

HALF-YEAR FINANCIAL REPORT
AT 30 JUNE 2012



HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2012

TABLE OF CONTENTS

| | | |
|--|------|---------------------|
| INTERIM REPORT ON OPERATIONS | | PAGE. 5 - 15 |
| DIRECTORS AND OFFICERS | PAGE | 6 - 7 |
| GROUP STRUCTURE | " | 8 |
| GROUP PERFORMANCE | " | 9 - 14 |
| OTHER INFORMATION | " | 14 - 15 |
| CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT 30 JUNE 2012 | | " 17 - 22 |
| CONSOLIDATED BALANCE SHEET | " | 18 |
| CONSOLIDATED INCOME STATEMENT | " | 19 |
| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | " | 20 |
| STATEMENT OF CHANGES IN CONSOLIDATED EQUITY | " | 21 |
| CONSOLIDATED STATEMENT OF CASH FLOWS | " | 22 |
| NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS | | " 23 - 47 |
| OVERVIEW | " | 24 |
| GENERAL BASIS OF PREPARATION | " | 24 |
| ACCOUNTING POLICIES AND STANDARDS | " | 24 - 25 |
| FINANCIAL RISK MANAGEMENT | " | 25 - 26 |
| CONSOLIDATION PRINCIPLES | " | 26 - 27 |
| SCOPE OF CONSOLIDATION | " | 27 - 29 |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | " | 29 - 47 |
| APPENDICES | | " 49 - 53 |
| CONSOLIDATED INCOME STATEMENT FOR THE 2ND QUARTER OF 2012 | " | 51 |
| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 2ND QUARTER OF 2012 | " | 52 |
| NET DEBT AT 30 JUNE 2012 | " | 53 |
| CERTIFICATION OF CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS PURSUANT TO ART. 81 - TER OF CONSOB REGULATION | | " 55 - 56 |
| REPORT OF THE INDEPENDENT AUDITORS | | " 57 - 59 |

INTERIM REPORT ON OPERATIONS

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

I.M.A. INDUSTRIA MACCHINE AUTOMATICHE S.P.A.

REGISTERED OFFICES : OZZANO DELL'EMILIA (BOLOGNA)

SHARE CAPITAL FULLY PAID-IN: € 19,150,560

REGISTERED WITH THE BOLOGNA COMPANIES REGISTER AT NO. 00307140376

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

(Appointed until the Shareholders' Meeting called to approve the financial statements at 31 December 2014)

DIRECTOR AND HONORARY CHAIRMAN

Marco Vacchi

CHAIRMAN AND MANAGING DIRECTOR

Alberto Vacchi

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

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

MANAGING DIRECTOR

Andrea Malagoli

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

DIRECTORS

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

BOARD OF AUDITORS

(Appointed until the Shareholders' Meeting called to approve the financial statements at 31 December 2012)

STANDING AUDITORS

Piero Aicardi - Chairman

Giacomo Giovanardi

Riccardo Pinza

ALTERNATE AUDITORS

Vittorio Coraducci

Federico Ferracini

Fabio Porcellini

INTERNAL CONTROL AND REMUNERATION COMMITTEE

Marco Galliani - Independent director

Pierantonio Riello - Independent director

Maria Carla Schiavina - Non-executive Director

**MANAGER RESPONSIBLE
FOR PREPARING
FINANCIAL REPORTS**

Sergio Marzo

LEAD INDEPENDENT DIRECTOR

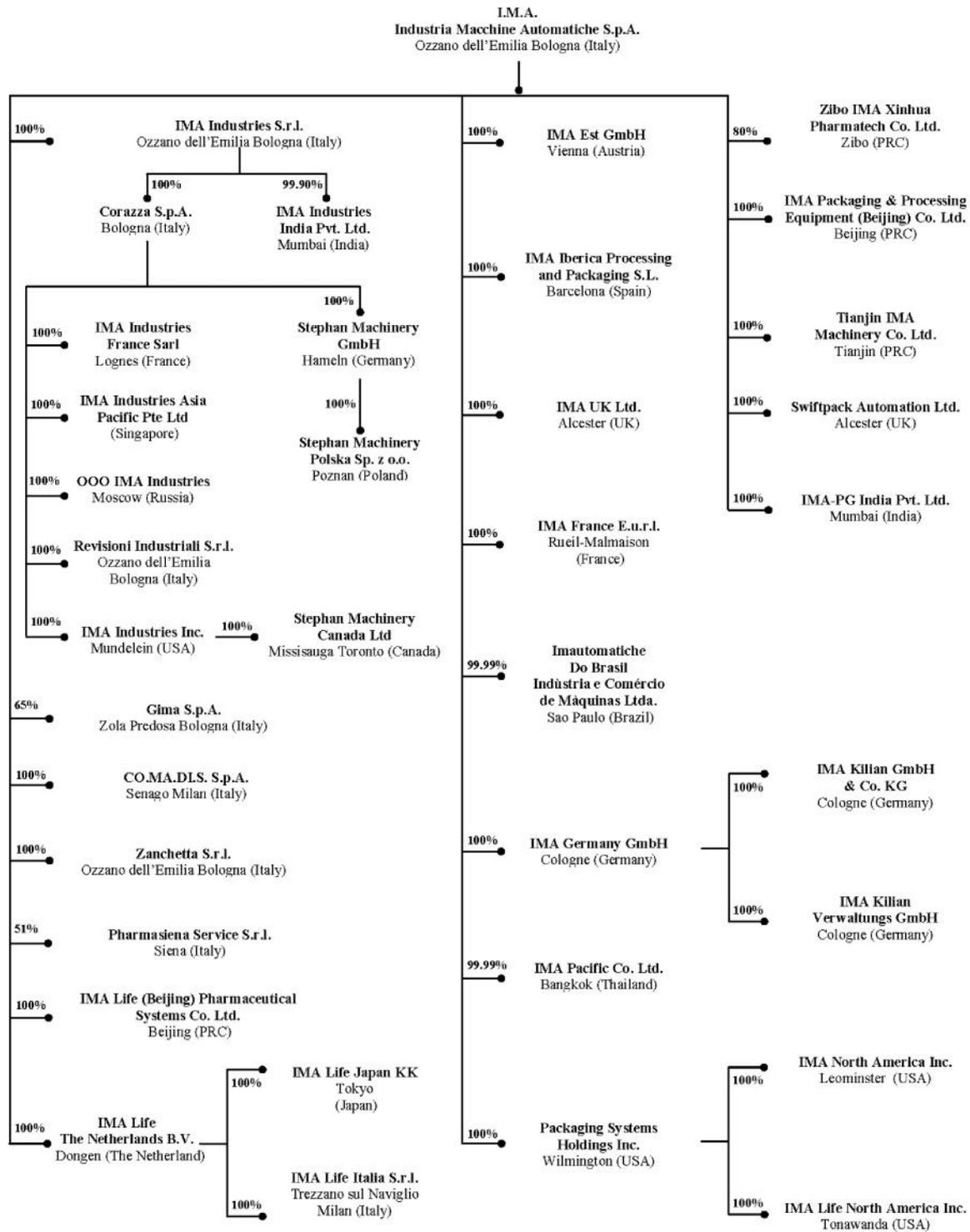
Paolo Frugoni

INDEPENDENT AUDITORS

(In office until the Shareholders' Meeting called to approve the financial statements at 31 December 2012)

PricewaterhouseCoopers S.p.A.

GROUP STRUCTURE



GROUP PERFORMANCE

THE ECONOMIC SCENARIO

The first half of 2012 was characterised by the European crisis, a weak cyclical recovery in the U.S. and the various uncertainties that distinguished international financial markets. These elements are acting as constraints on trade growth and even major emerging markets are suffering because of a lower contribution from exports and a slowdown - in some cases, a standstill - in capital investment. Brazil was marked by a third consecutive quarter of declining investment, while China showed a slowdown in the pace of investment growth with a significant increase in exports only to the United States.

The U.S. confirms its modest growth and improvements in the labour market have not found the consolidation needed to fuel a cyclical recovery, even if the adjustment of domestic imbalances is making some progress.

Lastly, in Europe continued high uncertainty caused by the vicious interconnection between various countries' sovereign debt and the state of their banks which is a real burden on the economy. The Brussels Accord reached in June was an attempt to unlock this vicious circle, but it is just another step in the process of greater European political integration.

In the first half of this year, and against this backdrop, our Group posted a slight increase in orders in its key sectors, repeating the excellent performance of the first half of last year. This trend is reflected in the higher revenues made by the Group in the first half (mainly assisted by the better order book at the start of the year compared with what it was at the start of 2011), as well as in higher margins, which make us confident about the figures for the second half of the year. Despite a period of drastic recession like the present one, IMA's reference markets have stood out, once again, as being some of the most solid and anti-cyclical.

CONSOLIDATED INCOME STATEMENT

The income statement classified by purpose as shown below was prepared according to the following criteria:

- cost of sales: this represents costs incurred directly by the Group to generate revenues. For example, it includes materials and labour, the cost of the technical offices involved in customizing products and production overheads;
- R&D costs: these include the costs involved in developing new products or maintaining existing products. They also include the costs of technical personnel, the materials used in tests and experiments and the technical offices' overheads;
- selling costs: these include costs connected with commercial operations, such as staff, commissions paid to agents, promotional and advertising costs and related overheads;
- general and administrative costs: these include all costs associated with general operations such as administrative offices in the broadest sense, the management of sectors or divisions, production planning, and all amortization and depreciation not connected directly with the business areas already mentioned above;
- gross operating profit: this corresponds to the sum of operating profit, depreciation and amortization for the year and writedowns of non-current assets.

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

In the first half of 2012, the IMA Group posted operating profit of 26.4 million euros, compared with 9.0 million euros in the same period of 2011 (after non-recurring charges of 5.0 million euros), while Group profit was 12.2 million euros, versus 1.0 million euros at 30 June 2011.

The following is a summarized version of the consolidated income statement for the half-year under review, with comparative figures for the first half of 2011:

| in millions of euros | 1st half 2012 | | 1st half 2011 | |
|--|---------------|-------------|---------------|-------------|
| | Amount | % | Amount | % |
| Revenues | 335.5 | | 278.0 | |
| Cost of sales | (199.7) | 59.5 | (168.1) | 60.5 |
| Gross industrial income | 135.8 | 40.5 | 109.9 | 39.5 |
| R&D costs | (16.6) | | (15.1) | |
| Sales costs | (44.0) | | (38.9) | |
| General and administrative costs | (48.8) | | (41.9) | |
| Operating profit before non-recurring items (EBITA) | 26.4 | 7.9 | 14.0 | 5.0 |
| Non-recurring items | – | | (5.0) | |
| Operating profit (EBIT) | 26.4 | 7.9 | 9.0 | 3.2 |
| Net financial income (expense) | (4.8) | | (5.0) | |
| Profit (loss) from investments accounted for using the equity method | 0.6 | | 0.5 | |
| Profit before tax | 22.2 | 6.6 | 4.5 | 1.6 |
| Income taxes for the period | (8.5) | | (1.3) | |
| Prior year taxes | (1.0) | | (1.9) | |
| Net profit for the period | 12.7 | 3.8 | 1.3 | 0.5 |
| Profit (loss) for the period pertaining to minority interests | (0.5) | | (0.3) | |
| Group profit | 12.2 | 3.6 | 1.0 | 0.4 |
| Gross operating profit (EBITDA) before non-recurring items | 35.3 | 10.5 | 22.9 | 8.2 |
| Gross operating profit (EBITDA) | 35.3 | 10.5 | 17.9 | 6.4 |
| Order book | 401.0 | | 391.4 | |

REVENUES AND ORDERS

Consolidated revenues amounted to 335.5 million euros in the first half of 2012 compared with 278.0 million euros in the corresponding period of 2011.

The following table provides a breakdown of revenues by business segment during the period, compared with the corresponding period in 2011:

| in millions of euros | 1st half 2012 | 1st half 2011 | Change | % |
|----------------------|---------------|---------------|-------------|-------------|
| Tea, Food & Other | 128.3 | 114.5 | 13.8 | 12.1 |
| Pharmaceutical | 207.2 | 163.5 | 43.7 | 26.7 |
| Total | 335.5 | 278.0 | 57.5 | 20.7 |

The increase in revenues is the result of the higher level of the order book (up by around 60 million euros on a consistent comparative basis) at the end of 2011 with respect to the corresponding figure the previous year.

The following table provides a breakdown of revenues by geographical area:

| in millions of euros | 1st half 2012 | 1st half 2011 | Change | % |
|----------------------------------|---------------|---------------|-------------|-------------|
| European Union (excluding Italy) | 113.8 | 103.6 | 10.2 | 9.8 |
| Other European countries | 35.3 | 16.7 | 18.6 | 111.4 |
| North America | 44.0 | 42.4 | 1.6 | 3.8 |
| Asia | 70.8 | 61.1 | 9.7 | 15.9 |
| Other countries | 42.2 | 25.0 | 17.2 | 68.8 |
| Total exports | 306.1 | 248.8 | 57.3 | 23.0 |
| Italy | 29.4 | 29.2 | 0.2 | 0.7 |
| Total | 335.5 | 278.0 | 57.5 | 20.7 |

This analysis of revenues reflects a general increase in all geographical areas, bearing witness to the Group's good performance compared with the same period of the previous year. Given the seasonal nature of our sectors, it is important to emphasise that this analysis is not particularly meaningful.

The following table compares new orders obtained in the first half of 2012 with those in the first half of the previous year:

| in millions of euros | 1st half 2012 | 1st half 2011 | Change | % |
|----------------------|---------------|---------------|------------|------------|
| Tea, Food & Other | 133.1 | 129.5 | 3.6 | 2.8 |
| Pharmaceutical | 225.3 | 227.5 | (2.2) | (1.0) |
| Total | 358.4 | 357.0 | 1.4 | 0.4 |

The level of orders in the first half shows a substantial stability over the same period of last year, which had a very positive performance. At a sector level, against a slight reduction in Pharmaceutical, there was some growth in Tea, Food & Other.

