generally amortized in relation to their future economic utility. Amortization begins from the moment the products become available for economic use.

The estimate of useful life is reviewed and adjusted to reflect changes in projected future utility.

Goodwill is the excess of the cost of a business combination over the Group's share of the net fair value of those purchased assets, liabilities and contingent liabilities that can be identified individually and recognized separately. Goodwill is an intangible asset with an indefinite useful life.

Goodwill is not amortized. It is allocated to the related cash-generating units (CGUs) and, pursuant to IAS 36 (Impairment of Assets), undergoes impairment testing annually, or more frequently if events or changed circumstances indicate a probable impairment of value. Subsequent to initial recognition, goodwill is recognized at acquisition price net of any accumulated impairment.

IMPAIRMENT OF ASSETS

A tangible or intangible asset is impaired if its carrying value is greater than the amount that can be recovered from its use or sale. The impairment test required by IAS 36 ensures that tangible and intangible assets are not carried at a value exceeding their recoverable value, which is the higher of their net selling price or their value in use.

Value in use is defined as the present value of the future cash flows expected to be generated from the continuing use of an asset or by the related CGU. The present value of future cash flows is estimated using a pre-tax discount rate that reflects the current estimated market cost of borrowing, which is calculated in relation to the time value of money and the specific risks associated with the asset.

If the carrying amount exceeds recoverable value, the asset or CGU is written down to reflect such recoverable value. This impairment is charged to the income statement.

Impairment tests are carried out when factors internal or external to the company suggest that the value of an asset may have been impaired. In the case of goodwill, other intangible assets with an indefinite useful life and assets which have not yet been depreciated or amortised (for example, ongoing development costs), the impairment test is carried out at least annually.

If the conditions that led to an impairment cease to apply, the proportional reinstatement of the value of assets previously written down must not exceed the depreciated historical cost that would have been reported had such earlier impairment not been recognized. Writebacks are recognized in the income statement.

International accounting standards prohibit the reversal of impairment losses recognized in relation to goodwill.

FINANCIAL ASSETS

According to IAS 39 financial assets are split into four categories: financial assets at fair value through profit and loss, investments held to maturity, loans and receivables, and financial assets available for sale.

The IMA Group holds available-for-sale securities and equity investments in other companies and financial receivables. Financial assets available for sale are measured at fair value and financial receivables are measured at fair value and afterwards at amortised cost.

At 31 December 2015, the Group did not possess financial instruments measured at fair value in the income statement or investments held to maturity.

HEDGING INSTRUMENTS

The fundamental characteristics of financial instruments are described in the preceding section with regard to financial assets and in the section "Borrowings" with regard to financial liabilities.

The Group mainly uses derivative financial instruments to hedge exchange rate and interest rate risk. The Group does not hold any speculative financial instruments, in accordance with the procedure approved by the Executive Committee.

Financial instruments are recognized under hedge accounting rules when:

- at the inception of the operation, the instrument is formally designated as a hedge and the hedging relationship is documented;
- the hedge is expected to be highly effective;
- the effectiveness can be reliably measured and the hedge itself remains highly effective throughout the designated periods.

The Group recognizes cash flow hedges when it is formally documented that they hedge fluctuations in the cash flows deriving from an asset, liability or highly probable forecast transaction (the hedged underlying) that could affect the income statement.

Hedging instruments are measured at their fair value at the reporting date as estimated by independent third parties.

The fair value of foreign exchange derivatives used to hedge future cash flow is calculated in relation to their intrinsic value and their time value; the intrinsic element is recognized in the fair value reserve, whereas the time element is booked directly to income as financial income or expense. When the underlying element being hedged becomes manifest, the fair value reserve is reversed to the income statement and attributed to the carrying value of the underlying.

The fair value of interest rate derivatives is determined by their market value at the date of designation when it refers to hedging instruments of future cash flows. This is recognized in the fair value reserve in equity and reversed to income when the event associated with the underlying financial expense/income occurs.

Changes in the fair value of instruments that do not satisfy the requirements for hedge accounting under IAS 39 are recognized in the income statement as financial expense/income.

INVENTORIES

Inventories are booked at the lower of cost or their estimated net realizable value. Cost is determined using the weighted average cost method for raw, ancillary and consumable materials and semi-finished products, whereas actual cost is used for other inventory items.

CONSTRUCTION CONTRACTS

Construction contracts are defined in IAS 11 as a contract specifically negotiated for the construction of an asset or a group of interrelated assets, having regard for their design, technology, function or final use.

Contract costs are recognized in the year they are incurred.

Contract revenues are recognized on a stage-of-completion basis at the reporting date, if the outcome of the construction contract can be estimated reliably. If the outcome of a construction contract cannot be estimated reliably, revenues are recognized only to the extent of the contract costs incurred that are likely to be recovered. Expected losses on a construction contract are recognized as an expense as soon as it becomes probable that total contract costs will exceed total contract revenues.

Revenues from contract work are recognized on a stage-of-completion basis applying the "cost-to-cost" method, which involves establishing the proportion of costs incurred on work performed to date with respect to the estimated total costs of the contract.

Contract work in progress is reported in the balance sheet as follows:

- the amount due from customers is classified among Trade receivables if the costs incurred plus recognized margins (less recognized losses) exceed the advances received;
- the amount due to customers is classified among Advances if the advances received exceed the costs incurred plus recognized margins (less recognized losses).

TRADE RECEIVABLES AND OTHER RECEIVABLES

Receivables measured at fair value less any impairment loss, the due dates of which are in accordance with normal commercial terms and which accrue interest at market rates, are recorded at their fair value, which is taken to be their nominal value, less a provision for any impairment loss in order to reflect their realisable value. Receivables falling due beyond a period considered normal commercial practice and not earning explicit interest are recognized at amortized cost using the effective interest rate method, net of any related impairment losses.

Receivables sold without recourse are derecognized from the balance sheet since, in substance, all the related risks and rewards have been transferred to the purchaser.

CASH AND CASH EQUIVALENTS

This item includes cash on hand, sight and short-term bank deposits with an original maturity of not more than three months and with no risks. Bank overdrafts repayable on demand are not an integral part of the management of cash and cash equivalents.

TREASURY SHARES

In accordance with IAS 32, treasury shares are classified separately as a direct deduction from shareholders' equity. No gain or loss is recognized in income on the purchase, sale or cancellation of treasury shares.

Any consideration paid or received, including expenses directly attributable to such equity transactions, net of any related tax benefits, is recognized directly in equity.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are set aside to cover current, legal or implicit liabilities deriving from past events, the amount required for the settlement of which can be reasonably estimated at the end of the period.

No provisions are recorded if a liability is considered to be merely potential, although suitable information is provided in the notes to the financial statements.

EMPLOYEE BENEFITS

Employee benefits mainly include the staff severance pay of the Group's Italian companies and pension funds of the Group's German companies.

Law no. 296 of 27 December 2006 (2007 Finance Law) introduced significant changes concerning the allocation of the severance indemnity provision. Until 31 December 2006 severance indemnity provisions were treated as a defined benefit plans and were measured under IAS 19 using the projected unit credit method applied by independent actuaries. This calculation involved estimating the amount of the benefit that an employee would receive at the projected date of termination of employment using demographical and financial assumptions. The amount calculated is discounted and reapportioned based on the seniority accrued compared with the total seniority and represents a reasonable estimate of the benefits that each employee has already accrued for services rendered.

Following the reform of the supplementary pension system, the portion accrued from 1 January 2007 is treated as a "defined-contribution plan". Specifically, the changes provide that workers have a choice in how their accruing severance indemnity will be allocated. In companies with more than 50 employees, the employee may choose to put new severance indemnity contributions towards the supplementary pension scheme of his or her choice, or to keep them in the company and transfer them to the National Social Security Institute (INPS).

As a result of the reform of the supplementary pension scheme, the Group calculates the actuarial value of severance pay accrued before 2007 without including future pay increases. The portion accrued after 31 December 2006 is treated as a defined-contribution plan.

The net liabilities of the Group in relation to the defined-benefit plans are determined separately for each plan, estimating the present value of the future benefits earned by employees during the current and prior years, and deducting the fair value of any assets held to service the plan.

BORROWINGS

IAS 39 distinguishes between financial liabilities measured at fair value with changes recognized through profit or loss and changes and financial liabilities measured at amortised cost. The Group's loans are measured at amortised cost using the effective interest method.

At 31 December 2015 the IMA Group does not have financial liabilities at fair value with changes recognized in the income statement.

GOVERNMENT GRANTS

Government grants are recognized when it becomes reasonably certain that the Group will comply with all the conditions established for receiving the grants, and that such grants will actually be received. They are recorded using the income method.

TAXES

Income taxes include current and deferred taxes. Income taxes are generally recognized in profit or loss except when they regard items recognized directly in equity. In this case, the related income taxes are also recognized in equity.

Current taxes are taxes which are expected to pay based on the taxable income for the year and are calculated using the tax rate applying in the various countries in which the IMA Group operates.

Deferred tax liabilities are calculated by applying the liability method to temporary differences between the value of consolidated balance sheet assets and liabilities and the corresponding values recognized for tax purposes. Deferred taxes are determined using the tax rate which is expected to apply when the assets are realized or the liabilities settled.

Deferred tax assets are recognized only when it is probable that taxable income in future years will be sufficient to realize them.

Deferred tax assets and liabilities are off-set only when there is a legal entitlement to off-setting and when they relate to taxes due to the same tax authority.

Provision for taxes that might arise on transferring undistributed earnings of subsidiaries are only made if there is a real intention to transfer such earnings.

Taxes relating to prior periods include revenues and expenses recognized during the year for income tax relating to prior years.

REVENUE RECOGNITION

Revenues are recognized to the extent that the economic benefits are likely to be obtained and the amount concerned can be determined with reasonable accuracy. Revenues relating to the sale of products are recognized at the moment title passes, which generally coincides with shipping. The only exception relates to revenues from construction contracts which, as explained above, are recognized on a percentage-of-completion basis.

DISCONTINUED OPERATIONS/DISPOSAL GROUPS

Non-current assets (or groups of assets being divested) are classified as held for sale if their carrying amount will be recovered essentially through disposal rather than through continued use. These assets are measured at the lower their carrying amount or their fair value, net of selling costs.

Assets and liabilities held for sale are classified separately from other assets and liabilities in the balance sheet. The results from discontinued operations are reported separately in the income statement, net of the tax effect.

TRANSLATION OF FOREIGN CURRENCY BALANCES

Functional and presentation currency

The balance sheets, income statements and statements of cash flows of Group companies are prepared using the currency of the primary economic environment in which the companies operate (functional currency). The consolidated financial statements are presented in euros, the Parent Company's functional and presentation currency.

Transactions and balances

As required by IAS 21, amounts originally denominated in foreign currency are translated into the functional currency and are accounted for as follows:

- monetary items are translated at the spot exchange rate prevailing at the end of the period;
- non-monetary items recognized at historical cost are translated using the exchange rate prevailing at the time of the transaction;
- non-monetary items measured at fair value are translated using the exchange rate prevailing at the time the fair value was determined.

Exchange rate differences realized on the collection of receivables or the settlement of payables denominated in foreign currencies are taken to the income statement. Unrealized exchange differences arising from the translation of monetary items at the year end spot exchange are taken to the income statement.

Group companies

The translation into Euro of the financial statements of foreign companies included within the scope of consolidation is carried out by applying the current exchange rate at the closing date to balance sheet assets and liabilities, and the average exchange rates for the period to items in the income statement.

Exchange rate differences deriving from the translation of initial net equity at the rates current at the end of the period and from the translation of the income statement at the same rates at the end of the period are recognized as a separate component of equity called the Translation reserve.

Goodwill arising on the acquisition of a foreign operation is accounted for as an asset of the foreign operation and translated at the spot exchange rate at the balance sheet date, with an opposite entry made to the translation reserve.

The exchange rates recorded by the European Central Bank and used to translate the financial statements of foreign companies into euros are presented below:

Currency	2015		2014	
	Final exchange rate	Average exchange rate for the year	Final exchange rate	Average exchange rate for the year
US dollar	1.089	1.110	1.214	1.328
Pound sterling	0.734	0.726	0.779	0.806
Indian rupee	72.021	71.196	76.719	81.041
Chinese yuan	7.061	6.973	7.536	8.186

DIVIDENDS

Dividends distributed to shareholders of the Parent Company are recognized as a liability in the consolidated financial statements in the period in which the dividend is approved by the Shareholders' Meeting.

EARNINGS PER SHARE

Basic earnings per share are calculated as the ratio of Group net profit to the weighted average number of ordinary shares outstanding in the period.

USE OF ESTIMATES

When preparing consolidated financial statements, management must use accounting principles and methods which, in some cases, are based on difficult and subjective valuations and estimates, which are based on past experience, and on assumptions that are deemed from time to time as reasonable and realistic on a case-by-case basis.

Application of these estimates and assumptions affects the amounts shown in the financial statements, namely the balance sheet, income statement and cash flow statement, as well as the explanatory notes.

Due to the uncertainty inherent in such assumptions and the conditions used for these estimates, the final results of the items for which estimates and assumptions were used may be different from those reported in the financial statements of the individual companies.

The financial statements items that require a greater subjectivity on the part of the directors in preparing estimates and for which a change in the conditions underlying the assumptions used can have a significant impact on the Group's consolidated financial statements are goodwill, other intangible assets, deferred tax assets related to tax losses and pension plans. The parameters used when making estimates are analytically commented on in the Accounting policies in the Notes to the consolidated financial statements.

Estimates and assumptions are regularly revised and the effects of any changes are immediately reflected in the income statement.

SEGMENT INFORMATION

The Group's segment information pertains to the Tea, Food & Other and Pharmaceutical operating segments.

The criteria for the identification of business segments have been changed with respect to prior periods. These criteria are based on the means by which senior management reviews the Group's results in order to decide how to allocate resources by sector and how to assess the results thereof.

The 2014 figures have been reclassified for comparison purposes, as the Ilapak business was shown as an autonomous segment up until last year.

IMPLEMENTATION OF ACCOUNTING STANDARDS**ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED ON 1 JANUARY 2015**

IFRIC 21 - Levies: provides clarification on the moment of recognition of a liability related to government taxes other than income taxes. Adoption of this interpretation did not have any impact on the Group's financial position, results or cash flow.

Annual cycle of improvements to IFRS 2011-2013: this incorporates a number of amendments to *IFRS 3 - Business Combinations*, *IFRS 13 - Fair Value Measurement* and *IAS 40 - Investment Property*.

The other changes, amendments, improvements and interpretations, effective from 1 January 2015, govern situations and issues that are not relevant within the Group at the date of this Annual Report.

**ACCOUNTING STANDARDS,
AMENDMENTS AND INTERPRETATIONS
NOT EARLY ADOPTED**

The Group is assessing the impact of the changes, amendments and interpretations to the accounting standards that have been approved but not adopted early or pending approval. In particular, the Group has begun to carry out an analysis of the potential impact that adoption of the new standards IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers, and IFRS 16 Leases could have on the consolidated financial statements and notes.

D) 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.

CREDIT RISK

The Credit Management unit is responsible for the operational management of these risks. It is centralized with the Administration, Finance and Control department and operates based on a credit policy that governs:

- the assessment of the customer's credit standing, taking into account the corporate and country credit rating when allowing extended payment terms, including positions backed by adequate bank or insurance guarantees;
- monitoring the related expected cash flows;
- appropriate payment solicitation actions;
- recovery actions.

Writedowns are made by percentage of past due positions, based on times series of insolvency, except for any writedowns of specific receivables. With respect to a breakdown of trade receivables by due date, reference should be made to Note 10.

Financing activities are primarily directed towards Group companies and thus are not considered to be at risk. It should be noted that at 31 December 2015 the Group was not party to any sovereign debt positions with redemption risks.

Sureties and other non-bank guarantees are given mainly on behalf of wholly-owned subsidiaries to back loans and financing extended by banks or commitments to pay lease instalments.

In the case of financing activities linked to temporary excess liquidity or of the use of financial instruments (derivatives), the Group operates solely with counterparties with high credit standing.

The Group's maximum theoretical credit risk exposure at 31 December 2015 is represented by the carrying amount of the financial assets stated in the financial statements, and by the nominal value of the guarantees given as described in Note 30.

LIQUIDITY RISK

Current difficult conditions in the financial markets make it fundamentally important to maintain adequate liquidity available to meet Group requirements.

The two main factors that determine the Group's liquidity position are, on the one hand, the resources generated or absorbed by operating or investment activities, and on the other, the maturity and renewal characteristics of the debt or the liquidity of the financial instruments used and market conditions.

The treasury units of the individual companies are responsible for managing this risk, based on the guidelines set out by the Finance department, under the coordination of the Parent Company's treasury unit.

