HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2014

IMA SPA

Sustain Ability

HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2014

TABLE OF CONTENTS

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

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

CHIEF OPERATING OFFICER

Andrea Malagoli

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

DIRECTORS

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

BOARD OF AUDITORS

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

STANDING AUDITORS

Giacomo Giovanardi - Chairman
Roberta De Simone
Riccardo Pinza

ALTERNATE AUDITORS

Vittorio Coraducci
Giovanna Bolognese
Federico Ferracini

COMMITTEE (*)

Marco Galliani - Independent director
Pierantonio Riello - Independent director
Maria Carla Schiavina - Non-executive Director

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

MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS

Sergio Marzo

LEAD INDEPENDENT DIRECTOR

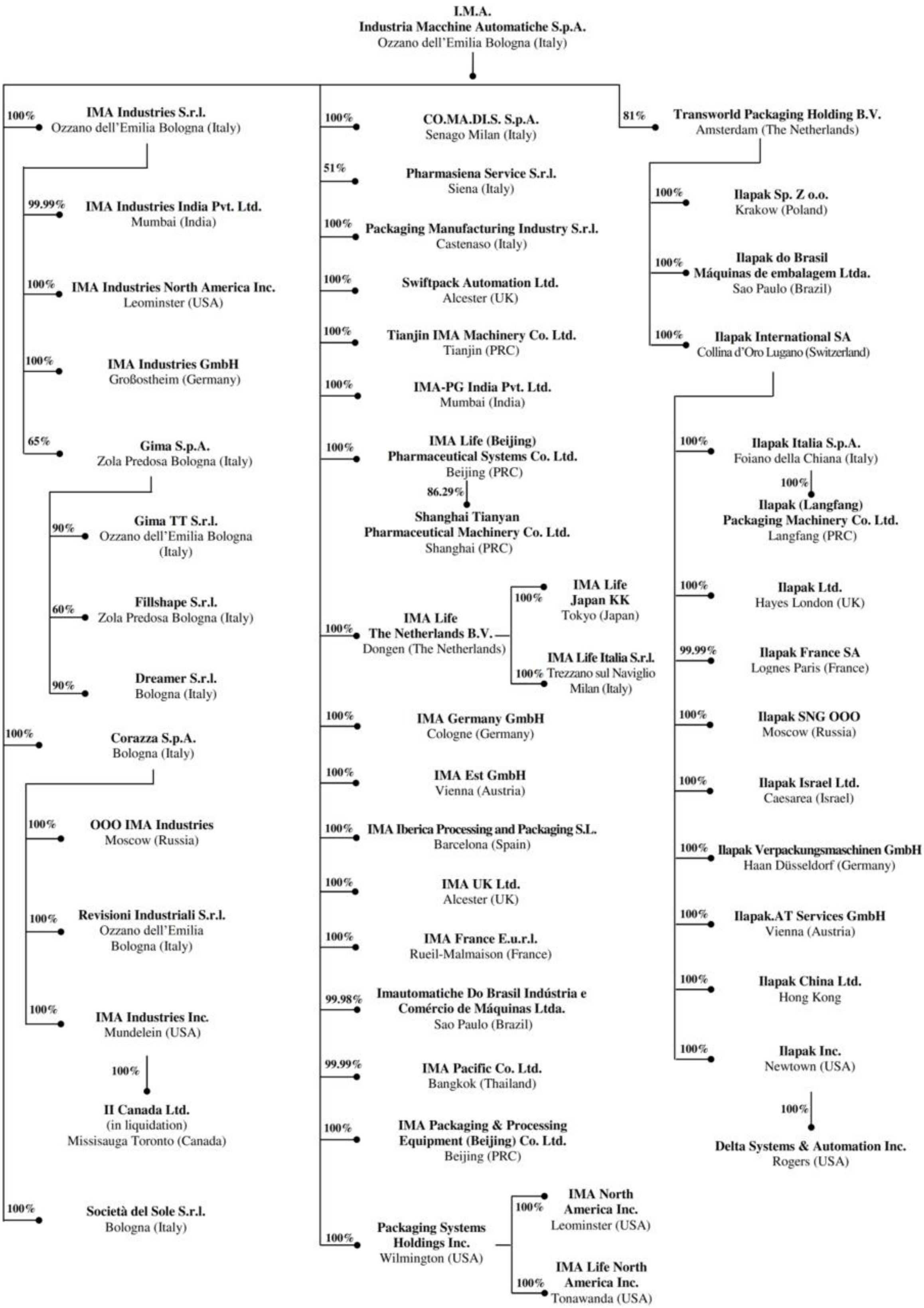
Paolo Frugoni

INDEPENDENT AUDITORS

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

Reconta Ernst & Young S.p.A.

GROUP STRUCTURE



GROUP PERFORMANCE

THE ECONOMIC SCENARIO

World economic expansion was burdened during the first half of 2014 by various additional adverse factors, which slowed the growth in global GDP. Some of these were temporary, such as the harsh weather conditions experienced during the winter that caused the US economy to brake sharply. Other factors were unforeseeable, such as the escalation of the conflict between Russia and the Ukraine. Yet others probably reflected the underestimated fragility of economic conditions in the emerging economies and in the industrialised countries, as witnessed by the modest rise in trade.

In this context, the orders obtained by the Group's core business sectors grew significantly during the first half of 2014, confirming the excellent performance achieved in the comparative period of last year. The larger order book at the start of the year, compared with the situation at the beginning of 2013, resulted in higher consolidated revenues during the first half and engenders confidence about the figures for the second half of the year. Despite the current period of serious recession, IMA's reference markets continue to stand out for their resilient and counter-cyclical nature.

CONSOLIDATED INCOME STATEMENT

The following income statement classified by purpose was prepared applying the following criteria:

- cost of sales: represents costs incurred directly by the Group to generate revenues. They include, for example, the costs of materials, labour, the cost of technical offices for customizing products as well as production overheads;
- research and development costs: these include, by function, costs relating to the research and development of new products or to the maintenance of existing products. They also include costs relating to technical personnel, materials used for experiments and overheads for technical offices;
- 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 the costs associated with general operations such as administrative offices in the broadest sense, the management of sectors or divisions, production planning and all depreciation and amortisation not directly related to the foregoing functions;
- gross operating profit: this corresponds to the sum of operating profit, depreciation and amortisation for the period and writedowns.

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, taxes, net profit from discontinued activities/disposal groups and net profit for the period.

The IMA Group achieved an operating profit di 32.5 million euros during the first half of 2014, compared with 33.7 million euros in the same period of 2013, excluding non-recurring items of 1.0 million euros, while Group profit totalled 16.0 million euros compared with 27.7 million euros for the period to 30 June 2013.

The following summary of the consolidated income statement for the half-year under review is presented together with comparative figures for the first half of 2013:

	1st half 2014		1st half 2013	
in millions of euros	**Amount**	**%**	**Amount**	**%**
Revenues	**374.2**		**327.5**	
Cost of sales	(217.1)	*58.0*	(191.8)	*58.6*
Gross industrial income	**157.1**	*42.0*	**135.7**	*41.4*
R&D costs	(18.8)		(17.9)	
Sales costs	(49.8)		(39.5)	
General and administrative costs	(55.0)		(44.6)	
Operating profit before non-recurring items (EBITA)	**33.5**	*9.0*	**33.7**	*10.3*
Non-recurring items	(1.0)		–	
Operating profit (EBIT)	**32.5**	*8.7*	**33.7**	*10.3*
Net financial income (expense)	(5.2)		(3.7)	
Profit (loss) from investments accounted for using the equity method	0.5		0.8	
Profit before tax	**27.8**	*7.4*	**30.8**	*9.4*
Taxes	(10.1)		(9.8)	
Net profit from continuing operations	**17.7**	*4.7*	**21.0**	*6.4*
Net profit from discontinued operations /disposal groups	–		7.8	
Profit for the period	**17.7**	*4.7*	**28.8**	*8.8*
Profit attributable to non-controlling interests	(1.7)		(1.1)	
Profit attributable to equity holders of the parent	**16.0**	*4.3*	**27.7**	*8.5*
Gross operating profit (EBITDA) before non-recurring items	**44.2**	*11.8*	**42.2**	*12.9*
Gross operating profit (EBITDA)	**43.2**	*11.5*	**42.2**	*12.9*
Order book	**518.4**		**444.8**	

REVENUES AND ORDERS

Consolidated revenues amounted to 374.2 million euros in the first half of 2014 compared with 327.5 million euros in the corresponding period of 2013 (+14.3%).

The following table provides a breakdown of revenues by business sector during the period, compared with the corresponding period in 2013:

in millions of euros	1st half 2014	1st half 2013	Change	%
Tea, Food & Other	125.5	118.9	6.6	*5.6*
Pharmaceutical	205.5	208.6	(3.1)	*(1.5)*
Ilapak	43.2	n.a	43.2	*n.a.*
Total	**374.2**	**327.5**	**46.7**	**14.3**

The additional revenues of the Tea, Food & Other business sector reflect the larger order book at the end of 2013, compared with the situation in the prior year, while the revenues of the Pharmaceutical business were stable.

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

in millions of euros	1st half 2014	1st half 2013	Change	%
European Union (excluding Italy)	116.1	109.8	6.3	*5.7*
Other European countries	39.2	22.2	17.0	*76.6*
North America	54.0	58.0	(4.0)	*(6.9)*
Asia	84.9	75.7	9.2	*12.2*
Other countries	53.4	36.4	17.0	*46.7*
Total exports	**347.6**	**302.1**	**45.5**	**15.1**
Italy	26.6	25.4	1.2	*4.7*
Total	**374.2**	**327.5**	**46.7**	**14.3**

Revenues rose in the European Union and in other European countries, as well as in Asia and other countries, but declined slightly in North America. Given the seasonal nature of the business in our key sectors, it is important to emphasise that this analysis is not particularly meaningful.

The following table compares new orders received in the first half of 2014 with those in the first half of last year:

in millions of euros	1st half 2014	1st half 2013	Change	%
Tea, Food & Other	163.6	153.6	10.0	6.5
Pharmaceutical	241.0	243.8	(2.8)	(1.1)
Ilapak	33.7	n.a.	33.7	n.a.
Total	**438.3**	**397.4**	**40.9**	**10.3**

The order intake in the first half shows good growth compared with the same period last year. In particular, the Tea, Food & Other sector experienced strong growth, while the Pharmaceutical sector was essentially stable. The Ilapak Group, acquired during the second half of 2013, achieved growth in all business areas.

The following table shows a breakdown of the order book at 30 June 2014:

in millions of euros	30.06.2014	30.06.2013	Change	%
Tea, Food & Other	198.4	162.2	36.2	22.3
Pharmaceutical	307.5	282.6	24.9	8.8
Ilapak	12.5	n.a.	12.5	n.a.
Total	**518.4**	**444.8**	**73.6**	**16.5**

The order book has expanded by more than 16% overall. The Group is therefore optimistic about achieving the volumes envisaged for 2014 as a whole, even at sector level, having regard for the projects and negotiations that are currently in progress.

OPERATING PROFIT

Gross industrial income amounted to 157.1 million euros compared with 135.7 million euros at 30 June 2013. The marked increase in profitability with respect to revenues (42.0% compared with 41.4% on the previous period) was essentially due to higher sales volumes compared with the same period last year and to an improvement in the industrial margin.

R&D costs amounted to 18.8 million euros, which was higher than in the prior year (17.9 million euros), mainly due to new projects in the Tea, Food & Other sector.

The rise in sales and marketing expenses (49.8 million euros compared with 39.5 million euros) includes the effect of consolidating the Ilapak Group (5.7 million euros), higher commission fees (6.2 million euros compared with 5.1 million euros in the period to 30 June 2013) and the cost of attending Interpack, a triennial trade fair that was held in Duesseldorf during May.

General and administrative costs increased to 55.0 million euros, from 44.6 million euros in the prior year, due to consolidating the Ilapak Group (9.4 million euros). The increase in selling and general expenses will be reabsorbed, in part, during the second half of the year.

PROFIT BEFORE TAX

Net financial expense amounted to 5.2 million euros compared with 3.7 million euros at 30 June 2013. The change compared with the first half of 2013 was due to higher debt during the period (2.0 million euros), as offset by the positive effect of exchange differences (0.5 million euros).