The following table gives a breakdown of the order book at 30 June 2012:

| in millions of euros | 30.06.2012 | 30.06.2011 | Change | % |
|----------------------|--------------|--------------|------------|------------|
| Tea, Food & Other | 136.0 | 129.6 | 6.4 | 4.9 |
| Pharmaceutical | 265.0 | 261.8 | 3.2 | 1.2 |
| Total | 401.0 | 391.4 | 9.6 | 2.5 |

The order book reflects the comments made earlier on new orders. The visibility of sales in the pharmaceuticals market provided by the order book, together with the projects and negotiations currently underway, still allow us to be optimistic about achieving the volumes forecast for the whole of 2012. The same is true for the Tea, Food & Other sector.

OPERATING PROFIT

Gross industrial income amounted to 135.8 million euros compared with 109.9 million euros at 30 June 2011. The increase in profitability with respect to revenues (40.5% compared with 39.5% in the prior year) was due to greater efficiency, thanks to higher sales volumes and a more favourable sales mix compared with the same period last year.

Note that in 2011, the Corazza Group only contributed for five months. So the variances in R&D, sales, general and administrative costs described below are affected by this difference in contribution period.

R&D costs amounted to 16.6 million euros, which was higher than in the prior year (15.1 million euros), mainly due to new projects brought forward in the Tea, Food & Other sector.

Sales costs were 5.1 million euros up on last year and include sales commissions of 6.3 million euros (5.2 million euros at 30 June 2011).

General and administrative costs increased by 6.9 million euros compared with the previous period, partly due to the Corazza Group and partly to an increase in unit labour costs.

PROFIT BEFORE TAX

Net financial expense amounted to 4.8 million euros compared with 5.0 million euros at 30 June 2011. The change compared with the first half of 2011 is due to higher financial expense for the period of 0.4 million euros, because of the higher cost of debt and lower charges to hedge exchange rate risk.

The pre-tax result is therefore a profit of 22.2 million euros compared with 4.5 million euros in the same period last year.

GROUP PROFIT

The Group's profit therefore came to 12.2 million euros (1.0 million euros at 30 June 2011) after income tax of 9.5 million euros (3.2 million euros at 30 June 2011).

ANALYSIS OF PERFORMANCE BY SEGMENT

The following schedule summarizes the balance sheet and income statement for each operating segment:

| in millions of euros | Tea, Food & Other | Pharma- ceutical | Not allocated | Total |
|---------------------------------|----------------------|---------------------|------------------|-------|
| Revenues | | | | |
| 1st half 2012 | 128.3 | 207.2 | – | 335.5 |
| 1st half 2011 | 114.5 | 163.5 | – | 278.0 |
| Operating profit | | | | |
| 1st half 2012 | 12.4 | 14.0 | – | 26.4 |
| 1st half 2011 | 10.4 | (1.4) | – | 9.0 |
| Net capital employed (*) | | | | |
| 30 June 2012 | 123.0 | 207.5 | 3.9 | 334.4 |
| 30 June 2011 | 105.6 | 197.1 | 5.7 | 308.4 |
| R&D costs | | | | |
| 1st half 2012 | 7.0 | 9.6 | – | 16.6 |
| 1st half 2011 | 5.1 | 10.0 | – | 15.1 |
| Average personnel | | | | |
| 1st half 2012 | 1,067 | 2,457 | – | 3,524 |
| 1st half 2011 | 942 | 2,466 | – | 3,408 |
| Order book | | | | |
| 30 June 2012 | 136.0 | 265.0 | – | 401.0 |
| 30 June 2011 | 129.6 | 261.8 | – | 391.4 |

(*) Unallocated assets and liabilities mainly relate to investments and current and deferred taxes not directly attributable to the operating sectors. The figures from the previous period have been reclassified in order to make them comparable with those of the current period.

Revenues from the Tea, Food & Other sector increased by 13.8 million euros compared with the previous period thanks to the fuller order book at the beginning of the year. As a result, operating profit, helped by better margins, increased by 2.0 million euros, coming in at 12.4 million euros. As a result of the continuous acquisition of new orders, the order book is showing an increase of 6.4 million euros, coming in at 136.0 million euros.

Revenues in the Pharmaceutical sector were 43.7 million euros higher than in the same period last year. Operating profit of 14.0 million euros shows a significant increase compared with the

previous year (+15.4 million euros), when there were non-recurring expenses of 2.9 million euros. This improvement derives not only from higher sales volumes, but also from a better business performance as a whole. Following a stream of orders in line with the previous year, the order book grew by 3.2 million euros, with good prospects for the current year.

Net capital employed, which totalled 334.4 million euros (308.4 million euros at 30 June 2011) increased mainly because of the growth in net operating working capital linked to higher sales volumes.

**CONSOLIDATED BALANCE SHEET
AND FINANCIAL POSITION**

The following key figures from the balance sheet and financial position are the same as the items shown in the consolidated balance sheet included in the "Condensed interim consolidated financial statements": inventories, property, plant and equipment and intangible assets, Group equity and minority interests. Other payables, net, mainly includes amounts due to employees, income tax liabilities and provisions for risks and charges.

The following table summarizes the Group's balance sheet and financial position at 30 June 2012, compared with 31 December 2011:

| in millions of euros | 30.06.2012 | 31.12.2011 |
|--|--------------|--------------|
| Trade receivables | 156.7 | 145.7 |
| Inventories | 229.1 | 201.8 |
| Trade payables | (214.0) | (209.9) |
| Other, net | (57.9) | (55.0) |
| Working capital | 113.9 | 82.6 |
| Property, plant and equipment | 32.0 | 31.1 |
| Intangible assets | 185.6 | 189.6 |
| Investments | 23.0 | 23.4 |
| Non-current assets | 240.6 | 244.1 |
| Provision for severance indemnities and other provisions | (20.1) | (20.3) |
| Net capital employed | 334.4 | 306.4 |
| FINANCED BY: | | |
| Net debt | 209.6 | 157.5 |
| Minority interests | 4.1 | 3.8 |
| Group equity | 120.7 | 145.1 |
| Total sources of financing | 334.4 | 306.4 |

Net capital employed at the end of June 2012 came to 334.4 million euros, up from 306.4 million euros at the end of 2011. The increase was principally due to the higher volume of sales and deliveries planned for the second half of the year.

Net debt is analysed below:

| in millions of euros | 30.06.2012 | 31.12.2011 | 30.06.2011 |
|--|---------------|---------------|---------------|
| A. Cash and cash equivalents | (37.7) | (77.9) | (52.9) |
| B. Other cash equivalents | (1.4) | (0.9) | (1.2) |
| C. Investments in securities | (2.4) | (1.6) | (1.5) |
| D. Liquidity (A) + (B) + (C) | (41.5) | (80.4) | (55.6) |
| E. Current financial receivables | (0.8) | (0.8) | (0.8) |
| F. Current payables to banks | 95.6 | 65.5 | 125.7 |
| G. Current portion of non-current bank payables | 48.1 | 49.7 | 44.0 |
| H. Other current financial payables | 3.8 | 3.3 | 2.6 |
| I. Current financial debt (F) + (G) + (H) | 147.5 | 118.5 | 172.3 |
| J. Net current financial debt (D)+(E)+(I) | 105.2 | 37.3 | 115.9 |
| K. Non-current portion of non-current bank payables | 106.6 | 122.3 | 76.2 |
| L. Non-current financial assets | (2.6) | (2.5) | (2.3) |
| M. Other non-current financial payables | 0.4 | 0.4 | 0.8 |
| N. Net non-current financial debt (K)+(L)+(M) | 104.4 | 120.2 | 74.7 |
| O. Net financial debt (J) + (N) | 209.6 | 157.5 | 190.6 |

The analysis of net debt takes account of the provisions of Consob Communication DEM/6064293 dated 28 July 2006 and the CESR Recommendation 05-054/B dated 10 February 2005. Non-current financial assets are represented by financial receivables. The figure differs from that reported in the statement of financial position in that it does not include equity investments in other companies.

Net debt at the end of the period amounted to 209.6 million euros compared with 157.5 million euros at 31 December 2011. The increase derives from the normal growth in working capital and the dividends paid by the Parent Company (36.8 million euros paid in May 2012). Considering the position in the first half of 2012 with respect to that in the corresponding period of 2011 (190.6 million euros), the level of net debt worsened by about 10.8 million euros (after adjusting for the difference in the dividend and extraordinary transactions, mainly related to CMH S.r.l.). This slight deterioration is due to the increase in inventories needed to prepare for second-half deliveries and should be viewed as a temporary event associated with the seasonal nature of the business.

Net debt is expected to fall considerably in the latter part of the year.

CAPITAL EXPENDITURE

Group capital expenditure on property, plant and equipment amounted to 4.0 million euros (4.0 million euros in the same period of 2011) and mainly related to the extension and upgrading of existing buildings and plant, together with the purchase of machinery and electronic equipment.

Capital expenditure on intangible assets amounted to 1.7 million euros (2.9 million euros in the first half of 2011) and related to the capitalization of development costs incurred on totally new products for market segments not previously occupied.

The depreciation and amortization charge for the period of 8.9 million euros is in line with the comparative period of last year.

OTHER INFORMATION

RELATED-PARTY TRANSACTIONS

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

With a resolution passed on 1 December 2010, the Board adopted the procedure on related parties, which was drawn up taking into consideration the instructions subsequently provided by CONSOB on how to apply the new rules with communication DEM/10078683 of 24 September 2010. The purpose of this procedure, which is published on the Company's website (www.ima.it), is to lay down the approach to be taken in identifying, reviewing and approving the transactions to be carried out by IMA, or by its subsidiaries, with related parties to ensure that they are transparent and fair from both a substantial and procedural point of view.

Related-party transactions are identified in accordance with the guidelines of the CONSOB regulation.

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

Note that during the period:

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

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

Transactions with related parties are described more fully in Note 24 to the Company's financial statements.

SIGNIFICANT SUBSEQUENT EVENTS

The month of July 2012 saw the start of a programme for the purchase of treasury shares through Equita SIM S.p.A., based on the resolution passed by the Shareholders' Meeting of 27 April 2012, with a view to stabilising the share price on the stock exchange. At the date this interim financial report was prepared, the Company held 55,500 treasury shares, equal to 0.15% of the share capital.

In addition, two new companies, CMRE S.r.l. and Packaging Manufacturing Industry S.r.l., were incorporated on 6 July 2012.

CMRE S.r.l., of which IMA S.p.A. owns 50% of the share capital of 50 thousand euros, will operate in the real estate sector.

Packaging Manufacturing Industry S.r.l., of which IMA S.p.A. owns 100% of the share capital of 20 thousand euros, will operate in the field of mechanical engineering.

OUTLOOK FOR THE CURRENT YEAR

The economic performance in the first half of 2012 reflects the higher level of the order book at the end of 2011, as well as an improvement in efficiency due to higher volumes and the effects of the reorganisation carried out in recent years. The flow of orders shows a slight increase in the first half, confirming the excellent results of the previous year. It also provides a positive outlook for the entire year, making us optimistic that we will be able to achieve our targets. The positive trend in orders in both the Pharmaceutical and the Tea, Food & Other sectors, together with the number of potential projects acquired in July, with a further increase over the previous year, allows us to be confident about the rest of the year.

If these signs are confirmed over the next few months, a sales forecast of over 700 million euros with gross operating profit of around 95 million euros could be feasible.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

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

CONSOLIDATED BALANCE SHEET

(MILLIONS OF EUROS)

| ASSETS | Note | 30 June 2012 | 31 December 2011 |
|--|------|--------------|------------------|
| NON-CURRENT ASSETS | | | |
| <i>Property, plant and equipment</i> | 2 | 32.0 | 31.1 |
| <i>Intangible assets</i> | 3 | 185.6 | 189.6 |
| <i>Investments accounted for using the equity method</i> | 4 | 19.2 | 18.7 |
| <i>Financial assets</i> | 5 | 6.4 | 7.2 |
| <i>Receivables from others</i> | 6 | 1.3 | 1.2 |
| <i>Deferred tax assets</i> | 8 | 24.9 | 24.1 |
| TOTAL NON-CURRENT ASSETS | | 269.4 | 271.9 |
| CURRENT ASSETS | | | |
| <i>Inventories</i> | 9 | 229.1 | 201.8 |
| <i>Trade and other receivables</i> | 10 | 188.4 | 169.4 |
| <i>Income tax receivables</i> | | 2.4 | 2.1 |
| <i>Financial assets</i> | 5 | 4.6 | 3.3 |
| <i>Cash and cash equivalents</i> | 11 | 37.7 | 77.9 |
| TOTAL CURRENT ASSETS | | 462.2 | 454.5 |
| TOTAL ASSETS | | 731.6 | 726.4 |
| EQUITY AND LIABILITIES | Note | 30 June 2012 | 31 December 2011 |
| EQUITY | | | |
| <i>Share capital</i> | 12 | 19.2 | 19.2 |
| <i>Share premium reserve</i> | | 47.0 | 50.2 |
| <i>Treasury shares</i> | 12 | (0.7) | (0.3) |
| <i>Translation reserve</i> | | 3.3 | 2.1 |
| <i>Fair value reserve</i> | 12 | (1.9) | (1.3) |
| <i>Other reserves and retained earnings</i> | | 41.6 | 47.2 |
| <i>Net profit (loss) for the period</i> | | 12.2 | 28.0 |
| Total capital and reserves pertaining to the Group | | 120.7 | 145.1 |
| <i>Reserves pertaining to minority interests</i> | | 3.6 | 2.7 |
| <i>Profit pertaining to minority interests</i> | | 0.5 | 1.1 |
| Total minority interests | | 4.1 | 3.8 |
| EQUITY PERTAINING TO THE GROUP AND MINORITY INTERESTS | | 124.8 | 148.9 |
| NON-CURRENT LIABILITIES | | | |
| <i>Borrowings</i> | 13 | 107.0 | 122.7 |
| <i>Severance and pension obligations</i> | 14 | 25.7 | 24.6 |
| <i>Provisions for risks and charges</i> | 15 | 2.0 | 2.0 |
| <i>Derivative financial instruments</i> | 7 | 1.2 | 1.2 |
| <i>Deferred tax liabilities</i> | 8 | 18.6 | 18.6 |
| TOTAL NON-CURRENT LIABILITIES | | 154.5 | 169.1 |
| CURRENT LIABILITIES | | | |
| <i>Borrowings</i> | 13 | 147.5 | 118.5 |
| <i>Trade and other payables</i> | 16 | 274.3 | 265.8 |
| <i>Income tax liabilities</i> | | 13.5 | 5.7 |
| <i>Provisions for risks and charges</i> | 15 | 16.5 | 17.9 |
| <i>Derivative financial instruments</i> | 7 | 0.5 | 0.5 |
| TOTAL CURRENT LIABILITIES | | 452.3 | 408.4 |
| TOTAL LIABILITIES | | 606.8 | 577.5 |
| TOTAL EQUITY AND LIABILITIES | | 731.6 | 726.4 |

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET ARE SHOWN IN NOTE 24 - RELATED-PARTY TRANSACTIONS.

