

HALF-YEAR FINANCIAL REPORT
AT 30 JUNE 2016



HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2016

TABLE OF CONTENTS

INTERIM REPORT ON OPERATIONS		PAGE. 5 - 17
DIRECTORS AND OFFICERS	PAGE 6 - 7	
GROUP STRUCTURE	" 8	
GROUP PERFORMANCE	" 9 - 16	
OTHER INFORMATION	" 16 - 17	
CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT 30 JUNE 2016		" 19 - 24
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	" 20	
CONSOLIDATED INCOME STATEMENT	" 21	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	" 22	
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY	" 23	
CONSOLIDATED STATEMENT OF CASH FLOWS	" 24	
NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS		" 25 - 57
OVERVIEW	" 26	
GENERAL BASIS OF PREPARATION	" 26 - 27	
ACCOUNTING POLICIES AND STANDARDS	" 27	
FINANCIAL RISK MANAGEMENT	" 28 - 29	
SCOPE OF CONSOLIDATION	" 29 - 30	
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	" 30 - 55	
EQUITY INVESTMENTS INCLUDED IN THE SCOPE OF CONSOLIDATION AND METHOD USED	" 56 - 57	
CERTIFICATION OF CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS PURSUANT TO ART. 81 - TER OF CONSOB REGULATION		" 59 - 60
REPORT OF THE INDEPENDENT AUDITORS		" 61 - 62

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: € 20,415,200
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 2017)

DIRECTOR AND HONORARY CHAIRMAN

Marco Vacchi

CHAIRMAN AND MANAGING DIRECTOR

Alberto Vacchi

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

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

CHIEF OPERATING OFFICER

Andrea Malagoli

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

Giovanni Pecchioli

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

DIRECTORS

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

BOARD OF AUDITORS

(In office until the Shareholders' Meeting called to approve the financial statements at 31 December 2018)

STANDING AUDITORS

Francesco Schiavone Panni - Chairman

Roberta De Simone

Riccardo Pinza

ALTERNATE AUDITORS

Elena Spagnol

Giovanna Bolognese

Federico Ferracini

COMMITTEE (*)