The Group has adopted a series of policies and processes designed to optimise the management of financial resources, thus reducing liquidity risk. These include:

- maintaining an adequate level of available liquidity;
- obtaining sufficient lines of credit;
- monitoring forecast liquidity conditions in relation to the corporate planning process.

With regard to this type of risk, the Group tends to configure its net debt by financing investments with medium/long-term loans, while meeting current commitments out of the cash flow generated by operations and by using short-term lines of credit.

The following tables shows the composition and maturity of financial and trade payables and commitments:

in thousands of euros	Within 1 year	From 1 to 5 years	Over 5 years	Total
31.12.2015				
Borrowings	102,389	173,144	56,238	331,771
Commitments	32,944	62,005	71,398	166,347
Trade Payables	250,860	–	–	250,860
Total	386,193	235,149	127,636	748,978
31.12.2014				
Borrowings	60,833	132,204	66,121	259,158
Commitments	21,535	48,679	53,088	123,302
Trade Payables	178,467	–	–	178,467
Total	260,835	180,883	119,209	560,927

Further information on the composition of the above items is presented in Notes 15, 18 and 31.

At 31 December 2015 the Group had about 298 million euros available in unused lines of credit (332 million euros at 31 December 2014) and cash and cash equivalents of 156 million euros (133 million euros at 31 December 2014). As to the balancing of working capital, especially the coverage of payables to suppliers, net trade receivables came to 248 million euros at 31 December 2015 (143 million euros at 31 December 2014).

MARKET RISK

Exchange rate risk

The current business activities of companies of the Group whose functional currency is the euro, which actively operate in markets outside the euro area, are exposed to exchange rate risk, mainly with respect to sales in the US dollar area.

The Group's policy on exchange-rate risk provides for the use of forward contracts to hedge between 70% and 90% of future transactions denominated in foreign currencies, depending on whether they consist of budgeted flows of sales in foreign currencies or flows from the order book acquired.

Changes in exchange rates between the date of invoicing and the date of receipt of funds are managed separately, without recourse to hedge accounting, by offset against similar payment flows.

Group investments in foreign subsidiaries are not hedged since the foreign currency positions are considered to be long term.

The following tables contains an analysis of the effects of exchange-rate risk:

in thousands of euros	Carrying value	Of which subject to ERR	Exchange rate risk (ERR)			
			Increase effect		Decrease effect	
			Profits (Losses)	Other changes in FVR	Profits (Losses)	Other changes in FVR
Financial assets:						
Cash and cash equivalents	156,078	46,289	(898)	-	942	-
Trade and other receivables	288,413	100,326	(1,872)	-	1,952	-
Available for sale and financial receivables	15,397	1,361	(68)	-	68	-
Derivative financial instruments	549	549	1	(278)	(1)	153
Tax effect			780	76	(814)	(42)
			(2,057)	(202)	2,147	111
Financial liabilities:						
Borrowings	213,710	31,586	580	21	(601)	(21)
Bond	118,061	45,926	-	-	-	-
Trade and other payables	509,757	92,473	1,737	-	(1,801)	-
Derivative financial instruments	2,731	1,310	2	(102)	(2)	(67)
Tax effect			(638)	22	661	24
			1,681	(59)	(1,743)	(64)
Total increases (decreases) for 2015 (*)			(376)	(261)	404	47
Total increases (decreases) for 2014 (**)			(3,518)	1,117	3,899	(1,360)

(*) 2015 variability parameters: +/-2% €/S, +/-1.85% €/E, +/-0.5% €/CHF, +/-1.5% €/CNY

(**) 2014 variability parameters: +/-5% €/S, +/-1.85% €/E, +/-0.19% €/CHF

Further information on the composition of the above items is provided in Notes 5, 7, 10, 12, 15 and 18.

The variability parameters applied fall within the range of reasonably possible changes in the exchange rate, all other factors being equal.

The following tables show the breakdown by currency of trade and other receivables and payables at 31 December 2015 and 31 December 2014:

in thousands of euros	Net trade receivables	Advances, taxes and other receivables	Trade payables	Advances received	Tax, employee and other payables
Euro	192,207	27,260	228,353	102,880	105,392
US dollar	38,964	3,112	7,759	29,577	4,850
Indian rupee	3,931	2,666	3,845	1,044	1,840
Pound sterling	2,686	49	1,444	1,673	1,546
Thai baht	1,701	2,499	410	1,367	348
Polish zloty	1,625	32	1,192	534	1,057
Chinese yuan	4,828	647	4,648	271	2,516
Japanese yen	483	32	809	327	136
Brazilian real	511	125	474	547	404
Russian ruble	479	307	7	268	201
Swiss franc	81	286	1,859	361	1,652
Other	484	9	60	9	97
Total at 31 December 2015	247,980	37,024	250,860	138,858	120,039
Euro	104,712	16,605	158,380	106,970	57,161
US dollar	23,000	2,086	7,589	22,514	4,548
Indian rupee	1,167	1,389	1,830	456	916
Pound sterling	2,126	327	1,414	1,242	1,158
Thai baht	4,497	1,879	483	1,159	588
Polish zloty	664	1	482	279	473
Chinese yuan	3,362	2,706	5,888	1,324	2,198
Japanese yen	666	18	117	-	97
Brazilian real	681	196	218	182	591
Russian ruble	1,182	606	9	550	325
Swiss franc	223	291	2,013	261	1,429
Other	329	10	44	9	150
Total at 31 December 2014	142,609	26,114	178,467	134,946	69,634

Note that, at 31 December 2015, financial receivables and financial assets available for sale are mainly denominated in Euro.

Interest rate risk

In order to conduct its business, the Group raises financing from the market, borrowing primarily at floating interest rates, and is thus exposed to risks relating to rising interest rates.

The objective of interest rate risk management is to contain and stabilize the outflow of interest payments on mainly medium-term debt so as to achieve close correlation between the underlying and the hedging instrument.

Hedging, which is decided on a case-by-case basis, is arranged using derivative contracts, typically the purchase of caps and the sale of floors which, at a certain level, transform the floating rate into a fixed rate.

The following tables contains an analysis the effects of these risks:

in thousands of euros	Carrying value	Of which subject to IRR	Interest rate risk (IRR)			
			+ 20 bp on € IRR		- 20 bp on € IRR	
			Profits (Losses)	Other changes in FVR	Profits (Losses)	Other changes in FVR
Financial assets:						
Cash and cash equivalents	156,078	52,783 (**)	174	-	(90)	-
Trade and other receivables	288,413	-	-	-	-	-
Available for sale and financial receivables	15,397	3,242	6	-	(6)	-
Derivative financial instruments	549	549	(29)	-	61	-
Tax effect			(42)	-	10	-
			109	-	(25)	-
Financial liabilities:						
Borrowings	213,710	229,672 (**)	(348)	(41)	348	-
Bond	118,061	-	-	-	-	-
Trade and other payables	509,757	-	-	-	-	-
Derivative financial instruments	2,731	2,731	(49)	461	19	(334)
Tax effect			109	(115)	(101)	92
			(288)	305	266	(242)
Total increases (decreases) for 2015			(179)	305	241	(242)
Total increases (decreases) for 2014 (*)			(208)	(103)	208	107

(*) 2014 variability parameters +/- 20 bp €/S

(**) Annual average.

Further information on the composition of the above items is provided in Notes 5, 7, 10, 12, 15 and 18.

The variability parameters applied fall within the range of reasonably possible changes in the interest rate, all other factors being equal.

Exchange rate and interest rate risk management is carried out in line with the risk management policy approved by the Executive Committee of the Parent Company.

Price risk

The Group is not exposed to price risk on investments in listed capital instruments classified in the financial statements as "available for sale". The Group is not exposed to significant price risk in relation to commodities.

CAPITAL RISK MANAGEMENT

The Group manages capital with the goal of supporting its core business and optimising value for shareholders by maintaining an appropriate capital structure and reducing its cost.

The Group monitors its capital with reference to the gearing ratio, which is the ratio between its net debt and its equity:

in thousands of euros	2015	2014
Net debt (A)	163,124	118,438
Equity (B)	175,779	116,618
Total capital (A)+(B)=(C)	338,903	235,056
Gearing ratio (A)/(C)	48%	50%

In relation with the change in net debt, please read Note 15.

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 table shows the assets and liabilities measured at fair value at 31 December 2015 and 31 December 2014 by fair value hierarchy level:

in thousands of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	-	14	4,471	4,485
Derivative financial instruments	-	549	-	549
Total assets at 31 December 2015	-	563	4,471	5,034
Liabilities:				
Payables for acquisition	-	-	32,314	32,314
Derivative financial instruments	-	2,731	-	2,731
Total liabilities at 31 December 2015	-	2,731	32,314	35,045
in thousands of euros				
Assets:				
Financial assets available for sale	-	14	5,918	5,932
Derivative financial instruments	-	-	-	-
Total assets at 31 December 2014	-	14	5,918	5,932
Liabilities:				
Payables for acquisition	-	-	498	498
Derivative financial instruments	-	4,885	-	4,885
Total liabilities at 31 December 2014	-	4,885	498	5,383

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 2015, 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:

in thousands of euros	Assets	Liabilities
Balance at 01.01.2014	4,716	484
Profits / (losses) recognized in OCI	631	-
Profits / (losses) recognized in the income statement	(1,599)	14
Change in scope of consolidation	5	-
Increases / (decreases)	2,165	-
Balance at 31.12.2014	5,918	498
Profits / (losses) recognized in the income statement	(1,205)	69
Acquisition of Dairy&Food and Teknoweb business	-	31,747
Increases / (decreases)	(242)	-
Balance at 31.12.2015	4,471	32,314

The amount of 1,205 thousand euros relates to the reduction in the fair value of the investment in InterMedia Holding S.p.A. held by the Parent Company.

A comparison of the book value of the financial instruments held by the Group and their value reveals no significant disparities, except for those discussed above and in Note 15 concerning applied research and technological innovation loans and other loans.

Information about the methods used to calculate fair value is provided in Note 5 on financial assets, in Note 15 on borrowings and Note 29 on payables for acquisitions, essentially represented by options for the purchase of the residual quotas of the Dairy&Food and Teknoweb businesses.

E) CONSOLIDATION PRINCIPLES

Subsidiaries

Companies are subsidiaries when the Group is exposed or has the right to variable returns deriving from its relationship with the investee and, at the same time, is able to influence such returns by exercising its power over that entity. The general presumption is that the ability to exercise the majority of voting rights represents control. In support of this presumption and when the Group holds less than the majority of voting (or similar) rights, the Group considers all significant facts and circumstances in order to determine if it controls the investee, including contractual agreements with other holders of voting rights, rights deriving from contractual agreements and potential voting rights.

The financial statements of subsidiaries are consolidated on a line-by-line basis from the date on which control is acquired until the date such control ceases. Under IFRS 3, the subsidiaries acquired by the Group are accounted for using the purchase method, which establishes that:

- the consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair value of assets transferred and liabilities assumed by the Group at the date of acquisition and equity instruments issued in exchange for control of the acquiree. The charges relating to the transaction are recognized in the income statement when they are incurred;
- the excess of purchase cost over the fair value of net assets attributable to the Group is accounted for as goodwill;
- should purchase cost be lower than the fair value of the subsidiary's net assets attributable to the Group, such difference is directly recognized in the income statement.

Minority (or "non-controlling") interests in equity and net profit are shown as separate items in the consolidated balance sheet and income statement, respectively.

If a subsidiary is not wholly owned, the minority interest in equity is determined with reference to its portion of the fair value of assets and liability at the time control was acquired, excluding any attributable goodwill (partial goodwill method). Alternatively, the entire amount of the goodwill generated by the acquisition is recognized, taking account of the portion attributable to the minority interest (full goodwill method); in this last case, the minority interest is stated at its total fair value, including the goodwill attributable to it. The choice of method for determining the amount of goodwill (partial goodwill method or full goodwill method) is decided on a case-by-case basis for each business combination.

Payables and receivables and costs and revenues among the companies included in the scope of consolidation, as the effects of all the transactions of significant relevance among them, have been eliminated.

Specifically, unrealized gains with third parties deriving from transactions between Group companies have been eliminated, including those from the valuation of inventories at the reporting date.

Associated companies

An associate is a company over which the Group exercises significant influence. Significant influence means the power to participate in the determination of financial and operating policies, without exercising control or joint control.

Such influence is presumed to exist when the Group holds an interest of between 20% and 50% of voting rights. The consolidated financial statements include the share of the net profits and losses of associated companies, valued using the equity method, from the date on which significant influence begins until the date that it ends.

Profits and losses pertaining to the Group after the purchase of associates are recognized in the income statement.

Equity investments in associates are initially recorded at purchase cost. Any excess of purchase cost over the Group's proportional share of the fair value of the net assets acquired is included in the value of the investment.

Joint venture

A joint venture is a joint arrangement whereby the parties that exercise joint control have rights to the net assets of the arrangement. Joint control arises under a contractual agreement to share control over an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of all the parties sharing control.

Investments in joint ventures are recognized using the equity method.

F) SCOPE OF CONSOLIDATION

The consolidated financial statements at 31 December 2015 include the financial and operating information of I.M.A. 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 changed the scope of consolidation in 2015:

- on 27 February 2015, together with Lin Vermoegensverwaltung GmbH, IMA S.p.A. completed the acquisition of an 80% equity interest in the companies BENHIL, ERCA, HASSIA, HAMBIA and GASTI through a new holding company, IMA Dairy&Food Holding GmbH. The companies are leaders in the design, manufacture and marketing of machines, lines and systems for packaging for food industry products, with production facilities in Germany, France, Spain and India. IMA and Lin have also signed put and call options for the other 20%, to be exercised during 2017 and 2018. Signing the option agreement is essentially a form of deferred payment, which is why the business has been consolidated 100% in the consolidated financial statements;

- on 27 February 2015, IMA S.p.A. completed with Teknoweb S.r.l. the purchase of a 60% stake in a newly formed company called Teknoweb Converting S.r.l., based in Palazzo Pignano, Cremona, which operates in the field of converting, producing and selling machines for the production of wet wipes. This transaction includes an option for IMA to acquire up to the entire equity interest in Teknoweb Converting S.r.l., over a period of time extending from 2018 to 2024. The business has been consolidated 100% in the consolidated financial statements, given the characteristics of the contractual agreements;
- in March 2015, the subsidiary GIMA S.p.A. acquired additional quotas in GIMA TT S.r.l. and Fillshape S.r.l., of 5% and 20%, respectively, taking its holdings therein to 86.82% and 80%;
- on 9 September 2015, GIMA Holding S.r.l. was incorporated in Bologna with share capital of 10 thousand euros, 73.5% held by the Parent Company. In October, the shareholders' meetings of GIMA S.p.A., GIMA Holding S.r.l. and GIMA TT S.p.A., approved, with effect from 1 January 2016, (i) the partial proportional spin-off of GIMA S.p.A. by assigning to GIMA Holding S.r.l. the investment held in GIMA TT S.p.A., consisting of 191,000 shares with a total par value of Euro 95,500, as well as (ii) 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.;
- on 24 December 2015, a new company Digidoc S.r.l. was set up in Ozzano dell'Emilia (BO) with share capital of 10 thousand euros, 80% held by Packaging Manufacturing Industry S.r.l.; its activity will involve the storage and processing of data and documents.

Other transaction which did not change the scope of consolidation:

- absorption by IMA S.p.A. of IMA Industries S.r.l. and IMA Life Italia S.r.l., with effect from 1 January 2015;
- on 13 January 2015, a new company S.I.Me. S.r.l. was set up in Granarolo dell'Emilia (BO); it is held by Packaging Manufacturing Industry S.r.l. and operates in the field of mechanical engineering, automatic machines in particular;
- on 8 June 2015, Packaging Manufacturing Industry S.r.l. acquired 20% of MORC 2 S.r.l., based in Castel Bolognese (RA), which operates in the manufacture of industrial handling and automation systems, for 1,405 thousand euros;
- during 2015, as part of the Group reorganisation, Transworld Packaging Holding B.V. sold to Ilapak International SA the 100% investment in the share capital of Ilapak Sp. Z o.o. and IMA S.p.A. transferred to Packaging Systems Holdings Inc. the 100% investment in the share capital, of IMA Industries North America Inc.

The list of companies included in the consolidation is supplied in paragraph H of the Notes, with an indication of the consolidation method used, pursuant to article 126 of the Issuers' Regulation.

G) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The changes reported below have been calculated on figures at 31 December 2014 for balance sheet items and on figures for the year 2014 for income statement items.

1. SEGMENT INFORMATION

The criteria for the identification of business segments have been changed with respect to prior periods. These criteria are based on the means by which senior management reviews the Group's results in order to decide how to allocate resources by sector and how to assess the results thereof. The 2014 figures have been reclassified for comparison purposes.

The Group's activities comprise the following operating segments:

Tea, Food & Other

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) plus related services.