Given all the above, the profit before tax of 27.8 million euros compares with 30.8 million euros in the same period last year.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The Group's profit was therefore 16.0 million euros (27.7 million euros at 30 June 2013, which included the capital gain on the disposal of the Stephan business), after income taxes of 10.1 million euros (9.8 million euros at 30 June 2013).

ANALYSIS OF PERFORMANCE BY SECTOR

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

in millions of euros	Tea, Food & Other	Pharma-ceutical	Ilapak	Not allocated	Total
Revenues					
1st half 2014	125.5	205.5	43.2	–	374.2
1st half 2013	118.9	208.6	n.a	–	327.5
Operating profit					
1st half 2014	12.5	20.1	(0.1)	–	32.5
1st half 2013	15.7	18.0	n.a	–	33.7
Net capital employed (*)					
30 June 2014	96.5	127.6	43.1	15.2	282.4
30 June 2013	99.9	175.3	n.a	19.2	294.4
R&D costs					
1st half 2014	8.6	10.2	–	–	18.8
1st half 2013	7.3	10.6	n.a	–	17.9
Average personnel					
1st half 2014	956	2,308	448	–	3,712
1st half 2013	900	2,416	n.a	–	3,316
Order book					
30 June 2014	198.4	307.5	12.5	–	518.4
30 June 2013	162.2	282.6	n.a	–	444.8

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

The revenues generated by the Tea, Food & Other sector have grown by 6.6 million euros, thanks to a larger order book at the start of the period. Due to the adverse product mix (to be recovered in the second half, since Tea segment deliveries will be concentrated in that period), operating profit was 3.2 million euros lower at 12.5 million euros. As a result of the continuous acquisition of new orders, the order book has risen by 36.2 million euros to 198.4 million euros.

The revenues of the Pharmaceutical sector were essentially in line with those achieved in the comparative period (slight reduction of 3.1 million euros). Operating profit, 20.1 million euros, was higher than in the comparative period (2.1 million euros). This improvement reflects the generally better performance of the business. Following a stream of orders in line with the previous year, the order book has grown by 24.9 million euros with good prospects for the current year.

The revenues of the Ilapak sector amounted to 43.2 million euros. The operating result, almost a break-even situation, includes a non-recurring charge of 1.0 million euros linked to the purchase of the minority interests (30%) in March. Profitability is expected to improve considerably during the second half due to a better sales mix. Given the flow of orders, the order book provides confidence that the annual target will be met.

Net capital employed of 282.4 million euros (294.4 million euros at 30 June 2013) has declined slightly due to the improved management of working capital.

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

The following table summarizes the Group's balance sheet and financial position at 30 June 2014, compared with 31 December 2013:

in millions of euros	30.06.2014	31.12.2013
Trade receivables	140.9	143.3
Inventories	232.0	204.7
Trade payables	(262.9)	(262.1)
Other, net	(74.6)	(66.0)
Working capital	**35.4**	**19.9**
Property, plant and equipment	50.5	43.3
Intangible assets	175.3	175.8
Investments	31.5	29.5
Non-current assets	**257.3**	**248.6**
Provision for severance indemnities and other provisions	(10.3)	(9.7)
Net capital employed	**282.4**	**258.8**
Non-financial assets (liabilities) held for sale	–	4.30
Total net capital employed	**282.4**	**263.1**
FINANCED BY:		
Net debt (*)	**206.3**	**130.4**
Non-controlling interests	8.8	16.9
Group equity attributable to equity holders of the parent	**67.3**	**115.8**
Total sources of financing	**282.4**	**263.1**

(*) At 31 December 2013 this item included net financial assets of disposal groups of 3.2 million euros.

Net capital employed at the end of June 2014 amounts to 282.4 million euros compared with 263.1 million euros at 31 December 2013. The rise reflects the increase in inventories associated with the higher volume of sales and the deliveries scheduled for the second half of the year.

Net debt is analysed below:

in millions of euros	30.06.2014	31.12.2013	30.06.2013
A. Cash and cash equivalents	(77.8)	(80.1)	(82.0)
B. Other cash equivalents	(0.6)	(1.0)	(1.4)
C. Investments in securities	(1.1)	(1.1)	(1.7)
D. Liquidity (A) + (B) + (C)	**(79.5)**	**(82.2)**	**(85.1)**
E. Current financial receivables	**(2.2)**	**(1.3)**	**(3.9)**
F. Current payables to banks	28.4	48.6	55.3
G. Current portion of non-current payables	33.4	32.8	37.5
H. Other current financial payables	1.4	5.0	2.8
I. Current financial debt (F) + (G) + (H)	**63.2**	**86.4**	**95.6**
J. Net current financial debt (D)+(E)+(I)	**(18.5)**	**2.9**	**6.6**
K. Non-current portion of non-current bank payables	109.3	96.2	95.2
L. Bonds issued	115.3	36.2	36.1
M. Other non-current financial payables	2.2	1.6	–
N. Non-current financial assets	(2.0)	(3.3)	(3.6)
O. Net non-current financial debt (K)+(L)+(M)+(N)	**224.8**	**130.7**	**127.7**
P. Net financial debt (J) + (O)	**206.3**	**133.6**	**134.3**
Q. Net financial (assets) liabilities held for sale	–	(3.2)	9.2
R. Total net financial debt (P) + (Q)	**206.3**	**130.4**	**143.5**

The analysis of net debt takes account of Consob Communication DEM/6064293 dated 28 July 2006, while including the financial receivables classified as non-current financial assets.

Net debt at the end of the period amounts to 206.3 million euros compared with 130.4 million euros at 31 December 2013. The increase reflects a natural rise in working capital, the dividends paid by the Parent Company (46.0 million euros in May 2014) and the purchase of 30% of the Ilapak Group for about 23 million euros. After adjusting for extraordinary transactions and dividends distributed, the net financial position at 30 June 2014 is about 30 million euros better than it was at the same date in 2013 (143.5 million euros). This reduction in borrowing reflects further improvement in the management of net operating capital, which has fallen over the year to 30 June 2014 despite the higher volume of sales and seasonal factors, which tend to increase the working capital requirement. Net financial indebtedness is therefore expected to fall considerably in the latter part of the year.

CAPITAL EXPENDITURE

Group capital expenditure on property, plant and equipment amounted to 7.6 million euros (6.1 million euros in the same period of 2013) and mainly related to the extension and upgrading of plant and leased buildings, as well as the purchase of electronic equipment.

Capital expenditure on intangible assets amounted to 4.6 million euros (2.2 million euros in the first half of 2013) and related to the capitalisation of development costs incurred on totally new products for market segments not previously occupied. In addition, during the period we recorded 2.1 million euros of goodwill following the acquisition of the DOSA business unit which designs, manufactures and markets dosing machines for pharmaceutical products.

Amortisation and depreciation charges for the period totalled 10.7 million euros (8.5 million euros in first half of 2013). The increase largely reflects the amortisation of unpatented technology and the customer list booked following the consolidation of the Ilapak Group.

OTHER INFORMATION

RELATED-PARTY TRANSACTIONS

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

By a resolution adopted on 1 December 2010, the Board therefore implemented the procedure on related parties, which takes account of the additional instructions on how to apply the new rules provided in Consob Communication DEM/10078683 of 24 September 2010. The purpose of this procedure, which is published on the Company's website (www.ima.it), is to establish the criteria for identifying, reviewing and approving related-party transactions to be carried out by IMA, or by its subsidiaries, in order to ensure that they are transparent and fair from both a substantive and procedural point of view. Related-party transactions are identified in accordance with the guidelines of the Consob regulation.

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

Note that during the period:

- there were no significant transactions, as defined in the Consob regulation;
- there were no individual related-party transactions that have significantly impacted the balance sheets or results of Group companies;
- there have been no changes or developments in the related-party transactions disclosed in the last annual report with a significant effect on the balance sheets or results of Group companies;

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

Transactions with related parties are described more fully in Note 28 to the Company's condensed interim consolidated financial statements.

ARTS. 70 AND 71 OF CONSOB'S "ISSUERS' REGULATIONS"

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

SIGNIFICANT EVENTS AFTER THE END OF THE FIRST HALF

The main events that have taken place after 30 June 2014 are indicated below:

- on 24/25 July 2014, IMA Industries S.r.l. acquired a further 8.5% interest in GIMA S.p.A. for 8.5 million euros and now owns 73.5% of that company;
- on 25 July 2014, the quotaholders' meeting of GIMA TT S.r.l., a subsidiary of GIMA S.p.A., resolved to increase quota capital for cash, on one or more occasions with subscriptions open to third parties, by up to 0.1 million euros plus a premium of 3.5 million euros;
- on 31 July 2014, IMA signed a preliminary contract for the acquisition of the entire capital of a new-formed company to which GS Divisione Verniciatura S.r.l. will first contribute a line of business for the coating of pharmaceuticals, para-pharmaceuticals and solid food products. The consideration agreed for the transfer of this equity investment is about 3 million euros; the closing date is scheduled for December 2014.

OUTLOOK FOR THE CURRENT YEAR

Economic performance in the first half of 2014 reflected the larger order book at the end of 2013, as well as an improvement in industrial efficiency due to higher volumes and the effects of the reorganisations carried out in recent years. The flow of orders, continuing also in July, shows a good 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 for the Pharmaceutical, Tea, Food & Other and Ilapak sectors allow us to be confident about the rest of the year.

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MILLIONS OF EUROS)

ASSETS	Note	30 June 2014	31 December 2013
NON-CURRENT ASSETS			
Property, plant and equipment	2	50.5	43.3
Intangible assets	3	175.3	175.8
Investments accounted for using the equity method	4	27.5	25.9
Financial assets	5	6.0	6.9
Receivables from others	6	1.4	1.4
Deferred tax assets	8	40.7	39.0
TOTAL NON-CURRENT ASSETS		301.4	292.3
CURRENT ASSETS			
Inventories	9	232.0	204.7
Trade and other receivables	10	177.0	174.0
Income tax receivables		7.3	6.3
Financial assets	5	3.9	3.4
Derivative financial instruments	7	–	0.1
Cash and cash equivalents	11	77.8	80.1
TOTAL CURRENT ASSETS		498.0	468.6
ASSETS HELD FOR SALE	23	–	10.1
TOTAL ASSETS		**799.4**	**771.0**

EQUITY AND LIABILITIES	Note	30 June 2014	31 December 2013
EQUITY			
Equity attributable to equity holders of the parent	12	67.3	115.8
Non-controlling interests	13	8.8	16.9
TOTAL EQUITY		76.1	132.7
NON-CURRENT LIABILITIES			
Borrowings	14	226.8	133.9
Severance and pension obligations	15	21.4	20.0
Provisions for risks and charges	16	2.5	2.6
Other payables	17	2.9	2.4
Derivative financial instruments	7	4.2	3.8
Deferred tax liabilities	8	23.4	23.7
TOTAL NON-CURRENT LIABILITIES		281.2	186.4
CURRENT LIABILITIES			
Borrowings	14	63.2	86.4
Trade and other payables	17	337.9	332.7
Income tax liabilities		22.1	12.3
Provisions for risks and charges	16	18.8	17.9
Derivative financial instruments	7	0.1	–
TOTAL CURRENT LIABILITIES		442.1	449.3
LIABILITIES HELD FOR SALE	23	–	2.6
TOTAL LIABILITIES		723.3	638.3
TOTAL EQUITY AND LIABILITIES		**799.4**	**771.0**

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET ARE SHOWN IN NOTE 28 - RELATED-PARTY TRANSACTIONS.