Paolo Frugoni - Chairman - Independent director

Pierantonio Riello - Independent director

Maria Carla Schiavina - Non-executive Director

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

**MANAGER RESPONSIBLE
FOR PREPARING
FINANCIAL REPORTS**

Sergio Marzo

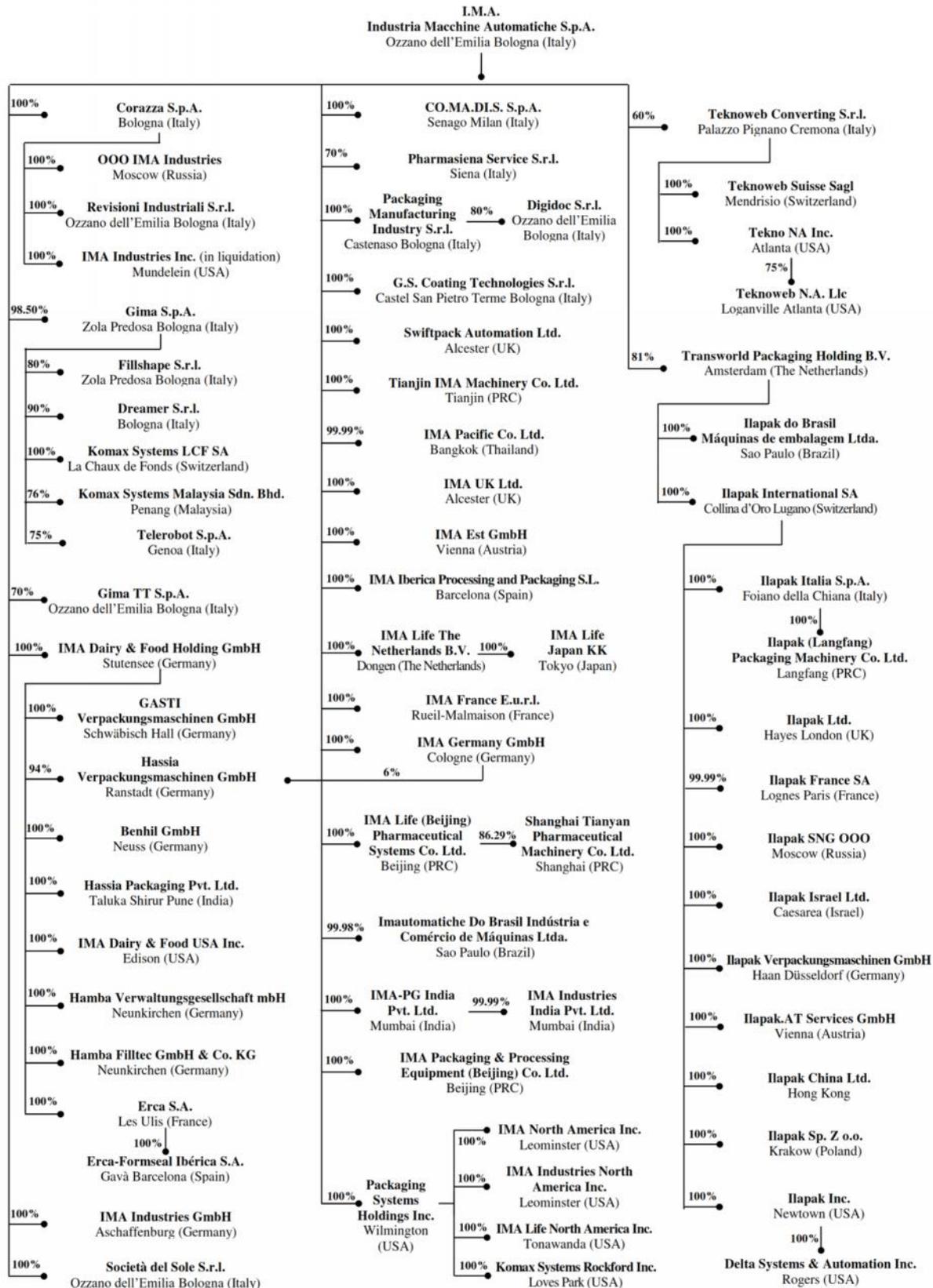
LEAD INDEPENDENT DIRECTOR

Paolo Frugoni

INDEPENDENT AUDITORS

EY S.p.A.

GROUP STRUCTURE



GROUP PERFORMANCE

THE ECONOMIC SCENARIO

The first half of 2016 saw confirmation of the weakness in the global economy, with advanced economies achieving moderate growth, while the situation in emerging countries still remains weak. The forecasts on the development of international trade were again revised downward, especially after the outcome of the "Brexit" referendum on 23 June 2016 which reflected a majority desire for the UK to leave the European Union. The impact on the currency and financial markets was immediate, though partially reabsorbed in the days that followed thanks to action by the monetary authorities. While the real medium- and long-term consequences are difficult to assess, Brexit has in any case increased uncertainty about global growth prospects, already affected by the weakness of emerging economies.

With the slowdown in emerging markets and the expected modest recovery in the US economy, Europe will have to increasingly rely on domestic demand over the coming months.

In this context, our Group is not expected to have any significant repercussions from Brexit as the incidence of the UK market is less than 4% of the total; indeed, in the first half of the year, it posted a significant increase in orders in our core sectors, improving the performance substantially on the first half of last year. The larger order book at the start of the year, compared with the situation at the beginning of 2015, 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 considerable uncertainty, IMA's reference markets have once again stood out for being amongst the most solid and counter-cyclical.

CONSOLIDATED INCOME STATEMENT

In the first half of 2016 the IMA Group's consolidated revenues amounted to 572.2 million euros on 481.2 million euros of the first half of 2015. EBITDA before non-recurring charges amounted to 66.4 million euros, a rise over the first half of 2015 when it was 55.1 million euros.

The IMA Group made an operating profit of 44.8 million euros, compared with 31.2 million euros in the same period of 2015, net of non-recurring items of 3.7 million euros, while the Group profit was 39.4 million euros, versus 11.4 million euros at 30 June 2015.