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

| INCOME STATEMENT | Note | 1st half 2012 | 1st half 2011 |
|---|------|---------------|---------------|
| REVENUES | 1 | 335.5 | 278.0 |
| <i>Other revenues</i> | | 3.9 | 5.2 |
| OPERATING COSTS | | | |
| <i>Change in work in progress, semifinished and finished goods</i> | | 31.6 | 38.1 |
| <i>Change in inventory of raw, ancillary and consumable materials</i> | | (3.7) | 5.0 |
| <i>Cost of raw, ancillary and consumable materials and goods for resale</i> | | (132.4) | (130.2) |
| <i>Services, rentals and leases</i> | | (83.0) | (73.9) |
| <i>- of which: effect of non-recurring items</i> | 25 | - | (3.0) |
| <i>Personnel costs</i> | 17 | (112.9) | (101.7) |
| <i>- of which: effect of non-recurring items</i> | 25 | - | (2.0) |
| <i>Depreciation, amortization and impairment</i> | 18 | (9.6) | (9.2) |
| <i>Provisions for risks and charges</i> | | (0.1) | 0.3 |
| <i>Other operating costs</i> | | (2.9) | (2.6) |
| TOTAL OPERATING COSTS | | (313.0) | (274.2) |
| OPERATING PROFIT | 1 | 26.4 | 9.0 |
| <i>- of which: effect of non-recurring items</i> | 25 | - | (5.0) |
| FINANCIAL INCOME AND EXPENSE | | | |
| <i>Financial income</i> | 19 | 4.1 | 6.4 |
| <i>Financial expense</i> | 20 | (8.9) | (11.4) |
| TOTAL FINANCIAL INCOME AND EXPENSE | | (4.8) | (5.0) |
| PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD | | 0.6 | 0.5 |
| PROFIT BEFORE TAX | | 22.2 | 4.5 |
| TAXES | | | |
| <i>Income taxes for the period</i> | | (8.5) | (1.3) |
| <i>Prior year taxes</i> | | (1.0) | (1.9) |
| TOTAL TAXES | 21 | (9.5) | (3.2) |
| NET PROFIT FOR THE PERIOD | | 12.7 | 1.3 |
| ATTRIBUTABLE TO: | | | |
| PARENT COMPANY SHAREHOLDERS | | 12.2 | 1.0 |
| MINORITY INTERESTS | | 0.5 | 0.3 |
| | | 12.7 | 1.3 |
| EARNINGS PER SHARE (in euros) | | 0.33 | 0.03 |

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE CONSOLIDATED INCOME STATEMENT ARE REPORTED IN NOTE 24 - RELATED-PARTY TRANSACTIONS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MILLIONS OF EUROS)

| | Note | 1st half 2012 | 1st half 2011 |
|---|------|---------------|---------------|
| Net profit (loss) for the period | | 12.7 | 1.3 |
| <i>Exchange rate gains (losses) on the translation of foreign currency financial statements</i> | | 1.2 | (3.5) |
| <i>Gains (losses) on financial assets available for sale</i> | 12 | (0.4) | – |
| <i>Gains (losses) on cash flow hedges</i> | 12 | (0.2) | 1.0 |
| Gains (losses) booked to equity | | 0.6 | (2.5) |
| Total comprehensive income for the period | | 13.3 | (1.2) |
| Attributable to: | | | |
| Parent Company shareholders | | 12.8 | (1.5) |
| Minority interests | | 0.5 | 0.3 |
| | | 13.3 | (1.2) |

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(MILLIONS OF EUROS)

| | Share capital | Share premium reserve | Treasury shares | Translation reserve | Fair value reserve | Other reserves and retained earnings | Net profit of Group | Total Group equity | Minority interests | Total equity |
|---|---------------|-----------------------|-----------------|---------------------|--------------------|--------------------------------------|---------------------|--------------------|--------------------|--------------|
| Balances at 01.01.2011 | 17.7 | 15.5 | – | 0.4 | (0.5) | 63.3 | 17.0 | 113.4 | 2.5 | 115.9 |
| Distribution of dividends | – | – | – | – | – | (16.1) | (17.0) | (33.1) | – | (33.1) |
| Capital increase | 1.5 | 34.7 | – | – | – | – | – | 36.2 | – | 36.2 |
| Total comprehensive income for the period | – | – | – | (3.5) | 1.0 | – | 1.0 | (1.5) | 0.3 | (1.2) |
| Balances at 30.06.2011 | 19.2 | 50.2 | – | (3.1) | 0.5 | 47.2 | 1.0 | 115.0 | 2.8 | 117.8 |
| Purchase and sale of treasury shares | – | – | (0.3) | – | – | – | – | (0.3) | – | (0.3) |
| Total comprehensive income for the period | – | – | – | 5.2 | (1.8) | – | 27.0 | 30.4 | 1.0 | 31.4 |
| Balances at 31.12.2011 | 19.2 | 50.2 | (0.3) | 2.1 | (1.3) | 47.2 | 28.0 | 145.1 | 3.8 | 148.9 |
| Distribution of dividends | – | (3.2) | – | – | – | (5.6) | (28.0) | (36.8) | (0.2) | (37.0) |
| Purchase and sale of treasury shares | – | – | (0.4) | – | – | – | – | (0.4) | – | (0.4) |
| Total comprehensive income for the period | – | – | – | 1.2 | (0.6) | – | 12.2 | 12.8 | 0.5 | 13.3 |
| Balances at 30.06.2012 | 19.2 | 47.0 | (0.7) | 3.3 | (1.9) | 41.6 | 12.2 | 120.7 | 4.1 | 124.8 |

AS REGARDS THE ITEMS IN CONSOLIDATED EQUITY, SEE NOTES 12.

CONSOLIDATED STATEMENT OF CASH FLOWS

(MILLIONS OF EUROS)

| | Note | 30 June 2012 | 30 June 2011 |
|--|------|---------------|---------------|
| OPERATING ACTIVITIES | | | |
| Net profit (loss) for the period | | 12.2 | 1.0 |
| Adjustments for: | | | |
| - Depreciation and amortization | 18 | 8.9 | 8.9 |
| - Capital (gains) losses on disposal of non-current assets | | (0.3) | - |
| - Changes in provisions for risks and charges and staff severance obligations | | (0.2) | (0.1) |
| - Unrealized losses (gains) on exchange rate differences | 20 | 0.1 | (0.5) |
| - Other non-monetary changes | | (0.2) | - |
| - Adjustments to the value of financial assets | 20 | - | 0.2 |
| - Income taxes | | 9.5 | 3.2 |
| - Minority interests | | 0.5 | 0.3 |
| - Result from investments accounted for using the equity method | | (0.6) | (0.5) |
| Operating profit (loss) before changes in working capital | | 29.9 | 12.5 |
| (Increase) decrease in trade and other receivables | | (19.0) | (9.7) |
| (Increase) decrease in inventories | | (27.3) | (41.4) |
| Increase (decrease) in trade and other payables | | 8.5 | 31.9 |
| Income taxes paid | | (2.8) | (1.5) |
| CASH FLOW GENERATED FROM (USED IN) OPERATING ACTIVITIES (A) | | (10.7) | (8.2) |
| INVESTING ACTIVITIES | | | |
| Investments in property, plant and equipment | 2 | (4.0) | (4.0) |
| Investments in intangible assets | 3 | (1.7) | (2.9) |
| Acquisition business divisions/companies | | - | (79.2) |
| Exchange rate differences on property, plant and equipment and intangible assets | | (0.3) | 1.0 |
| Proceeds from sale of investments | | - | 6.5 |
| Proceeds from sale of non-current assets | | 0.4 | 0.2 |
| Net change in financial assets and other non-current receivables | | (1.0) | (2.6) |
| CASH FLOW GENERATED FROM (USED IN) INVESTING ACTIVITIES (B) | | (6.6) | (81.0) |
| FINANCING ACTIVITIES | | | |
| Granting of loans | | 1.0 | 102.3 |
| Repayment of borrowings | | (19.2) | (14.8) |
| Increase (decrease) in other payables to banks | | 35.2 | (54.8) |
| Capital increases | | - | 35.9 |
| Dividends paid | | (37.0) | (33.1) |
| (Purchase) and sale of treasury shares | 12 | (0.4) | - |
| Translation of financial statements in foreign currency | | 1.2 | (3.3) |
| Interest paid | | (3.8) | (3.1) |
| Interest received | | 0.1 | 0.2 |
| CASH FLOW GENERATED FROM (USED IN) FINANCING ACTIVITIES (C) | | (22.9) | 29.3 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C) | | (40.2) | (59.9) |
| CASH AND CASH EQUIVALENTS AT START OF PERIOD (E) | 11 | 77.9 | 102.2 |
| CASH AND CASH EQUIVALENTS FROM BUSINESS COMBINATIONS (F) | | - | 10.6 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD (G=D+E+F) | 11 | 37.7 | 52.9 |

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

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

A) OVERVIEW

The interim financial report at 30 June 2012 was approved by the Board of Directors on 10 August 2012.

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.

In the market segment in which the IMA Group operates, the first half of the year is generally not representative of the year as a whole, as business activities tend to intensify in the second half. This seasonality, which also affects rival companies operating in the same segment, manifests itself in the distribution pattern of new orders and revenues.

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 30 June 2012, IMA S.p.A. is 66.219% owned by SO.FI.MA. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A.

IMA S.p.A. dealings with the Group's manufacturing companies are mainly of a commercial nature, 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.

B) GENERAL BASIS OF PREPARATION

General principles

This interim financial report at 30 June 2012 has been prepared in accordance with Art. 154-ter of Legislative Decree 58/98 and subsequent amendments, and with the Issuers' Regulation issued by Consob. The report complies with international accounting standards (IAS/IFRS) and, in particular, with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements have been prepared in summary form pursuant to IAS 34. Accordingly, these financial statements do not contain all the disclosures required for annual financial statements and must be read together with those prepared as of and for the year ended 31 December 2011.

Financial statements

The balance sheet has been classified on the basis of the operating cycle, distinguishing between current and non-current items. The costs and revenues for the period are presented in two statements: a consolidated income statement, which analyses costs according to their nature, and a consolidated statement of comprehensive income. The statement of cash flows has been prepared using the indirect method for determining cash flows from operating activities.

Certain items in the financial statements for the previous period have been reclassified to ease the understanding of the figures for the half-year. All of the figures contained in the interim report at 30 June 2012 are stated in millions of euros, unless otherwise indicated.

C) ACCOUNTING POLICIES AND STANDARDS

ACCOUNTING POLICIES AND STANDARDS

The condensed interim consolidated financial statements have been prepared using the accounting policies adopted for the annual consolidated financial statements at 31 December

2011 as they are consistent with each other, except as described below in relation to taxation and to amendments and interpretation applied from 1 January 2012.

The interim result is stated net of taxes calculated using the best estimate of the weighted average tax rate expected for the full year. The amounts provided for tax in an interim period are adjusted if the estimated annual tax rate changes.

Preparing interim reports requires the directors to make estimates and assumptions based on their best assessment at the time, which then affect the figures reported in the financial statements and in the notes.

These estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the period in which the related circumstances change.

TRANSLATION OF FOREIGN CURRENCY BALANCES

The main exchange rates used to translate the financial statements of foreign companies into euros are presented below:

| Currency | 1st half 2012 | | 31 December 2011 | 1st half 2011 | |
|----------------|-----------------------------|-----------------------|-----------------------------|-----------------------------|-----------------------|
| | Exchange rate end of period | Exchange rate average | Exchange rate end of period | Exchange rate end of period | Exchange rate average |
| US dollar | 1.259 | 1.296 | 1.294 | 1.445 | 1.403 |
| Pound sterling | 0.807 | 0.823 | 0.835 | 0.903 | 0.868 |
| Indian rupee | 70.120 | 67.596 | 68.713 | 64.562 | 63.144 |
| Thai Baht | 39.873 | 40.372 | 40.991 | 44.380 | 42.675 |
| Chinese Yuan | 8.001 | 8.190 | 8.159 | 9.342 | 9.176 |

APPLICATION OF ACCOUNTING STANDARDS

The process of developing and approving international accounting standards means that certain documents are constantly being revised. In October 2010, the IASB issued amendments to IFRS 7 "Financial instruments: disclosures", relating to the transfers of financial assets. The adoption of this amendment, which is compulsory from 1 January 2012, did not have any significant impact on the information provided in these condensed interim consolidated financial statements.