Operations in this sector are mainly carried out by these companies:

- IMA S.p.A. manufactures:
 - machines for the packaging of tea and herbs in filter bags and the packaging of coffee in pods, through the Tea & Herbs Division;
 - end-of-line machines through the BFB Division;
- Corazza S.p.A. produces machines and plant for the dosing and packaging of cheese portions and stock cubes;
- Hassia Verpackungsmaschinen GmbH, GASTI Verpackungsmaschinen GmbH, Benhill GmbH, Hassia Packaging Pvt. Ltd., Hamba Verwaltungsgesellschaft mbH, Hamba Filltec GmbH & Co. KG, Erca S.A. and Erca-Formseal Ibérica S.A. produce machines for forming, filling and sealing, for containers and sticks, for ultraclean closure and wrappers for the dairy sector;
- GIMA S.p.A. produces machines for the food & beverage and personal care sectors;
- GIMA TT S.p.A. produces automatic machines for the packaging in the tobacco sector;
- Ilapak International SA, Ilapak Italia S.p.A., Ilapak (Langfang) Packaging Machinery and Delta Systems & Automation Inc. produce automated machines and lines for flexible food and non-food packaging, using horizontal and vertical packaging technologies;
- Revisioni Industriali S.r.l. refurbishes second-hand machines for processed cheese and tea and herbs in filter bags;
- Teknoweb Converting S.r.l. produces machines for the production of wet wipes (converting sector)

Pharmaceutical

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 granulation, as well as related services.

Operations in this sector are mainly carried out by these companies:

- IMA S.p.A. manufactures:
 - blister-pack machines, machines for the packaging of gelcaps, capsules and tablets and cartoning machines through IMA Safe division;
 - machines for the filling of flacons and vials with liquid products and powders under sterile and non-sterile conditions and freeze-drying systems through IMA Life division;

- tablet pressing machines, capsule filling machines, coating and granulating machines, machines for the movement of powders and depowdering of tablets through the IMA Active division;
- CO.MA.D.I.S. S.p.A. manufactures tube-filling machines for the pharmaceuticals, cosmetics, chemicals and food industries;
- G.S. Coating Technologies S.r.l. manufactures coating machines;
- IMA Life The Netherlands B.V., IMA Life North America Inc. and IMA Life (Beijing) Pharmaceutical Systems Co. Ltd. manufacture freeze-drying plants for the pharmaceutical industry;
- Pharmasiena Service S.r.l. produces filling systems for phials and syringes under sterile conditions;
- IMA-PG India Pvt Ltd. operates in the production of blister and cartoning machines, mainly for the emerging nations;
- Shanghai Tianyan Pharmaceutical Machinery Co. Ltd. produces filling systems under sterile conditions
- Swiftpack Automation Ltd. and IMA North America Inc. manufacture machines for the bottling of capsules and tablets for the pharmaceutical industry.

ANALYSIS BY BUSINESS SEGMENT

Information by business segment for 2015 and 2014 is shown below:

in thousands of euros	2015			Total
	Tea, Food & Other	Pharmaceutical	Not allocated (*)	
Revenues	590,457	519,080	-	1,109,537
Segment operating profit	51,207	64,411	-	115,618
Net financial income (expense) (**)				(1,038)
Profit (loss) from investments accounted for using the equity method	(259)	834	(63)	512
Profit before tax				115,092
Taxes				(37,256)
Net profit for the year				77,836

in thousands of euros	2014			Total
	Tea, Food & Other	Pharmaceutical	Not allocated (*)	
Revenues	401,237	453,380	-	854,617
Segment operating profit	55,901	52,012	-	107,913
Net financial income (expense) (**)				(18,512)
Profit (loss) from investments accounted for using the equity method	1,018	465	(91)	1,392
Profit before tax				90,793
Taxes				(34,045)
Net profit for the year				56,748

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

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

The following table gives a breakdown of revenues by business segment, with changes in revenues over the corresponding period of 2014:

in thousands of euros	2015	2014	Change
Tea, Food & Other	590,457	401,237	189,220
Pharmaceutical	519,080	453,380	65,700
Total	1,109,537	854,617	254,920

Consolidated revenues in 2015 amounted to 1,109,537 thousand euros, an overall increase of 29.8%, of which 12.2% due to the organic growth, with respect to the previous year.

Revenues by segment are discussed below:

- the Tea, Food & Other sector recorded an increase in revenues of 47.2% thanks to the contribution made by Dairy&Food and Teknoweb businesses (151.3 million euros) and by Ilapak and GIMA TT S.p.A., generally confirming the strong leadership position held by the Group in these niche markets
- the Pharmaceutical sector shows an increase in revenues of 14.5%.

No one third-party customer represents 10% or more of consolidated revenues.

The following table shows operating profit by segment:

in thousands of euros	2015	2014	Change
Tea, Food & Other	51,207	55,901	(4,694)
Pharmaceutical	64,411	52,012	12,399
Total	115,618	107,913	7,705

The operating profit of the Tea, Food & Other sector is 51,207 thousand euros (8.7% of revenues) against 55,901 thousand euros in 2014 (13.9% of revenues) thanks to a different product mix linked to the acquisition of the Dairy&Food business.

The sector has seen a sharp increase over the previous year as a result of higher volumes, higher profitability of contracts due to an improved sales margins of certain products that have achieved the expected levels of profitability.

The tables below provide other income statement information regarding Group operations by sector for 2015 and 2014:

in thousands of euros	2015		
	Tea, Food & Other	Pharmaceutical	Total
Amortization, depreciation, impairment and writedowns	22,974	9,463	32,437
Other non-monetary costs (revenues)	1,643	4,189	5,832

in thousands of euros	2014		
	Tea, Food & Other	Pharmaceutical	Total
Amortization, depreciation, impairment and writedowns	11,799	10,615	22,414
Other non-monetary costs (revenues)	1,317	4,811	6,128

The increase in depreciation and amortization, impairment adjustments and writedowns in the Tea, Food & Other sector is essentially linked to the acquisition of the Dairy&Food business.

Balance sheet information at 31 December 2015 and 2014 is shown below:

in thousands of euros	Tea, Food & Other	Pharmaceutical	Unallocated (*)	Total
Assets	556,968	364,378	233,144	1,154,490
Investments valued at equity	-	10,599	9,630	20,229
Total assets at 31 December 2015	556,968	374,977	242,774	1,174,719
Liabilities at 31 December 2015	325,509	269,312	404,119	998,940
Capital expenditure 2015	160,566	17,432	-	177,998

in thousands of euros	Tea, Food & Other	Pharmaceutical	Unallocated (*)	Total
Assets	300,439	317,562	194,724	812,725
Investments valued at equity	9,154	10,012	8,802	27,968
Total assets at 31 December 2014	309,593	327,574	203,526	840,693
Liabilities at 31 December 2014	204,191	228,457	291,427	724,075
Capital expenditure 2014	13,503	19,880	-	33,383

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

The net change in unallocated assets and liabilities is mainly attributable to deferred taxes related to the acquisition of the Dairy&Food business and the increase in indebtedness.

The higher investment in the Tea, Food & Other sector mainly reflects the acquisition of the Dairy&Food business which entailed the recognition of unpatented technologies for 55,145 thousand euros, intangible assets linked to customers ("customer list") for 29,625 thousand euros, trademarks for 19,733 thousand euros and goodwill for 25,017 thousand euros.

See Note 3 for the allocation of goodwill to the individual operating segments.

ANALYSIS BY GEOGRAPHICAL AREA

The revenues of the IMA Group are analyzed below by geographical area:

in thousands of euros	2015	2014	Change
European Union (excluding Italy)	352,711	241,992	110,719
Other European countries	68,885	84,929	(16,044)
North America	223,420	133,797	89,623
Asia & Middle East	227,771	199,337	28,434
Other countries	118,263	117,058	1,205
Total foreign markets	991,050	777,113	213,937
Italy	118,487	77,504	40,983
Total	1,109,537	854,617	254,920

Revenues are allocated according to the geographical area of the invoiced customer.

The changes in the breakdown of revenues by geographical area are discussed below:

- revenues from European Union countries, excluding Italy, are growing in United Kingdom, Poland, France and Germany
- sales in other European countries record a decrease compared with the previous year, especially in Russia;
- North America is growing in a context essentially without significant local competition;
- Asia & Middle East grew by 14.3% overall, confirming the importance of this market that always generates more than 20% of the Group's sales, confirming past trends. The progress in local economies is generating an improvement in production standards closer to those of the West and as a consequence a demand for machinery more in line with what we can offer. In particular, there has been growth in Saudi Arabia and India, whereas revenues declined slightly in China and Turkey;
- sales in other countries reflect a variety of trends with a growth in Brazil and Algeria and a decrease in Argentina and Chile;
- the increase in Italy was due to a larger number of projects compared with the previous year. These fluctuations recur annually since revenues depend on the level of investment projects of the pharmaceutical companies, which is inevitably unstable in a small market like Italy.

Non-current assets other than unallocated financial instruments and deferred tax assets of the IMA Group analyzed by geographical area are as follows:

in thousands of euros	31.12.2015	31.12.2014
Italy	181,699	177,033
European Union (excluding Italy)	156,577	21,163
Other European countries	35,830	27,081
North America	23,223	20,385
Asia & Middle East	24,728	19,629
Other countries	423	562
Total	422,480	265,853

Operations are allocated to the geographical areas in which they are located.

REVENUES BY BUSINESS CATEGORY

Lastly, the IMA Group's revenues are analyzed as follows by business category:

in thousands of euros	2015	2014	Change
Machines and change parts	412,505	405,691	6,814
Construction contracts	409,486	248,270	161,216
Spare parts and other materials	182,291	114,232	68,059
Technical assistance	84,744	66,475	18,269
Other services	20,511	19,949	562
Total	1,109,537	854,617	254,920

2. PROPERTY, PLANT AND EQUIPMENT

The changes during the year were as follows:

in thousands of euros	Buildings and leasehold		Plant and machinery	Industrial & comm. equipment		Other assets	Assets under construction and advances	Total
	Land	improv.						
Balances at 01.01.14								
Gross amount	4,730	31,752	35,859	19,395	25,655	2,177	119,568	
Accumulated depreciation and writedowns	(14)	(9,716)	(28,989)	(17,077)	(20,511)	-	(76,307)	
Net amount	4,716	22,036	6,870	2,318	5,144	2,177	43,261	
Balances at 01.01.14	4,716	22,036	6,870	2,318	5,144	2,177	43,261	
Increases	-	5,301	3,115	1,382	2,263	1,289	13,350	
Sales and disposals	(321)	(181)	(27)	(26)	(54)	-	(609)	
Change in scope of consolidation	2,727	330	1	51	43	-	3,152	
Depreciation	-	(2,220)	(1,996)	(954)	(1,929)	-	(7,099)	
Reclassifications	-	254	1,884	120	(127)	(1,808)	323	
Translation differences	130	558	261	75	101	41	1,166	
Balances at 31.12.14	7,252	26,078	10,108	2,966	5,441	1,699	53,544	
Balances at 01.01.15								
Gross amount	7,269	37,746	40,696	21,210	26,788	1,699	135,408	
Accumulated depreciation and writedowns	(17)	(11,668)	(30,588)	(18,244)	(21,347)	-	(81,864)	
Net amount	7,252	26,078	10,108	2,966	5,441	1,699	53,544	
Balances at 01.01.15	7,252	26,078	10,108	2,966	5,441	1,699	53,544	
Increases	1,156	7,838	4,117	1,308	2,932	2,199	19,550	
Sales and disposals	-	(7)	(235)	(21)	(130)	-	(393)	
Change in scope of consolidation	2,160	4,455	637	1,803	1,639	544	11,238	
Depreciation	-	(3,309)	(2,613)	(1,430)	(2,396)	-	(9,748)	
Reclassifications and other changes	387	379	1,391	145	36	(1,826)	512	
Translation differences	136	423	143	15	59	19	795	
Balances at 31.12.15	11,091	35,857	13,548	4,786	7,581	2,635	75,498	
Gross amount	11,109	60,551	52,902	29,287	37,507	2,635	193,991	
Accumulated depreciation and writedowns	(18)	(24,694)	(39,354)	(24,501)	(29,926)	-	(118,493)	
Balances at 31.12.15	11,091	35,857	13,548	4,786	7,581	2,635	75,498	

Land and buildings refer to the following Group companies:

in thousands of euros	Land		Buildings	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
IMA S.p.A.	1,393	1,393	1,444	1,490
Delta Systems & Automation Inc.	1,270	–	–	–
Erca S.A.	2,000	n.a.	2,283	n.a.
GIMA S.p.A.	573	573	1,139	1,177
Hassia Packaging Pvt. Ltd.	48	n.a.	739	n.a.
Hassia Verpackungsmaschinen GmbH	111	n.a.	975	n.a.
Ilapak Inc.	175	156	1,204	1,084
Ilapak Italia S.p.A.	450	153	1,886	2,170
Ilapak Ltd.	933	879	410	400
Ilapak Sp. Z o.o.	449	448	968	987
Ilapak Verpackungsmaschinen GmbH	115	115	548	564
IMA France Eurl	183	183	430	449
IMA-PG India Pvt. Ltd.	664	625	1,602	1,567
Società del Sole S.r.l.	2,727	2,727	–	–
Other	–	–	20	22
Total	11,091	7,252	13,648	9,910

Leasehold improvements totalled 22,209 thousand euros (16,168 thousand euros at 31 December 2014).

Additions in the Land item mainly relate to the purchase of land in Arkansas (USA) for the construction of a production facility by Delta Systems & Automation Inc.

The increases in Buildings and leasehold improvements mainly relate to the costs incurred, 7,034 thousand euros (3,308 thousand euro in 2014), to expand and improve buildings leased by the Parent Company).

The other increases principally relate to the capitalization of plant, machinery and electronic machines.

The change in the scope of consolidation mainly reflects the acquisition of the Dairy&Food business as discussed in Note 29 and relates primarily to the production sites located in France, Germany and India owned by Erca S.A., Hassia Verpackungsmaschinen GmbH and Hassia Packaging Pvt. Ltd.

“Other assets” comprise:

in thousands of euros	31.12.2015	31.12.2014
Electronic office machines	2,606	1,874
Office furniture and fittings	3,095	2,071
Vehicles	1,252	983
Other	628	513
Total	7,581	5,441

Construction in progress and advances mainly include machinery under construction by the Parent Company, IMA Life (Beijing) Pharmaceutical Systems Co. Ltd. and a plot of land located in Indore attributable to IMA-PG India Pvt. Ltd.

The net book value of assets under finance lease is broken down by category as follows:

in thousands of euros	31.12.2015	31.12.2014
Land	328	327
Buildings	979	1,000
Industrial and commercial equipments	29	37
Other	244	206
Total	1,580	1,570

At 31 December 2015 leased assets essentially relate to the contract for the factory in Krakow (Poland) used by Ilapak Sp. Z o.o.; this contract was signed with BZ WBK Finanse & Leasing S.A. in 2009 and expires in February 2019.

Financial charges directly attributable to property, plant and equipment are generally recognized in the income statement as the Group does not have any assets that require a significant period of time to prepare them for use.

There are no restrictions on ownership or tangible assets pledged as security for liabilities. There are no internal or external elements to suggest that assets have suffered an impairment in value.

3. INTANGIBLE ASSETS

The changes during the year break down as follows:

in thousands of euros	Development costs	Industrial patent rights	Software licences, trademarks and similar	Goodwill	Assets under dev. and advances	Total
Balances at 01.01.14						
Gross amount	97,502	18,409	60,248	94,081	6,471	276,711
Accumulated amortization and writedowns	(53,142)	(13,503)	(34,220)	-	-	(100,865)
Net amount	44,360	4,906	26,028	94,081	6,471	175,846
Balances at 01.01.14	44,360	4,906	26,028	94,081	6,471	175,846
Increases	1,169	1,652	1,450	-	6,330	10,601
Sales and eliminations	-	(26)	(2)	-	-	(28)
Acquisition of DOSA business	1,260	-	-	840	-	2,100
Acquisition of G.S. Coating Techn. S.r.l.	3,000	-	1,008	597	-	4,605
Amortization	(9,590)	(1,364)	(4,361)	-	-	(15,315)
Reclassifications	4,554	(46)	51	-	(4,559)	-
Translation differences	52	20	90	914	8	1,084
Balances at 31.12.14	44,805	5,142	24,264	96,432	8,250	178,893
Balances at 01.01.15						
Gross amount	106,759	19,865	63,066	96,432	8,250	294,372
Accumulated amortization and writedowns	(61,954)	(14,723)	(38,802)	-	-	(115,479)
Net amount	44,805	5,142	24,264	96,432	8,250	178,893
Balances at 01.01.15	44,805	5,142	24,264	96,432	8,250	178,893
Increases	5,763	1,097	2,781	-	6,096	15,737
Sales and eliminations	(64)	(25)	(14)	-	-	(103)
Changes in scope of consolidation	4,012	46	1,261	-	366	5,685
Acquisition of Dairy&Food	55,145	-	49,358	25,017	-	129,520
Acquisition of Teknoweb	-	-	-	13,191	-	13,191
Amortization	(13,327)	(1,576)	(7,786)	-	-	(22,689)
Reclassifications and other changes	3,957	6	56	90	(3,878)	231
Translation differences	21	16	66	875	-	978
Balances at 31.12.15	100,312	4,706	69,986	135,605	10,834	321,443
Gross amount	178,112	21,676	125,773	135,605	10,834	472,000
Accumulated amortization and writedowns	(77,800)	(16,970)	(55,787)	-	-	(150,557)
Balances at 31.12.15	100,312	4,706	69,986	135,605	10,834	321,443

Acquisition of the Dairy&Food business included recognition of the following separately-identifiable intangible assets: unpatented technology for 55,145 thousand euros, intangible assets related to customers ("customer list") for 29,625 thousand euros and trademarks for 19,733 thousand euros. At the date of acquisition, goodwill of 25,017 thousand euros was also recognized.