The following is a summarized version of the consolidated income statement for the half-year under review, with comparative figures for the first half of 2015:

in millions of euros	1st half 2016		1st half 2015	
	Amount	%	Amount	%
Revenues	572.2		481.2	
Cost of sales	(357.5)	62.5	(299.0)	62.1
Gross industrial income	214.7	37.5	182.2	37.9
R&D costs	(23.6)		(19.9)	
Sales costs	(63.4)		(55.0)	
General and administrative costs	(79.2)		(67.2)	
Operating profit before non-recurring items (EBITA)	48.5	8.5	40.1	8.3
Non-recurring items	(3.7)		(8.9)	
Operating profit (EBIT)	44.8	7.8	31.2	6.5
Net financial income (expense)	13.1		(9.7)	
Profit (loss) from investments accounted for using the equity method	1.7		0.5	
Profit before tax	59.6	10.4	22.0	4.6
Taxes	(17.9)		(8.0)	
Profit for the period	41.7	7.3	14.0	2.9
Profit attributable to non-controlling interests	(2.3)		(2.6)	
Profit attributable to equity holders of the parent	39.4	6.9	11.4	2.4
Gross operating profit (EBITDA) before non-recurring items	66.4	11.6	55.1	11.5
Gross operating profit (EBITDA)	62.7	11.0	46.2	9.6
Order book	802.4		650.1	

REVENUES AND ORDERS

In the first half of 2016, consolidated revenues amounted to 572.2 million euros versus 481.2 million euros in the same period of 2015 and up 18.9% thanks to the contribution made by the Medtech business, acquired in the course of the period, for a total of 22.7 million euros.

The following table provides a breakdown of revenues by business sector during the period, compared with the corresponding period in 2015:

in millions of euros	1st half 2016	1st half 2015	Change	%
Tea, Food & Other	300.1	242.4	57.7	23.8
Pharmaceutical	272.1	238.8	33.3	13.9
Total	572.2	481.2	91.0	18.9

The additional revenues of the Tea, Food & Other business sector reflect the larger order book at the end of 2015, compared with the situation in the prior year, as well as the contribution made by the Medtech business, while the revenues of the Pharmaceutical business are showing strong growth compared with the same period last year.

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

in millions of euros	1st half 2016	1st half 2015	Change	%
European Union (excluding Italy)	169.2	155.2	14.0	9.0
Other European countries	38.8	27.6	11.2	40.6
North America	99.8	95.9	3.9	4.1
Asia & Middle East	122.4	94.8	27.6	29.1
Other countries	66.9	49.6	17.3	34.9
Total exports	497.1	423.1	74.0	17.5
Italy	75.1	58.1	17.0	29.3
Total	572.2	481.2	91.0	18.9

This analysis of revenues reflects a general increase in all major markets, especially in other European countries, Asia and Middle East, and Italy. Given the seasonal nature of our sectors, it is important to emphasise that this analysis is not particularly meaningful.

The following table compares new orders received in the first half of 2016 with those in the first half of last year:

in millions of euros	1st half 2016	1st half 2015	Change	%
Tea, Food & Other	348.2	253.2	95.0	37.5
Pharmaceutical	313.8	283.0	30.8	10.9
Total	662.0	536.2	125.8	23.5

Orders acquired during the first half (+19.6% with the same scope of consolidation) shows a substantial increase in both reference segments over the same period last year. The Tea, Food & Other Sector includes the contribution of the Medtech business of 20.6 million euros, whereas the Pharmaceutical Sector confirms the performance of the first quarter of the year.

The following table shows a breakdown of the order book at 30 June 2016:

in millions of euros	30.06.2016	30.06.2015	Change	%
Tea, Food & Other	367.2	278.5	88.7	31.8
Pharmaceutical	435.2	371.6	63.6	17.1
Total	802.4	650.1	152.3	23.4

The order book is showing overall growth of more than 23% (14% with the same scope of consolidation) which, also at segment level, together with the projects and negotiations currently underway, allows us to continue to be optimistic about achieving the volume budgeted for the whole of 2016.