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

	Note	1st half 2014	1st half 2013
REVENUES	1	374.2	327.5
OTHER REVENUES		6.5	3.7
OPERATING COSTS			
Change in work in progress, semifinished and finished goods		28.3	23.6
Change in inventory of raw, ancillary and consumable materials		(1.9)	1.2
Cost of raw, ancillary and consumable materials and goods for resale		(136.6)	(125.1)
Services, rentals and leases		(96.8)	(79.8)
Personnel costs	18	(125.7)	(105.3)
Depreciation, amortization and impairment	19	(10.9)	(8.4)
Provisions for risks and charges		(1.2)	(0.7)
Other operating costs		(3.4)	(3.0)
TOTAL OPERATING COSTS		(348.2)	(297.5)
OPERATING PROFIT	1	32.5	33.7
- of which: effect of non-recurring items	29	*(1.0)*	–
FINANCIAL INCOME AND EXPENSE			
Financial income	20	3.4	2.3
Financial expense	21	(8.6)	(6.0)
TOTAL FINANCIAL INCOME AND EXPENSE		(5.2)	(3.7)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		0.5	0.8
PROFIT BEFORE TAX		27.8	30.8
TAXES	22	(10.1)	(9.8)
NET PROFIT FROM CONTINUING OPERATIONS		17.7	21.0
NET PROFIT FROM DISCONTINUED OPERATIONS / DISPOSAL GROUPS	24	–	7.8
NET PROFIT FOR THE PERIOD		**17.7**	**28.8**
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE PARENT		16.0	27.7
NON-CONTROLLING INTERESTS		1.7	1.1
		17.7	**28.8**
EARNINGS PER SHARE (in euros)		**0.43**	**0.75**
- of which from continuing operations		0.43	0.54
- of which from discontinued operations / disposal groups		–	0.21

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE CONSOLIDATED INCOME STATEMENT ARE SHOWN IN NOTE 28 - RELATED-PARTY TRANSACTIONS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MILLIONS OF EUROS)

	Note	1st half 2014	1st half 2013
Net profit for the period		17.7	28.8
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange rate gains (losses) on the translation of foreign currency financial statements		0.5	(0.6)
Gains (losses) on financial assets available for sale	12	(1.0)	(0.3)
Gains (losses) on cash flow hedges	12	(0.4)	–
Tax effect		0.1	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(0.8)**	**(0.9)**
Other comprehensive income not being reclassified to profit or loss in subsequent periods:			
Actuarial gains (losses) on post employment benefit obligations	12	(1.7)	–
Tax effect		0.5	–
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**(1.2)**	**–**
Gains and losses recognized in equity		**(2.0)**	**(0.9)**
Total comprehensive income for the period		**15.7**	**27.9**
Attributable to:			
Equity holders of the parent		14.2	26.9
Non-controlling interests		1.5	1.0
		15.7	**27.9**

CONSOLIDATED INCOME STATEMENT FOR 2ND QUARTER 2014 AND 2ND QUARTER 2013

(MILLIONS OF EUROS)

	2nd quarter 2014	2nd quarter 2013 RESTATED	1st half 2014	1st half 2013
REVENUES	197.1	193.3	374.2	327.5
OTHER REVENUES	4.1	1.9	6.5	3.7
OPERATING COSTS				
Change in work in progress, semifinished and finished goods	11.1	1.6	28.3	23.6
Change in inventory of raw, ancillary and consumable materials	(2.4)	(0.4)	(1.9)	1.2
Cost of raw, ancillary and consumable materials and goods for resale	(66.7)	(65.9)	(136.6)	(125.1)
Services, rentals and leases	(50.6)	(42.3)	(96.8)	(79.8)
Personnel costs	(63.3)	(52.9)	(125.7)	(105.3)
Depreciation, amortization and impairment	(5.4)	(3.9)	(10.9)	(8.4)
Provisions for risks and charges	(0.4)	(0.2)	(1.2)	(0.7)
Other operating costs	(2.2)	(1.6)	(3.4)	(3.0)
TOTAL OPERATING COSTS	(179.9)	(165.6)	(348.2)	(297.5)
OPERATING PROFIT	21.3	29.6	32.5	33.7
- of which: effect of non-recurring items	*(0.2)*	–	*(1.0)*	–
FINANCIAL INCOME AND EXPENSE				
Financial income	1.3	0.1	3.4	2.3
Financial expense	(4.1)	(2.2)	(8.6)	(6.0)
TOTAL FINANCIAL INCOME AND EXPENSE	(2.8)	(2.1)	(5.2)	(3.7)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	0.5	0.8	0.5	0.8
PROFIT BEFORE TAX	19.0	28.3	27.8	30.8
TAXES	(6.8)	(8.2)	(10.1)	(9.8)
NET PROFIT FROM CONTINUING OPERATIONS	12.2	20.1	17.7	21.0
NET PROFIT FROM DISCONTINUED OPERATIONS / DISPOSAL GROUPS	–	6.2	–	7.8
NET PROFIT FOR THE PERIOD	**12.2**	**26.3**	**17.7**	**28.8**
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENT	10.7	25.3	16.0	27.7
NON-CONTROLLING INTERESTS	1.5	1.0	1.7	1.1
	12.2	**26.3**	**17.7**	**28.8**
EARNINGS PER SHARE (in euros)	**0.29**	**0.68**	**0.43**	**0.75**
- of which from continuing operations	0.29	0.52	0.43	0.54
- of which from discontinued operations / disposal groups	–	0.16	–	0.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2ND QUARTER 2014 AND 2ND QUARTER 2013

(MILLIONS OF EUROS)

	2nd quarter 2014	2nd quarter 2013	1st half 2014	1st half 2013
Net profit for the period	12.2	26.3	17.7	28.8
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange rate gains (losses) on the translation of foreign currency financial statements	0.7	(2.3)	0.5	(0.6)
Gains (losses) on financial assets available for sale	(1.0)	(0.3)	(1.0)	(0.3)
Gains (losses) on cash flow hedges	(0.2)	1.2	(0.4)	–
Tax effect	0.1	(0.3)	0.1	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(0.4)**	**(1.7)**	**(0.8)**	**(0.9)**
Other comprehensive income not being reclassified to profit or loss in subsequent periods:				
Actuarial gains (losses) on post employment benefit obligations	(0.6)	1.2	(1.7)	–
Tax effect	0.1	(0.3)	0.5	–
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	**(0.5)**	**0.9**	**(1.2)**	**–**
Gains and losses recognized in equity	**(0.9)**	**(0.8)**	**(2.0)**	**(0.9)**
Total comprehensive income for the period	**11.3**	**25.5**	**15.7**	**27.9**
Attributable to:				
Equity holders of the parent	9.7	24.7	14.2	26.9
Non-controlling interests	1.6	0.8	1.5	1.0
	11.3	**25.5**	**15.7**	**27.9**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(MILLIONS OF EUROS)

	Share capital	Share premium reserve	Treasury shares	Trans-lation reserve	Fair value reserve	Remeasurement of defined benefit plans reserve	Other reserves and retained earnings	Profit for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Balances at 01.01.2013	**19.2**	**47.0**	**(0.7)**	**1.0**	**(0.5)**	**(2.5)**	**41.8**	**47.7**	**153.0**	**5.5**	**158.5**
Distribution of dividends	–	–	–	–	–	–	–	(36.8)	(36.8)	–	(36.8)
Allocation of earnings for 2012	–	–	–	–	–	–	10.9	(10.9)	–	–	–
Purchase and sale of treasury shares	–	–	0.6	–	–	–	0.2	–	0.8	–	0.8
Purchase of shares in subsidiaries and non-controlling interests	–	–	–	–	–	–	–	–	–	0.5	0.5
Total comprehensive income for the period	–	–	–	(0.5)	(0.3)	0.8	(0.8)	27.7	26.9	1.0	27.9
Balances at 30.06.2013	**19.2**	**47.0**	**(0.1)**	**0.5**	**(0.8)**	**(1.7)**	**52.1**	**27.7**	**143.9**	**7.0**	**150.9**
Balances at 01.01.2014	**19.2**	**16.1**	**(0.1)**	**(2.5)**	**(3.2)**	**(1.6)**	**36.4**	**51.5**	**115.8**	**16.9**	**132.7**
Distribution of dividends	–	(11.3)	–	–	–	–	(1.5)	(33.2)	(46.0)	(1.9)	(47.9)
Allocation of earnings for 2013	–	–	–	–	–	–	18.3	(18.3)	–	–	–
Capital increase	–	–	–	–	–	–	–	–	–	0.1	0.1
Sale of shares in subsidiaries	–	–	–	–	–	–	–	–	–	(1.5)	(1.5)
Purchase of non-controlling interests	–	–	–	–	–	–	(16.7)	–	(16.7)	(6.3)	(23.0)
Total comprehensive income for the period	–	–	–	0.7	(1.3)	(1.2)	–	16.0	14.2	1.5	15.7
Balances at 30.06.2014	**19.2**	**4.8**	**(0.1)**	**(1.8)**	**(4.5)**	**(2.8)**	**36.5**	**16.0**	**67.3**	**8.8**	**76.1**

AS REGARDS THE ITEMS IN CONSOLIDATED EQUITY, SEE NOTES 12 AND 13.

CONSOLIDATED STATEMENT OF CASH FLOWS

(MILLIONS OF EUROS)

	Note	30 June 2014	30 June 2013
OPERATING ACTIVITIES			
Net profit from continuing operations		16.0	19.9
Net profit from discontinued operations / disposal groups	24	–	7.8
Net profit (loss) for the period		16.0	27.7
Adjustments for:			
- Depreciation and amortization	19	10.7	8.5
- Capital (gaines) losses on disposal of non-current assets		(0.3)	0.1
- Changes in provisions for risks and charges and staff severance obligations		0.4	(0.2)
- Unrealized losses (gains) on exchange rate differences	21	(0.8)	(0.2)
- Other non-monetary changes		0.7	0.4
- Taxes		10.1	10.3
- Net gain from assets held for sale		–	(8.3)
- Minority interests		1.7	1.1
- Result from investments accounted for using the equity method		(0.5)	(0.8)
Operating profit (loss) before changes in working capital		38.0	38.6
(Increase) decrease in trade and other receivables		(3.0)	(29.6)
(Increase) decrease in inventories		(27.0)	(26.0)
Increase (decrease) in trade and other payables		4.8	36.1
Taxes paid		(2.6)	(9.2)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)		10.2	9.9
INVESTING ACTIVITIES			
Investments in property, plant and equipment	2	(7.6)	(6.1)
Investments in intangible assets	3	(4.6)	(2.2)
Acquisition business divisions/companies		(3.2)	(0.5)
Purchase of investments		(1.2)	(7.5)
Sale of subsidiaries		6.0	40.4
Sale of non-current assets		0.5	0.1
Other changes		0.2	–
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)		(9.9)	24.2
FINANCING ACTIVITIES			
Granting of loans		31.7	50.9
Repayment of borrowings		(17.3)	(72.8)
Bonds	14	80.0	36.6
Repayment of finance lease debts		(0.1)	–
Increase (decrease) in other payables to banks		(23.2)	16.4
Purchase of non-controlling interests	13	(23.0)	–
Net change in financial assets and other non current receivables		(0.3)	(5.0)
Dividends paid		(47.9)	(36.8)
(Purchase) and sale of treasury shares		–	0.8
Payment of interest		(2.6)	(2.4)
Receipt of interest		0.1	0.1
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)		(2.6)	(12.2)
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)		**(2.3)**	**21.9**
CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)	11	**80.1**	**68.9**
CASH AND CASH EQUIVALENTS FROM ASSETS HELD FOR SALE (F)		**–**	**(8.8)**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (G=D+E+F)	11	**77.8**	**82.0**

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 2014 was approved by the Board of Directors on 8 August 2014.

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 activity tends to intensify in the second half. This seasonality, which also applies to rival companies operating in the same segment, is reflected 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. (referred to as "IMA", "IMA S.p.A." or the "Parent Company"), with registered offices at Via Emilia 428/442, Ozzano dell'Emilia (Bologna). IMA is listed on the S.T.A.R. segment of Borsa Italiana S.p.A.'s electronic stock exchange.

At 30 June 2014, IMA S.p.A. is 66.219% owned by SO.FI.MA. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A.

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

B) GENERAL BASIS OF PREPARATION

General principles

This interim financial report at 30 June 2014 has been prepared in accordance with art. 154-ter of Legislative Decree 58/98 and subsequent amendments, and with the Issuers' Regulation issued by Consob. The report complies with international accounting standards (IAS/IFRS) 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 2013.

Financial statements

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

All of the figures contained in the half-year report at 30 June 2014 are stated in millions of euros, unless otherwise indicated.

Consolidation principles

The condensed interim consolidated financial statements have been prepared using the principles of consolidation adopted in the preparation of the annual consolidated financial statements at 31 December 2013 to the extent compatible, except as described in the section below.

C) ACCOUNTING POLICIES AND STANDARDS

ACCOUNTING POLICIES AND STANDARDS

The accounting principles used in preparing the interim financial report at 30 June 2014 are consistent with those used to prepare the consolidated financial statements at 31 December 2013, to which the reader is referred for further information, except for the following international standards in force from 1 January 2014:

- IFRS 10 Consolidated and Separate Financial Statements IAS 27 (revised in 2011): IFRS 10 replaces part of IAS 27 Consolidated and Separate Financial Statements and includes the issues raised in SIC 12 Consolidation - Special Purpose Entities. IFRS 10 establishes a single control model that applies to all companies, including special-purpose entities. It also provides guidance for determining the existence of control where it is difficult to ascertain;
- IFRS 11 Joint Arrangements: this standard replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities - Contributions in Kind by Venturers. IFRS 11 removes the option to account for jointly controlled entities using the proportionate consolidation method: only the equity method can now be used. Following issuance of the standard, IAS 28 - Investments in Associated Companies was amended to include investments in jointly controlled entities within its scope.