Unpatented technologies refer to assets that are separable and different from those already present in the Group prior to the acquisition. The initial accounting of the business combination has been carried out on a provisional basis. For further details, please read Note 29 Business combinations.

As already mentioned, 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:

- DOSA S.r.l. and G.S. Coating Technologies S.r.l. businesses, purchased in 2014, for 777 thousand euros and 2,350 thousand euros respectively;
- Group Ilapak, which took place in 2013, for 12,729 thousand euros;
- Dairy & Convenience Food business of the Corazza Group, occurred in 2011, for 9,049 thousand euros.

In addition, this caption includes costs of 12,119 thousand euros incurred by the Parent Company on projects related to the Pharmaceutical sector and of 3,170 thousand euros on the development for the Tea sector.

As also mentioned in the report on operations, research and development costs that do not meet the requirements for capitalization were charged to profit and loss for an amount of 40,053 thousand euros (36,217 thousand euros in the previous period).

Industrial patents and intellectual property rights include costs incurred for the acquisition of rights deriving from applications for industrial patents, stated net of related amortization. The increase is primarily due to the expenses incurred for the extension and maintenance of patents in other countries.

In addition to the above comments regarding the acquisition of the Dairy&Food business, software, licences, trademarks and other rights mainly include operating and technical software applications and intangible assets linked to customer lists of 7,636 thousand euros and 7,974 thousand euros respectively, which arose on the acquisitions of the Ilapak and Corazza Groups with useful life of 15 and 10 years. The increases during the year principally related to acquisition by the Parent Company of software and licenses relating to the commercial, marketing, technical and logistics areas.

Assets under development and advances mainly relate to the capitalization of development costs incurred by the Parent Company (4,262 thousand euros), Ilapak Italia S.p.A. (2,769 thousand euros) and GIMA S.p.A. (2,713 thousand euros) and concern new products that were not previously available and are targeted at new market segments.

Goodwill comprises the following:

in thousands of euros	31.12.2015	31.12.2014
Tea, Food & Other:		
CGU B.F.B. S.p.A.	1,788	1,788
CGU GIMA S.p.A.	1,658	1,658
CGU Corazza Group	18,863	18,863
CGU Dairy&Food Group	25,017	n.a.
CGU Ilapak Group	4,117	4,117
CGU Teknoweb Group	13,281	n.a.
CGU Naturapack S.r.l.	8,723	8,723
	73,447	35,149
Pharmaceutical:		
CGU CO.MA.DI.S. S.p.A.	3,782	3,782
CGU DOSA S.r.l.	840	840
CGU G.S. S.r.l. Coating System	7,402	7,402
CGU G.S. Coating Technologies S.r.l.	597	597
CGU Edwards Group	23,079	23,079
CGU Nova Group	14,357	13,548
CGU ICO OLEODINAMICI S.p.A.	1,567	1,567
CGU MKCS Inc.	641	575
CGU Pharmsiena Service S.r.l.	2,073	2,073
CGU Precision Gears Ltd.	4,027	4,027
CGU Shanghai Tianyan	854	854
CGU Zanchetta S.r.l.	2,939	2,939
	62,158	61,283
Total	135,605	96,432

As regards the goodwill recognized following the acquisition of the Dairy & Food and Teknoweb businesses, please refer to the comments in Note 29.

As mentioned in the section on “Accounting policies”, goodwill, which is an intangible asset with an indefinite useful life, is tested for impairment. The main assumptions, methods and parameters used in impairment testing are set out below.

The goodwill paid when acquiring companies, firms or business divisions is allocated to the cash generating units (CGUs) of the Group as represented by the individual companies or sub-groups to which they relate. Even if such companies had merged into the acquiring company after the acquisition and had thus lost their legal status, the Group organization into divisions makes it possible to identify the assets and the cash flows of said CGUs, and to check whether allocated goodwill is recoverable through the impairment test. The recoverable value of the CGUs to which goodwill is allocated is tested by determining their value in use, as represented by the present value of expected cash flows discounted using a rate that reflects the risks specific to each CGU at the measurement date.

The formulas used to test impairment and to calculate the terminal value are as follows:

$$V = \frac{\sum_{i=1}^N FCF_i}{(1+WACC)^i} + TV$$

$$TV = \frac{FCF_n \cdot (1+g)}{WACC - g}$$

FCF = Free Cash Flow, or cash flow generated by operations

WACC = Weighted Average Cost of Capital

N = Number of years in the discount period

TV = present value of the Terminal Value, i.e. the value of the cash flows generated after the end of the discount period

FCF_n = Free Cash Flow sustainable after the end of the discount period

g = Growth rate of the business beyond the assumed period of the plan

The CGU's weighted average cost of capital (WACC) is used as the discount rate, as determined from a detailed analysis of the capital structure of each CGU. The Capital Asset Pricing Model is used. This mathematical model determines the rate by summing the returns from a risk-free asset with the market risk premium. In turn, the market risk premium is found by multiplying the market average risk by the beta for the specific sector. The principal assumptions underlying the application of this method involved estimating the future increases in sales, the gross margin, operating costs, the rate of growth of terminal values, capital investment, operating capital and the weighted-average cost of capital (discount rate). The cash flows are estimated on the basis of the 2016 budget and the 2017-2018 business plan; they are then discounted at rates that reflect current market valuations of the cost of capital taking account of the specific risk profile of each CGU.

The growth rate (*g*) used is zero for the sake of prudence. This means that any sensitivity analysis, designed to measure the change in results on a change in the assumptions used for the growth rate, including changes in the other parameters contributing to formation of the WACC, would result in better impairment results.

The table shows the detailed growth assumptions used in the forecasts and the discount rates applied in the impairment procedures:

	Goodwill	Average weighted cost of capital employed	CAGR 2016-2018
		WACC %	Sales %
CGU G.S. S.r.l. Coating System	7,402	5.63	4.00
CGU ICO OLEODINAMICI S.p.A.	1,567	5.63	4.00
CGU CO.MA.DI.S. S.p.A.	3,782	5.63	2.00
CGU Nova Group	14,357	6.01	4.00
CGU Precision Gears Ltd.	4,027	7.04	7.30
CGU Zanchetta S.r.l.	2,939	5.63	4.00
CGU Edwards Group	23,079	5.99	0.20
CGU Naturapack S.r.l.	8,723	5.63	6.00
CGU GIMA S.p.A.	1,658	5.63	2.00
CGU Pharmasiena Service S.r.l.	2,073	5.63	6.00
CGU Corazza Group	18,863	5.63	2.00
CGU Ilapak Group	4,117	5.63	2.00
CGU Dairy&Food Group	25,017	4.58	3.00
CGU Teknoweb Group	13,281	5.63	9.10

The assumptions used in calculating the impairment included in the business plan of each CGU and the results achieved have been approved by the Executive Committee and by the Board of Directors of IMA S.p.A., independently and prior to these financial statements. The impairment tests of goodwill conducted in accordance with IAS 36 did not lead to any writedowns.

In addition, during prior years, the amounts of goodwill of the Nova Group, Zanchetta and ICO OLEODINAMICI CGUs were written down by 757 thousand euros, 2,500 thousand euros and 1,500 thousand euros, respectively.

The translation differences, showing a negative value of 978 thousand euros, refer to the translation of Nova Group goodwill at the year-end spot exchange rate from its currency into euros.

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Below is a breakdown:

in thousands of euros	31.12.2015	31.12.2014
Associates:		
Amherst Stainless Fabrication LLC	226	199
B.C. S.r.l.	2,052	1,777
Bacciottini F.lli S.r.l.	591	593
Bolognesi S.r.l.	891	818
Brio Pharma Technologies Pvt. Ltd.	447	389
Doo Officina-Game East Vrsac	342	578
I.E.M.A. S.r.l.	827	720
LA.CO. S.r.l.	395	392
Logimatic S.r.l.	627	429
Meccanica Sarti S.r.l.	1,213	1,191
MORC 2 S.r.l.	1,405	n.a.
Plasticenter S.r.l.	520	466
Powertransmission.it S.r.l.	123	90
SIL.MAC. S.r.l.	408	367
STA.MA. S.r.l.	84	56
Sirio S.p.A. Associazione in partecipazione	5,248	5,898
Other investments	475	472
	15,874	14,435
Joint venture:		
CMH S.r.l.	–	9,155
CMRE S.r.l.	4,355	4,378
	4,355	13,533
Total	20,229	27,968

See the section on the scope of consolidation for comments on MORC 2 S.r.l.

On 14 December 2015 IMA completed the sale of its 50% investment in CMH S.r.l. to Sacmi Imola S.c. The company, which was set up in 2011, controls Carle & Montanari – OPM S.p.A., CMFIMA S.r.l. and Carle & Montanari – OPM USA Inc. and operates in the production and marketing of automatic processing and packaging machines for the chocolate industry. The equity value of the investment has been set at 25,500 thousand euros, with 17,500 thousand euro to be paid at the closing date, with the remainder due within one year from completion. The sale resulted in a gain of 16,055 thousand euros, net of ancillary expenses of 549 thousand euros. The sale also involves a non-competition agreement for a period of 4 years in this specific sector.

Trade payables to associates reflects the Group's constant commitment in pursuing close collaboration with those suppliers that play a key role in production, also by considering the possibility of becoming shareholders in their companies.

Other investments in associates include:

- Masterpiece S.r.l. which operates in the field of mechanical engineering;
- Scriba Nanotecnologie S.r.l. specializes in the study of hi-tech solutions against food adulteration and for tracking pharmaceuticals;
- Consorzio L.I.A.M., Consorzio Servizi, FID S.r.l. Impresa Sociale and S.I.Me. S.r.l.

Brief information about transactions with associates is given below:

- Amherst Stainless Fabrication LLC operates in the field of mechanical engineering and industrial assembly;
- B.C. S.r.l. manufactures machine parts for the Group and third parties;
- Bacciottini F.lli S.r.l. processes sheet metal for pharmaceutical machinery;
- Bolognesi S.r.l. operates in the field of mechanical engineering and industrial assembly;
- Brio Pharma Technologies Pvt. Ltd. distributes certain product lines of the Group in India;
- Doo Officina-Game East Vrsa operates in the field of mechanical engineering, specialising in the construction of machines for third parties;
- I.E.M.A. S.r.l. designs and produces equipment for automated machinery;
- LA.CO. S.r.l. manufactures mechanical constructions and repairs machine tools;
- Logimatic S.r.l. operates in the marketing, distribution and testing of automatic machines;
- Meccanica Sarti S.r.l. is active in the construction of mechanical components for machinery;
- Plasticenter S.r.l. is active in the plastics industry;
- Powertransmission.it S.r.l. manufactures and sells engineering components, assemblies and complete plant;
- SIL.MAC. S.r.l. operates in the field of mechanical engineering, specialising in the construction of machines for third parties;
- STA.MA. S.r.l. is active in the assembly, construction and overhaul of automated machines.

CMRE S.r.l. was formed in 2012 as a joint venture between the Parent Company and the Sacmi Group in the real estate sector. In 2015 Sacmi sold its holding to Lopam Fin S.p.A., indirect parent company of IMA S.p.A.

The following is a summary of economic-financial information at 31 December 2015 of CMRE S.r.l. assets 13,215 thousand euros, liabilities 4,503 thousand euros, equity 8,712 thousand euros and loss of the year 58 thousand euros.

The following table sets out the goodwill included in the carrying amount of the above equity investments at 31 December 2015:

in thousands of euros	31.12.2015	31.12.2014
Associates:		
Bognesi S.r.l.	429	429
Bacciottini F.lli S.r.l.	158	158
Brio Pharma Technologies Pvt. Ltd.	279	279
I.E.M.A. S.r.l.	295	295
LA.CO. S.r.l.	129	129
Logimatic S.r.l.	158	158
Meccanica Sarti S.r.l.	1,103	1,103
MORC2 S.r.l.	1,401	n.a.
Scriba Nanotecnologie S.r.l.	317	317
SIL.MAC. S.r.l.	131	131
	4,400	2,999
Joint venture:		
CMH S.r.l.	-	2,689
	-	2,689
Total	4,400	5,688

The Group does not have any associated companies that are individually significant; the aggregate amount of profit from associated companies accounted for using the equity method amounts to 794 thousand euros (437 thousand euros in the previous year). The summary data was prepared using the financial statements at 31 December 2014 of the associated companies prepared in accordance with the national accounting standards the use of international accounting standards would not result in significant differences.

During 2015 Packaging Manufacturing Industry S.r.l. recognized dividends from associated companies totalling 335 thousand euros from Bacciottini F.lli S.r.l., Bognesi S.r.l., Logimatic S.r.l., Plasticenter S.r.l., SIL.MAC. S.r.l. and STA.MA S.r.l.

The Group does not have any joint ventures that are individually significant; the combined total of the Group's interest in joint ventures of 2015 result measured at equity amounts to - 282 thousand euros (955 thousand euro in the previous year).

The summary data was prepared using the financial statements of the joint ventures prepared in accordance with the international accounting standards.

As regards guarantees granted to associated companies and joint ventures please read Note 30.

5. FINANCIAL ASSETS

The item breaks down as follows:

in thousands of euros	31.12.2015	31.12.2014
Non-current:		
· Investments in securities	14	14
· Financial receivables	3,872	3,495
· Investments in other companies	2,828	4,030
	6,714	7,539
Current:		
· Investments in securities	1,643	1,888
· Other cash equivalents	2,858	691
· Financial receivables	4,182	1,369
	8,683	3,948
Total	15,397	11,487

Non-current financial receivables at 31 December 2015 relate to loans granted by Ilapak International SA totalling 3,242 thousand euros (2,775 thousand euros at 31 December 2014)

and a loan granted by the Parent Company to Logimatic S.r.l., an associate, on current market terms for 630 thousand euros (720 thousand euros at 31 December 2014).

Investments in other companies mainly include 2.02% in InterMedia Holding S.p.A., 1,204 thousand euros (2,409 thousand euros at 31 December 2014) and 19.8% shares of Continuus Pharmaceuticals Inc., 1,382 thousand euros (1,382 thousand euros at 31 December 2014).

In view of the strategic nature of these acquisitions for the IMA Group, these equity investments have been classified as financial assets available for sale and changes in their fair value are recognized in equity. Because of the significant and prolonged decrease in the fair value of the investment in InterMedia during the course of 2015, an adjustment of 1,205 thousand euros (1,599 thousand euros in 2014) was booked to financial expenses in light of objective evidence of an additional impairment loss.

Investments in current securities are made up of quoted equity funds whose carrying amount is a reasonable reflection of their fair value.

Other cash equivalents include bank deposits of IMA-PG India Pvt Ltd. with the original maturity of more than three months.

Current financial receivables are attributable to a loan granted by the Parent Company and Packaging Manufacturing Industry S.r.l. to the joint venture CMRE S.r.l. for 1,000 thousand euros, Logimatic S.r.l., LA.CO S.r.l. and Doo Officina-Game East Vrsac for 640 thousand euros and to InterMedia Holding S.p.A. for 142 thousand euros. In addition, this item includes current financial receivables attributable to GIMA S.p.A. for 2,400 thousand euros.

Movements in financial assets break down as follows:

in thousands of euros	2015	2014
Opening balance	11,487	10,263
Increases	6,623	5,493
Measurement at fair value recognized in OCI	–	631
Impairment adjustment booked to the income statement	(1,205)	(1,599)
Change in scope of consolidation	–	640
Decreases	(1,527)	(4,086)
Exchange rate difference	19	145
Closing balance	15,397	11,487
Of which:		
Non-current financial assets available for sale	2,842	4,044
Current financial assets available for sale	4,501	2,579
Non-current financial receivables	3,872	3,495
Current financial receivables	4,182	1,369
Total	15,397	11,487

6. RECEIVABLES FROM OTHERS

These mainly include various guarantee deposits.