OPERATING PROFIT (EBIT)

Gross industrial income comes to 214.7 million euros versus 182.2 million euros at 30 June 2015, falling slightly as a percentage of sales (37.5% compared with 37.9% last year), mainly due to the different product mix and lower profitability of the Tea, Food & Other business compared with the same period last year. In particular, it is worth noting that in the first half the Dairy&Food business incurred extraordinary charges linked to certain loss-making contracts delivered prior to the acquisition. Given these charges, we exercised in advance our option to acquire the other 20% at a significantly lower price, which generated an extraordinary gain that is shown in financial income, which has more than compensated the lower profitability in 2015 and the first half of 2016.

R&D costs amounted to 23.6 million euros, which was higher than in the prior year (19.9 million euros), with the contribution of 0.2 million euros of the Medtech business.

Sales costs have grown compared with last year (63.4 million euros compared with 55.0 million euros), partially as a result of consolidating the Medtech business (0.9 million euros); they also include agents' commissions of 8.4 million euros (6.0 million euros at 30 June 2015).

General and administrative costs have increased to 79.2 million euros compared with last year (67.2 million euros) following the consolidation of the Medtech business (1.6 million euros) and the cost of labour.

Net operating profit, EBIT, is consequently growing on last year (44.8 million euros versus 31.2 million euros) after deducting non-recurring expenses of 3.7 million euros. These expenses relate to the acquisitions of the Medtech business for 1.4 million euros and to the reorganisation costs of the Dairy&Food business, which were all charged in the first half; this should lead to cost savings during the year which should almost totally reabsorb these costs.

PROFIT BEFORE TAX

The balance between net financial expense and income is positive for 13.1 million euros compared with a negative balance of 9.7 million euros at 30 June 2015. The change compared with the first half of 2015 is due to the gain of 18.7 million euros related to the early exercise of the option to acquire the remaining 20% of the Dairy&Food business, as discussed above, and to lower financial expense for the lower debt for the period (1.4 million euros) and the positive effect of exchange difference (2.5 million euros).

The profit before tax is therefore a profit of 59.6 million euros compared with 22.0 million euros in the same period last year.

**PROFIT ATTRIBUTABLE TO EQUITY
HOLDERS OF THE PARENT**

The Group's profit therefore comes to 39.4 million euros (11.4 million euros at 30 June 2015) after income tax of 17.9 million euros (8.0 million euros at 30 June 2015).

**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	Not allocated	Total
Revenues				
1st half 2016	300.1	272.1	–	572.2
1st half 2015	242.4	238.8	–	481.2
Gross operating profit (EBITDA) before non-recurring items				
1st half 2016	22.2	44.2	–	66.4
1st half 2015	26.4	28.7	–	55.1
Gross operating profit (EBITDA)				
1st half 2016	18.7	44.0	–	62.7
1st half 2015	17.9	28.3	–	46.2
Operating profit (EBIT)				
1st half 2016	5.8	39.0	–	44.8
1st half 2015	7.5	23.7	–	31.2
Net capital employed (*)				
30 June 2016	276.9	122.3	(3.7)	395.5
30 June 2015	236.2	132.8	(0.6)	368.4
R&D costs				
1st half 2016	10.5	13.1	–	23.6
1st half 2015	9.2	10.7	–	19.9
Average personnel				
1st half 2016	2,457	2,505	–	4,962
1st half 2015	1,972	2,420	–	4,392
Order book				
30 June 2016	367.2	435.2	–	802.4
30 June 2015	278.5	371.6	–	650.1

(*) 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 57.7 million euros, thanks to a larger order book at the start of the period and the contribution made by the Medtech business of 22.7 million euros. Gross operating profit (EBITDA) before non-recurring charges has decreased slightly to 22.2 million euros, with a contribution of 2.3 million euros from the Medtech business. The operating profit, due to the different product mix (which will be recovered in the second half of the year) and to the costs incurred by the Dairy&Food business described above, shows a decrease of 5.8 million euros, net of non-recurring charges of 3.5 million euros. Following the continuous acquisition of new orders, the order book grew by 88.7 million euros to 367.2 million euros, with a contribution of 60.5 million euros from the Medtech businesses.

Revenues in the Pharmaceutical sector are 33.3 million euros higher than in the same period last year. Gross operating profit (EBITDA), before non-recurring charges of 44.2 million euros, shows an increase over the previous year (+15.5 million euros). This improvement derives from higher sales volumes and a more favourable product mix at a time when business performance has improved in all product segments. Operating profit, 39.0 million euros, shows an increase similar to that of the previous year. Following the continuous and consistent flow of orders, the order book is showing an increase of 63.6 million euros (+17.1%) with good prospects for the current year and the next one.