The effects of standards and interpretations not yet applicable and adopted by the EU legislator have also been considered, but without identifying any potentially significant effects on the Group's economic or financial position.

D) FINANCIAL RISK MANAGEMENT

RISK FACTORS

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

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

The interim financial report does not include all of the disclosures on financial risk management that are required in annual financial statements. It should therefore be read together with our annual report at 31 December 2011.

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

FAIR VALUE

IFRS 7 lays down the following fair value hierarchy of inputs to be used in the financial instruments shown in the balance sheet:

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

The following table shows the assets and liabilities measured at fair value at 30 June 2012 and 31 December 2011 by fair value hierarchy level (in millions of euros):

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|------------|------------|------------|------------|
| Assets: | | | | |
| Financial assets available for sale | 0.9 | – | 5.2 | 6.1 |
| Derivative financial instruments | – | – | – | – |
| Total assets | 0.9 | – | 5.2 | 6.1 |
| Liabilities: | | | | |
| Payables for acquisition | – | – | 0.4 | 0.4 |
| Derivative financial instruments | – | 1.7 | – | 1.7 |
| Total liabilities | – | 1.7 | 0.4 | 2.1 |
| | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Financial assets available for sale | 0.6 | – | 5.7 | 6.3 |
| Derivative financial instruments | – | – | – | – |
| Total assets | 0.6 | – | 5.7 | 6.3 |
| Liabilities: | | | | |
| Payables for acquisition | – | – | 0.6 | 0.6 |
| Derivative financial instruments | – | 1.7 | – | 1.7 |
| Total liabilities | – | 1.7 | 0.6 | 2.3 |

During the first half of 2012, there were no transfers between the three levels of the fair value hierarchy laid down in IFRS 7.

There have not been any significant changes in the commercial or economic circumstances which affect the fair value of financial assets and liabilities.

E) CONSOLIDATION PRINCIPLES

The condensed interim consolidated financial statements have been prepared using the consolidation policies adopted for the annual consolidated financial statements at 31 December 2011.

Subsidiary companies

Subsidiaries are companies over which the Parent Company has the direct or indirect power to govern their financial and operating policies so as to obtain the benefits deriving from their activities. Control is presumed to exist when the Group holds the majority of voting rights. When defining control, potential voting rights that can be exercised or converted are also taken into consideration. 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.

Payables and receivables and costs and revenues arising between the companies included within the scope of consolidation, as well as the effects of all significant transactions between them, are eliminated.

Specifically, gains not yet realized with third parties deriving from transactions between Group companies are eliminated, including those deriving from the valuation of inventories at the reporting date.

Minority interests in equity and net profit are shown as separate items in the consolidated balance sheet and income statement, respectively.

Associated companies

Associates are companies over which the Group exercises significant influence, but does not have operational 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, measured 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 earned 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 interest in the fair value of the net assets acquired is included in the value of the investment.

Joint ventures

IAS 31 defines a joint venture as a contractual arrangement whereby two or more parties undertake an economic activity subject to joint control. Each venturer should recognise its share in the consolidated financial statements by adopting proportionate consolidation or the equity method.

F) SCOPE OF CONSOLIDATION

The condensed interim consolidated financial statements at 30 June 2012 contain 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. The major events that affected Group companies from 1 January 2012 are as follows:

- merger of IMA Life S.r.l. into IMA S.p.A.;
- transfer at book value by the Parent Company of the BFB division (end-of-line automatic machines) to IMA Industries S.r.l.;
- merger of PSH MKCS Inc. into IMA Life North America Inc.;
- merger of Stephan Process Engineering GmbH into Stephan Machinery GmbH;
- full spin-off of RC S.p.A. on a pro-rata basis and transfer of the stock cube production line business to Corazza S.p.A. and of the packaging machine refurbishing business to Naturapack S.r.l. (renamed Revisioni Industriali S.r.l. from 1 January 2012).

In April 2012, GIMA S.p.A., 65% owned by IMA S.p.A., sold the business unit operating in the design, construction and sale of packaging plant and machinery for the chocolate industry to Carle e Montanari Wrapping Systems S.r.l.

In May 2012, the Board of Directors of IMA S.p.A. and Zanchetta S.r.l. approved the merger of Zanchetta S.r.l., a wholly owned subsidiary, by IMA S.p.A. with effect from 1 January 2013.

Lastly, the month of June 2012 saw the completion of the process of liquidation of Imautomatiche Maquinas de Embalagens Lda, based in Madeira (Portugal), a company 100% owned by IMA S.p.A., without any significant additional costs.

The companies included in the consolidation are listed below, with an indication of the consolidation method used:

**COMPANIES CONSOLIDATED
ON A LINE-BY-LINE BASIS**

| | Registered offices | | Share capital at 30/06/2012 | Direct investment | Indirect investment |
|--|---------------------------|-----|-----------------------------------|----------------------|------------------------|
| Manufacturing and service companies: | | | | | |
| • I.M.A. Industria Macchine Automatiche S.p.A. | Ozzano E. (Bologna) | EUR | 19,150,560 | Parent Company | |
| • IMA Industries S.r.l. | Ozzano E. (Bologna) | EUR | 4,000,000 | 100% | – |
| • CO.MA.D.I.S. S.p.A. | Senago (Milan) | EUR | 1,540,000 | 100% | – |
| • Corazza S.p.A. | Bologna | EUR | 15,675,000 | – | 100% (1) |
| • GIMA S.p.A. | Zola Predosa (Bologna) | EUR | 1,000,000 | 65% | – |
| • Pharmasienna Service S.r.l. | Siena | EUR | 100,000 | 70%(2) | – |
| • Revisioni Industriali S.r.l. | Ozzano E. (Bologna) | EUR | 100,000 | – | 100% (3) |
| • Zanchetta S.r.l. | Ozzano E. (Bologna) | EUR | 100,000 | 100% | – |
| • IMA Kilian GmbH & Co. KG | Cologne (Germany) | EUR | 3,600,000 | – | 100% (4) |
| • IMA Life The Netherlands B.V. | Dongen (Netherlands) | EUR | (*) 22,382,654 | 100% | – |
| • IMA Life North America Inc. | Tonawanda (USA) | USD | 100 | – | 100% (5) |
| • IMA Life (Beijing) P. S. Co. Ltd. | Beijing (PRC) | USD | 400,000 | 100% | – |
| • IMA North America Inc. | Leominster (USA) | USD | 8,052,500 | – | 100% (5) |
| • IMA-PG India Pvt Ltd. | Mumbai (India) | RS | (*) 17,852,100 | 100% | – |
| • Stephan Machinery GmbH | Hameln (Germany) | EUR | 25,000 | – | 100% (3) |
| • Swiftpack Automation Ltd. | Alcester (UK) | GBP | 1,403,895 | 100% | – |
| • Tianjin IMA Machinery Co. Ltd | Tianjin (PRC) | USD | 200,000 | 100% | – |
| • Zibo IMA Xinhua Pharm.Co. Ltd | Zibo (PRC) | USD | 6,419,868 | 80% | – |
| Commercial companies: | | | | | |
| • IMA Est GmbH | Vienna (Austria) | EUR | 280,000 | 100% | – |
| • IMA France E.u.r.l. | Rueil-Malmaison (France) | EUR | 45,735 | 100% | – |
| • IMA Germany GmbH | Cologne (Germany) | EUR | 90,000 | 100% | – |
| • IMA Iberica S.L. | Barcelona (Spain) | EUR | 590,000 | 100% | – |
| • IMA Industries Asia Pacific Ltd. | Singapore | SGD | 200,000 | – | 100% (3) |
| • IMA Industries France Sarl | Lognes (France) | EUR | 300,000 | – | 100% (3) |
| • IMA Industries Inc. | Mundelein (USA) | USD | 1,856,106 | – | 100% (3) |
| • IMA Industries India Pvt. Ltd. | Mumbai (India) | RS | (*) 5,000,100 | – | 99.90% (1) |
| • IMA Life Italia S.r.l. | Trezzano Naviglio (Milan) | EUR | 80,000 | – | 100% (6) |
| • IMA Life Japan KK | Tokyo (Japan) | YEN | 40,000,000 | – | 100% (6) |
| • IMA Pacific Co. Ltd. | Bangkok (Thailand) | THB | 100,000,000 | 99.99% | – |
| • IMA P.&P. E. (Beijing) Co. Ltd. | Beijing (PRC) | USD | 1,350,000 | 100% | – |
| • IMA UK Ltd. | Alcester (UK) | GBP | 50,000 | 100% | – |
| • Imautomatiche Do Brasil Ltda. | Sao Paulo (Brazil) | BRL | 6,644,560 | 99.99% | – |
| • OOO IMA Industries | Moscow (Russia) | RUB | 150,000 | – | 100% (3) |
| • Stephan Mach. Canada Ltd. | Missisauga (Canada) | CAD | 200,000 | – | 100% (7) |
| • Stephan Mach. Polska Sp. z o.o. | Poznan (Poland) | PLN | 50,000 | – | 100% (8) |
| Other companies: | | | | | |
| • IMA Kilian Verwaltungs GmbH | Cologne (Germany) | EUR | 25,000 | – | 100% (4) |
| Holding companies: | | | | | |
| • Packaging Systems Holdings Inc. | Wilmington (USA) | USD | 1,000 | 100% | – |

(*) The nominal share capital of IMA-PG India Pvt Ltd., IMA Life The Netherlands B.V. and IMA Industries India Pvt. Ltd. amounts to RS 20,000,000, EUR 45,400,000 and RS 10,000,000 respectively.

Notes (list of investments):

(1) Held by IMA Industries S.r.l.

(2) The percentage interest held in Pharmasienna Service S.r.l. includes an option to purchase 19% of the share capital.

(3) Held by Corazza S.p.A.

(4) Held by IMA Germany GmbH

(5) Held by Packaging Systems Holdings Inc.

(6) Held by IMA Life The Netherlands B.V.

(7) Held by IMA Industries Inc.

(8) Held by Stephan Machinery GmbH

**INVESTMENTS ACCOUNTED
FOR USING THE EQUITY METHOD**

| | Registered offices | | Share capital at 30/06/2012 | Direct investment |
|--|------------------------------|-----|-----------------------------------|----------------------|
| • Amherst Stainless Fabrication LLC | Amherst NY (USA) | USD | 1,100,000 | 20% (1) |
| • B.C. S.r.l. | Imola (Bologna) | EUR | 36,400 | 30% |
| • Bacciottini F.lli S.r.l. | Oste Montemurlo (Prato) | EUR | 60,000 | 30% |
| • Bolognesi S.r.l. | Dozza (Bologna) | EUR | 10,920 | 30% |
| • Brio Pharma Technol. Pvt. Ltd. | Mumbai (India) | RS | 1,000,000 | 30% |
| • CMH S.r.l. | Bologna | EUR | 2,500,000 | 48.5% |
| • Consorzio L.I.A.M. | Vignola (Modena) | EUR | (2) 20,000 | 25% |
| • Consorzio Servizi | Bologna | EUR | (2) 50,000 | 50% |
| • FID S.r.l. Impresa Sociale | Bologna | EUR | 20,000 | 30% |
| • I.E.M.A. S.r.l. | S.Giorgio di Piano (Bologna) | EUR | 10,400 | 30% |
| • LA.CO S.r.l. | Ozzano E. (Bologna) | EUR | 30,000 | 30% |
| • Logimatic S.r.l. | Ozzano E. (Bologna) | EUR | 100,000 | 32% |
| • Masterpiece S.r.l. | Ozzano E. (Bologna) | EUR | 10,000 | 30% |
| • Powertransmission.it S.r.l. | Castenaso (Bologna) | EUR | 50,000 | 20% |
| • Scriba Nanotecnologie S.r.l. | Bologna | EUR | 25,556 | 24.9% |
| • SIL.MAC. S.r.l. | Gaggio Montano (Bologna) | EUR | 90,000 | 30% |
| • Stephan UK Ltd. | Chester (UK) | GBP | 16,000 | 40% (3) |
| • Stephan Belgium B.V.B.A. | Nazareth (Belgium) | EUR | 125,000 | 33% (3) |
| • Sirio S.p.A. Associazione in partecipazione (4) | Milan | | | |

Notes:

(1) Held by IMA Life North America Inc.

(2) Shares in the consortium fund

(3) Held by Stephan Machinery GmbH

(4) Agreement signed in the final quarter of 2007 for the management of an aircraft.

G) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The changes reported below have been calculated on figures at 31 December 2011 for balance sheet items and on figures for the first half of 2011 for income statement items.

1. SEGMENT INFORMATION

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

The Group's activities comprise the following operating segments:

Tea, Food & Other

Machines for the packaging of tea and herbal teas in filter bags and coffee in pods for the food & beverage and personal care sectors, as well as for end-of-line equipment, for the cheese sector, for stock cubes and for the cheese & bakery processing sector, as well as related services. Operations in this sector are mainly carried out by the following companies:

- IMA Industries S.r.l. produces machines for the packaging of tea and herbal teas in filter bags and coffee in pods through the Tea & Coffee division;
- IMA Industries S.r.l. manufactures 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;
- GIMA S.p.A. produces machines for the food & beverage and personal care sectors;
- Revisioni Industriali S.r.l. refurbishes second-hand machines for processed cheese and tea and herbs in filter bags;
- Stephan Machinery GmbH operates in the construction of processing machines for cheese and bakery products.