7. DERIVATIVE FINANCIAL INSTRUMENTS

This item breaks down as follows:

in thousands of euros	Assets		Liabilities	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Interest rate hedging instruments:				
· Interest rate swap (non-current) cash flow hedges	–	–	2,592	3,725
· Interest rate swap (current) cash flow hedges	–	–	–	36
	–	–	2,592	3,761
Exchange rate hedging instruments:				
· Exchange rate hedging instruments (current) cash flow hedges	549	–	139	1,124
	549	–	139	1,124
Total	549	–	2,731	4,885

INTEREST RATE DERIVATIVES

The Group uses interest rate derivatives (cash flow hedges) to manage the risk of changes in the interest rates on the bond and on the borrowings from banks, transforming part of them from floating to a maximum fixed rate via the purchase of a cap and the sale of a floor. At 31 December 2015, the amount of 2,592 thousand euros in liabilities represents the fair value of options arranged with leading credit institutions to hedge interest rate risk; such options are linked to the bond and to a portion of medium-term loans, maturing within 2020 and hedging a nominal value of 97.5 million euros and 50.0 million US dollars (53.3 million euros and 50.0 million US dollars at 31 December 2014).

EXCHANGE RATE DERIVATIVES

The Group uses exchange rate derivatives to hedge future cash flows (cash flow hedges). The exposure to exchange rate risk is managed with forward purchase and sale contracts denominated in the billing currency of certain markets in which the Group operates. At 31 December 2015, the amounts of 549 thousand euros in assets and 139 thousand euros in liabilities represent the fair value of these derivative contracts.

The notional amount of these exchange rate hedges were 23.2 million US dollars, 39.3 million Chinese yuan and 2.0 million Swiss francs (42.0 million US dollars at 31 December 2014). All foreign currency derivatives at 31 December 2015 mature within 12 months.

8. DEFERRED TAX ASSETS AND LIABILITIES

At 31 December 2015, the deferred tax asset mainly relates to a deferred tax asset recognized 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; deferred tax liabilities mainly relate to temporary differences between the book values of certain property, plant and equipment and intangible assets and the related values recognized for tax purposes. The increase during the year mainly reflects the recognition of deferred tax liabilities as part of the acquisition of the Dairy&Food business.

The tables below provide a breakdown by due dates and net changes:

in thousands of euros	31.12.2015	31.12.2014
Deferred tax assets:		
· within 12 months	19,251	11,561
· after 12 months	34,738	31,233
	53,989	42,794
Deferred tax liabilities:		
· within 12 months	(9,163)	(1,335)
· after 12 months	(50,363)	(21,247)
	(59,526)	(22,582)
Total	(5,537)	20,212
in thousands of euros	31.12.2015	31.12.2014
Net amount at the start of the year	20,212	15,255
Credited / (Charged) to the income statement	5,628	4,507
Credited / (Charged) to equity	(1,966)	1,180
Change in scope of consolidation	(27,880)	(840)
Reduction of "IRES" tax rate	(1,583)	-
Exchange rate difference and other changes	52	110
Net amount at the end of the year	(5,537)	20,212

The 2016 Stability Law provides for a reduction in the IRES rate from 27.5 to 24%, starting on 1 January 2017, with effect from subsequent tax periods after the year in progress at 31 December 2016. The Group's Italian companies have therefore recalculated the deferred tax assets and liabilities due beyond 12 months. The IRAP rate remained unchanged at 3.9%.

The main components of deferred tax assets and liabilities are presented below, together with the changes with respect to the prior year:

in thousands of euros	Accrued to provisions	Losses carried forward	Amortization	Income (losses)		Other	Total
				from fair value	Actuarial valuation		
Balances at 01.01.14	18,445	2,636	(21,291)	963	602	13,900	15,255
Effect on the income statement	191	528	2,462	–	–	1,326	4,507
Effect on equity	–	–	–	315	865	–	1,180
Change in scope of consolidation	6	69	(942)	–	25	2	(840)
Exchange rate difference and other changes	336	53	(662)	–	(54)	437	110
Balances at 31.12.14	18,978	3,286	(20,433)	1,278	1,438	15,665	20,212
Effect on the income statement	1,131	1,373	4,304	–	–	(1,180)	5,628
Effect on equity	–	–	–	(665)	(1,530)	229	(1,966)
Change in scope of consolidation	1,978	–	(32,534)	–	3,504	(828)	(27,880)
Reduction of "IRES" tax rate	(1,527)	(19)	1,630	(78)	(128)	(1,461)	(1,583)
Exchange rate difference and other changes	1,635	160	(969)	–	181	(955)	52
Balances at 31.12.15	22,195	4,800	(48,002)	535	3,465	11,470	(5,537)

"Other" mainly includes deferred tax assets relating to the franking of revaluations in 2012 and the elimination of unrealized intra-group profits.

At the reporting date, the amount of unused tax losses for which the deferred tax asset is not recognized in the balance sheet is equal to 65,146 thousand euros. This is mainly related to the tax losses of certain companies belonging to the Dairy&Food business (1,879 thousand euros at 31 December 2014).

9. INVENTORIES

Below is a breakdown:

in thousands of euros	31.12.2015			31.12.2014		
	Gross value	Impairment provision	Net value	Gross value	Impairment provision	Net value
Raw, ancillary and consumable materials	59,475	(14,134)	45,341	43,311	(6,683)	36,628
Work in progress and semifinished goods	206,043	(29,759)	176,284	191,951	(24,268)	167,683
Finished products and goods for resale	15,232	(3,897)	11,335	10,838	(2,295)	8,543
Total	280,750	(47,790)	232,960	246,100	(33,246)	212,854

The inventories attributable to the newly acquired Dairy&Food and Teknoweb businesses at 31 December 2015 amounted to 16,746 thousand euros and 2,127 thousand euros respectively. On the basis of the same scope of consolidation, the increase in inventories since 31 December 2014 mainly reflects the substantial amount of the order book at the end of the year.

Movements in these provisions in the period were as follows:

in thousands of euros	
Balances at 01.01.2014	37,588
Net provisions	(4,795)
Exchange rate difference	453
Balances at 31.12.2014	33,246
Net provisions	4,652
Change in scope of consolidation	9,502
Exchange rate difference	390
Balances at 31.12.2015	47,790

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

This item breaks down as follows:

in thousands of euros	31.12.2015	31.12.2014
Trade receivables	247,980	142,609
Advances to suppliers	15,153	15,225
Tax receivables	9,584	7,409
Deferrals	3,409	2,571
Other receivables	12,287	3,480
Total	288,413	171,294

TRADE RECEIVABLES

Trade receivables include customer receivables of 148,614 thousand euros (99,280 thousand euros at 31 December 2014), amounts due on construction contracts of 93,585 thousand euros (38,775 thousand euros at 31 December 2014) and trade receivables from associates and joint ventures of 5,781 thousand euros (4,554 thousand euros at 31 December 2014). At 31 December 2015, the amount of trade receivables attributable to the newly acquired Dairy&Food business comes to 47,676 thousand euros.

Trade receivables from customers are carried net of accumulated provisions amounting to 14,810 thousand euros (13,980 thousand euros at 31 December 2014).

The changes in the allowance for doubtful accounts during the year are summarized below:

in thousands of euros	2015	2014
Opening balance	13,980	12,914
Effect to the income statement	82	1,286
Uses	(731)	(337)
Change in scope of consolidation	1,286	–
Exchange rate difference	193	117
Closing balance	14,810	13,980

Customer receivables falling due beyond 12 months amounted to 857 thousand euros (1,047 thousand euros at 31 December 2014). Credit facilities granted to customers who reside in countries with particular risks are guaranteed by suitable financial instruments to secure collection.

Receivables assigned without recourse that had not yet fallen due at 31 December 2015 amounted to around 51,717 thousand euros (30,453 at 31 December 2014) of which 39,109 thousand euros is assigned to factoring companies and 12,608 thousand euros to other financial institutions. The period saw the assignment without recourse of receivables with an overall nominal value of around 69,451 thousand euros (36,896 thousand euros in 2014). The requirements for eliminating these receivables exist in accordance with IAS 39.

Amount due in respect of construction contracts, determined on a percentage-of-completion basis, is shown below net of advances:

in thousands of euros	31.12.2015	31.12.2014
Construction contracts (costs incurred plus recognized margins)	195,124	86,375
Advances received	(101,539)	(47,600)
Due from customers	93,585	38,775

Amount due to customers (included in trade payables and other payables under advances) in respect of construction contracts, determined on a percentage-of-completion basis, is shown below net of the amounts due from customers:

in thousands of euros	31.12.2015	31.12.2014
Advances received	(66,053)	(12,816)
Construction contracts (costs incurred plus recognized margins)	44,505	7,837
Due to customers	(21,548)	(4,979)

Revenues from contract work in 2015 amounted to 409,486 thousand euros (248,270 thousand euros in 2014).

The breakdown by maturity is as follows:

in thousands of euros	Undue	Past due less than one year	Past due more than one year	Total
31.12.2015				
Receivables from customers (gross)	109,046	40,657	13,721	163,424
Provision for bad debts	(1,736)	(1,869)	(11,205)	(14,810)
Receivables from customers (net)	107,310	38,788	2,516	148,614
31.12.2014				
Receivables from customers (gross)	70,498	30,394	12,368	113,260
Provision for bad debts	(1,280)	(1,336)	(11,364)	(13,980)
Receivables from customers (net)	69,218	29,058	1,004	99,280

The high credit standing of our customers, largely multinationals, and the lack of any significant concentration of receivables by type or geographical area, reduce credit risk and suggest that the allowance for doubtful accounts is sufficient.

ADVANCES TO SUPPLIERS

At 31 December 2015 these relate to advances paid to suppliers for inventory goods of 10,285 thousand euros (10,085 thousand euros at 31 December 2014) and services of 4,868 thousand euros (5,140 thousand euros at 31 December 2014).

This item also includes advances to associates of 3,417 thousand euros (2,895 thousand euros at 31 December 2014).

TAX RECEIVABLES

Tax receivables mainly consist of VAT recoverable.

OTHER RECEIVABLES

This item includes the residual receivable of 8,000 thousand euros from Sacmi Imola S.c. following the sale of the investment in CMH S.r.l., as commented on in Note 4.

11. INCOME TAX RECEIVABLES AND PAYABLES

At 31 December 2015 income tax receivables and payables amount to 7,681 thousand euros and 11,870 thousand euros (7,177 thousand euros and 8,811 thousand euros respectively at 31 December 2014).

Income tax receivables principally reflect the amounts recorded by the Italian companies in the Group that have presented claims for the reimbursement of IRES. These claims are linked to the previous non-deduction of the IRAP charged on personnel expenses incurred in the period 2007-2011.

Tax payables represent the amount of current taxes on taxable income, to be paid to the consolidating companies SO.FI.M.A. S.p.A. and GIMA S.p.A., which pay taxes to the Italian tax authorities on behalf of the Group's Italian companies which joined the domestic tax group, and to the competent tax authorities for the other Group companies.

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.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.

At 31 December 2015 receivables and payables to and from SO.FI.M.A. S.p.A. amount to 3,643 thousand euros and 2,929 thousand euros respectively (receivables of 4,631 thousand euros at 31 December 2014).

12. CASH AND CASH EQUIVALENTS

This item breaks down as follows:

in thousands of euros	31.12.2015	31.12.2014
Bank current accounts	150,797	129,094
Deposits	5,081	4,008
Cheques and cash	200	162
Total	156,078	133,264

For a better understanding of the trend in net financial indebtedness, reference should be made to Note 15.

13. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

	Shares in thousands	Share capital	Share premium reserve	Treasury shares
Balance at 01.01.2014	36,822	19,151	16,126	(71)
Distribution of dividends	-	-	(11,308)	-
Purchase of treasury shares	-	-	-	-
Sale of treasury shares	-	-	-	-
Balance at 31.12.2014	36,822	19,151	4,818	(71)
Capital increases	682	354	27,773	-
Distribution of dividends	-	-	-	-
Purchase of treasury shares	-	-	-	-
Sale of treasury shares	-	-	-	-
Balance at 31.12.2015	37,504	19,505	32,591	(71)

SHARE CAPITAL, SHARE PREMIUM RESERVE

Share capital at 31 December 2015 is represented by the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A., comprising 37,510,000 ordinary shares with a par value of 0.52 euros each.

On 26 March 2015 the Board of Directors of IMA S.p.A., based on the mandate given to it by the Extraordinary Shareholders' Meeting held on 28 January 2011, approved a cash increase in capital with a total par value of 354,640 euros, corresponding to around 2% of IMA share capital, by issuing 682,000 new ordinary shares of par value 0.52 euros each, excluding shareholders' option rights, for a total of 28,644,000 euros, inclusive of share premium. The placement was by means of an accelerated book-build reserved for qualified investors in Italy and institutional investors abroad. The shares have been placed at 42 euros per share. The trade date of the transaction was 27 March 2015 and its settlement took place on 31 March 2015. The attestation of the increase in capital was deposited with the Bologna Company Register on 1 April 2015.

At 31 December 2015 the share premium reserve amounts to 32,591 thousand euros. The increase of 27,773 thousand euros is due to the increase in capital, net of the related costs (517 thousand euros, net of the tax effect).

TREASURY SHARES

During 2015 and 2014, the Parent Company did not carry out any transactions in treasury shares. At 31 December 2015, 5,500 shares were held in portfolio (0.015% of share capital) for a total value of 71 thousand euros.

DIVIDENDS

In May 2015, a total dividend of 50,631 thousand euros was paid, equal to 1.35 euros (gross) per ordinary share in circulation (46,028 thousand euros, equal to 1.25 euros (gross) in May 2014).

In the current year, the Board of Directors of the Parent Company IMA S.p.A. proposes to pay out a dividend of 1.40 euros (gross) per share. As this dividend is subject to approval of the Shareholders' Meeting, it was not recognized as a liability at 31 December 2015.

FAIR VALUE RESERVE

At 31 December 2015 the fair value reserve essentially relates to the effective component of interest rate swaps.

Changes in the fair value reserve break down as follows:

in thousands of euros	
Balance at 01.01.2014	(3,167)
<i>Available for sale</i>	
Realization recognized in income - financial income and expense	631
<i>Cash flow hedges/Hedging instruments</i>	
Measurement at fair value	(1,175)
Fair value - tax effect	322
Realization recognized in income - revenues	(36)
Realization recognized in income - financial income and expense	73
Tax effect - realization in income statement	(11)
Balance at 31.12.2014	(3,363)
<i>Cash flow hedges/Hedging instruments</i>	
Measurement at fair value	1,283
Fair value - tax effect	(308)
Reduction of "IRES" tax rate	(78)
Realization recognized in income - revenues	3,604
Realization recognized in income - financial income and expense	(2,478)
Tax effect - realization in income statement	(353)
Balance at 31.12.2015	(1,693)

REMEASUREMENT OF DEFINED BENEFIT PLANS RESERVE

Changes in the remeasurement of defined benefit plans reserve are as follows:

in thousands of euros	
Balance at 01.01.2014	(1,563)
Change in scope of consolidation	(64)
Change in minority interests	(67)
Actuarial value	(2,747)
Tax effect	764
Exchange rate difference	(14)
Balance at 31.12.2014	(3,691)
Change in scope of consolidation	(8,540)
Actuarial value	5,719
Tax effect	(1,551)
Reduction of "IRES" tax rate	(128)
Exchange rate difference	(9)
Balance at 31.12.2015	(8,200)

OTHER RESERVES AND RETAINED EARNINGS

The changes during the year principally reflect the allocation to reserves of the net profit for the prior year and the changes in minority interests discussed in Note 14.

14. 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 December 2015		31 December 2014	
		% 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	73.5%	26.5%	n.a.	n.a.
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%	n.a.	n.a.
GIMA TT S.p.A.	Italy	63.81%	36.19%	60.14%	39.86%
Fillshape S.r.l.	Italy	58.8%	41.2%	44.1%	55.9%
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%	n.a.	n.a.

(*) At 31 December 2014 the investment in GIMA S.p.A. was held by IMA Industries S.r.l., which was absorbed by IMA S.p.A. from 1 January 2015.

Transworld Packaging Holding B.V. controls fourteen companies, either directly or indirectly. For further information, see the list of equity investments provided in section H of the explanatory notes. At 31 December 2015, minority interests amount to 16,784 thousand euros (13,395 thousand euros at 31 December 2014) and principally relate to GIMA S.p.A., 4,223 thousand euros; GIMA TT S.r.l., 6,125 thousand euros, and the Ilapak Group, 6,009 thousand euros.