Net capital employed, for a total of 395.5 million euros (368.4 million euros at 30 June 2015) has increased following the consolidation of the Medtech business.

CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

The following table summarizes the Group's balance sheet and financial position at 30 June 2016, compared with 31 December 2015:

in millions of euros	30.06.2016	31.12.2015
Trade receivables	293.0	248.0
Inventories	294.1	233.0
Trade payables	(445.9)	(374.6)
Other, net	(99.8)	(92.4)
Working capital	41.4	14.0
Property, plant and equipment	80.5	75.5
Intangible assets	324.5	321.4
Investments	29.9	23.1
Non-current assets	434.9	420.0
Severance obligations and other provisions	(80.8)	(95.1)
Net capital employed	395.5	338.9
FINANCED BY:		
Net debt	188.9	163.1
Non-controlling interests	9.0	16.8
Group equity attributable to equity holders of the parent	197.6	159.0
Total sources of financing	395.5	338.9

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

Net capital employed at the end of June 2016 amounts to 395.5 million euros, higher than the figure of 338.9 million euros at the end of December 2015 because of the consolidation of the Medtech business and the increase in inventories associated with the higher volume of sales and the deliveries scheduled for the second half of the current year.

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

in millions of euros	30.06.2016	31.12.2015	30.06.2015
A. Cash and cash equivalents	(140.4)	(156.1)	(94.9)
B. Other cash equivalents	(3.2)	(2.9)	(2.3)
C. Investments in securities	(1.2)	(1.6)	(1.7)
D. Liquidity (A) + (B) + (C)	(144.8)	(160.6)	(98.9)
E. Current financial receivables	(2.6)	(4.2)	(1.6)
F. Current payables to banks	34.5	61.1	52.4
G. Current portion of non-current payables	55.0	40.3	43.4
H. Other current financial payables	1.1	1.0	2.4
I. Current financial debt (F) + (G) + (H)	90.6	102.4	98.2
J. Net current financial debt (D)+(E)+(I)	(56.8)	(62.4)	(2.3)
K. Non-current portion of non-current bank payables	137.2	112.1	144.0
L. Bonds issued	110.5	115.5	115.5
M. Other non-current financial payables	1.7	1.8	1.9
N. Non-current financial assets	(3.7)	(3.9)	(3.8)
O. Net non-current financial debt (K)+(L)+(M)+(N)	245.7	225.5	257.6
P. Net financial debt (J) + (O)	188.9	163.1	255.3

The Group also has payables in respect of acquisitions totalling 20.1 million euros (33.9 million euros at 31 December 2015), mainly relating to the options agreed for the purchase of the minority interests in subsidiaries. The change with respect to the previous period is mainly due to the options exercised in advance in connection with the purchase of the remaining 20% of the Dairy&Food business in April 2016.

Net debt at the end of the period amounts to 188.9 million euros compared with 163.1 million euros at 31 December 2015. The increase stems from the physiological growth due to the increase in working capital, dividends paid by the parent company (52.5 million euros paid in May 2016) and the purchase of the Medtech business for a total of 21.8 million euros, to the acquisition of minority interest in GIMA S.p.A. and GIMA TT S.p.A. totalling Euro 34.3 million, net of the 90.9 million euro increase in capital, concluded in June. After adjusting for extraordinary transactions and dividends distributed, the net financial position in the first half of 2016 is about 87.8 million euros better than it was at the same date in 2015 (255.3 million euros). This reduction in debt is the result of a further improvement in the management of working capital, which comes to 12.34% of revenues (versus 12.69% the previous year), even though 30 June marks the part of the year when working capital tends to increase because of the seasonal nature of the business. Net debt is expected to fall considerably in the latter part of the year.

CAPITAL EXPENDITURE

Group capital expenditure amounted to 8.3 million euros (12.0 million euros in the same period of 2015) and mainly related to the extension and upgrading of existing buildings rented by IMA S.p.A. and to the capitalisation of machinery and electronic equipment and to the costs for the construction of a factory by Delta Systems & Automation Inc.