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 the following 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 bottles 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 through the IMA Active division;
- CO.MA.DI.S. S.p.A. manufactures tube-filling machines for the pharmaceuticals, cosmetics, chemicals and food industries;
- 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;
- Pharmsiena S.r.l. produces filling systems for vials and syringes under sterile conditions;
- IMA-PG India Pvt Ltd. operates in the production of blister and cartoning machines, mainly for the emerging nations;
- Swiftpack Automation Ltd. and IMA North America Inc. manufacture machines for the bottling of capsules and tablets for the pharmaceutical industry;
- Zanchetta S.r.l. manufactures machines for the movement of powders and the depowdering of tablets, and machines for the movement and granulation of pharmaceutical powders;
- IMA Kilian GmbH & Co. KG manufactures tablet pressing machines for the pharmaceuticals and chemicals industries;
- Zibo IMA Xinhua Pharmatech Co. Ltd. produces machinery for the pharmaceuticals processing industry, principally in emerging markets.

The information on operating segments for the first half of 2012 and the first half of 2011 is as follows (millions of euros):

| 1st half 2012 | Tea, Food & Other | Pharma- ceutical | Total |
|--|----------------------|---------------------|-------|
| Revenues | 128.3 | 207.2 | 335.5 |
| Segment operating profit | 12.4 | 14.0 | 26.4 |
| Net financial income (expense) (*) | | | (4.8) |
| Profit (loss) from investments accounted for using the equity method | | 0.6 | 0.6 |
| Profit (loss) before tax | | | 22.2 |
| Income tax for the period | | | (9.5) |
| Net profit (loss) for the period | | | 12.7 |

| 1st half 2011 | Tea, Food & Other | Pharma- ceutical | Total |
|--|----------------------|---------------------|-------|
| Revenues | 114.5 | 163.5 | 278.0 |
| Segment operating profit | 10.4 | (1.4) | 9.0 |
| Net financial income (expense) (*) | | | (5.0) |
| Profit (loss) from investments accounted for using the equity method | | 0.5 | 0.5 |
| Profit (loss) before tax | | | 4.5 |
| Income tax for the period | | | (3.2) |
| Net profit (loss) for the period | | | 1.3 |

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

Revenues came to 335.5 million euros in the first half of 2012 compared with 278.0 million euros in the corresponding period of 2011. The increase in revenues is the result of the higher level of the order book (up by around 60 million euros on a consistent comparative basis) at the end of 2011 with respect to the corresponding figure of the previous year. The sector in which the Group operates is affected by the strong seasonality of deliveries, such that the first half of the year is never truly indicative of the results achievable for the full year.

Revenues from the Tea, Food & Other sector increased by 13.8 million euros compared with the previous period due to the fuller order book at the beginning of the year. As a result, operating profit, helped by better margins, increased by 2.0 million euros, coming to 12.4 million euros.

Revenues in the Pharmaceutical sector were 43.7 million euros higher than in the same period last year. Operating profit of 14.0 million euros shows significant increase compared with the previous year (+15.4 million euros), when there were non-recurring expenses of 2.9 million euros. This improvement derives not only from higher sales volumes, but also from a better business performance as a whole.

Total assets at 30 June 2012 and 31 December 2011 are as follows (millions of euros):

| | Tea, Food & Other | Pharma | Not allocated (*) | Total |
|----------------------------------|----------------------|--------|----------------------|-------|
| Total assets at 30 June 2012 | 253.0 | 396.6 | 82.0 | 731.6 |
| Total assets at 31 December 2011 | 236.6 | 369.3 | 120.5 | 726.4 |

(*) *Unallocated assets principally comprise financial assets, investments, income tax receivables and deferred tax assets, which cannot be broken down by segment.*

The increase in total assets compared with 31 December 2011 is mainly due to the results and seasonal nature of the period.

The following is a breakdown of IMA Group revenues in the first half of 2012 by geographical area and business segment (in millions of euros):

REVENUES BY GEOGRAPHICAL AREA

| | 1st half 2012 | 1st half 2011 | Change |
|----------------------------------|---------------|---------------|-------------|
| European Union (excluding Italy) | 113.8 | 103.6 | 10.2 |
| Other European countries | 35.3 | 16.7 | 18.6 |
| North America | 44.0 | 42.4 | 1.6 |
| Asia & Middle East | 70.8 | 61.1 | 9.7 |
| Other countries | 42.2 | 25.0 | 17.2 |
| Total exports | 306.1 | 248.8 | 57.3 |
| Italy | 29.4 | 29.2 | 0.2 |
| Total | 335.5 | 278.0 | 57.5 |

REVENUES BY BUSINESS SEGMENT

| | 1st half 2012 | 1st half 2011 | Change |
|---------------------------|---------------|---------------|-------------|
| Machines and change parts | 130.8 | 106.1 | 24.7 |
| Contract work | 120.3 | 104.1 | 16.2 |
| Spare parts | 50.5 | 44.2 | 6.3 |
| Technical assistance | 25.3 | 18.1 | 7.2 |
| Other services | 8.6 | 5.5 | 3.1 |
| Total | 335.5 | 278.0 | 57.5 |

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment reported net increase of 0.9 million euros. The movements in property, plant and equipment during the period are analysed as follows (millions of euros):

| | Land | Buildings and leasehold improvements | Plant and machinery | Industrial and commercial equipment | Other assets | Assets under construction and advances | Total |
|-----------------------------|------------|--------------------------------------|---------------------|-------------------------------------|--------------|--|-------------|
| Balances at 01.01.12 | 2.6 | 11.4 | 9.4 | 2.5 | 3.4 | 1.8 | 31.1 |
| Increases in the period | – | 0.9 | 1.1 | 0.4 | 0.8 | 0.8 | 4.0 |
| Sales and disposals | – | (0.1) | (0.1) | – | – | – | (0.2) |
| Depreciation | – | (0.6) | (1.2) | (0.4) | (0.7) | – | (2.9) |
| Reclassifications | – | – | 0.7 | – | – | (0.7) | – |
| Balances at 30.06.12 | 2.6 | 11.6 | 9.9 | 2.5 | 3.5 | 1.9 | 32.0 |

"Land" includes land in Ozzano dell'Emilia and Zola Predosa (BO) owned by IMA S.p.A. and GIMA S.p.A., for 1.6 million euros and 0.6 million euros respectively.

Buildings and leasehold improvements mainly comprise the buildings belonging to the Parent Company and to GIMA S.p.A., located in Italy, as well as buildings in France, the United Kingdom and India, which are owned by IMA France E.u.r.l., IMA UK Ltd. and IMA-PG Pvt. Ltd. Leasehold improvements amount to 7.8 million euros.

Increases during the period mainly reflect the costs incurred to extend and upgrade existing buildings and plant, and to purchase machinery and electronic equipment.

"Other assets" comprise (millions of euros):

| | 30.06.2012 | 31.12.2011 |
|-------------------------------|------------|------------|
| Electronic office equipment | 1.4 | 1.4 |
| Office furniture and fittings | 1.0 | 1.0 |
| Vehicles | 0.7 | 0.6 |
| Other | 0.4 | 0.4 |
| Total | 3.5 | 3.4 |

3. INTANGIBLE ASSETS

The movements in intangible assets during the period are analysed below (millions of euros):

| | Development costs | Industrial patents rights | Software licences, trademarks and similar | Goodwill | Assets under development and advances | Total |
|-----------------------------|-------------------|---------------------------|---|--------------|---------------------------------------|--------------|
| Balances at 01.01.12 | 34.5 | 5.0 | 20.1 | 122.9 | 7.1 | 189.6 |
| Increases in the period | – | 0.4 | 0.2 | – | 1.1 | 1.7 |
| Amortization | (3.3) | (0.6) | (2.1) | – | – | (6.0) |
| Reclassifications | – | – | 0.5 | – | (0.5) | – |
| Translation differences | – | – | – | 0.3 | – | 0.3 |
| Balances at 30.06.12 | 31.2 | 4.8 | 18.7 | 123.2 | 7.7 | 185.6 |

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

Software, licences, trademarks and other rights primarily include operating and technical software applications and an intangible asset linked to the "customer list" of 13.5 million euros acquired with the Corazza Group.

Goodwill comprises the following (millions of euros):

| | 30.06.2012 | 31.12.2011 |
|--------------------------------|--------------|--------------|
| Tea, Food & Other segment: | | |
| CGU B.F.B. S.p.A. | 1.8 | 1.8 |
| CGU GIMA S.p.A. | 1.6 | 1.6 |
| CGU Naturapack S.r.l. | 6.1 | 6.1 |
| CGU Corazza Group | 38.7 | 38.7 |
| | 48.2 | 48.2 |
| Pharmaceutical segment: | | |
| CGU CO.MA.DI.S. S.p.A. | 3.8 | 3.8 |
| CGU G.S. S.r.l. Coating System | 7.4 | 7.4 |
| CGU Edwards Group | 23.1 | 23.1 |
| CGU Nova Group | 13.3 | 13.0 |
| CGU ICO OLEODINAMICI S.p.A. | 3.1 | 3.1 |
| CGU IMA Kilian GmbH & Co. KG | 14.8 | 14.8 |
| CGU MKCS Inc. | 0.5 | 0.5 |
| CGU Pharmasiena Service S.r.l. | 2.1 | 2.1 |
| CGU Precision Gears Ltd. | 4.0 | 4.0 |
| CGU Zanchetta S.r.l. | 2.9 | 2.9 |
| | 75.0 | 74.7 |
| Total | 123.2 | 122.9 |

The impairment tests performed on goodwill pursuant to IAS 36 did not reveal any elements that may involve the recognition of impairment losses, given the present estimates and the lack of events suggesting possibly significant impairment losses.

In addition, during prior years, the goodwill of IMA Kilian, Nova Group and Zanchetta CGUs was impaired by 3.2 million euros, 0.8 million euros and 2.5 million euros respectively.

Assets under development and advances mainly relate to the capitalization of the development costs incurred by the Parent Company (4.9 million euros) and IMA Industries S.r.l. (2.5 million euros).

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

| | 30.06.2012 | 31.12.2011 |
|---|-------------|-------------|
| Amherst Stainless Fabrication LLC | 0.2 | 0.2 |
| B.C. S.r.l. | 1.3 | 1.1 |
| Bacciottini F.lli S.r.l. | 0.5 | 0.4 |
| Bolognesi S.r.l. | 0.5 | 0.6 |
| Brio Pharma Technologies Pvt. Ltd. | 0.4 | 0.4 |
| CMH S.r.l. | 7.3 | 7.3 |
| I.E.M.A. S.r.l. | 0.5 | 0.4 |
| L.A.CO. S.r.l. | 0.3 | 0.3 |
| Logimatic S.r.l. | 0.3 | 0.3 |
| Scriba Nanotecnologie S.r.l. | 0.4 | 0.4 |
| SIL.MAC. S.r.l. | 0.3 | 0.3 |
| Stephan Belgium B.V.B.A. | 0.2 | 0.2 |
| Sirio S.p.A. Associazione in partecipazione (*) | 6.7 | 6.7 |
| Other investments | 0.3 | 0.1 |
| Total | 19.2 | 18.7 |

(*) Amount paid in connection with the agreement signed in 2007 for the management of an aircraft.

The carrying amount of investments accounted for using the equity method includes 1.9 million euros in goodwill.

The following table summarizes the key financial data of associated companies at 31 December 2011 used to value them according to the equity method at 30 June 2012 (millions of euros):

| | Assets | Liabilities | Revenues | Net profit |
|---------------------------------------|--------|-------------|----------|------------|
| B.C. S.r.l. | 5.7 | 1.3 | 3.9 | 0.6 |
| Bacciottini F.lli S.r.l. | 4.9 | 3.6 | 5.1 | 0.5 |
| Bolognesi S.r.l. | 2.6 | 2.3 | 4.0 | 0.3 |
| BrioPharma Technologies Pvt. Ltd. (*) | 0.4 | 0.1 | 0.5 | - |
| Consorzio L.I.A.M. | 0.6 | 0.4 | 0.3 | - |
| I.E.M.A. S.r.l. | 7.2 | 6.5 | 10.0 | 0.2 |
| LA.CO. S.r.l. | 6.5 | 5.8 | 6.9 | 0.2 |
| Logimatic S.r.l. | 11.4 | 10.7 | 14.4 | 0.4 |
| Masterpiece S.r.l. | 1.1 | 1.0 | 0.8 | - |
| Powertransmission.it S.r.l. | 0.5 | 0.2 | 0.9 | 0.1 |
| Scriba Nanotecnologie S.r.l. | 0.5 | 0.2 | 0.4 | - |
| SIL.MAC S.r.l. | 5.2 | 4.6 | 4.9 | 0.1 |

(*) Financial statements at 31 March 2011

5. FINANCIAL ASSETS

Non-current financial assets of 6.4 million euros include investments in other companies of 3.8 million euros (4.7 million euros at 31 December 2011) and financial receivables of 2.6 million euros (2.5 million euros at 31 December 2011).

Investments in other companies include shares of InterMedia Holding S.p.A. in the amount of 3.7 million euros (4.0 million euros at 31 December 2011). The change during the period reflects the decrease in the fair value accounted for in net equity.

On 30 January 2012, IMA sold its entire interest in Pierrel S.p.A. (650,000 ordinary shares, 3.962% of the share capital) via the block trading market for 0.6 million euros (the value of the investment at 31 December 2011 was 0.6 million euros). It is also worth mentioning that on 22 March 2012 IMA and Mazzaro Holding S.r.l. signed a settlement agreement to resolve the various disputes that arose between them in previous years.

The current financial assets of 4.6 million euros (3.3 million euros at 31 December 2011) include 1.4 million euros of other liquid funds represented by the bank deposits of IMA-PG India Pvt Ltd., 2.4 million euros of investments in shares and mutual funds belonging to IMA S.p.A. and 0.8 million euros of financial receivables due to the Parent Company by CMH S.r.l.