The new provisions introduced by IFRS 10 and IFRS 11 have not had a material impact on the financial position, results and cash flows of the Group.

IFRS 12 Disclosure of interests in other entities: this is a new and complete standard on the additional disclosures to be made for each type of equity investment, including those for subsidiaries, joint arrangements, associates and structured entities. Except for changing the disclosures included in this interim financial report, adoption of the new standard has not had any effect on the consolidated financial statements.

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

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

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

These estimates and assumptions are reviewed periodically and the effects of any changes are recognised immediately in the period when circumstances change.

TRANSLATION OF FOREIGN CURRENCY BALANCES

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

	1st half 2014		31 December 2013	1st half 2013	
Currency	Exchange rate end of period	Exchange rate average	Exchange rate end of period	Exchange rate end of period	Exchange rate average
US dollar	1.366	1.370	1.379	1.308	1.313
Pound sterling	0.801	0.821	0.834	0.857	0.851
Indian rupee	82.202	83.289	85.366	77.721	72.278
Chinese yuan	8.472	8.450	8.349	8.028	8.129
Swiss franc	1.216	1.221	1.228	n.a.	n.a.

D) FINANCIAL RISK MANAGEMENT

RISK FACTORS

The Group is exposed to various types of financial risk connected with its business activities. In particular:

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

This 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 the annual report at 31 December 2013. There are no substantial changes in financial risk management or in the policies adopted by the Group during the period.

FAIR VALUE

IFRS 13 establishes the following fair value hierarchy to be used when measuring the financial instruments shown in the balance sheet:

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

The following table shows the assets and liabilities measured at fair value at 30 June 2014 and 31 December 2013 by fair value hierarchy level (millions of euros):

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	–	–	5.1	5.1
Derivative financial instruments	–	–	–	–
Total assets	**–**	**–**	**5.1**	**5.1**
Liabilities:				
Payables for acquisition	–	–	0.5	0.5
Derivative financial instruments	–	4.3	–	4.3
Total liabilities	**–**	**4.3**	**0.5**	**4.8**

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

Gains and losses on investments in other companies and investments in securities classified as financial assets available for sale are reflected in other comprehensive income.

During the first half of 2014, there were no transfers between the three levels of the fair value hierarchy identified in IFRS 13. There have not been any significant changes in the commercial or economic circumstances which affect the fair value of financial assets and liabilities.

The following table shows the changes in level 3 during the first half of 2014 (millions of euros):

	Assets	Liabilities
Balance at 01.01.2014	4.7	0.5
Profits / (losses) recognized in other comprehensive income	(1.0)	–
Profits / (losses) recognized in the income statement	–	–
Increases / (decreases)	1.4	–
Balance at 30.06.2014	**5.1**	**0.5**

E) SCOPE OF CONSOLIDATION

The condensed interim consolidated financial statements at 30 June 2014 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 its exercises direct or indirect control.

The major events affecting Group companies during the first half of 2014 are indicated below:

- on 10 January 2014, Packaging Manufacturing Industry S.r.l. acquired 30% of Meccanica Sarti S.r.l., located in Bologna and active in the construction of mechanical components for machinery, for 1.2 million euros;
- on 25 February 2014, the Parent Company completed its acquisition from DOSA S.r.l. of a line of business that designs, manufactures and markets dosing machines for pharmaceutical products for 2.5 million euros;
- on 25 March 2014, IMA S.p.A. finalised with Transworld Packaging Holding B.V. and its shareholders the purchase of an additional 30% stake in the Ilapak Group which produces primary packaging machines for the food sector, thereby raising the interest held by IMA in the Ilapak Group to 81%. The price for this transaction, 22.7 million euros, was settled at the time of the closing. Under a separate option agreement, IMA also has the right to acquire the remaining 19% of TWP's share capital in 2017 or 2018. For further details, please read Note 13;
- on 6 June 2014, IMA S.p.A. acquired the entire quota capital of Società del Sole S.r.l., located in Bologna and active in the real estate sector, for 1.5 million euros;
- on 16 June 2014, IMA Life Beijing Pharmaceutical Systems Co. Ltd. acquired a further 26.29% equity interest in Shanghai Tianyan Pharmaceutical Machinery Co. Ltd. for 1.9 million renminbi;
- on 24 June 2014, the Parent Company completed the disposal to third parties of its entire equity interest, 80%, in Zibo IMA Xinhua Pharmatech Co. Ltd, a Chinese company, for 50 million renminbi; For further details, please read Note 23.

The following transactions involving legal entities within the Group have not had any effect on the consolidated financial statements:

- on 17 April 2014, Ilapak Management Service SA was absorbed by Ilapak International SA with retroactive effect from 1 January 2014;

- on 8 May 2014, as part of the plan to reorganise the Group, IMA S.p.A. acquired the entire equity interest in Corazza S.p.A. from IMA Industries S.r.l., a wholly-owned subsidiary.

A list of the companies included in the consolidation is provided in paragraph G of the Notes, with an indication of the consolidation method used.

F) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The changes reported below have been determined with respect to the figures at 31 December 2013 for balance sheet items and the figures for the first half of 2013 for income statement items.

1. SEGMENT INFORMATION

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

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

Tea, Food & Other Sector

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

- IMA Industries S.r.l. produces:
  - machines for the packaging of tea and herbs in filter bags and the packaging of coffee in pods. through the Tea & Coffee Division;
  - end-of-line machines through the BFB Division;
- Corazza S.p.A. produces machines and plant for the dosing and packaging of cheese portions and stock cubes;
- GIMA S.p.A. produces machines for the food & beverage and personal care sectors;
- GIMA TT S.r.l. produces automatic machines for the packaging in the tobacco sector;
- Revisioni Industriali S.r.l. refurbishes second-hand machines for processed cheese and tea and herbs in filter bags.

Pharmaceutical Sector

Machines for the packaging of pharmaceutical capsules and tablets in blisters and bottles, machines for filling bottles and vials with liquid and powdered products in sterile and non-sterile environments, machines for freeze-drying, tube-filling and cartoning, systems for the production of tablets and capsules and for coating and granulation, as well as related services. Operations in this segment are mainly carried out by these companies:

- IMA S.p.A. manufactures:
  - blister-pack machines, machines for the packaging of gelcaps, capsules and tablets and cartoning machines through IMA Safe division;
  - machines for the filling of flacons and vials with liquid products and powders under sterile and non-sterile conditions and freeze-drying systems through IMA Life division;
  - tablet pressing machines, capsule filling machines, coating and granulating machines, machines for the movement of powders and depowdering of tablets through the IMA Active division;
- CO.MA.DI.S. S.p.A. manufactures tube-filling machines for the pharmaceutical, 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;
- Pharmasiena S.r.l. produces filling systems for phials and syringes under sterile conditions;

- IMA-PG India Pvt Ltd operates in the production of blister and cartoning machines, mainly for the emerging nations;
- Shanghai Tianyan Pharmaceutical Machinery Co. Ltd. produces filling systems under sterile conditions;
- Swiftpack Automation Ltd. and IMA North America Inc. manufacture machines for the bottling of capsules and tablets for the pharmaceutical industry.

Ilapak Sector

This sector manufactures packaging machines employed for primary packaging in the food sector using flexible materials (horizontal and vertical flow packs), and also provides the related services. Operations in this segment are mainly carried out by these companies:

- Ilapak International SA manufactures automated machines for the flexible packaging of food and non-food products, using horizontal packaging technologies;
- Ilapak Italia S.p.A. manufactures automated machines for the packaging of food and non-food products, using vertical packaging technologies;
- Ilapak (Langfang) Packaging Machinery Co. Ltd. manufactures automated machines for the packaging of food and non-food products;
- Delta Systems & Automation Inc. manufactures lines for the automated packaging of food and non-food products.

The information on operating segments for first half 2014 and first half 2013 is as follows (millions of euros):

1st half 2014	Tea , Food & Other	Pharma-ceutical	Ilapak	Total
Revenues	125.5	205.5	43.2	374.2
Segment operating profit	12.5	20.1	(0.1)	32.5
Net financial income (expense) (*)				(5.2)
Profit (loss) from investments accounted for using the equity method	–	0.5	–	0.5
Profit before tax				27.8
Taxes				(10.1)
Net profit for the period				17.7

1st half 2013	Tea , Food & Other	Pharma-ceutical	Ilapak	Total
Revenues	118.9	208.6	n.a.	327.5
Segment operating profit	15.7	18.0	n.a.	33.7
Net financial income (expense) (*)				(3.7)
Profit (loss) from investments accounted for using the equity method	–	0.8	n.a.	0.8
Profit before tax				30.8
Taxes				(9.8)
Net profit from continuing operations				21.0
Net profit from discontinued operations / disposal groups	8.2	(0.4)	n.a.	7.8
Net profit for the period				28.8

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

Revenues in the first half of 2014 came to 374.2 million euros compared with 327.5 million euros in the same period of 2013 (+14.3%). The additional revenues of the Tea, Food & Other business sector reflect the larger order book at the end of 2013, compared with the situation in the prior year, while the revenues of the Pharmaceutical business were stable.

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.

The revenues generated by the Tea, Food & Other sector have grown by 6.6 million euros, thanks to a larger order book at the start of the period. Due to the adverse product mix (to be recovered in the second half, since Tea segment deliveries will be concentrated in that period), operating profit was 3.2 million euros lower at 12.5 million euros.

The revenues of the Pharmaceutical sector were essentially in line with those achieved in the comparative period (slight reduction of 3.1 million euros). Operating profit, 20.1 million euros, shows an increase compared with the previous year (+2.1 million euros). This improvement reflects the generally better performance of the business.

The revenues of the Ilapak sector amounted to 43.2 million euros. The operating result, almost a break-even situation, includes a non-recurring charge of 1.0 million euros linked to the purchase of the minority interests (30%) in March. Profitability is expected to improve considerably during the second half due to a better sales mix.

Total assets at 30 June 2014 and 31 December 2013 are as follows (millions of euros):

	Tea, Food & Other	Pharma-ceutical	Ilapak	Not allocated (*)	Total
Total assets at 30 June 2014	242.7	330.1	81.3	145.3	799.4
Total assets at 31 December 2013	224.2	322.8	77.4	146.6	771.0

(*) 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 2013 is mainly due to the results and seasonal nature of the period.

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

REVENUES BY GEOGRAPHICAL AREA

	1st half 2014	1st half 2013	Change
European Union (excluding Italy)	116.1	109.8	6.3
Other European countries	39.2	22.2	17.0
North America	54.0	58.0	(4.0)
Asia & Middle East	84.9	75.7	9.2
Other countries	53.4	36.4	17.0
Total exports	**347.6**	**302.1**	**45.5**
Italy	26.6	25.4	1.2
Total	**374.2**	**327.5**	**46.7**

REVENUES BY BUSINESS SEGMENT

	1st half 2014	1st half 2013	Change
Machines and change parts	164.3	131.8	32.5
Contract work	120.1	113.8	6.3
Spare parts	54.7	48.6	6.1
Technical assistance	27.8	25.3	2.5
Other services	7.3	8.0	(0.7)
Total	**374.2**	**327.5**	**46.7**

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment report a net increase of 7.2 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 01.01.14	**4.7**	**22.0**	**6.9**	**2.3**	**5.2**	**2.2**	**43.3**
Increases in the period	–	3.3	1.4	0.6	1.3	1.0	7.6
Sales and disposals	(0.2)	–	–	–	–	–	(0.2)
Change in scope of consolidation	2.7	–	–	0.1	–	–	2.8
Depreciation	–	(1.0)	(0.9)	(0.5)	(0.9)	–	(3.3)
Reclassifications	–	0.3	0.1	0.2	(0.2)	(0.3)	0.1
Translation differences	0.1	0.1	–	–	–	–	0.2
Balances at 30.06.14	**7.3**	**24.7**	**7.5**	**2.7**	**5.4**	**2.9**	**50.5**

Leasehold improvements amount to 14.7 million euros.