In March 2015, the subsidiary GIMA S.p.A. acquired additional quotas in GIMA TT S.r.l. and Fillshape S.r.l., of 5% and 20%, respectively, for 4,200 thousand euros and 400 thousand euros, taking its holdings therein to 86.82% and 80%. The total effect of the above transactions on the equity attributable to the shareholders of the Parent Company was to reduce the reserves by 2,828 thousand euros. GIMA TT S.p.A., which manufactures automated packaging machines for the tobacco sector, is the only IMA Group subsidiary with significant minority interests.

The following summary economic-financial information is provided in relation to GIMA TT S.p.A.:

in thousands of euros	31.12.2015	31.12.2014
Non-current assets	1,637	1,465
Current assets	61,354	67,287
Non-current liabilities	(125)	(126)
Current liabilities	(42,497)	(53,854)
Equity	20,369	14,772

in thousands of euros	2015	2014
Revenues and other revenues	69,468	37,274
Costs	(46,892)	(25,674)
Financial income and expense	209	126
Taxes	(7,194)	(3,761)
Profit for the year	15,591	7,965

in thousands of euros	31.12.2015	31.12.2014
Cash flows from operating activities	12,610	25,086
Cash flows from investing activities	(539)	(365)
Cash flows from financing activities	(14,479)	(23,513)
Net change in liquid funds	(2,408)	1,208

Dividends paid to the minority shareholders in 2015 amount to 2,917 thousand euros (1,925 thousand euros in 2014) and refer to GIMA S.p.A and GIMA TT S.p.A.

15. BORROWINGS

This item comprises payables to banks of 210,547 thousand euros (135,545 thousand euros at 31 December 2014), payables to other lenders of 3,163 thousand euros (5,631 thousand euros at 31 December 2014) and bonds of 118,061 thousand euros (117,982 thousand euros at 31 December 2014).

PAYABLES TO BANKS

Payables to banks break down as follows:

in thousands of euros	31.12.2015	31.12.2014
Non-current:		
· Applied research and technological innovation loans	5,053	6,018
· Other loans	107,057	74,973
	112,110	80,991
Current:		
· Current accounts	11,724	2,829
· Advances on domestic transactions (Italy)	1,043	823
· Advances on export transactions	33,596	14,370
· Advances on export transactions to be carried out	12,149	1,142
· Applied research and technological innovation loans	969	960
· Other loans	38,956	34,430
	98,437	54,554
Total	210,547	135,545

Applied research and technological innovation loans

Repayments totalling 991 thousand euros were made by the Parent Company as they fell due during the year; no new loans were received.

Other loans

The principal changes in Other loans relate to the Parent Company and comprise new loans of 90,000 thousand euros and repayments of 51,101 thousand euros.

Payables to banks are analyzed by maturity as follows:

in thousands of euros	31.12.2015	31.12.2014
Due within 1 year	98,437	54,554
Due from 1 to 5 years	111,481	75,954
Due after more than 5 years	629	5,037
Total	210,547	135,545

Applied research and technological innovation loans and other loans are analyzed below by currency:

in thousands of euros	31.12.2015	31.12.2014
Euro	149,673	112,254
Chinese yuan	2,358	2,256
Swiss franc	–	1,871
Other	4	–
Total	152,035	116,381

It is worth pointing out that a loan obtained by the Parent Company in 2014 from the European Investment Bank (EIB), at 31 December 2015 is secured by a SACE guarantee of 12,600 thousand euros. Certain loans and financings are guaranteed by compliance with certain financial covenants calculated on the Group consolidated accounts:

- ratio between net financial expense and EBITDA;
- ratio of net financial indebtedness to equity;
- ratio between net debt and EBITDA;
- ratio between gross debt and EBITDA.

The non-compliance with such covenants would constitute a material event for the purposes of calling in the related loans. At 31 December 2015, all covenant requirements have been met.

Interest rates on financial payables are on average less than 5% (less than 5% in 2014).

At 31 December 2015 the Group had around 298 million euros of unutilised borrowing facilities (around 332 million euros at 31 December 2014).

The book value of advances on export transactions reflects a good estimate of their fair value. The fair value of loans and other financings, is calculated using the discounted value of future capital and interest flows, using the market rate based on the yield curve for government bonds as of the reporting date. This could lead to an increase in payables of around 31 million euros (33.6 million euros at 31 December 2014).

PAYABLES TO OTHER LENDERS

This item breaks down as follows:

in thousands of euros	31.12.2015	31.12.2014
Non-current:		
· Payables to leasing companies	782	829
· Other	1,044	1,234
	1,826	2,063
Current:		
· Payables to leasing companies	163	140
· Payables to factoring companies	96	2,682
· Other	1,078	746
	1,337	3,568
Total	3,163	5,631

At 31 December 2015, the amount payable to leasing companies principally includes the finance lease, 916 thousand euros (909 thousand euros at 31 December 2014), on the factory in Krakow (Poland) used by Ilapak Sp. Z o.o.

"Other" includes the guaranteed financial payables of Ilapak Italia S.p.A., 2,084 thousand euros (1,980 thousand euros at 31 December 2014). Payables falling due beyond 5 years amount to 95 thousand euros.

The total minimum future payments under finance leases at the reporting date are reconciled with their present value below:

in thousands of euros	Due within 1 year	Due from 1 to 5 years	Due after 5 years	Total
Year 2015				
Minimum payments of finance leases	234	905	–	1,139
Less future financial charges	(71)	(123)	–	(194)
Present value of finance lease payables	163	782	–	945
Year 2014				
Minimum payments of finance leases	215	1,016	–	1,231
Less future financial charges	(75)	(187)	–	(262)
Present value of finance lease payables	140	829	–	969

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 December 2015, outstanding bonds total 118,061 thousand euros, representing their nominal redemption value of 80 million euros and 50 million US dollars.

Bonds are made up of:

in thousands of euros	31.12.2015	31.12.2014
Non-current portion	115,446	115,271
Current portion	2,615	2,711
Total book value	118,061	117,982
Adjustment to fair value as result of transactions in fair value hedge and measurement at amortized cost	7,866	3,201
Present value of finance lease payables	125,927	121,183

NET DEBT

The breakdown of net debt, alternative performance indicator, is as follows:

in thousands of euros	31.12.2015	31.12.2014
A. Cash and cash equivalents	(156,078)	(133,264)
B. Other cash equivalents	(2,858)	(691)
C. Investments in securities	(1,643)	(1,888)
D. Liquidity (A)+(B)+(C)	(160,579)	(135,843)
E. Current financial receivables	(4,182)	(1,369)
F. Current payables to banks	61,069	23,292
G. Current portion of non-current payables	40,337	34,114
H. Other current financial payables	983	3,428
I. Current financial debt (F)+(G)+(H)	102,389	60,834
J. Net current financial debt (D)+(E)+(I)	(62,372)	(76,378)
K. Non-current portion of non-current bank payables	112,110	80,991
L. Bond issued	115,446	115,271
M. Other non-current financial payables	1,826	2,063
N. Non-current financial assets	(3,886)	(3,509)
O. Net non-current financial debt (K)+(L)+(M)+(N)	225,496	194,816
P. Net financial debt (J)+(O)	163,124	118,438

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 5 and 12.

The Group also has outstanding debts for the purchase of investments of 33,864 thousand euros (2,698 thousand euros at 31 December 2014). The change with respect to the previous period is mainly due to the options subscribed in connection with the purchase of minority interests in subsidiaries involved in the Dairy&Food and Teknoweb businesses.

At 31 December 2015, the increase in debt of 44,686 thousand euros, is largely due to the acquisition of the Dairy&Food and Teknoweb businesses which, net of the receivable collected for the sale of the interest in CMH, amounts to 50.6 million euros. The total increase is lower thanks to strong Group cash generation and the increase in capital of 28 million euros carried out in April last year, which absorbed the payment of 53,548 thousand euros of ordinary dividends (+5,595 thousand euros with respect to 2014), confirming once again the Group's effective working capital management.

16. EMPLOYEE DEFINED BENEFIT LIABILITIES

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

The changes in the provisions during the year were as follows:

in thousands of euros	
Balance at 01.01.2014	19,891
Service cost	324
Financial expense	475
Net actuarial losses (gains) recognized during the year	2,967
Acquisition of business division	123
Change in scope of consolidation	259
Severance payments made during the year	(1,603)
Exchange rate difference	29
Other changes	95
Balance at 31.12.2014	22,560
Service cost	845
Financial expense	756
Net actuarial losses (gains) recognized during the year	(5,657)
Change in scope of consolidation	35,581
Severance payments made during the year	(3,081)
Exchange rate difference	54
Other changes	126
Balance at 31.12.2015	51,184

The change in the scope of consolidation includes defined benefit plans of the newly-acquired companies of the Dairy&Food business and of Teknoweb Converting S.r.l.

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

in thousands of euros	31.12.2015	31.12.2014
Italy	18,668	20,728
Germany	28,127	60
France	2,107	227
Switzerland	1,256	789
North America	303	120
Other countries	723	636
Total	51,184	22,560

The companies forming part of the Dairy & Food business showed the following key figures at 31 December 2015 and at the date of acquisition:

in thousands of euros	Country	31.12.2015	28.02.2015
Benhil GmbH	Germany	6,787	7,920
Erca S.A.	France	1,850	1,989
GASTI Verpackungsmaschinen GmbH	Germany	586	688
Hamba Filltec GmbH & Co. KG	Germany	18,245	21,749
Hassia Verpackungsmaschinen GmbH	Germany	2,418	2,821
Total		29,886	35,167

The following economic-financial assumptions were adopted in relation to the above companies:

	31.12.2015	28.02.2015
Annual discount rate	2.40%	1.60%
Annual rate of increase of total compensation	2.5-2.2%	2.5-2.2%
Annual rate of increase of pension fund	1.5-0%	1.75-0%

The iBoxx Eurozone Corporates AA 10+ index has been used as a parameter for the discount rate. The demographic assumptions used for the Dairy&Food companies derive from specific demographic tables for the countries in question.

Furthermore, the following economic-financial assumptions were adopted in relation to the Italian companies:

	31.12.2015	31.12.2014
Annual discount rate	1.95%	1.70%
Annual inflation rate	1.75%	1.75%
Annual rate of increase of total compensation	3.25%	3.50%
Annual rate of increase of severance indemnity	2.81%	2.81%

The discount rate applicable to Italian companies was determined with reference to the iBoxx Eurozone Corporates AA 10+ index.

The main demographic assumptions used by the actuary for the Italian companies are the following:

- life expectancies: those determined by the State General Accounting Office (RG48 split by gender);
- probability of disability: that in the INPS (National Social Security Institute) model for projections at 2010, distinguished by gender;
- pensionable age: the earliest retirement age possible under the Compulsory General Insurance scheme;
- probability of leaving work for reasons other than death: annual frequencies from 2.5% to 6%;
- probability of advance payments: an annual frequency from 3% to 5% for requests for advances of 60/70%.

The details of net liabilities or assets for benefits to employees related to the American company Ilapak Inc. pension plan are the following:

in thousands of euros	
Present value of defined benefit obligations	3,734
Fair value of plan assets	(3,801)
Net defined benefit (assets) at 31 December 2014	(67)
Present value of defined benefit obligations	4,277
Fair value of plan assets	(4,188)
Net defined benefit liabilities at 31 December 2015	89

The changes in in the present value of the obligation is the following:

in thousands of euros	2015	2014
Opening balance	3,734	3,518
Financial expense	163	139
Actuarial losses (gains)	5	-
Severance payments made during the year	(57)	(377)
Exchange rate difference	432	454
Present value of defined benefit obligations	4,277	3,734
Opening balance	3,801	3,431
Return on plan assets	7	208
Employee contributions	-	81
Severance payments made during the year	(57)	(377)
Exchange rate difference	437	458
Fair value of plan assets	4,188	3,801

The assets servicing the plan consist 95% of US treasury bonds, corporate bonds and insurance policies. The risk profile and volatility associated with this plan are deemed to be low and the average return on the individual types of bonds in 2015 was around 3%. The liquidity that the plan is able to generate depends on fluctuations in the interest rates on the individual securities held.

The revised version of IAS 19 requires sensitivity analysis to be performed on the main actuarial assumptions used for the computational model; separate sensitivity analyses have therefore been performed for the Italian companies and for the companies in the Dairy&Food business versus severance indemnities at 31 December 2015 of 18,483 thousand euros and pension funds of 29,886 thousand euros. the results are summarized in the following table:

in thousands of euros	Annual discount rate		Annual inflation rate		Turnover rate	
	+0.50%	-0.50%	+0.25%	-0.25%	+2.00%	-2.00%
Provision for severance indemnities						
italian companies	17,566	19,438	18,724	18,212	18,306	18,722
in thousands of euros	Annual discount rate		Pension funds increases		Life expectancy	
	+0.25%	-0.25%	+0.25%	-0.25%	+ 1 year	- 1 year
Pension funds Dairy&Food company	28,781	31,057	30,716	29,090	31,006	28,768

The contributions expected to be made in future years in respect of the obligations of the main defined benefit plans involve the following payments:

in thousands of euros	2015
Within 1 year	1,053
From 1 to 5 years	4,000
From 5 to 10 years	6,294
Total expected payments italian companies	11,347
Within 1 year	1,307
From 1 to 2 years	1,137
From 2 to 3 years	1,110
Total expected payments Dairy&Food business companies	3,554

17. PROVISIONS FOR RISKS AND CHARGES

These provisions are analyzed as follows:

in thousands of euros	Balance at 31.12.2014	Net increases	Net decreases	Change in scope of consolidation	Exchange rate differences	Balance at 31.12.2015
Non-current:						
Agency termination indemnities	1,815	374	(161)	3,044	-	5,072
Other provisions	912	41	(235)	314	43	1,075
	2,727	415	(396)	3,358	43	6,147
Current:						
Product guarantee provision	16,491	6,536	(3,688)	3,452	349	23,140
Other provisions	3,814	676	(3,421)	1,684	61	2,814
	20,305	7,212	(7,109)	5,136	410	25,954
Total	23,032	7,627	(7,505)	8,494	453	32,101

The change in the scope of consolidation refers mainly to the newly acquired Dairy&Food business.

The product guarantee provision was established on the basis of estimated expenses for work to be performed under guarantee after 31 December 2015, calculated on the basis of historical costs and expected costs of machines still under guarantee.

Other provisions are made up of provisions for risks and charges made to cover tax liabilities or charges that might arise from contractual obligations; Group companies used experienced tax consultants to quantify the provisions.

During the first half of 2010, the Parent Company was subjected to a tax audit by the Tax Authorities that ended in June 2010. It covered the 2007 tax year, together with the earlier and later periods affected by transactions carried out in the reference year. Following the audit and delivery of its report on findings, the Tax Authorities issued notices of assessment in relation to the tax periods 2005, 2006 and 2007, which IMA S.p.A. has challenged by lodging an appeal before the competent Tax Commissions. The amounts set aside to cover the liabilities deriving from the above audit are included among the Other provisions.

18. TRADE PAYABLES AND OTHER PAYABLES

This item is analyzed as follows:

in thousands of euros	31.12.2015	31.12.2014
Trade payables	250,860	178,467
Advances from customers	138,858	134,946
Social security and defined-contribution plan payables	11,349	8,747
Tax payables	10,611	7,204
Employee payables	46,046	38,150
Payables in respect of acquisitions	33,864	2,698
Deposits	5,028	2,826
Other payables	13,141	10,009
Total	509,757	383,047

TRADE PAYABLES

These include trade payables to suppliers of per 196,388 thousand euros (139,791 thousand euros at 31 December 2014), agent payables of 10,358 thousand euros (6,953 thousand euros at 31 December 2014) and trade payables to associates of 44,114 thousand euros (31,723 thousand euros at 31 December 2014). At 31 December 2015, trade payables attributable to the newly acquired Dairy&Food business comes to 28,462 thousand euros.

Trade payables to associates reflects the Group's constant commitment in pursuing close collaboration with those suppliers that play a key role in production, also by considering the possibility of becoming shareholders in their companies.

ADVANCES FROM CUSTOMERS

The high level of advances from customers for uncompleted contracts is due mainly to the large volume of orders received at the reporting date.

Information on the amount due to customers for construction contracts (21,548 thousand euros) can be found in Note 10.

TAX PAYABLES

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

PAYABLES IN RESPECT OF ACQUISITIONS

This item includes debts for the purchase of investments related to the acquisitions of the Dairy&Food and Teknoweb businesses for 22,959 thousand and 8,855 thousand euros respectively.

This item includes the residual payable of 150 thousand euros following the acquisition of a line of business from DOSA S.r.l., the residual payable of 1,400 thousand euros following the acquisition of G.S. Coating Technologies S.r.l., and the estimated payable of 500 thousand euros for the acquisition by the Parent Company of a further 19% interest in Pharmasiena Service S.r.l. The put option granted is exercisable in April 2016.