6. RECEIVABLES FROM OTHERS

These include various kinds of guarantee deposits.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments comprise (millions of euros):

| | Assets 30.06.2012 | Liabilities 30.06.2012 | Assets 31.12.2011 | Liabilities 31.12.2011 |
|--|----------------------|---------------------------|----------------------|---------------------------|
| Interest rate swaps- cash flow hedges | - | 1.3 | - | 1.2 |
| Exchange rate hedging instruments - cash flow hedges | - | 0.4 | - | 0.5 |
| Total | - | 1.7 | - | 1.7 |

INTEREST RATE DERIVATIVES

At 30 June 2012, the amount of 1.3 million euros represents the fair value of the option contracts which expire by the end of 2016. They were arranged with leading financial institutions to hedge the interest rate risk on certain medium-term borrowings.

EXCHANGE RATE DERIVATIVES

At 30 June 2012, the amount of 0.4 million euros represents the fair value of contracts for the forward sale of currency arranged by the Group to hedge exchange rate risk exposure based on notional of 16.9 million US dollars.

**8. DEFERRED TAX ASSETS
AND LIABILITIES**

Deferred tax assets amounted to 24.9 million euros at 30 June 2012 (24.1 million euros at 31 December 2011). They mainly relate to temporary differences in respect of provisions made.

At 30 June 2012, deferred tax liabilities amounted to 18.6 million euros (18.6 million euros at 31 December 2011) and relate mainly to temporary differences between the book values of certain tangible and intangible assets and their values recognised for tax purposes.

9. INVENTORIES

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

| | 30.06.2012 | | | 31.12.2011 | | |
|---|--------------|----------------------|--------------|--------------|----------------------|--------------|
| | Gross value | Impairment provision | Net value | Gross value | Impairment provision | Net value |
| Raw, ancillary and consumable materials | 40.6 | (7.7) | 32.9 | 44.5 | (8.1) | 36.4 |
| Work in progress and semifinished goods | 221.6 | (30.3) | 191.3 | 187.6 | (26.5) | 161.1 |
| Finished products and goods for resale | 7.8 | (2.9) | 4.9 | 6.4 | (2.1) | 4.3 |
| Total | 270.0 | (40.9) | 229.1 | 238.5 | (36.7) | 201.8 |

The increase in inventories since 31 December 2011 reflects the preparation of machines for delivery to customers during the second half of the year and purchasing in relation to the order book at the end of June.

Movements in these provisions in the period were as follows (millions of euros):

| | |
|-------------------------------|-------------|
| Balances at 31.12.2011 | 36.7 |
| Net provisions | 4.0 |
| Exchange rate difference | 0.2 |
| Balances at 30.06.2012 | 40.9 |

10. TRADE AND OTHER RECEIVABLES

This item comprises (millions of euros):

| | 30.06.2012 | 31.12.2011 |
|-----------------------|--------------|--------------|
| Trade receivables | 156.8 | 145.6 |
| Advances to suppliers | 14.1 | 9.6 |
| Tax receivables | 7.3 | 7.4 |
| Deferrals | 3.8 | 2.2 |
| Other receivables | 6.4 | 4.6 |
| Total | 188.4 | 169.4 |

TRADE RECEIVABLES

Trade receivables include amounts due from customers of 108.7 million euros (99.1 million euros at 31 December 2011), amounts due on construction contracts of 45.6 million euros (43.9 million euros at 31 December 2011) and receivables from associates of 2.5 million euros (2.6 million euros at 31 December 2011).

Payment extensions granted to customers who reside in countries with particular risks are guaranteed by suitable financial instruments to secure collection.

Trade receivables from customers are carried net of accumulated provisions amounting to 10.1 million euros (9.5 million euros at 31 December 2011).

Assigned receivables without recourse not yet due at 30 June 2012 amounted to around 2.9 million euros, of which 2.3 million euros have been assigned to factoring companies and 0.6 million euros to other financial institutions. No receivables were assigned without recourse during the first half of 2012.

Amounts due in respect of construction contracts, determined on a percentage-of-completion basis, are shown below net of advances (millions of euros):

| | 30.06.2012 | 31.12.2011 |
|---|-------------|-------------|
| Construction contracts (costs incurred plus recognized margins) | 98.5 | 104.0 |
| Advances received | (52.9) | (60.1) |
| Due from customers | 45.6 | 43.9 |

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

| | 30.06.2012 | 31.12.2011 |
|---|--------------|--------------|
| Advances received | (33.1) | (22.8) |
| Construction contracts (costs incurred plus recognized margins) | 24.1 | 15.3 |
| Due to customers | (9.0) | (7.5) |

ADVANCES TO SUPPLIERS

At 30 June 2012 these relate to advances for goods to be used in production and for services of respectively 9.0 million euros (6.2 million euros at 31 December 2011) and 5.1 million euros (3.4 million euros at 31 December 2011). This balance includes 1.4 million euros in advances to associated companies (1.0 million euros at 31 December 2011).

TAX RECEIVABLES

Tax receivables mainly consist of VAT receivables.

11. CASH AND CASH EQUIVALENTS

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

| | 30.06.2012 | 31.12.2011 |
|-----------------------|-------------|-------------|
| Bank current accounts | 35.4 | 75.5 |
| Deposits | 2.1 | 2.2 |
| Cheques and cash | 0.2 | 0.2 |
| Total | 37.7 | 77.9 |

For a better understanding of changes in this balance, reference should be made to Note 13 on the breakdown of net financial debt.

12. EQUITY

SHARE CAPITAL

The share capital reported in the consolidated financial statements at 30 June 2012 of 19.2 million euros is the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A., and is made up of 36,828,000 ordinary shares with a par value of 0.52 euros each.

TREASURY SHARES

During the first half of 2012, the Parent Company carried out transactions in treasury shares by buying 31,414 own shares for a total of 0.4 million euros. During 2011, the Parent Company bought 23,586 treasury shares for a total of 0.3 million euros. These transactions were recognized directly in equity in accordance with IAS 32.

The table below shows the number of outstanding shares:

| Shares in thousands | |
|------------------------------|--------|
| Balance at 01.01.2011 | 34,100 |
| Capital increase | 2,728 |
| Purchase of treasury shares | - |
| Sale of treasury shares | - |
| Balance at 30.06.2011 | 36,828 |
| Purchase of treasury shares | (24) |
| Sale of treasury shares | - |
| Balance at 31.12.2011 | 36,804 |
| Purchase of treasury shares | (31) |
| Sale of treasury shares | - |
| Balance at 30.06.2012 | 36,773 |

At 30 June 2012, 55,000 shares were held in portfolio (0.149% of share capital), with a total value of 0.7 million euros.

FAIR VALUE RESERVE

Changes in the fair value reserve break down as follows (millions of euros):

| | |
|---|--------------|
| Balance at 01.01.2011 | (0.5) |
| <i>Cash flow hedges/hedging instruments</i> | |
| Measurement at fair value | 1.1 |
| Realization recognized in income - revenues | (1.3) |
| Realization recognized in income - financial income and expense | 1.2 |
| Balance at 30.06.2011 | 0.5 |
| Balance at 01.01.2012 | (1.3) |
| <i>Available for sale</i> | |
| Measurement at fair value | (0.4) |
| <i>Cash flow hedges/hedging instruments</i> | |
| Measurement at fair value | (0.4) |
| Realization recognized in income - revenues | 0.1 |
| Realization recognized in income - financial income and expense | 0.1 |
| Balance at 30.06.2012 | (1.9) |

DIVIDENDS

A total dividend of 36.8 million euros was paid in May 2012, equal to 1.00 euros gross per outstanding ordinary share (33.1 million euros, equal to 0.90 euros gross in May 2011).

13. BORROWINGS

These include payables to banks of 250.3 million euros (237.5 million euros at 31 December 2011), and payables to other lenders of 4.2 million euros (3.7 million euros at 31 December 2011).

PAYABLES TO BANKS

Payables to banks comprise (millions of euros):

| | 30.06.2012 | 31.12.2011 |
|---|--------------|--------------|
| Non-current: | | |
| · Applied research and technological innovation loans | 0.6 | 1.1 |
| · Other loans | 106.0 | 121.2 |
| | 106.6 | 122.3 |
| Current: | | |
| · Current accounts | 13.2 | 14.6 |
| · Advances on domestic transactions (Italy) | 0.2 | 0.3 |
| · Advances on export transactions | 81.2 | 49.2 |
| · Advances on export transactions to be carried out | 0.2 | – |
| · Applied research and technological innovation loans | 0.7 | 1.7 |
| · Other loans | 48.2 | 49.4 |
| | 143.7 | 115.2 |
| Total | 250.3 | 237.5 |

Certain loans and borrowings are secured by compliance with financial covenants calculated with reference to both the annual financial statements of IMA S.p.A. and to the Group's half-year consolidated financial statements. These covenants are complied with at 30 June 2012.

Applied research and technological innovation loans

Repayments totalling 1.5 million euros were made by the Parent Company and Corazza S.p.A. as they fell due during the period; no new loans were received.

Other loans

The principal changes in Other loans comprise the new loans obtained by Pharmasiena S.r.l., IMA LIFE Japan KK and Zibo IMA Xinhua Pharmatech Co. Ltd., for a total of 1.0 million euros, and contractual repayments made by IMA S.p.A. of 16.0 million euros and by IMA Life North America Inc. of 1.0 million US dollars.

Payables to banks break down by maturity as follows (millions of euros):

| | 30.06.2012 | 31.12.2011 |
|-----------------------------|--------------|--------------|
| Due within 1 year | 143.7 | 115.2 |
| Due from 1 to 5 years | 96.4 | 104.2 |
| Due after more than 5 years | 10.2 | 18.1 |
| Total | 250.3 | 237.5 |

PAYABLES TO OTHER LENDERS

These break down as follows (millions of euros):

| | 30.06.2012 | 31.12.2011 |
|-----------------------------------|------------|------------|
| Non-current: | | |
| · Payables to leasing companies | 0.1 | 0.1 |
| · Other | 0.3 | 0.3 |
| | 0.4 | 0.4 |
| Current: | | |
| · Payables to factoring companies | 2.1 | 1.6 |
| · Other | 1.7 | 1.7 |
| | 3.8 | 3.3 |
| Total | 4.2 | 3.7 |

At 30 June 2012 the amounts payable to other lenders include the financial payables attributable to GIMA S.p.A. and due to FORUM S.p.A. in the amount of 1.5 million euros and those attributable to Corazza S.p.A. and due to OPM S.p.A. in the amount of 0.4 million euros. There are no payables that fall due beyond 5 years.

NET DEBT

The breakdown of net debt at 30 June 2012 is as follows:

| in millions of euros | 30.06.2012 | 31.12.2011 |
|--|---------------|---------------|
| A. Cash and cash equivalents | (37.7) | (77.9) |
| B. Other cash equivalents | (1.4) | (0.9) |
| C. Investments in securities | (2.4) | (1.6) |
| D. Liquidity (A) + (B) + (C) | (41.5) | (80.4) |
| E. Current financial receivables | (0.8) | (0.8) |
| F. Current payables to banks | 95.6 | 65.5 |
| G. Current portion of non-current bank payables | 48.1 | 49.7 |
| H. Other current financial payables | 3.8 | 3.3 |
| I. Current financial debt (F) + (G) + (H) | 147.5 | 118.5 |
| J. Net current financial debt (D)+(E)+(I) | 105.2 | 37.3 |
| K. Non-current portion of non-current bank payables | 106.6 | 122.3 |
| L. Non-current financial assets | (2.6) | (2.5) |
| M. Other non-current financial payables | 0.4 | 0.4 |
| N. Net non-current financial debt (K)+(L)+(M) | 104.4 | 120.2 |
| O. Net financial debt (J) + (N) | 209.6 | 157.5 |

The figure for non-current financial assets differs from that reported in the balance sheet as it does not include equity investments in other companies.

For further information on the breakdown of net debt, see Notes 5 and 11.

Net debt at the end of the period amounted to 209.6 million euros (157.5 million euros at 31 December 2011). The increase derives from the payment by the Parent Company of dividends for 36.8 million euros (33.1 million euros in 2011) and from a normal rise in debt required to finance the increase in working capital.

As usual, it is expected that net debt will fall considerably in the latter part of the year.

14. SEVERANCE AND PENSION PROVISIONS

This item includes post-employment benefits valued actuarially by independent actuaries using the project unit credit method under IAS 19. It mainly comprises severance indemnity provisions recognised by the Group's Italian companies. The charge for the period has been accounted for under personnel costs.

The main demographic assumptions made by the actuary in valuing severance indemnities were:

- life expectancies: those determined by the State General Accounting Office (RG48 divided 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 4.30%;
- probability of advance payments: an annual frequency from 3% to 5% for requests for advances of 60/70%.

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

| | 30.06.2012 | 31.12.2011 |
|--|------------|------------|
| Annual discount rate | 3.40% | 4.70% |
| Annual inflation rate | 2.00% | 2.00% |
| Annual rate of increase of total compensation | 3.50% | 3.50% |
| Annual rate of increase of severance indemnity | 3.00% | 3.00% |

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

The movements in these provisions during the period were as follows (millions of euros):

| | |
|---|-------------|
| Balance at 31.12.2011 | 24.6 |
| Current service cost | 0.5 |
| Financial expense | 0.5 |
| Net actuarial losses (gains) recognized during the period | 1.6 |
| Severance payments made during period | (1.5) |
| Balance at 30.06.2012 | 25.7 |

15. PROVISIONS FOR RISKS AND CHARGES

These provisions break down as follows (millions of euros):

| | Balance at 31.12.2011 | Increases | Decreases | Exchange rate differences | Balance at 30.06.2012 |
|--------------------------------|--------------------------|------------|--------------|---------------------------------|--------------------------|
| Non-current: | | | | | |
| Agency termination indemnities | 1.6 | – | – | – | 1.6 |
| Other provisions | 0.4 | – | – | – | 0.4 |
| | 2.0 | – | – | – | 2.0 |
| Current: | | | | | |
| Product guarantee provision | 12.6 | 0.7 | (0.7) | – | 12.6 |
| Reorganization provision | 1.9 | – | (1.2) | – | 0.7 |
| Other provisions | 3.4 | 0.6 | (0.8) | – | 3.2 |
| | 17.9 | 1.3 | (2.7) | – | 16.5 |
| Total | 19.9 | 1.3 | (2.7) | – | 18.5 |

The product guarantee provision was established on the basis of estimated expenses for work to be performed under guarantee after 30 June 2012.