"Other assets" comprise (millions of euros):

	30.06.2014	31.12.2013
Electronic office equipment	1.7	1.8
Office furniture and fittings	2.0	2.0
Vehicles	1.1	0.8
Other	0.6	0.6
Total	**5.4**	**5.2**

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

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

The change in the scope of consolidation mainly reflects the acquisition of Società del Sole S.r.l., which is discussed in Note 25.

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 01.01.14	**44.4**	**4.9**	**26.0**	**94.1**	**6.4**	**175.8**
Increases in the period	0.1	0.5	0.3	–	3.7	4.6
Acquisition of business divisions	–	–	–	2.1	–	2.1
Amortization	(4.5)	(0.7)	(2.2)	–	–	(7.4)
Reclassifications	0.3	–	–	–	(0.3)	–
Translation differences	–	–	0.1	0.1	–	0.2
Balances at 30.06.14	**40.3**	**4.7**	**24.2**	**96.3**	**9.8**	**175.3**

Development costs 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 obtained as part of the acquisition of the Ilapak Group in 2013 and the Dairy & Convenience Food sector of the Corazza Group in 2011, as well as to the know-how involved in the freeze-drying plant for the pharmaceutical industry, which was recognised following the acquisition of the Edwards Group in 2008. They also include capitalised costs of the Xtrema Series linear filling machines, the Adapta capsule filling machines, the P.O.D. decartoning machine, the thermo-forming machine and compact systems for the biotechnology industry.

Software, licences, trademarks and other rights primarily include operating and technical software applications and two intangible assets linked to customer lists, amounting to 8.5 million euros and 10.3 million euros respectively, that were recognised on the acquisition of the Ilapak Group and the Corazza Group.

Goodwill comprises the following (millions of euros):

	30.06.2014	31.12.2013
Tea, Food & Other sector:		
CGU B.F.B. S.p.A.	1.8	1.8
CGU GIMA S.p.A.	1.6	1.6
CGU Naturapack S.r.l.	8.7	8.7
CGU Corazza Group	18.9	18.9
	31.0	**31.0**
Pharma sector:		
CGU CO.MA.DI.S. S.p.A.	3.8	3.8
CGU DOSA S.r.l.	2.1	n.a.
CGU G.S. S.r.l. Coating System	7.4	7.4
CGU Edwards Group	23.1	23.1
CGU Nova Group	12.8	12.7
CGU ICO OLEODINAMICI S.p.A.	1.6	1.6
CGU MKCS Inc.	0.5	0.5
CGU Pharmasiena Service S.r.l.	2.1	2.1
CGU Precision Gears Ltd.	4.0	4.0
CGU Shanghai Tianyan	0.9	0.9
CGU Zanchetta S.r.l.	2.9	2.9
	61.2	**59.0**
Ilapak sector:		
CGU Ilapak Group	4.1	4.1
	4.1	**4.1**
Total	**96.3**	**94.1**

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

The impairment tests performed on goodwill pursuant to IAS 36 did not identify the need for any writedowns, having regard for current forecasts and the absence of events suggesting possibly significant losses of value.

For completeness, the goodwill of the Nova Group, Zanchetta and ICO OLEODINAMICI CGUs was written down in prior years by 0.8 million euros, 2.5 million euros and 1.5 million euros respectively.

Assets under development and advances mainly relate to the capitalisation of development costs incurred by the Parent Company (4.2 million euros) and IMA Industries S.r.l. (3.2 million euros).

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	30.06.2014	31.12.2013
Amherst Stainless Fabrication LLC	0.2	0.2
B.C. S.r.l.	1.8	1.5
Bacciottini F.lli S.r.l.	0.6	0.5
Bolognesi S.r.l.	0.8	0.6
Brio Pharma Technologies Pvt. Ltd.	0.4	0.4
CMH S.r.l.	8.1	8.1
CMRE S.r.l.	4.4	4.4
Doo Officina-Game East Vrsc	0.5	0.5
I.E.M.A. S.r.l.	0.7	0.7
LA.CO. S.r.l.	0.4	0.4
Logimatic S.r.l.	0.4	0.3
Meccanica Sarti S.r.l.	1.2	n.a.
Plasticenter S.r.l.	0.5	0.9
Scriba Nanotecnologie S.r.l.	0.4	0.4
SIL.MAC. S.r.l.	0.4	0.3
Sirio S.p.A. Associazione in partecipazione	6.5	6.5
Other investments	0.2	0.2
Total	**27.5**	**25.9**

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

The following table summarizes the key financial data of associated companies and joint-ventures at 31 December 2013 (millions of euros):

	Assets	Liabilities	Revenues	Net profit
Amherst Stainless Fabrication LLC	2.1	1.1	4.8	–
B.C. S.r.l.	7.5	1.5	4.7	0.9
Bacciottini F.lli S.r.l.	5.0	3.6	5.1	0.2
Bolognesi S.r.l.	3.6	2.3	5.6	0.7
Brio Pharma Technologies Pvt. Ltd. (*)	0.3	0.1	0.7	–
CMH S.r.l.	25.4	6.5	–	1.1
CMRE S.r.l.	13.8	4.9	0.2	(0.2)
Consorzio L.I.A.M.	0.2	–	0.4	–
Doo Officina-Game East Vrsac	1.3	0.5	0.7	–
I.E.M.A. S.r.l.	10.3	8.6	13.4	0.5
LA.CO. S.r.l.	7.8	6.9	7.6	0.1
Logimatic S.r.l.	20.3	19.5	17.1	0.3
Masterpiece S.r.l.	1.2	1.0	0.7	–
Meccanica Sarti S.r.l.	4.5	4.2	7.6	(0.2)
Plasticenter S.r.l.	8.4	5.7	9.6	0.7
Powertransmission.it S.r.l.	0.7	0.2	0.8	0.1
Scriba Nanotecnologie S.r.l.	0.5	0.1	0.3	–
SIL.MAC. S.r.l.	5.5	4.7	6.4	0.2

(*) Financial statements at 31 March 2013

5. FINANCIAL ASSETS

Non-current financial assets of 6.0 million euros include investments in other companies of 4.0 million euros (3.6 million euros at 31 December 2013) and financial receivables of 2.0 million euros (3.3 million euros at 31 December 2013).

Investments in other companies mainly include the 2.02% interest held in InterMedia Holding S.p.A., 2.4 million euros (3.4 million euros at 31 December 2013), and the shares held in Continuus Pharmaceuticals Inc. totalling 1.4 million euros. The change in the value of InterMedia during the period reflects a decrease in fair value that was charged against equity.

During the first half of 2014, the Parent Company purchased a 19.8% interest in Continuus Pharmaceuticals Inc., a company that operates in the pharmaceuticals industry with a focus on the development of new technologies for the production of pharmaceuticals. Given the strategic nature of this transaction for the IMA Group, this investment is classified among the financial assets available for sale with the recognition in equity of changes in fair value.

Non-current financial receivables are attributable to Ilapak International SA, 1.2 million euros, and to a loan of 0.8 million euros granted by the Parent Company to Logimatic S.r.l., an associated company, on market terms.

The current financial assets of 3.9 million euros (3.4 million euros at 31 December 2013) mainly include financial receivables of the Parent Company and Ilapak International SA, for a total of 2.2 million euros, other liquid funds represented by bank deposits belonging to IMA-PG India Pvt Ltd. for 0.6 million euros and investments of IMA S.p.A. in mutual funds for 1.1 million euros.

6. Receivables from others

These include various kinds of guarantee deposits.

7. Derivative financial instruments

Derivative financial instruments comprise (millions of euros):

	Assets 30.06.2014	Liabilities 30.06.2014	Assets 31.12.2013	Liabilities 31.12.2013
Interest rate swaps- cash flow hedges	–	4.2	–	3.8
Exchange rate hedging instruments - cash flow hedges	–	0.1	0.1	–
Total	**–**	**4.3**	**0.1**	**3.8**

Interest rate derivatives

At 30 June 2014, the amounts of 4.2 million euros represent the fair value of option contracts to hedge the interest rate risk arranged by the Parent Company with leading banks and connected to a bond loan and part of the medium-term loans that expire by the end of 2018, on a nominal value of 46.7 million euros and 50.0 million US dollars.

Exchange rate derivatives

At 30 June 2014, the amount of 0.1 million euros represents the fair value of contracts for the forward sale of currency arranged by the Group to hedge exchange rate risk exposure based on notionals of 14.3 million US dollars.

8. Deferred tax assets and liabilities

At 30 June 2014, the deferred tax asset of 40.7 million euros (39.0 million euros at 31 December 2013), mainly relates to an amount recognised in 2012 on the tax recognition of the higher carrying amounts of the controlling interests recorded in IMA S.p.A.'s consolidated financial statements, and to temporary differences arising on provisions.

At 30 June 2014, deferred tax liabilities amount to 23.4 million euros (23.7 million euros at 31 December 2013) and relate mainly to temporary differences between the book values of certain tangible and intangible assets and their values recognised for tax purposes.

9. INVENTORIES

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

	30.06.2014			31.12.2013		
	Gross value	Impairment provision	Net value	Gross value	Impairment provision	Net value
Raw, ancillary and consumable materials	43.7	(8.4)	35.3	45.3	(8.3)	37.0
Work in progress and semifinished goods	214.7	(26.8)	187.9	186.4	(25.9)	160.5
Finished products and goods for resale	11.8	(3.0)	8.8	10.6	(3.4)	7.2
Total	**270.2**	**(38.2)**	**232.0**	**242.3**	**(37.6)**	**204.7**

The increase in inventories since 31 December 2013 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 31.12.2013	**37.6**
Net provisions	0.5
Exchange rate difference	0.1
Balances at 30.06.2014	**38.2**

10. TRADE AND OTHER RECEIVABLES

This item comprises (millions of euros):

	30.06.2014	31.12.2013
Trade receivables	140.9	143.3
Advances to suppliers	16.3	9.5
Tax receivables	7.9	9.9
Deferrals	5.0	3.2
Other receivables	6.9	8.1
Total	**177.0**	**174.0**

TRADE RECEIVABLES

Trade receivables include amounts due from customers of 81.3 million euros (95.7 million euros at 31 December 2013), amounts due on contract work in progress of 57.0 million euros (44.4 million euros at 31 December 2013) and receivables from associates and joint ventures of 2.6 million euros (3.2 million euros at 31 December 2013).

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

Trade receivables from customers are carried net of accumulated provisions amounting to 12.9 million euros (12.9 million euros at 31 December 2013).

Receivables assigned without recourse not yet due at 30 June 2014 amounted to around 18.5 million euros, of which 16.8 million euros assigned to factoring companies and 1.7 million euros to other financial institutions. The first half of 2014 saw the assignment without recourse of receivables with a total nominal value of around 15.1 million euros.

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

	30.06.2014	31.12.2013
Construction contracts (costs incurred plus recognized margins)	102.6	100.9
Advances received	(45.6)	(56.5)
Due from customers	**57.0**	**44.4**

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):

	30.06.2014	31.12.2013
Advances received	(22.2)	(19.4)
Construction contracts (costs incurred plus recognized margins)	16.3	13.9
Due to customers	**(5.9)**	**(5.5)**

ADVANCES TO SUPPLIERS

At 30 June 2014 these relate to advances for goods to be used in production and for services of respectively 9.7 million euros (4.4 million euros at 31 December 2013) and 6.6 million euros (5.1 million euros at 31 December 2013). This item includes advances to associates of 3.1 million euros (1.7 million euros at 31 December 2013).

TAX RECEIVABLES

Tax receivables mainly consist of VAT receivables.

11. CASH AND CASH EQUIVALENTS

This item comprises (millions of euros):

	30.06.2014	31.12.2013
Bank current accounts	75.9	76.8
Deposits	1.7	3.1
Cheques and cash	0.2	0.2
Total	**77.8**	**80.1**

For a better understanding of developments in this item, see the comments in Note 14 on the composition of net debt.

12. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

SHARE CAPITAL

The share capital reported in the consolidated financial statements at 30 June 2014, 19.2 million euros, is the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A., and is represented by 36,828,000 ordinary shares with a par value of 0.52 euros each.