The total amount of payables for acquisitions classified under non-current liabilities comes to 32,714 thousand euros (2,048 thousand euros at 31 December 2014).

OTHER PAYABLES

At 31 December 2015 other payables include 2,730 thousand euros classified under non-current liabilities (4,729 thousand euros classified under current liabilities at 31 December 2014) 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.

19. OTHER REVENUES

This item breaks down as follows:

in thousands of euros	2015	2014	Change
Capital gains on disposal of non-current assets	236	450	(214)
Out-of-period income	1,754	1,760	(6)
Capitalization of internal construction costs	11,924	9,823	2,101
Other revenues and income	6,059	2,413	3,646
Total	19,973	14,446	5,527

The increase in non-current assets for internal work in 2015 refer for 10,742 thousand euros to development costs (7,291 thousand euros in 2014) and for 1,182 thousand euros to equipment and machinery (2,532 thousand euros in 2014).

Other revenues attributable to companies of the Dairy&Food business, consolidated from March 2015, amount to 4,041 thousand euros.

20. COST OF RAW, ANCILLARY AND CONSUMABLE MATERIALS AND GOODS FOR RESALE

This item breaks down as follows:

in thousands of euros	2015	2014	Change
Raw materials and semifinished goods	328,923	230,168	98,755
Consumables and ancillary materials	17,275	13,003	4,272
Marketable goods	48,983	31,521	17,462
Other purchases	3,132	2,896	236
Total	398,313	277,588	120,725

The cost of raw, ancillary and consumable materials and goods for resale attributable to the companies belonging to the Dairy&Food business, consolidated from March 2015, amounts to 61,824 thousand euros.

21. SERVICES, RENTALS AND LEASES

This item breaks down as follows:

in thousands of euros	2015	2014	Change
External works and assembly	55,294	45,378	9,916
Maintenance and repair	7,952	5,820	2,132
Energy, telephone, gas, water and postal charges	12,529	10,224	2,305
Fees due	13,718	12,589	1,129
Technical, legal, tax and administrative consulting services	51,446	44,511	6,935
Advertising and promotions	4,300	3,046	1,254
Exhibitions	4,967	6,844	(1,877)
Travel and insurance	31,981	24,586	7,395
Transport	15,625	12,646	2,979
Bank charges	2,007	1,691	316
Rent expense	17,464	14,195	3,269
Operating lease fees	861	687	174
Rental fees	2,588	2,036	552
Other services	18,738	15,847	2,891
Total	239,470	200,100	39,370

Services, rentals and leases attributable to the companies belonging to the Dairy&Food business, consolidated from March 2015, amount to 25,436 thousand euros.

The item includes non-recurring costs for 4,356 thousand euros as discussed in Note 33.

22. PERSONNEL COSTS

Personnel costs break down as follows:

in thousands of euros	2015	2014	Change
Wages and salaries	235,520	181,018	54,502
Social security contributions	54,993	42,952	12,041
Remuneration of directors	7,581	5,208	2,373
Pensions - defined-benefit plans	845	363	482
Pensions - defined-contribution plans	10,954	9,875	1,079
Other personnel costs	19,559	14,791	4,768
Total	329,452	254,207	75,245

Personnel costs attributable to the companies belonging to the Dairy&Food and Teknoweb businesses, consolidated from 2014, amount to 47,411 thousand euros and 2,155 thousand euros respectively.

The item includes non-recurring charges for 5,111 thousand euros as discussed in Note 33.

In addition, the higher level of costs compared with the prior year is mainly due to Italian labour costs, which, taking into account the major elements of remuneration, have increased by 4.83%, triggered by pay rises under the National Collective Bargaining Agreement for Metalworkers, pay rises under the Company Supplementary Agreement, as well as more overtime worked and the Group's bonus policy. Personnel costs have also risen in line with the increased number of employees and collaborators in the year.

The IMA Group employed 4,576 people on average during 2015, as analyzed below:

	2015	2014	Change
Managers	169	125	44
Office workers	3,093	2,599	494
Production workers	1,314	1,006	308
Total	4,576	3,730	846

Group employees at 31 December 2015 come to 4,781 (3,799 at 31 December 2014) of which 831 and 45 attributable to the newly acquired Dairy&Food and Teknoweb businesses.

23. DEPRECIATION AND AMORTISATION EXPENSE

This item breaks down as follows:

in thousands of euros	2015	2014	Change
Depreciation of property, plant and equipment	9,748	7,099	2,649
Amortization of intangible assets	22,689	15,315	7,374
Provisions for bad debts	82	1,286	(1,204)
Total	32,519	23,700	8,819

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.

24. OTHER OPERATING COSTS

Other operating costs comprise:

in thousands of euros	2015	2014	Change
Capital losses on disposal of non-current assets	135	50	85
Property tax and other taxes	2,889	2,046	843
Out-of-period expenses	1,101	730	371
Membership fees	364	369	(5)
Penalties and charges on sales	37	394	(357)
Sundry promotional materials	279	251	28
Other operating costs	3,789	2,889	900
Total	8,594	6,729	1,865

25. FINANCIAL INCOME

This item breaks down as follows:

in thousands of euros	2015	2014	Change
Interest income from banks	265	160	105
Interest income on amounts due from customers	15	94	(79)
Income from current investments available for sale	453	118	335
Other interest and financial income	306	270	36
Income from derivative financial instruments	123	16	107
Income from investments in joint ventures	16,055	–	16,055
Exchange rate gains	19,108	12,869	6,239
Total	36,325	13,527	22,798

Profits from investments in joint ventures reflect the gain realised on sale of the interest in CMH S.r.l. by the Parent Company to Sacmi Imola S.c., as mentioned in Note 4.

26. FINANCIAL EXPENSE

This item breaks down as follows:

in thousands of euros	2015	2014	Change
Interest expense on bank payables	5,611	6,928	(1,317)
Interest expense on bonds	5,744	4,590	1,154
Interest expense on discounting	312	324	(12)
Interest expense on finance leases	56	69	(13)
Net financial expense on defined-benefit plans	807	503	304
Various interest expense	302	256	46
Writedown of non-current assets available for sale	1,205	1,599	(394)
Expense on bank guarantees	739	432	307
Expense from derivative financial instruments	157	100	57
Other financial expense	494	227	267
Exchange rate losses	21,936	17,011	4,925
Total	37,363	32,039	5,324

The writedown of non-current assets available for sale relates to the investment in InterMedia Holding S.p.A. See Note 5 for further information.

At 31 December 2015, exchange rate gains and losses included an unrealized gain of 8,678 thousand euros and an unrealized loss of 10,447 thousand euros (7,427 thousand euros and 7,970 thousand euros, respectively, in the previous year).

27. TAXES

This item is analyzed as follows:

in thousands of euros	2015	2014	Change
Taxes for the period:			
Current taxes	41,985	37,377	4,608
Net deferred tax assets and liabilities	(4,266)	(4,507)	241
	37,719	32,870	4,849
Prior year taxes	(463)	1,175	(1,638)
Total	37,256	34,045	3,211

The 2016 Stability Law provides that from 1 January 2017 the corporate income tax (IRES) rate will fall from 27.5% to 24%, applicable to tax periods subsequent to the year in progress at 31 December 2016. The Group's Italian companies have therefore recalculated the deferred tax assets and liabilities due beyond 12 months. The effect on the statement of income was negative for 1,362 thousand euros.

The following table reconciles the tax charges with the book profits multiplied by the applicable tax rates:

in thousands of euros	2015	2014
Result before tax	115,092	90,793
Taxes determined on the tax rate applicable in each country	29,991	25,592
Income not subject to tax	(571)	(674)
Tax effect of non-deductible costs	2,684	1,906
IRAP	4,769	8,220
Reduction of "IRES" tax rate	1,362	-
Other	(516)	(2,174)
Prior year taxes	(463)	1,175
Total	37,256	34,045

The theoretical tax rate used to determine the income taxes of Italian companies is 27.5% of the taxable income for the year. The income taxes of foreign companies are calculated using the tax rates applied in each country.

28. EARNINGS PER SHARE

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

	2015	2014
Net profit for the year (thousands of euros)	69,915	51,562
Average number of outstanding ordinary shares (thousands of shares)	37,234	36,823
Earning per share (in euros)	1.88	1.40

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

29. BUSINESS COMBINATIONS

On 27 February 2015, together with Lin Vermoegensverwaltung GmbH, IMA S.p.A. completed the acquisition of an 80% equity interest in the companies BENHIL, ERCA, HASSIA, HAMBAA and GASTI through a new holding company, IMA Dairy & Food Holding GmbH. The companies are leaders in the design, production and marketing of machines, lines and systems for packaging products for the food industry. IMA and Lin have also signed put and call options for the other 20%, to be exercised during 2017 and 2018.

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

	Registered office	Percent of share
IMA Dairy & Food Holding GmbH	Stutensee (Germany)	80% (1)
Benhil GmbH	Neuss (Germany)	100% (2)
Erca S.A.	Les Ulis (France)	100% (2)
Erca-Formseal Ibérica S.A.	Gavà Barcelona (Spain)	100% (3)
GASTI Verpackungsmaschinen GmbH	Schwaebisch (Germany)	100% (2)
Hamba Filltec GmbH & Co. KG	Neunkirchen (Germany)	100% (2)
Hamba Verwaltungsgesellschaft mbH	Neunkirchen (Germany)	100% (2)
Hassia Verpackungsmaschinen GmbH	Ranstadt (Germany)	100% (4)
Hassia Packaging Pvt. Ltd.	Taluka Shirur Pune (India)	100% (2)
IMA Dairy & Food USA Inc.	Edison (USA)	100% (2)

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

(2) Held by IMA Dairy & Food Holding GmbH

(3) Held by Erca S.A.

(4) Held by IMA Dairy & Food Holding GmbH at 94% and by IMA Germany GmbH at 6%.

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

in thousands of euros	Total book values	Fair value
Property, plant and equipment	7,463	11,036
Intangible assets	4,431	108,934
Non-current receivables from other	110	110
Deferred tax assets	5,418	5,418
Inventories	21,580	21,580
Trade and other receivables	44,798	44,798
Income tax receivables	2,210	2,210
Cash and cash equivalents	3,924	3,924
Borrowings	(740)	(740)
Employee defined benefit liabilities	(35,167)	(35,167)
Provisions for risks and charges	(8,425)	(8,425)
Deferred tax liabilities	(767)	(33,190)
Trade and other payables	(58,148)	(58,148)
Income tax liabilities	(1,748)	(1,748)
Total	(15,061)	60,592
Purchase cost		85,609
Goodwill		25,017

The following intangible assets were provisionally recognized at the acquisition date:

In thousands of euros	Category	Useful life	Amount
Unpatented technology	Development costs	10 years	55,145
Trademarks	Software, licences, trademarks and similar rights	20 years	19,733
Customer list	Software, licences, trademarks and similar rights	15 years	29,625
Total			104,503

The acquisition cost includes the amount paid (62,726 thousand euros) and the fair value of the option to purchase the residual 20% of the capital (22,883 thousand euros), discounted using the yield on a government security with the same maturity.

At 31 December 2015 the key figures of the newly acquired business, consolidated for 10 months, are as follows:

in thousands of euros	
Property, plant and equipment	10,873
Intangible assets	102,287
Goodwill	25,017
Inventories	16,746
Trade receivables	47,676
Cash and cash equivalents	1,808
Borrowings	(10,823)
Employee defined benefit liabilities	(29,886)
Deferred tax liabilities	(40,671)
Trade payables	(28,462)
Revenues	143,503
Gross operating profit (EBITDA)	3,067
Operating profit (EBIT)	(6,449)
Depreciation and amortization	(9,516)
Personnel cost	(47,411)

On 27 February 2015, IMA S.p.A. and Teknoweb S.r.l. completed the purchase of a 60% stake in a newly formed company called Teknoweb Converting Srl, based in Palazzo Pignano, Cremona, which operates in the field of converting, producing and selling machines for the production of wet wipes.

This transaction includes an option for IMA to acquire up to the entire equity interest in Teknoweb Converting S.r.l., over a period of time extending from 2018 to 2024.

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

	Registered office	Percent of share
Teknoweb Converting S.r.l.	Palazzo Pignano (Cremona Italy)	60% (1)
Teknoweb Suisse Sagl	Mendrisio (Switzerland)	100% (2)
Tekno NA Inc.	Atlanta (USA)	100% (2)
Teknoweb N.A. Llc	Loganville Atlanta (USA)	75% (3)

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

(2) Held by Teknoweb Converting S.r.l.

(3) Held by Tekno NA Inc.

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

in thousands of euros	Total book values	Fair value
	Property, plant and equipment	202
Intangible assets	1,254	1,254
Goodwill	2,284	–
Deferred tax assets	170	170
Inventories	996	996
Trade and other receivables	4,258	4,258
Income tax receivables	37	37
Cash and cash equivalents	1,720	1,720
Borrowings	(1,135)	(1,135)
Employee defined benefit liabilities	(414)	(414)
Provisions for risks and charges	(69)	(69)
Deferred tax liabilities	(278)	(278)
Trade and other payables	(4,524)	(4,524)
Total	4,501	2,217
Minority		42
Purchase cost		15,366
Goodwill		13,191

The acquisition cost includes the amount paid (6,502 thousand euros) and the fair value of the option to purchase the residual 40% of the capital (8,864 thousand euros), discounted using the yield on a government security with the same maturity.

At 31 December 2015 the key figures of the newly acquired business, consolidated for 10 months, are as follows:

in thousands of euros	
Property, plant and equipment	411
Intangible assets	1,071
Goodwill	13,281
Inventories	2,127
Trade receivables	2,511
Cash and cash equivalents	618
Borrowings	(994)
Employee defined benefit liabilities	(452)
Trade payables	(2,043)
Revenues	7,794
Gross operating profit (EBITDA)	728
Operating profit (EBIT)	340
Depreciation and amortization	(388)
Personnel cost	(2,155)

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.

4,356 thousand euros of ancillary charges related to the above acquisition were booked to the income statement under services, rentals and leases.

At 31 December 2015 the amount of the purchase price that has been paid, net of the cash acquired, amounts to 63,584 thousand euros.

30. GUARANTEES GRANTED

At 31 December 2015, the Group has given sureties and other bank guarantees to customers totalling 35,251 thousand euros for the proper operation of machinery, bid bonds and advances not yet received, sureties to guarantee rental contracts for 6,957 thousand euros, sureties in favour of the Tax Authorities for VAT credits for 1,675 thousand euros, sureties associated with the acquisition of the Dairy&Food business and to the sale of CMH S.r.l. for 647 thousand euros and 3,500 thousand euros respectively and sureties in favour of others for 2,555 thousand 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, as shown below:

in thousands of euros	31.12.2015	31.12.2014
Subsidiaries:		
CO.MA.DI.S S.p.A.	89	39
Corazza S.p.A.	49,030	7,525
Fillshape S.r.l.	2,615	1,500
GIMA S.p.A.	11,150	15,050
GIMA TT S.p.A.	14,359	5,624
G.S. Coating Technologies S.r.l.	1,100	700
Ilapak Inc.	4,133	3,706
Ilapak International SA	13,000	13,000
Ilapak Italia S.p.A.	6,887	6,887
Ilapak Ltd.	1,362	1,284
Ilapak Sp. Z o.o.	1,994	1,989
IMA Dairy & Food Holding GmbH	45,000	n.a.
IMA EST GmbH	800	800
IMA Germany GmbH	1,000	1,000
IMA Industries S.r.l.	n.a.	81,200
IMA Life (Beijing) Pharm. Systems Co. Ltd.	7,081	4,379
IMA Life Japan KK	763	689
IMA Life North America Inc.	24,800	22,238
IMA Pacific Co. Ltd.	1,784	1,754
IMA-PG India Pvt Ltd.	2,763	1,655
Revisioni Industriali S.r.l.	1,025	1,025
Società del Sole S.r.l.	1,000	-
Shanghai Tianyan Pharmaceutical Machinery Co. Ltd.	779	730
Swiftpack Automation Ltd.	4,156	3,916
	196,670	176,690
Associates:		
Doo Officina-Game East Vrsac	541	-
Masterpiece S.r.l.	-	910
Scriba Nanotecnologie S.r.l.	58	58
	599	968
Joint venture:		
Carle & Montanari - OPM S.p.A.	n.a.	3,000
CMRE S.r.l.	1,976	988
	1,976	3,988
Total	199,245	181,646

Guarantees totalling 60,000 thousand euros have also been given to leading banks in relation to the lines of credit shares by the Group's subsidiaries.

Ilapak International SA provided guarantees to third parties in the interest of companies of the Ilapak Group of 1,720 thousand euros.

Sureties given against advances received from customers amount to about 102,863 thousand euros (57,167 thousand euros at 31 December 2014).