The reorganization provision relates to Zanchetta S.r.l.

Other provisions are mainly made up of provisions for risks and charges made to cover tax liabilities.

During the first half of 2010, the Parent Company underwent a tax audit by the Tax Office which was completed in June 2010 with a report that proposed a number of add-backs for the years 2005, 2006 and 2007. The Tax Office issued an assessment for 2005 and 2006, which IMA S.p.A. appealed against to the Provincial Tax Commission.

During 2011 tax audits were carried out at IMA Life S.r.l. (merged with IMA S.p.A. with effect from 1 January 2012) by the Tax Authorities and two tax audits on fiscal year 2006 were carried out at Zanchetta S.r.l. (including one at a company merged in 2008) by the Tax Police of Lucca. Formal notifications were drawn up after the tax audits, which IMA Life S.r.l. and Zanchetta S.r.l. accepted.

16. TRADE AND OTHER PAYABLES

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

| | 30.06.2012 | 31.12.2011 |
|---|--------------|--------------|
| Trade payables | 155.9 | 150.7 |
| Advances from customers | 72.3 | 68.7 |
| Social security payables and defined contribution pension plans | 5.3 | 7.2 |
| Tax payables | 3.7 | 5.5 |
| Employee payables | 28.0 | 23.7 |
| Payables in respect of acquisitions | 0.4 | 0.6 |
| Other payables | 8.7 | 9.4 |
| Total | 274.3 | 265.8 |

TRADE PAYABLES

These include payables to suppliers of 125.0 million euros (121.8 million euros at 31 December 2011), payables to agents of 7.7 million euros (7.1 million euros at 31 December 2011) and trade payables to associated companies of 23.2 million euros (21.8 million euros at 31 December 2011).

ADVANCES FROM CUSTOMERS

The increase in advances from customers for uncompleted contracts with respect to 31 December 2011 is due mainly to the large volume of orders received at the reporting date.

Information on the amount due to customers for construction contracts (9.0 million euros) can be found in Note 10.

TAX PAYABLES

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

EMPLOYEE PAYABLES

The increase in this amount since 31 December 2011 mainly reflects deferred payroll and accrued holiday entitlement, most of which will be used in July and August.

PAYABLES IN RESPECT OF ACQUISITIONS

The estimated liability of 0.4 million euros for the purchase of an additional 19% interest in Pharmasiena Service S.r.l. The put option granted is exercisable in April 2013 or in April 2016.

The residual amount due for the acquisition of the MKCS Inc. business of 0.3 million U.S. dollars was paid during the first half of 2012.

17. PERSONNEL COSTS

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

| | 1st half 2012 | 1st half 2011 | Change |
|---------------------------------------|------------------|------------------|-------------|
| Wages and salaries | 79.1 | 71.4 | 7.7 |
| Social security contributions | 19.9 | 18.1 | 1.8 |
| Remuneration of directors | 2.1 | 1.6 | 0.5 |
| Pensions - defined-benefit plans | 2.6 | 0.8 | 1.8 |
| Pensions - defined-contribution plans | 3.7 | 3.2 | 0.5 |
| Reorganization charges | – | 2.0 | (2.0) |
| Other personnel costs | 5.5 | 4.6 | 0.9 |
| Total | 112.9 | 101.7 | 11.2 |

In the first half of 2012, the IMA Group employed an average of 3,524 people as follows:

| | 1st half 2012 | 1st half 2011 | Year 2011 |
|--------------------|------------------|------------------|--------------|
| Management | 110 | 112 | 113 |
| Office workers | 2,396 | 2,265 | 2,320 |
| Production workers | 1,018 | 1,031 | 1,036 |
| Total | 3,524 | 3,408 | 3,469 |

At the end of period, the Group had 3,530 employees.

18. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

This includes depreciation of property, plant and equipment of 2.9 million euros (2.7 million euros in the first half of 2011), amortization of intangible assets of 6.0 million euros (6.2 million euros in the first half of 2011), and other writedowns of 0.7 million euros (0.3 million euros in the prior period).

19. FINANCIAL INCOME

This item comprises (millions of euros):

| | 1st half 2012 | 1st half 2011 | Change |
|---|------------------|------------------|--------------|
| Interest income from banks | 0.2 | 0.4 | (0.2) |
| Interest income from customers and other financial income | 0.3 | 0.2 | 0.1 |
| Exchange rate gains | 3.6 | 5.8 | (2.2) |
| Total | 4.1 | 6.4 | (2.3) |

20. FINANCIAL EXPENSE

This item comprises (millions of euros):

| | 1st half 2012 | 1st half 2011 | Change |
|--|------------------|------------------|--------------|
| Interest expense on bank payables | 4.1 | 3.7 | 0.4 |
| Writedown of non-current assets available for sale | – | 0.2 | (0.2) |
| Other interest and financial expense | 0.4 | 1.0 | (0.6) |
| Exchange rate losses | 4.4 | 6.5 | (2.1) |
| Total | 8.9 | 11.4 | (2.5) |

The increase in interest expense on payables to banks reflects above all the rise in interest rates and the increase in net debt during the period.

Exchange rate gains at 30 June 2012 include unrealized gains of 1.6 million euros (3.0 million euros in the first half of 2011), while exchange rate losses at this date include unrealized losses of 1.7 million euros (2.5 million euros in the first half of 2011).

21. INCOME TAXES

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

During 2012 a general tax audit was carried out at IMA Safe S.r.l. (merged with IMA S.p.A. with effect from 1 January 2011) by the Regional Tax Office of Emilia Romagna on 2009 for income

tax, VAT, IRAP (the regional tax on business activities) and other dues. The audit was completed in April with a report that the Company accepted in May.

Taxes include taxes for the period, calculated using the best estimate of the weighted average tax rate for the full year, and a provision for prior year taxes made during the period.

22. GUARANTEES GRANTED

At 30 June 2012, the Group has granted sureties and other bank guarantees to customers in the amount of 13.3 million euros for the proper operation of machinery, bid bonds and advances not yet received, as well as sureties in favour of the municipality of Ozzano dell'Emilia (Province of Bologna), in the amount of 0.2 million euros as a performance guarantee, guarantees for rental contracts of 6.0 million euros and sureties in favour of others of 1.6 million euros.

In addition, the Parent Company granted sureties and other guarantees (binding letters of patronage) to third parties on behalf of subsidiaries and associates, in relation to lines of credit and loans from the banking system and to the payment of lease instalments totalling 209.2 million euros and 6.3 million euros respectively.

Sureties given against advances received from customers amounted to about 48.6 million euros (50.9 million euros at 31 December 2011).

23. COMMITMENTS

At 30 June 2012 commitments to purchase property, plant and equipment and intangible assets came to 0.2 million euros relating principally to leasehold improvements and equipment.

The Group has commitments of 1.3 million euros in future minimum payments for non-cancellable operating leases, mainly relating to plant, machinery and vehicles (0.7 million euros is due within one year, 0.6 million euros is due from one to five years), and commitments of 112.1 million euros for rents (12.4 million euros is due within one year, 41.4 million euros is due from one to five years and 58.3 million euros is due after more than five years).

A total of 6.7 million euros in operating lease and rent payments were made during the first half of 2012 (6.1 million euros in the first half of 2011).

There are also other commitments in favour of third parties of 2.2 million euros, consisting mainly of the Parent Company's commitment to buy further units of the mutual funds shown under financial assets.

24. RELATED-PARTY TRANSACTIONS

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

The parent company of the IMA Group is I.M.A. Industria Macchine Automatiche S.p.A., which at 30 June 2012 is 66.219% owned by SO.FI.MA. S.p.A., in turn controlled by Lopam Fin S.p.A.

Intercompany transactions are carried out in the ordinary course of business on arm's-length terms.

Relations with other related parties are mainly attributable to the parties that control the Parent Company, to persons who administer and direct the activities of IMA S.p.A. and to parties that are controlled by such persons.

The Board must give advance approval in its meetings for all transactions with related parties, including intercompany transactions, except for transactions carried out in the ordinary course of business on arm's-length terms.

Related-party transactions mainly refer to commercial and property operations (leased premises used by the Parent Company or Group companies), as well as to participation in the tax mechanism.

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

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

| | Receivables at 30.06.2012 | Receivables at 31.12.2011 | Payables at 30.06.2012 | Payables at 31.12.2011 |
|---|------------------------------|------------------------------|---------------------------|---------------------------|
| Associates: | | | | |
| Amherst Stainless LLC | 0.4 | 0.3 | 0.3 | 0.3 |
| B.C. S.r.l. | 1.3 | 1.1 | 1.1 | 0.5 |
| Bacciottini F.lli S.r.l. | 0.7 | 0.6 | 2.5 | 2.6 |
| Bognesi S.r.l. | 0.5 | 0.6 | 1.8 | 1.2 |
| Brio Pharma Technologies Ltd. | 0.5 | 0.5 | 1.0 | 0.6 |
| Carle e Montanari Wrapping Systems S.r.l. | 0.9 | – | – | – |
| CMH S.r.l. | 8.0 | 8.0 | – | – |
| I.E.M.A. S.r.l. | 0.6 | 0.5 | 5.1 | 4.9 |
| LA.CO. S.r.l. | 1.2 | 1.2 | 1.5 | 1.3 |
| Logimatic S.r.l. | 2.2 | 2.0 | 7.2 | 8.5 |
| OPM S.p.A. | – | – | 0.4 | 0.4 |
| Powertransission.it S.r.l. | 0.1 | – | 0.2 | 0.3 |
| Scriba Nanotecnologie S.r.l. | 0.6 | 0.7 | – | – |
| SIL.MAC. S.r.l. | 0.3 | 0.4 | 1.3 | 1.5 |
| Stephan Belgium BVBA | 0.5 | 0.3 | 0.1 | – |
| Stephan UK Ltd. | 0.3 | 0.4 | – | – |
| Other associates | 0.1 | – | 0.2 | 0.1 |
| | 18.2 | 16.6 | 22.7 | 22.2 |
| Other related parties: | | | | |
| Banca di Bologna | 0.2 | 0.5 | – | – |
| Datalogic Automation S.r.l. | – | – | 0.2 | 0.1 |
| EPSOL S.r.l. | – | – | 1.0 | 0.1 |
| Galliani & Sistemi S.p.a. | – | – | 0.1 | 0.1 |
| Mandarin Capital Management SA | 1.1 | 1.3 | – | – |
| Poggi & Associati | 0.1 | 0.1 | 0.3 | – |
| Schiavina S.r.l. | 0.4 | 0.4 | – | 0.1 |
| Other related parties | 0.2 | 0.1 | – | 0.1 |
| | 2.0 | 2.4 | 1.6 | 0.5 |
| Total | 20.2 | 19.0 | 24.3 | 22.7 |

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

| | Revenues 1st half 2012 | Revenues 1st half 2011 | Costs 1st half 2012 | Costs 1st half 2011 |
|---|---------------------------|---------------------------|------------------------|------------------------|
| Associates: | | | | |
| Amherst Stainless LLC | – | – | 0.9 | 0.8 |
| B.C. S.r.l. | 0.2 | 0.1 | 2.2 | 1.6 |
| Bacciottini F.lli S.r.l. | 0.2 | 0.2 | 2.6 | 2.2 |
| Bognesi S.r.l. | – | 0.2 | 2.3 | 1.3 |
| Brio Pharma Technologies Ltd. | – | – | 0.4 | 0.3 |
| Carle e Montanari Wrapping Syst. S.r.l. | 0.2 | – | – | – |
| I.E.M.A. S.r.l. | 0.1 | – | 4.0 | 3.2 |
| LA.CO. S.r.l. | 0.5 | 0.6 | 1.1 | 0.8 |
| Logimatic S.r.l. | 1.0 | 1.1 | 5.2 | 6.2 |
| Masterpiece S.r.l. | – | – | 0.3 | 0.3 |
| OPM S.p.A. | 0.1 | 0.4 | – | – |
| Powertransmission.it S.r.l. | – | – | 0.5 | 0.4 |
| SIL.MAC. S.r.l. | 0.1 | – | 1.0 | 0.9 |
| | 2.4 | 2.6 | 20.5 | 18.0 |
| Other related parties: | | | | |
| Datalogic Automation S.r.l. | – | – | 0.2 | 0.1 |
| EPSOL S.r.l. | – | – | 1.0 | – |
| Italbe S.p.A. | – | – | 0.1 | 0.1 |
| Lopam S.r.l. | – | – | 0.2 | 0.3 |
| Mandarin Capital Management SA | – | – | 0.5 | 0.5 |
| Morosina S.p.A. | – | – | 0.1 | 0.1 |
| Nemo Investimenti S.r.l. | – | – | 0.8 | 0.8 |
| Poggi & Associati | – | – | 0.6 | 0.8 |
| | – | – | 3.5 | 2.7 |
| Total | 2.4 | 2.6 | 24.0 | 20.7 |

The above transactions relate primarily to the Italian companies.

There are also dealings with SO.FI.MA. S.p.A., the parent company, as a result of adopting the tax mechanism, as mentioned in Note 21.