TREASURY SHARES

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

The table below shows the number of outstanding shares:

Shares in thousands	
Balance at 01.01.2013	36,772
Purchase of treasury shares	–
Sale of treasury shares	50
Balance at 30.06.2013	36,822
Purchase of treasury shares	–
Sale of treasury shares	–
Balance at 31.12.2013	36,822
Purchase of treasury shares	–
Sale of treasury shares	–
Balance at 30.06.2014	36,822

At 30 June 2014, 5,500 shares were held in portfolio (0.015% of share capital), with a total value of 0.1 million euros.

FAIR VALUE RESERVE

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

Balance at 01.01.2013	**(0.5)**
Available for sale	
Measurement at fair value	(0.3)
Cash flow hedges/hedging instruments	
Measurement at fair value	0.6
Realization recognized in income - revenues	(0.5)
Realization recognized in income - financial income and expense	(0.1)
Balance at 30.06.2013	**(0.8)**
Balance at 01.01.2014	**(3.2)**
Available for sale	
Measurement at fair value	(1.0)
Cash flow hedges/hedging instruments	
Measurement at fair value	(0.6)
Fair value - tax effect	0.2
Realization recognized in income - financial income and expense	0.2
Tax effect - realization in income statement	(0.1)
Balance at 30.06.2014	**(4.5)**

DIVIDENDS

In May 2014 the Parent Company paid a total dividend of 46.0 million euros, equal to a gross amount of 1.25 euros per outstanding ordinary share (36.8 million euros, equal to a gross amount of 1.00 euro in May 2013).

REMEASUREMENT OF DEFINED BENEFIT PLANS RESERVE

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

Balance at 01.01.2013	**(2.5)**
Actuarial value	–
Sale of the Stephan business	0.8
Balance at 30.06.2013	**(1.7)**
Balance at 01.01.2014	**(1.6)**
Actuarial value	(1.7)
Tax effect	0.5
Balance at 30.06.2014	**(2.8)**

13. NON-CONTROLLING INTERESTS

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

		30 June 2014		31 December 2013	
	Country	% held by the Group	% held by third parties	% held by the Group	% held by third parties
Direct investments:					
Pharmasiena S.r.l.	Italy	70%	30%	70%	30%
Transworld Packaging Holding B.V.	The Netherlands	81%	19%	51%	49%
Indirect investments:					
GIMA S.p.A.	Italy	65%	35%	65%	35%
GIMA TT S.r.l.	Italy	58.5%	41.5%	58.5%	41.5%
Fillshape S.r.l.	Italy	39%	61%	39%	61%
Dreamer S.r.l.	Italy	58.5%	41.5%	58.5%	41.5%
Shanghai Tianyan Ph. Mach. Co. Ltd.	PRC	86.29%	13.71%	60%	40%

Transworld Packaging Holding B.V. controls fourteen companies, either directly or indirectly. For further information, see the list of equity investments provided in section G of the explanatory notes.

At 30 June 2014, minority interests total 8.8 million euros (16.9 million euros at 31 December 2013) and principally relate to GIMA S.p.A., 1.4 million euros, GIMA TT S.r.l., 2.9 million euros, and the Ilapak Group, 4.0 million euros.

On 25 March 2014, the Parent Company purchased an additional 30% interest in the Ilapak Group, raising its investment to 81%. The price for the acquisition was 22.7 million euros. The difference of 16.7 million euros between the price paid and the equity value of the additional interest purchased, 6.0 million euros, was charged against equity reserves. The Group measured the residual minority interests at their total fair value, including the related share of goodwill.

Acquisition expenses of 1.0 million euros were charged to the income statement.

On 24 June 2014, the Parent Company completed the sale to third parties of its 80% interest in Zibo IMA Xinhua Pharmatech Co. Ltd., a Chinese company, which reduced the carrying amount of minority interests by 1.5 million euros.

The dividends paid to the minority shareholders of GIMA S.p.A. in 2014 amounted to 1.9 million euros.

14. BORROWINGS

This includes amounts due to banks of 169.8 million euros (176.9 million euros at 31 December 2013), amounts due to other lenders of 3.8 million euros (6.5 million euros at 31 December 2013) and bonds of 116.4 million euros (36.9 million euros at 31 December 2013).

PAYABLES TO BANKS

Payables to banks comprise (millions of euros):

	30.06.2014	31.12.2013
Non-current:		
· Applied research and technological innovation loans	6.5	7.0
· Other loans	102.8	89.2
	109.3	**96.2**
Current:		
· Current accounts	3.1	2.9
· Advances on domestic transactions (Italy)	1.0	1.3
· Advances on export transactions	14.6	38.8
· Advances on export transactions to be carried out	1.3	0.1
· Applied research and technological innovation loans	1.0	0.6
· Other loans	39.5	37.0
	60.5	**80.7**
Total	**169.8**	**176.9**

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 2014.

Applied research and technological innovation loans

Repayments totalling 0.1 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

In February 2014, IMA S.p.A. obtained 29 million euros of funding from the European Investment Bank (EIB) to support its 2013-2016 R&D programme, which envisages using total resources of more than 60 million euros. The loan has a maximum duration of 6 years and is 50% guaranteed by SACE. Its purpose is to fund the R&D activities carried out by the Group in Italy, both in the Pharmaceutical sector and in the Tea, Food & Other sector.

The main changes in Other loans are contractual repayments made by IMA S.p.A. for 15.3 million euros.

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

	30.06.2014	31.12.2013
Due within 1 year	60.5	80.7
Due from 1 to 5 years	100.9	93.1
Due after more than 5 years	8.4	3.1
Total	**169.8**	**176.9**

PAYABLES TO OTHER LENDERS

These break down as follows (millions of euros):

	30.06.2014	31.12.2013
Payables to leasing companies	1.0	1.1
Payables to factoring companies	0.8	1.7
Other	2.0	3.7
Total	**3.8**	**6.5**

Payables to leasing companies primarily related to the factory in Krakow, Poland. Other payables reflect the financial debt of Ilapak Italia S.p.A. There are no payables that fall due beyond 5 years.

BONDS

On 13 May 2014, the Parent Company completed the placement with European institutional investors of a non-convertible bond amounting to 80 million euros, represented by two separate issues of equal amount. The securities representing the two issues will have a duration of five and seven years respectively. On 13 May 2014 the securities were admitted to the Multilateral Trading Facility (MTF) run by the Luxembourg Stock Exchange. The principal will be repaid in a lump sum on the respective due dates, subject, however, to the possibility of early repayment of the securities in accordance with their regulations. The bonds bear interest from the issue date at a fixed rate of 3.875% for the 5-year bonds and 4.375% for the 7-year bonds. The bonds are not guaranteed, but certain covenants must be met.

As mentioned in the past, in February 2013 IMA S.p.A. completed the US Private Placement of a non-convertible bond totalling 50 million US dollars with repayment in equal instalments over 10 years. This bond incurs interest at a fixed rate of 6.25%.

At 30 June 2014, outstanding bonds total 116.4 million euros, representing their nominal redemption value of 80 million euros and 50 million US dollars.

Bonds are analysed as follows (millions of euros):

	30.06.2014	31.12.2013
Non-current portion	115.4	36.2
Current portion	1.0	0.7
Total book value	**116.4**	**36.9**
Adjustment to fair value as result of transactions in fair value hedge and measurement at amortized cost	0.2	(0.6)
Present value of finance lease payables	**116.6**	**36.3**

NET DEBT

The composition of net debt at 30 June 2014 is as follows:

in millions of euros	30.06.2014	31.03.2014	31.12.2013
A. Cash and cash equivalents	(77.8)	(68.9)	(80.1)
B. Other cash equivalents	(0.6)	(0.8)	(1.0)
C. Investments in securities	(1.1)	(1.2)	(1.1)
D. Liquidity (A) + (B) + (C)	**(79.5)**	**(70.9)**	**(82.2)**
E. Current financial receivables	**(2.2)**	**(1.5)**	**(1.3)**
F. Current payables to banks	28.4	81.5	48.6
G. Current portion of non-current payables	33.4	31.4	32.8
H. Other current financial payables	1.4	3.3	5.0
I. Current financial debt (F) + (G) + (H)	**63.2**	**116.2**	**86.4**
J. Net current financial debt (D)+(E)+(I)	**(18.5)**	**43.8**	**2.9**
K. Non-current portion of non-current bank payables	109.3	112.9	96.2
L. Bonds issued	115.3	36.2	36.2
M. Other non-current financial payables	2.2	1.6	1.6
N. Non-current financial assets	(2.0)	(2.8)	(3.3)
O. Net non-current financial debt (K)+(L)+(M)+(N)	**224.8**	**147.9**	**130.7**
P. Net financial debt (J)+(O)	**206.3**	**191.7**	**133.6**
Q. Net financial assets held for sale	–	(3.2)	(3.2)
R. Total net financial debt (P)+(Q)	**206.3**	**188.5**	**130.4**

Total non-current financial assets differs from that reported in the balance sheet as it does not include equity interests in other companies.

At 31 December 2013, net financial assets held for sale referred to Zibo IMA Xinhua Pharmatech Co. Ltd. For further information on the composition of net debt, see Notes 5 and 11.

Net debt at the end of the period amounts to 206.3 million euros (130.4 million euros at 31 December 2013). This increase reflects the natural growth in operating capital, the dividends paid by the Parent Company (46.0 million euros paid in May 2014) and the acquisition of a further 30% interest in the Ilapak Group for about 23 million euros.

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

15. Severance and pension provisions

This item includes post-employment benefits valued actuarially by independent actuaries using the projected unit credit method under IAS 19. It mainly comprises severance indemnity provisions by the Group's Italian companies.

The main demographic assumptions adopted by the actuary were:

- life expectancies: those determined by the State General Accounting Office (RG48 split by gender);
- probability of disability: that in the INPS (National Social Security Institute) model for projections at 2010, distinguished by gender;
- pensionable age: the earliest retirement age possible under the Compulsory General Insurance scheme;
- probability of leaving work for reasons other than death: annual frequencies from 2.5% to 4.3%;
- 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:

	30.06.2014	31.12.2013
Annual discount rate	2.40%	3.15%
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 discounting rate applicable to Italian companies was determined with reference to the iBoxx EUR Corporates AA 10+ index.

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

Balance at 31.12.2013	**20.0**
Current service cost	0.1
Financial expense	0.2
Net actuarial losses (gains) recognized during the period	1.7
Severance payments made during the period	(0.7)
Other changes	0.1
Balance at 30.06.2014	**21.4**

16. Provisions for risks and charges

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

	Balance at 31.12.2013	Increases	Decreases	Exchange rate differences	Balance at 30.06.2014
Non-current:					
Agency termination indemnities	1.8	–	–	–	1.8
Other provisions	0.8	–	(0.1)	–	0.7
	2.6	**–**	**(0.1)**	**–**	**2.5**
Current:					
Product guarantee provision	14.7	1.9	(0.9)	–	15.7
Other provisions	3.2	0.2	(0.3)	–	3.1
	17.9	**2.1**	**(1.2)**	**–**	**18.8**
Total	**20.5**	**2.1**	**(1.3)**	**–**	**21.3**

The product guarantee provision was established on the basis of estimated expenses for work to be performed under guarantee after 30 June 2014.
Other provisions are made up of provisions for risks and charges made to cover tax liabilities or charges that might arise from contractual obligations.

17. Trade and other payables

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

	30.06.2014	31.12.2013
Trade payables	174.6	174.6
Advances from customers	104.5	97.0
Social security and defined-contribution plans payables	6.5	9.7
Tax payables	4.9	7.7
Employee payables	37.4	32.0
Payables in respect of acquisitions	0.9	0.5
Deposits	3.6	3.0
Other payables	8.4	10.6
Total	**340.8**	**335.1**

Trade payables

This item includes trade payables of 137.8 million euros (138.1 million euros at 31 December 2013), payables to agents of 6.9 million euros (6.5 million euros at 31 December 2013) and trade payables to associates of 29.9 million euros (30.0 million euros at 31 December 2013).

Advances from customers

The high amount of advances from customers reflects the substantial volume of orders acquired at the date of this report. Information on the amount due to customers for construction contracts (5.9 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

These mainly relate to deferred payroll and accrued holiday entitlement, which will mostly be taken during July and August.

Payables in respect of acquisitions

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

Other payables

The amount of 2.9 million euros (2.4 million euros at 31 December 2013) included in non-current liabilities is attributable to a medium to long term variable component payable to two directors for the achievement of measurable and predefined objectives for a three year period.