31. COMMITMENTS

It should be noted that at 31 December 2015 there are commitments for the purchase of property, plant and equipment and intangible assets for 314 thousand euros relating principally to leasehold improvements and electronic equipment.

The Group has outstanding commitments of 3,332 thousand euros (1,570 thousand euros at 31 December 2014) for future minimum payments under irrevocable operating leases relating primarily to vehicles (expiring as to 1,591 thousand euros within one year, 1,741 thousand euros between one and five years) and commitments under rental contracts of 148,997 thousand euros (114,446 thousand euros at 31 December 2014), of which 17,667 thousand euros fall due within one year, 59,932 thousand euros between one and five years and 71,398 thousand euros over five years.

Fees paid during the year for operating lease contracts and rentals were 18,325 thousand euros (14,882 thousand euros in the previous year).

Other commitments in favour of third parties, 13,704 thousand euros, mainly consist of the Parent Company's agreement to buy further units of the mutual funds.

32. 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. For further information please read the Report on operations.

The Parent Company of the IMA Group is IMA Industria Macchine Automatiche S.p.A., which at 31 December 2015 is 60% owned by SO.FI.M.A. S.p.A. (66,219% at 31 December 2014), which is in turn controlled by Lopam Fin S.p.A. 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.

As described earlier, intra-group transactions are a consequence of the organizational structure of the Group. Such transactions are carried out as part of ordinary operations on an arm's-length basis.

In addition to intra-group transactions, the Group also conducts operations with other related parties, mainly parties controlling the Parent Company, or parties responsible for the administration and management of IMA S.p.A. or entities controlled by such parties.

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.

These transactions are mainly commercial and real estate operations (leased premises used by the Parent Company or the Group), as well as participation in the consolidated tax mechanism mentioned above.

Transactions with related parties are made at terms and conditions that are equivalent to normal market conditions.

The trade receivables and payables outstanding at year-end are not insured and do not bear interest. The Group has not recorded any impairment on receivables from related parties.

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

in thousands of euros	Receivables at 31.12.2015	Receivables at 31.12.2014	Payables at 31.12.2015	Payables at 31.12.2014
Parent companies:				
SO.FI.MA. S.P.A.	3,643	4,631	2,929	–
	3,643	4,631	2,929	–
Associates and joint venture:				
Amherst Stainless Fabrication LLC	1,131	552	582	785
B.C. S.r.l.	2,052	1,777	653	583
Bacciottini F.lli S.r.l.	611	622	4,038	1,914
Bolognesi S.r.l.	897	823	1,564	1,273
Brio Pharma Technologies Pvt. Ltd.	457	403	620	575
Carle & Montanari-OPM S.p.A.	n.a.	41	n.a.	311
CMFIMA S.r.l.	n.a.	106	n.a.	59
CMH S.r.l.	n.a.	9,910	n.a.	–
CMRE S.r.l.	7,094	5,544	–	–
Doo Officina-GAME East Vrsac	789	578	–	–
I.E.M.A. S.r.l.	895	850	11,262	7,586
LA.CO S.r.l.	702	540	3,127	1,669
Logimatic S.r.l.	6,582	6,756	12,525	12,198
Masterpiece S.r.l.	9	12	263	127
Meccanica Sarti S.r.l.	1,213	1,191	439	316
MORC 2 S.r.l.	1,436	n.a.	1,202	n.a.
Plasticenter S.r.l.	526	472	2,943	2,469
Powertransmission.it S.r.l.	123	90	226	272
Scriba Nanotecnologie S.r.l.	370	444	9	6
SIL.MAC. S.r.l.	976	583	3,441	1,322
S.I.Me. S.r.l.	416	n.a.	348	n.a.
STA.MA. S.r.l.	134	66	800	595
Other associates	68	88	72	28
	26,481	31,448	44,114	32,088
Other related parties:				
Banca di Bologna	384	526	–	–
Costal S.r.l.	–	–	482	334
Datalogic Automation S.r.l.	–	–	169	244
EPSOL S.r.l.	240	217	3,237	1,486
Mandarin Capital Management SA	n.a.	1,361	n.a.	–
Morosina S.p.A.	–	–	268	122
Naturapack S.r.l.	93	93	–	20
Poggi & Associati	159	416	322	313
Schiavina S.r.l.	342	369	–	–
Verniciatura Ozzanese S.r.l.	1	1	289	263
Other related parties	23	33	136	180
	1,242	3,016	4,903	2,962
Total	31,366	39,095	51,946	35,050

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

in thousands of euros	Revenues 2015	Revenues 2014	Costs 2015	Costs 2014
Associates and joint venture:				
Amherst Stainless Fabrication LLC	8	–	3,938	2,564
B.C. S.r.l.	275	267	4,812	4,212
Bacciottini F.lli S.r.l.	57	89	5,082	4,075
Bolognesi S.r.l.	172	225	4,118	3,785
Brio Pharma Technologies Pvt. Ltd.	58	38	939	851
CMFIMA S.r.l. (*)	752	631	(3)	2
CMH S.r.l. (*)	–	1,018	259	–
I.E.M.A. S.r.l.	224	277	11,968	11,892
L.A.CO S.r.l.	120	195	3,675	2,596
Logimatic S.r.l.	3,216	3,094	16,548	16,350
Masterpiece S.r.l.	10	26	459	531
Meccanica Sarti S.r.l.	22	–	627	774
MORC 2 S.r.l.	62	n.a.	1,651	n.a.
Plasticenter S.r.l.	110	–	3,657	4,590
Powertransmission.it S.r.l.	33	10	781	696
SIL.MAC. S.r.l.	666	261	3,703	2,670
S.I.Me. S.r.l.	301	n.a.	385	n.a.
STA.MA. S.r.l.	139	15	1,508	389
Other Associates and joint venture	–	48	(89)	242
	6,225	6,194	64,018	56,219
Other related parties:				
Costal S.r.l.	–	–	900	453
Datalogic Automation S.r.l.	–	–	413	451
Galliani & Sistemi S.p.A.	–	–	120	170
EPSOL S.r.l.	550	476	3,951	2,942
Italbe S.p.A.	–	–	138	166
Lopam S.r.l.	–	–	380	339
Mandarin Capital Management SA	n.a.	–	n.a.	600
Morosina S.p.A.	–	–	1,087	1,053
Naturapack S.r.l.	–	–	194	218
Nemo Investimenti S.r.l.	222	244	1,885	1,617
Verniciatura Ozzanese S.r.l.	1	1	497	485
Other related parties	17	25	176	140
	790	746	9,741	8,634
Total	7,015	6,940	73,759	64,853

(*) The company CMH S.r.l. and its subsidiaries operative in the chocolate industry were sold to third parties on 14 December 2015; the amount represents transactions made during 2015 up to that date.

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

Transactions with associates are largely of a commercial nature. See Note 4 for further information.

Relations with EPSOL S.r.l. relate to the design and production of plant for automated machines; the relations with Italbe S.r.l. (absorbed by Lopam S.r.l. from 1 November 2015), Lopam S.r.l., Nemo Investimenti S.r.l. and Naturapack S.r.l. essentially relate to the rental of real estate.

The table below provides a summary of the balance sheet including transactions with related parties and the percentage impact:

in thousands of euros	Of which			Of which		
	Total at 31.12.2015	related parties	% impact	Total at 31.12.2014	related parties	% impact
Balance sheet:						
Tangible and intangible assets	396,941	389	0.1%	232,437	443	0.2%
Investments and financial assets	26,943	15,612	57.9%	35,507	22,791	64.2%
Other non-current assets	56,471	93	0.2%	44,212	93	0.2%
NON-CURRENT ASSETS	480,355	16,094	3.4%	312,156	23,327	7.5%
Trade and other receivables	288,413	9,605	3.3%	171,294	8,086	4.7%
Financial assets	8,683	1,640	18.9%	3,948	2,526	64.0%
Cash and cash equivalents	156,078	384	0.2%	133,264	525	0.4%
Income tax receivables	7,681	3,643	47.4%	7,177	4,631	64.5%
Other current assets	233,509	–	–	212,854	–	–
CURRENT ASSETS	694,364	15,272	2.2%	528,537	15,768	3.0%
TOTAL ASSETS	1,174,719	31,366	2.7%	840,693	39,095	4.7%
SHAREHOLDERS' EQUITY	175,779			116,618		
Borrowings	229,382	–	–	198,325	–	–
Other non-current liabilities	156,698	–	–	53,818	–	–
NON-CURRENT LIABILITIES	386,080	–	–	252,143	–	–
Borrowings	102,389	–	–	60,833	–	–
Trade and other payables	472,508	49,017	10.4%	380,823	35,050	9.2%
Income tax liabilities	11,870	2,929	24.7%	8,811	–	–
Other current liabilities	26,093	–	–	21,465	–	–
CURRENT LIABILITIES	612,860	51,946	8.5%	471,932	35,050	7.4%
TOTAL LIABILITIES AND EQUITY	1,174,719	51,946	4.4%	840,693	35,050	4.2%

The increase in trade payables to associates reflects the Group's constant commitment in pursuing close collaboration with those suppliers that play a key role in production, also by considering the possibility of becoming shareholders in their companies.

The table below provides a summary of the income statement including transactions with related parties and the percentage impact:

in thousands of euros	Of which			Of which		
	2015	related parties	% impact	2014	related parties	% impact
Income statement:						
Revenues	1,109,537	4,683	0.4%	854,617	4,009	0.5%
Other income	19,973	1,069	5.4%	14,446	924	6.4%
Cost of raw materials and goods	(398,313)	(48,334)	12.1%	(277,588)	(39,759)	14.3%
Cost of services and leases	(239,470)	(24,381)	10.2%	(200,100)	(25,186)	12.6%
Other operating costs	(376,109)	(323)	0.1%	(283,462)	(145)	0.1%
OPERATING PROFIT	115,618			107,913		
Net financial income	36,325	31	0.1%	13,527	43	0.3%
Net financial expense	(37,363)	(1)	–	(32,039)	–	–
FINANCIAL INCOME AND EXPENSE	(1,038)			(18,512)		
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD	512	512	100.0%	1,392	1,392	100.0%
Tax	(37,256)	–	–	(34,045)	–	–
NET PROFIT FOR THE YEAR	77,836			56,748		

The table does not include the remuneration paid to directors, statutory auditors and managers with strategic responsibilities, which are detailed in the following paragraph.

Note that during 2015 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.

Remuneration of Directors, Statutory Auditors and Managers with Strategic Responsibilities

We provide information concerning the remuneration paid, for any reason and in any form, to directors, statutory auditors of the Parent Company for carrying out their duties in other companies included in the consolidation:

in thousands of euros	2015	2014
Directors	8,104	5,911
Statutory Auditors	100	110
Total	8,204	6,021

The amount due to Directors includes fees for professional services as detailed in the Remuneration Report.

The following table reports the fees paid, for any reason and in any form, by the Company and by other Group companies to managers with strategic responsibilities:

in thousands of euros	2015	2014
Short-term benefits	3,668	5,389
Long-term benefits	900	–
Post-employment benefits	130	130
Fees for positions	6,086	4,133
Total	10,784	9,652

The managers with strategic responsibilities include three members of the Board of Directors.

The details of remuneration paid to directors, statutory auditors and managers with strategic responsibilities is shown in the Remuneration Report.

33. SIGNIFICANT NON-RECURRING TRANSACTIONS AND EVENTS

Personnel costs for 2015 include 5,111 thousand euros of non-recurring charges relating mainly to the reorganisation of the Tea, Food & Other business following the merger by absorption by IMA S.p.A. of IMA Industries S.r.l.

In addition, services, rentals and leases includes ancillary charges related to the acquisitions of the Dairy&Food e Teknoweb businesses which took place during the year for 4,356 thousand euros.

34. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

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

35. SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

The following main events have taken place subsequent to the year end:

- from 1 January 2016 the following became effective (i) 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 Euro 95,500 GIMA TT S.p.A., as well as (ii) 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 in (i) and (ii) above, since the aforementioned date of 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 Euro 70,192.85 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 12.37 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 Komax Holding AG for the purchase of 100% of Komax Systems LCF SA and Komax Systems Rockford Inc. and 76% of Komax Systems Malaysia. The agreement also 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. The Medtech deal involves a financial contribution due at the time of the closing (expected in the second quarter of 2016) for 7 million Swiss francs for its equity value, in addition to 21.3 million Swiss francs to take over outstanding loans between the target companies and Komax Holding AG. There is also provision for a further payment for 6 million Swiss francs by way of an earn-out and for 2 million Swiss francs in the event of a call option on the other 24% of Komax Systems Malaysia;
- 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.

H) 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	-	63.81% (1)
- 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%	-
- IMA Industries North America Inc.	Leominster	USA	100,000	USD	-	100% (12)
- IMA Life Japan KK	Tokyo	Japan	40,000,000	YEN	-	100% (14)
- 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% (15)
- Teknoweb Suisse Sagl	Mendrisio	Switzerland	40,000	CHF	-	100% (16)

(*) 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:						
- GIMA Holding S.r.l.	Bologna	Bologna - Italy	10,000	EUR	73.5%	-
- Packaging Systems Holdings Inc.	Wilmington	USA	1,000	USD	100%	-
- IMA Dairy & Food Holding GmbH	Stutensee	Germany	25,000	EUR	100% (17)	-
- 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% (18)
- Dreamer S.r.l.	Bologna	Bologna - Italy	100,000	EUR	-	66.15% (1)
- II Canada Ltd. (in liquidation)	Mississauga Toronto	Canada	-	CAD	-	100% (19)
- 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 Pharmasiena 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 Life The Netherlands B.V.
- (15) Held by Tekno NA Inc. at 75%
- (16) Held by Teknoweb Converting S.r.l. at 100%
- (17) The percentage interest held in IMA Dairy & Food Holding GmbH includes an option to purchase 20% of the quota capital.
- (18) Held by Packaging Manufacturing Industry S.r.l.
- (19) 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	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			

(*) The paid-in share capital of S.I.Me. S.r.l. amounts to Euro 25,000.

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

I) DISCLOSURE REQUIRED UNDER ARTICLE 149-DUODECIES OF THE CONSOB ISSUERS' REGULATION

The following table shows the amounts of audit fees and fees for other services rendered by the independent audit firm in 2015:

in thousands of euros	Service rendered by	To	Fees
Audit	Reconta Ernst & Young S.p.A.	Parent Company IMA S.p.A.	261
	Reconta Ernst & Young S.p.A.	Subsidiary companies	379
	Ernst & Young network	Subsidiary companies	199
Other services rendered in connection with the review	Reconta Ernst & Young S.p.A.	Subsidiary companies	63
	Ernst & Young network	Subsidiary companies	152
Total			1,054

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO
ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

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

Certification of the consolidated financial statements pursuant to Art. 81-ter of Consob Regulation no. 11971 of 14 May 1999, as amended

The undersigned, Alberto Vacchi, Chairman and Managing Director, and Sergio Marzo, the executive responsible for preparing the financial reports of I.M.A. Industria Macchine Automatiche S.p.A. certify, having regard for the requirements of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:

- the appropriateness with regard to the characteristics of the Company and
- the effective application of the administrative and accounting procedures in preparing the consolidated financial statements for the period January-December 2015.

It is also certified that:

1) the consolidated financial statements:

- a) have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union under Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;
- b) correspond to the entries in the accounting books and records;
- c) provide a true and fair view of the performance and financial position of the issuer and the companies included in the scope of consolidation.

2) the report on operations includes a reliable analysis of the business and the performance and financial position of the issuer and the companies included in the scope of the consolidation, together with a description of the risks and uncertainties to which they are exposed.

Ozzano dell'Emilia (Bologna), 14 March 2016

Managing Director
Alberto Vacchi

Manager responsible for preparing financial reports
Sergio Marzo

REPORT OF THE INDEPENDENT AUDITORS
AT 31 DECEMBER 2015

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



Reconta Ernst & Young S.p.A. Tel: +39 051 278311
Via Massimo D'Azeglio, 34 Fax: +39 051 236666
40123 Bologna ey.com

**Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)**

To the Shareholders of I.M.A. Industria Macchine Automatiche S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of I.M.A. Industria Macchine Automatiche S.p.A. ("I.M.A. S.p.A.") and its subsidiaries ("I.M.A. Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, the consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The Directors of I.M.A. S.p.A. are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11, paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of I.M.A. Group as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Reconta Ernst & Young S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale € 1.402.500,00 I.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta all'Albo Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited



Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Ownership Structure with the consolidated financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Ownership Structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements. The Directors of I.M.A. S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Ownership Structure are consistent with the consolidated financial statements of I.M.A. Group as at 31 December 2015.

Bologna, 30 March 2016

Reconta Ernst & Young S.p.A.
Signed by: Alberto Rosa, Partner

This report has been translated into the English language solely for the convenience of international readers.