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;
- Bognesi 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;
- CMH S.r.l. and its subsidiaries OPM S.p.A. and Carle e Montanari Wrapping Systems S.r.l. operate in the production and sale of automatic machines for the processing and packaging of chocolate;
- I.E.M.A. S.r.l. designs and produces equipment for automated machinery;
- LA.CO. S.r.l. carries out engineering work and repairs machine tools;
- Logimatic S.r.l. operates in the marketing, distribution and testing of automatic machines;
- Masterpiece S.r.l. carries out engineering work;

- Powertransmission.it S.r.l. manufactures and sells mechanical components, assemblies and complete plants;
- Scriba Nanotecnologie S.r.l. specializes in the study of high-tech solutions against food adulteration and for tracking pharmaceuticals;
- SILMAC. S.r.l. operates in the field of mechanical engineering, specialising in the construction of machines for third parties;
- Stephan Belgium B.V.B.A. and Stephan UK Ltd. are mainly engaged in marketing and after-sales assistance for food processing machinery.

Transactions with associates are largely of a commercial nature. Reference should be made to Note 4 for further information.

In the first half of 2012, total fees paid to managers with strategic responsibilities of any kind and in any form amounted to 3.0 million euros (2.5 million euros in the first half of 2011). The managers with strategic responsibilities include two members of the Parent Company's Board of Directors. The figure includes, among other things, the variable elements linked to the achievement of objectives by the IMA Group.

The following table provides a summary of those items in the balance sheet and income statement which include related-party transactions, together with the related percentage impact (millions of euros):

| | Total at 30.06.2012 | Of which related parties | % impact | Total at 31.12.2011 | Of which related parties | % impact |
|-------------------------------------|------------------------|--------------------------------|-------------|------------------------|--------------------------------|-------------|
| Balance sheet: | | | | | | |
| <i>Non-current assets</i> | 269.4 | 13.1 | 4.9% | 271.9 | 12.8 | 4.7% |
| Trade and other receivables | 188.4 | 4.9 | 2.6% | 169.4 | 3.6 | 2.1% |
| Other current assets | 273.8 | 2.2 | 0.8% | 285.1 | 2.6 | 0.9% |
| <i>Current assets</i> | 462.2 | 7.1 | 15% | 454.5 | 6.2 | 14% |
| Total assets | 731.6 | 20.2 | 2.8% | 726.4 | 19.0 | 2.6% |
| <i>Equity</i> | 124.8 | | | 148.9 | | |
| <i>Non-current liabilities</i> | 154.5 | 0.3 | 0.2% | 169.1 | 0.3 | 0.2% |
| Trade and other payables | 274.3 | 23.9 | 8.7% | 265.8 | 22.3 | 8.4% |
| Other current liabilities | 178.0 | 0.9 | 0.5% | 142.6 | 0.7 | 0.5% |
| <i>Current liabilities</i> | 452.3 | 24.8 | 5.5% | 408.4 | 23.0 | 5.6% |
| Total liabilities and equity | 731.6 | 25.1 | 3.4% | 726.4 | 23.3 | 3.2% |

| | 1st half 2012 | Of which related parties | % impact | 1st half 2011 | Of which related parties | % impact |
|--|------------------|--------------------------------|-------------|------------------|--------------------------------|-------------|
| Income statement: | | | | | | |
| Revenues and other income | 339.4 | 1.7 | 0.5% | 283.2 | 2.1 | 0.7% |
| Cost of raw materials and goods | (132.4) | (16.2) | 12.2% | (130.2) | (14.1) | 10.8% |
| Cost of services and leases | (83.0) | (7.7) | 9.3% | (73.9) | (6.6) | 8.9% |
| Other operating costs | (97.6) | – | 0.0% | (70.1) | – | 0.0% |
| Operating profit | 26.4 | | | 9.0 | | |
| Net financial income (expense) | (4.8) | – | 0.0% | (5.0) | – | 0.0% |
| Profit (loss) from investment accounted for using equity method | 0.6 | 0.6 | 100.0% | 0.5 | 0.5 | 100.0% |
| Tax | (9.5) | – | 0.0% | (3.2) | – | 0.0% |
| Net profit (loss) for the period | 12.7 | | | 1.3 | | |

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

There were no significant non-recurring events and transactions during the first half of 2012. During the corresponding period of the previous year, the figure of 5.0 million euros referred to restructuring costs, non-recurring costs in connection with the celebration of IMA's 50th Anniversary, and ancillary costs related to business combinations.

**26. POSITIONS OR OPERATIONS
DERIVING FROM ATYPICAL
AND/OR UNUSUAL
TRANSACTIONS**

No positions or operations deriving from atypical and/or unusual transactions arose during the first half of the year.

**27. SIGNIFICANT SUBSEQUENT
EVENTS**

The month of July 2012 saw the start of a programme for the purchase of treasury shares through Equita SIM S.p.A., based on the resolution passed by the Shareholders' Meeting of 27 April 2012, with a view to stabilising the share price on the stock exchange. At the date the half-year financial statements were prepared, the Company held 55,500 treasury shares, equal to 0.15% of the share capital.

In addition, two new companies, CMRE S.r.l. and Packaging Manufacturing Industry S.r.l., were incorporated on 6 July 2012.

CMRE S.r.l., of which IMA S.p.A. owns 50% of the share capital of 50 thousand euros, will operate in the real estate sector.

Packaging Manufacturing Industry S.r.l., of which IMA S.p.A. owns 100% of the share capital of 20 thousand euros, will operate in the field of mechanical engineering.

APPENDICES

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

APPENDICES

The following section provides additional information for the second quarter of 2012:

- Consolidated income statement for the second quarter of 2012 and the second quarter of 2011;
- Consolidated statement of comprehensive income for the second quarter of 2012 and the second quarter of 2011;
- Net debt at 30 June 2012, at 31 March 2012 and at 31 December 2011.

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

| INCOME STATEMENT | 2nd quarter 2012 (*) | 2nd quarter 2011 (*) | 1st half 2012 | 1st half 2011 |
|---|----------------------|----------------------|----------------|----------------|
| REVENUES | 190.5 | 182.5 | 335.5 | 278.0 |
| <i>Other revenues</i> | 2.6 | 3.5 | 3.9 | 5.2 |
| OPERATING COSTS | | | | |
| <i>Change in work in progress, semifinished and finished goods</i> | 6.1 | 13.6 | 31.6 | 38.1 |
| <i>Change in inventory of raw, ancillary and consumable materials</i> | (7.7) | 3.9 | (3.7) | 5.0 |
| <i>Cost of raw, ancillary and consumable materials and goods for resale</i> | (64.1) | (79.8) | (132.4) | (130.2) |
| <i>Services, rentals and leases</i> | (45.7) | (46.7) | (83.0) | (73.9) |
| <i>- of which: effect of non-recurring items</i> | - | (3.0) | - | (3.0) |
| <i>Personnel costs</i> | (56.7) | (57.6) | (112.9) | (101.7) |
| <i>- of which: effect of non-recurring items</i> | - | (2.0) | - | (2.0) |
| <i>Depreciation, amortization and impairment</i> | (4.8) | (5.7) | (9.6) | (9.2) |
| <i>Provisions for risks and charges</i> | 0.5 | 0.6 | (0.1) | 0.3 |
| <i>Other operating costs</i> | (1.0) | (1.4) | (2.9) | (2.6) |
| TOTAL OPERATING COSTS | (173.4) | (173.1) | (313.0) | (274.2) |
| OPERATING PROFIT | 19.7 | 12.9 | 26.4 | 9.0 |
| <i>- of which: effect of non-recurring items</i> | - | (5.0) | - | (5.0) |
| FINANCIAL INCOME AND EXPENSE | | | | |
| <i>Financial income</i> | 1.9 | 3.5 | 4.1 | 6.4 |
| <i>Financial expense</i> | (4.4) | (5.9) | (8.9) | (11.4) |
| TOTAL FINANCIAL INCOME AND EXPENSE | (2.5) | (2.4) | (4.8) | (5.0) |
| PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD | 0.3 | 0.5 | 0.6 | 0.5 |
| PROFIT BEFORE TAX | 17.5 | 11.0 | 22.2 | 4.5 |
| TAXES | | | | |
| <i>Income taxes for the period</i> | (6.8) | (4.7) | (8.5) | (1.3) |
| <i>Prior year taxes</i> | (0.5) | (1.1) | (1.0) | (1.9) |
| TOTAL TAXES | (7.3) | (5.8) | (9.5) | (3.2) |
| NET PROFIT FOR THE PERIOD | 10.2 | 5.2 | 12.7 | 1.3 |
| ATTRIBUTABLE TO: | | | | |
| PARENT COMPANY SHAREHOLDERS | 10.0 | 5.0 | 12.2 | 1.0 |
| MINORITY INTERESTS | 0.2 | 0.2 | 0.5 | 0.3 |
| | 10.2 | 5.2 | 12.7 | 1.3 |
| EARNINGS PER SHARE (in euros) | 0.27 | 0.15 | 0.33 | 0.03 |

(*) UNAUDITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MILLIONS OF EUROS)

| | 2nd quarter 2012 (*) | 2nd quarter 2011 (*) | 1st half 2012 | 1st half 2011 |
|---|-------------------------|-------------------------|------------------|------------------|
| Net profit (loss) for the period | 10.2 | 5.2 | 12.7 | 1.3 |
| <i>Exchange rate gains (losses) on the translation of foreign currency financial statements</i> | 2.6 | (0.9) | 1.2 | (3.5) |
| <i>Gains (losses) on financial assets available for sale</i> | (0.6) | - | (0.4) | - |
| <i>Gains (losses) on cash flow hedges</i> | (0.8) | (0.9) | (0.2) | 1.0 |
| <i>Tax effect</i> | 0.1 | - | - | - |
| Gains (losses) booked to equity | 1.3 | (1.8) | 0.6 | (2.5) |
| Total comprehensive income for the period | 11.5 | 3.4 | 13.3 | (1.2) |
| Attributable to: | | | | |
| Parent Company shareholders | 11.3 | 3.2 | 12.8 | (1.5) |
| Minority interests | 0.2 | 0.2 | 0.5 | 0.3 |
| | 11.5 | 3.4 | 13.3 | (1.2) |

(*) UNAUDITED

NET DEBT

(MILLIONS OF EUROS)

| | 30.06.2012 | 31.03.2012 (*) | 31.12.2011 |
|---|---------------|----------------|---------------|
| A. Cash and cash equivalents | (37.7) | (59.2) | (77.9) |
| B. Other cash equivalents | (1.4) | (1.4) | (0.9) |
| C. Investments in securities | (2.4) | (3.1) | (1.6) |
| D. Liquidity (A) + (B) + (C) | (41.5) | (63.7) | (80.4) |
| E. Current financial receivables | (0.8) | (0.8) | (0.8) |
| F. Current payables to banks | 95.6 | 82.2 | 65.5 |
| G. Current portion of non-current bank payables | 48.1 | 48.7 | 49.7 |
| H. Other current financial payables | 3.8 | 4.8 | 3.3 |
| I. Current financial debt (F)+(G)+(H) | 147.5 | 135.7 | 118.5 |
| J. Net current financial debt (D)+(E)+(I) | 105.2 | 71.2 | 37.3 |
| K. Non-current portion of non-current bank payables | 106.6 | 112.8 | 122.3 |
| L. Non-current financial assets | (2.6) | (2.5) | (2.5) |
| M. Other non-current financial payables | 0.4 | 0.4 | 0.4 |
| N. Non-current financial debt (K)+(L)+(M) | 104.4 | 110.7 | 120.2 |
| O. Net financial debt (J)+(N) | 209.6 | 181.9 | 157.5 |

(*) UNAUDITED

CERTIFICATION OF CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED

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

**Certification of the condensed consolidated half-year financial statements pursuant to Art. 81-ter of Consob
Regulation no. 11971 of 14 May 1999, as amended**

1. The undersigned, Alberto Vacchi, Chairman and Managing Director, and Sergio Marzo, the manager responsible for preparing the financial reports of IMA S.p.A., certify, also having regard to 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 condensed consolidated half-year financial statements for the first half of 2012.

2. It is also certified that:

2.1 the condensed consolidated half-year financial statements at 30 June 2012:

- a) have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Commission pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council of 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 of the group of companies included in the scope of consolidation.

2.2 The interim report on operations contains references to important events that took place in the first six months of the year and to their impact on the condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties in the remaining six months of the year.

The interim report on operations also contains a reliable analysis of the information on significant related-party transactions.

Ozzano dell'Emilia (Bologna), 10 August 2012

Managing Director

Manager responsible for preparing financial reports

Alberto Vacchi

Sergio Marzo

REPORT OF THE INDEPENDENT AUDITORS ON THE LIMITED AUDIT
OF THE HALF-YEAR REPORT

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



AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
IMA – Industria Macchine Automatiche SpA

- 1 We have reviewed the consolidated condensed interim financial statements of IMA – Industria Macchine Automatiche SpA (hereinafter also “Company”) and its subsidiaries (hereinafter also “IMA Group”) as of 30 June 2012 and for the six months period then ended, comprising the balance sheet, the income statement and the statement of comprehensive income, the statements of changes in shareholders’ equity, the statement of cash flows and the related selected explanatory notes. IMA – Industria Macchine Automatiche SpA’s directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard (IAS 34) applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

- 2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of Company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilized therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The review excluded certain auditing procedures such as compliance, verification and validation tests of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

Regarding the amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented for comparative purposes, reference should be made to our reports dated 30 March 2012 and dated 5 August 2011, respectively.

PricewaterhouseCoopers SpA

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- 3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of IMA Group as at 30 June 2012 and for the six months period then ended have not been prepared, in all material respects, in accordance with the international accounting standard (IAS 34) applicable to interim financial reporting, as adopted by the European Union.

Bologna, 10 August 2012

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.