18. Personnel costs

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

	1st half 2014	1st half 2013	Change
Wages and salaries	90.1	73.7	16.4
Social security contributions	22.3	19.2	3.1
Remuneration of directors	2.6	2.6	–
Pensions - defined-benefit plans	0.1	0.1	–
Pensions - defined-contribution plans	4.7	4.0	0.7
Other personnel costs	5.9	5.7	0.2
Total	**125.7**	**105.3**	**20.4**

Personnel costs attributable to companies of the Ilapak Group, not included in the scope of consolidation in the first half of 2013, amount to 13.9 million euros. In the first half of 2014, the IMA Group employed an average of 3,712 persons as follows:

	1st half 2014	1st half 2013	Year 2013
Management	127	103	116
Office workers	2,588	2,239	2,400
Production workers	997	974	1,026
Total	**3,712**	**3,316**	**3,542**

At the end of the period there were 3,744 employees (3,885 at 31 December 2013).

19. Depreciation, amortization expense

This includes depreciation of property, plant and equipment of 3.3 million euros (2.8 million euros in the first half of 2013), amortisation of intangible assets of 7.4 million euros (5.7 million euros in the first half of 2013), and the provision for doubtful accounts of 0.2 million euros (release of 0.1 million euros in the comparative period). The increase in amortisation largely reflects amortisation of the unpatented technology and customer list booked following the consolidation of the Ilapak Group.

20. Financial income

This item comprises (millions of euros):

	1st half 2014	1st half 2013	Change
Interest income from banks	0.1	0.2	(0.1)
Interest income from customers and other financial income	0.3	0.1	0.2
Exchange rate gains	3.0	2.0	1.0
Total	**3.4**	**2.3**	**1.1**

21. Financial expense

This item comprises (millions of euros):

	1st half 2014	1st half 2013	Change
Interest expense on bank payables	3.5	2.5	1.0
Interest expense on bond	1.6	0.8	0.8
Net financial expense on defined-benefit plans	0.3	0.3	–
Expense on bank guarantees	0.2	0.2	–
Other interest and financial expense	0.4	0.1	0.3
Exchange rate losses	2.6	2.1	0.5
Total	**8.6**	**6.0**	**2.6**

The increase in interest expense reflects the higher level of borrowing during the period.

Exchange gains at 30 June 2014 include unrealised gains of 1.8 million euros (0.9 million euros in the first half of 2013), while exchange losses at this date include unrealised losses of 1.0 million euros (0.7 million euros in the first half of 2013).

22. Taxes

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

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

23. Assets and liabilities held for sale

In October 2013, a contract was signed for the sale to third parties of the entire 80% equity interest held in Zibo IMA Xinhua Pharmatech Co. Ltd., a company specialised in the production of components and automated machines for the manufacture of pharmaceutical products. The operation was part of a strategy to reorganise the IMA Group's production plants in China. As a result, the Group has concentrated its activities at production sites in Shanghai and Beijing. The price agreed was 50 million renminbi. The sale was completed on 24 June 2014.

24. Net profit from discontinued operations / disposal groups

The amount of 7.8 million euros reported in the first half of 2013 related to the disposal of the Stephan and Kilian businesses in 2013. For further information please read the 2013 annual report.

25. Business combinations

On 25 February 2014 the Parent Company completed its acquisition of the DOSA business unit, which designs, manufactures and markets dosing machines for pharmaceutical products, for 2.5 million euros. The acquisition involved booking goodwill of 2.1 million euros. On the acquisition date, the principal assets of the business unit comprised inventories of 0.3 million euros and property, plant and equipment of 0.1 million euros.

On 6 June 2014, IMA S.p.A. acquired the entire quota capital of Società del Sole S.r.l., located in Bologna and active in the real estate sector, for 1.5 million euros. Provisional recognition of this transaction has involved the allocation to Land of additional value totalling 1.5 million euros. The company is in fact the owner of a parcel of building land and parcels of agricultural land situated in the municipality of Ozzano dell'Emilia (Bologna). As required by IFRS 3, any adjustments will be made within twelve months of the acquisition date.

26. Guarantees granted

At 30 June 2014, the Group has given sureties and other bank guarantees to customers totalling 18.5 million euros for the proper operation of machinery, bid bonds and advances not yet received, sureties to guarantee rental contracts for 6.5 million euros, sureties in favour of the Tax Authorities for VAT credits for 1.7 million euros and sureties in favour of others for 5.1 million euros.

The Parent Company has also given sureties and other guarantees (binding letters of patronage) to third parties on behalf of subsidiaries, joint-ventures and associates, with respect to lines of credit or financing extended by banks and the payment of rental fees for 189.2 million euros. Ilapak International SA and Transworld Packaging Holding B.V. have provided guarantees to third parties on behalf of subsidiaries of the Ilapak Group totalling 7.2 million euros.

Sureties given against advances received from customers amount to about 56.5 million euros (55.9 million euros at 31 December 2013).

27. Commitments

At 30 June 2014, commitments for the purchase of property, plant and equipment and intangible assets amount to 0.3 million euros and 0.6 million euros respectively, relating principally to leasehold improvements, equipment and software.

The Group has commitments of 1.3 million euros represented by future minimum payments for non-cancellable operating leases, mainly relating to vehicles (0.6 million euros due within one year, 0.7 million euros due from one to five years), and rental commitments of 113.6 million euros (13.3 million euros due within one year, 45.0 million euros due from one to five years and 55.3 million euros due after more than five years).

A total of 7.5 million euros in operating lease and rental payments were made during the first half of 2014 (6.1 million euros in the first half of 2013).

Other commitments in favour of third parties, 5.7 million euros, consist mainly of the Parent Company's agreement to buy further units of the mutual funds classified as financial assets.

28. 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 2014 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 parties that control the Parent Company, to parties who administer and direct the activities of IMA S.p.A. and to parties that are controlled thereby.

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

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

Note that during the period there were no "particularly significant transactions", as defined in the Consob regulation, no individual related-party transactions that could have had a significant effect on balance sheets or results of group companies and no changes or developments in related-party transactions explained in the last annual report that could have had a significant effect on the balance sheets or results of group companies.

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

	Receivables at 30.06.2014	Receivables at 31.12.2013	Payables at 30.06.2014	Payables at 31.12.2013
Joint venture:				
Carle & Montanari-OPM S.p.A.	–	–	0.3	0.4
CMFIMA S.r.l.	0.1	0.1	0.1	0.1
CMH S.r.l.	8.9	8.9	–	–
CMRE S.r.l.	4.4	4.4	–	–
	13.4	**13.4**	**0.4**	**0.5**
Associates:				
Amherst Stainless LLC	0.4	0.4	0.2	0.3
B.C. S.r.l.	1.8	1.5	0.7	0.7
Bacciottini F.lli S.r.l.	0.6	0.6	2.0	2.1
Bolognesi S.r.l.	0.8	0.6	1.5	1.3
Brio Pharma Tech. Ltd.	0.4	0.4	1.2	1.0
Doo Officina-Game East Vrsac	0.5	0.5	–	–
I.E.M.A. S.r.l.	0.8	0.7	7.6	6.9
LA.CO S.r.l.	0.6	0.8	1.6	1.6
Logimatic S.r.l.	6.3	5.1	10.8	11.0
Masterpiece S.r.l.	–	–	0.1	0.1
Meccanica Sarti S.r.l.	1.2	n.a.	0.4	n.a.
Plasticenter S.r.l.	0.5	0.9	2.0	2.7
Powertransmission.it S.r.l.	0.1	0.1	0.3	0.3
Scriba Nanotecnologie S.r.l.	0.5	0.5	–	0.1
SIL.MAC S.r.l.	0.5	0.6	1.3	1.7
Altre collegate	–	0.1	0.1	–
	15.0	**12.8**	**29.8**	**29.8**
Other related parties:				
Banca di Bologna	0.6	0.8	–	–
Datalogic Automat. S.r.l.	–	–	0.2	0.2
Galliani & Sistemi S.p.A.	–	–	0.1	0.1
EPSOL S.r.l.	0.2	0.1	1.4	1.2
Mandarin Capital Man. SA	0.6	0.6	–	–
Morosina S.p.A.	0.2	–	–	–
Nemo Investimenti S.r.l.	0.7	–	–	–
Naturapack S.r.l.	0.1	0.1	–	–
Poggi & Associati	–	–	0.2	0.2
Schiavina S.r.l.	0.4	0.4	–	–
Verniciatura Dozzese S.r.l.	–	–	0.3	0.3
	2.8	**2.0**	**2.2**	**2.0**
Total	**31.2**	**28.2**	**32.4**	**32.3**

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

	Revenues 1st half 2014	Revenues 1st half 2013	Costs 1st half 2014	Costs 1st half 2013
Joint venture:				
CMFIMA S.r.l.	0.3	–	–	–
	0.3	**–**	**–**	**–**
Associates:				
Amherst Stainless LLC	–	–	1.0	1.4
B.C. S.r.l.	0.3	0.2	2.2	2.2
Bacciottini F.lli S.r.l.	0.1	0.2	2.0	1.9
Bolognesi S.r.l.	0.2	0.1	2.1	1.9
Brio Pharma Technologies Ltd.	–	–	0.6	0.3
I.E.M.A. S.r.l.	0.2	0.2	6.1	5.5
LA.CO S.r.l.	0.1	0.4	1.3	1.1
Logimatic S.r.l.	1.8	2.0	7.3	5.1
Masterpiece S.r.l.	–	–	0.3	0.2
Meccanica Sarti S.r.l.	–	n.a.	0.4	n.a.
Plasticenter S.r.l.	–	n.a.	2.4	n.a.
Powertransmission.it S.r.l.	–	–	0.3	0.4
SIL.MAC. S.r.l.	0.1	0.1	1.3	1.7
	2.8	**3.2**	**27.3**	**21.7**
Other related parties:				
Datalogic Automation S.r.l.	–	–	0.2	0.2
EPSOL S.r.l.	0.2	–	1.5	1.4
Ilapak International SA	n.a.	1.0	n.a.	–
Ilapak Italia S.p.A.	n.a.	0.6	n.a.	–
Lopam S.r.l.	–	–	0.2	0.2
Mandarin Capital Management SA	–	–	0.3	0.3
Morosina S.p.A.	–	–	0.2	0.1
Nemo Investimenti S.r.l.	0.2	–	1.0	0.8
Poggi & Associati	–	–	0.3	0.3
Verniciatura Dozzese S.r.l.	–	–	0.3	–
Other related parties	–	–	0.2	0.5
	0.4	**1.6**	**4.2**	**3.8**
Total	**3.5**	**4.8**	**31.5**	**25.5**

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 setting up the domestic tax group, as mentioned in Note 22.

Brief information about transactions with associates and joint ventures is given below:

- Amherst Stainless Fabrication LLC operates in the field of mechanical engineering and industrial assembly;
- B.C. S.r.l. manufactures machine parts for the Group and third parties;
- Bacciottini F.lli S.r.l. processes sheet metal for pharmaceutical machinery;
- Bolognesi S.r.l. operates in the field of mechanical engineering and industrial assembly;
- Brio Pharma Technologies Pvt. Ltd. distributes certain product lines of the Group in India;
- CMH S.r.l. and its subsidiaries Carle & Montanari – OPM S.p.A. and CMFIMA S.r.l. operate in the production and sale of automatic machines for the processing and packaging of chocolate;
- CMRE S.r.l. operates in the real estate sector;
- I.E.M.A. S.r.l. designs and produces equipment for automated machinery;
- LA.CO. S.r.l. manufactures mechanical constructions and repairs machine tools;
- Logimatic S.r.l. operates in the marketing, distribution and testing of automatic machines;

- Masterpiece S.r.l. carries out engineering work;
- Plasticenter S.r.l. is active in the plastics industry;
- Powertransmission.it S.r.l. manufactures and sells engineering components, assemblies and complete plant;
- Scriba Nanotecnologie S.r.l. specializes in the study of hi-tech solutions against food adulteration and for tracking pharmaceuticals;
- SIL.MAC. S.r.l. operates in the field of mechanical engineering, specializing in the construction of machines for third parties.

Investments in associated companies reflect the Group's ongoing commitment to work closely with suppliers that play an important role in the production process.

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

In the first half of 2014, total fees paid to managers with strategic responsibilities amounted to about 3.4 million euros (3.1 million euros in the first half of 2013). The managers with strategic responsibilities include two members of the Parent Company's Board of Directors.

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 30.06.2014	Of which related parties	% impact	Total at 31.12.2013	Of which related parties	% impact
Balance sheet:						
Non-current assets	301.4	22.3	7.4%	292.3	20.7	7.1%
Trade receivables	177.0	6.9	3.9%	174.0	5.8	3.3%
Other current assets	321.0	2.0	0.6%	294.6	1.7	0.6%
Current assets	498.0	8.9	1.8%	468.6	7.5	1.6%
Assets held for sale	–	–	0.0%	10.1	–	0.0%
Total assets	**799.4**	**31.2**	**3.9%**	**771.0**	**28.2**	**3.7%**
Equity	76.1			132.7		
Non-current liabilities	281.2	–	0.0%	186.4	–	0.0%
Trade payables	337.9	32.4	9.6%	332.7	32.3	9.7%
Other current liabilities	104.2	–	0.0%	116.6	–	0.0%
Current liabilities	442.1	32.4	7.3%	449.3	32.3	7.2%
Liabilities held for sale	–	–	0.0%	2.6	–	0.0%
Total liabilities and equity	**799.4**	**32.4**	**4.1%**	**771.0**	**32.3**	**4.2%**

	1st half 2014	Of which related parties	% impact	1st half 2013	Of which related parties	% impact
Income statement:						
Revenues and other income	380.7	2.6	0.7%	331.2	4.1	1.2%
Cost of raw materials and goods	(136.6)	(19.7)	14.4%	(125.1)	(16.8)	13.4%
Cost of services and leases	(96.8)	(11.4)	11.8%	(79.8)	(8.7)	10.9%
Other operating costs	(114.8)	–	0.0%	(92.6)	(0.1)	0.1%
Operating profit	**32.5**			**33.7**		
Net financial income (expense)	(5.2)	–	0.0%	(3.7)	–	0.0%
Profit (loss) from investment accounted for using equity method	0.5	0.5	100.0%	0.8	0.8	100.0%
Taxes	(10.1)	–	0.0%	(9.8)	–	0.0%
Profit from continuing operations	**17.7**			**21.0**		
Profit from discontinued operations / disposal groups	–	–		7.8	–	0.0%
Profit for the period	**17.7**			**28.8**		

29. SIGNIFICANT NON-RECURRUNG TRANSACTIONS AND EVENTS

In the first half of 2014, Services, rentals and leases include ancillary charges incurred in relation to the business combinations totalling 1.0 million euros, essentially in relation to the acquisition of an additional 30% interest in the Ilapak Group.

30. ATYPICAL AND / OR UNUSUAL TRANSACTIONS

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

31. SIGNIFICANT EVENTS AFTER THE CLOSE OF THE FIRST HALF

The main events that took place after 30 June 2014 are as follows:

- on 24/25 July 2014, IMA Industries S.r.l. acquired a further 8.5% interest in GIMA S.p.A. for 8.5 million euros and now owns 73.5% of that company;
- on 25 July 2014, the quotaholders' meeting of GIMA TT S.r.l., a subsidiary of GIMA S.p.A., resolved to increase quota capital for cash, on one or more occasions with subscriptions open to third parties, by up to 0.1 million euros plus a premium of 3.5 million euros;
- on 31 July 2014, IMA signed a preliminary contract for the acquisition of the entire capital of a new-formed company to which GS Divisione Verniciatura S.r.l. will first contribute a line of business for the coating of pharmaceuticals, para-pharmaceuticals and solid food products. The consideration agreed for the transfer of this equity investment is about 3 million euros; the closing date is scheduled for December 2014.

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

Companies consolidated line-by-line	Registered office			Share capital	Direct investment	Indirect investment
Industrial and service companies:						
- I.M.A. Industria Macchine Automatiche S.p.A.	Ozzano dell'Emilia	Bologna - Italy	EUR	19,150,560	Parent company	
- CO.MA.DI.S. S.p.A.	Senago	Milan - Italy	EUR	1,540,000	100%	–
- Corazza S.p.A.	Bologna	Bologna - Italy	EUR	15,675,000	100%	–
- GIMA S.p.A.	Zola Predosa	Bologna - Italy	EUR	1,000,000	–	65% (1)
- GIMA TT S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	100,000	–	58.5% (2)
- Fillshape S.r.l.	Zola Predosa	Bologna - Italy	EUR	100,000	–	39% (2)
- Ilapak Italia S.p.A.	Foiano della Chiana	Arezzo - Italy	EUR	4,074,000	–	81% (3)
- IMA Industries S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	4,000,000	100%	–
- Pharmasiena Service S.r.l.	Siena	Siena - Italy	EUR	100,000	70% (4)	–
- Revisioni Industriali S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	100,000	–	100% (5)
- Delta Systems & Automation Inc.	Rogers	USA	USD	1,000	–	81% (6)
- Ilapak International SA	Collina d'Oro Lugano	Switzerland	CHF	4,000,000	–	81% (7)
- Ilapak (Langfang) Packaging Machinery Co. Ltd.	Langfang	PRC	USD	3,000,000	–	81% (8)
- IMA Life The Netherlands B.V.	Dongen	The Netherlands	EUR	22,382,654 (*)	100%	–
- IMA Life North America Inc.	Tonawanda	USA	USD	100	–	100% (9)
- IMA Life (Beijing) Pharmaceutical Systems Co. Ltd.	Beijing	PRC	USD	400,000	100%	–
- IMA North America Inc.	Leominster	USA	USD	8,052,500	–	100% (9)
- IMA-PG India Pvt. Ltd.	Mumbai	India	INR	17,852,100 (*)	100%	–
- Shanghai Tianyan Pharmaceutical Co. Ltd.	Shanghai	PRC	RMB	5,250,000	–	86.29% (10)
- Swiftpack Automation Ltd.	Alcester	UK	GBP	1,403,895	100%	–
- Tianjin IMA Machinery Co. Ltd.	Tianjin	PRC	USD	200,000	100%	–
Commercial companies:						
- Ilapak.AT Services GmbH	Vienna	Austria	EUR	17,500 (*)	–	81% (3)
- Ilapak do Brasil Maquinas de embalagem Ltda.	Sao Paulo	Brazil	BRL	2,825,139	–	81% (7)
- Ilapak France SA	Lognes Paris	France	EUR	105,130	–	81% (3)
- Ilapak Inc.	Newtown	USA	USD	12,500	–	81% (3)
- Ilapak Israel Ltd.	Caesarea	Israel	ILS	1	–	81% (3)
- Ilapak Ltd.	Hayes London	UK	GBP	795,536	–	81% (3)
- Ilapak SNG OOO	Moscow	Russia	RUB	1,785,700	–	81% (3)
- Ilapak Sp. Z o.o.	Krakow	Poland	PLN	3,740,400	–	81% (7)
- Ilapak Verpackungsmaschinen GmbH	Haan	Germany	EUR	102,500	–	81% (3)
- IMA Est GmbH	Vienna	Austria	EUR	280,000	100%	–
- IMA France E.u.r.l.	Rueil Malmaison	France	EUR	45,735	100%	–
- IMA Germany GmbH	Cologne	Germany	EUR	90,000	100%	–
- IMA Iberica Processing and Packaging S.L.	Barcelona	Spain	EUR	590,000	100%	–
- IMA Industries GmbH	Großostheim	Germany	EUR	100,000	–	100% (1)
- IMA Industries Inc.	Mundelein	USA	USD	1,856,106	–	100% (5)
- IMA Industries India Pvt. Ltd.	Mumbai	India	INR	5,000,100 (*)	–	99.99% (1)
- IMA Industries North America Inc.	Leominster	USA	USD	100,000	–	100% (1)
- IMA Life Italia S.r.l.	Trezzano Naviglio	Milan - Italy	EUR	80,000	–	100% (11)
- IMA Life Japan KK	Tokyo	Japan	YEN	40,000,000	–	100% (11)
- IMA Pacific Co. Ltd.	Bangkok	Thailand	THB	132,720,000	99.99%	–
- IMA Packaging & Processing Co. Ltd.	Beijing	PRC	USD	2,350,000	100%	–
- IMA UK Ltd.	Alcester	UK	GBP	50,000	100%	–
- Imautomatiche Do Brasil Ltda.	Sao Paulo	Brazil	BRL	6,651,550	99.98%	–
- OOO IMA Industries	Moscow	Russia	RUB	12,000,000	–	100% (5)
Financial companies:						
- Packaging Systems Holdings Inc.	Wilmington	USA	USD	1,000	100%	–
- Transworld Packaging Holding B.V.	Amsterdam	The Netherlands	EUR	3,241,661	81%	–
Other companies:						
- Dreamer S.r.l.	Bologna	Bologna - Italy	EUR	100,000	–	58.5% (2)
- II Canada Ltd. (in liquidation)	Missisauga Toronto	Canada	CAD	–	–	100% (12)
- Ilapak China Ltd.	Hong Kong	PRC	USD	13	–	81% (3)
- Packaging Manufacturing Industry S.r.l.	Castenaso	Bologna - Italy	EUR	110,000	100%	–
- Società del Sole S.r.l.	Bologna	Bologna - Italy	EUR	10,000	100%	–

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

Notes:

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

Investments accounted for using the equity method	Registered office			Share capital	Direct investment
Industrial and service companies:					
- Amherst Stainless Fabrication LLC	Amherst NY	USA	USD	1,100,000	20% (1)
- B.C.S.r.l.	Imola	Bologna - Italy	EUR	36,400	30%
- Bacciottini F.lli S.r.l.	Oste Montemurlo	Prato - Italy	EUR	60,000	30% (2)
- Bolognesi S.r.l.	Dozza	Bologna - Italy	EUR	10,920	30% (2)
- Brio Pharma Technologies Pvt. Ltd.	Mumbai	India	INR	1,000,000	30%
- CMH S.r.l.	Bologna	Bologna - Italy	EUR	2,500,000	50%
- CMRE S.r.l.	Bologna	Bologna - Italy	EUR	50,000	50%
- Consorzio L.I.A.M.	Vignola	Modena - Italy	EUR	20,000 (3)	25%
- Consorzio Servizi	Bologna	Bologna - Italy	EUR	50,000 (3)	50%
- Doo Officina-Game East Vrsac	Vrsac	Serbia	RSD	105,842,643	30.7% (2)
- FID S.r.l. Impresa Sociale	Bologna	Bologna - Italy	EUR	20,000	30%
- I.E.M.A. S.r.l.	S.Giorgio di Piano	Bologna - Italy	EUR	100,000	30% (2)
- LA.CO S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	30,000	30% (2)
- Logimatic S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	100,000	32% (2)
- Masterpiece S.r.l.	Ozzano dell'Emilia	Bologna - Italy	EUR	10,000	30% (2)
- Meccanica Sarti S.r.l.	Bologna	Bologna - Italy	EUR	102,000	30% (2)
- Plasticenter S.r.l.	Granarolo dell'Emilia	Bologna - Italy	EUR	50,960	20% (2)
- Powertransmission.it S.r.l.	Castenaso	Bologna - Italy	EUR	50,000	20% (2)
- Scriba Nanotecnologie S.r.l.	Bologna	Bologna - Italy	EUR	25,556	24.9%
- SIL.MAC. S.r.l.	Gaggio Montano	Bologna - Italy	EUR	90,000	30% (2)
- Sirio S.p.A. Associazione in partecipazione (4)	Milan	Milan - Italy			

Notes:

(1) Held by IMA Life North America Inc.
(2) Held by Packaging Manufacturing Industry S.r.l.
(3) Shares in the consortium fund
(4) Agreement signed in the last quarter of 2007 for the management of an aircraft

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-terof 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 2014.

2. It is also certified that:

2.1 the condensed consolidated half-year financial statements at 30 June 2014:

a) have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Union 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), 8 August 2014

Managing Director

Alberto Vacchi

Manager responsible for preparing financial reports

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)

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

Building a better working world

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Auditors' review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
I.M.A. Industria Macchine Automatiche S.p.A.

1. We have reviewed the interim condensed consolidated financial statements, comprising the balance sheet, income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes, of I.M.A. Industria Macchine Automatiche S.p.A. and its subsidiaries (the "I.M.A. Group") as of June 30, 2014. Management of I.M.A. Industria Macchine Automatiche S.p.A. is responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we express on the annual consolidated financial statements.

   With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to our reports issued on March 31, 2014 and on August 9, 2013, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of I.M.A. Group as of June 30, 2014 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, August 8, 2014

Reconta Ernst & Young S.p.A.
Signed by: Alberto Rosa, Partner

This report has been translated into the English language solely for the convenience of international readers

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