Capital expenditure on intangible assets amounted to 6.9 million euros (6.3 million euros in the first half of 2015) and related to the capitalization of development costs incurred on totally new products for market segments not previously occupied.

In addition, through Revisioni Industriali S.r.l., the Group has purchased the TEAMAC line of business - dedicated to the design, production and sale of automated plant and machinery for the packaging of tea products - for 3.0 million euros.

Lastly, the acquisition of the Medtech business involved booking on a temporary basis goodwill of 7.6 million euros.

Amortization and depreciation charges for the period come to 17.9 million euros (15.0 million euros in first half of 2015). The increase mainly reflects depreciation and amortization attributable to the Dairy&Food business, consolidated for 4 months in the previous period.

ALTERNATIVE PERFORMANCE INDICATORS

This report on operations also includes some performance indicators to give a better picture of the Group's operations and financial position.

On 3 December 2015, Consob issued its Communication no. 92543/15 rendering applicable the Guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA) as regards the presentation of these indicators in regulated information issued to the market or in financial statements published from 3 July 2016 onwards. These guidelines, which update the previous CESR Recommendation (CESR/05-178b), are designed to promote the usefulness and transparency of alternative performance indicators included in regulated information or in financial statements falling within the scope of Directive 2003/71/EC, in order to improve their comparability, reliability and ease of understanding. In line with the Communications mentioned above, we provide below the criteria used in preparing these indicators.

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

- cost of sales: represents costs incurred directly by the Group to generate revenues. For example, it includes materials, labour, the technical offices' costs involved in customizing products and production overheads;
- research and development costs: these include, by function, costs relating to the research and development of new products or to the maintenance of existing products. They also include costs relating to technical personnel, materials used for experiments and overheads for technical offices;
- sales costs: these include costs connected with commercial operations, such as staff, commissions paid to agents, promotional and advertising costs and associated overheads;
- general and administrative costs: these include all the costs associated with general operations such as administrative offices in the broadest sense, the management of sectors or divisions, production planning and all depreciation and amortisation not directly related to the foregoing functions;
- gross operating profit (EBITDA): this corresponds to the sum of operating profit, depreciation and amortization for the period and writedowns. EBITDA is an indicator used as a financial target in internal and external presentations and is a useful measure for evaluating the Group's performance.

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

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

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

OTHER INFORMATION

RELATED-PARTY TRANSACTIONS

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

By a resolution adopted on 1 December 2010, the Board therefore implemented the procedure on related parties, which takes account of the additional instructions on how to apply the new rules provided in Consob Communication DEM/10078683 of 24 September 2010. The purpose of this procedure, which is published on the Company's website (www.ima.it), is to 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.

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

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

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

Transactions with related parties are described more fully in Note 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 incorporation of the trading company IMA Fuda (Shanghai) Packaging Machinery Co. Ltd. was completed in July 2016. This company is based in Shanghai and is held 80% by the Parent Company and has a share capital of 6.0 million Chinese Yuan.

**OUTLOOK FOR THE
CURRENT YEAR**

The result achieved in the first half of 2016 reflects the higher order book at the end of 2015, the increased order intake during the period and the consolidation of the businesses acquired in the first half-year.

The steady trend in orders in all sectors, which has also been confirmed in July, combined with the size of the backlog at the end of the first half and the level of activity in the market in terms of the number of potential projects, also for significant amounts, leads us to be confident about the rest of the year, though we will still maintain a strong focus on reducing costs and improving commercial incisiveness.

If the above signs are confirmed in the coming months, a sales forecast of about 1,270 million euros with a gross operating profit of around 178 million euro should be achievable, having regard for the contributions to be made by the Medtech business, purchased in April, and by Telerobot not yet consolidated.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MILLIONS OF EUROS)

ASSETS	Note	30 June 2016	31 December 2015
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2	80.5	75.5
<i>Intangible assets</i>	3	324.5	321.4
<i>Investments accounted for using the equity method</i>	4	21.7	20.2
<i>Investments in non-consolidated subsidiaries</i>	5	5.4	–
<i>Financial assets</i>	6	6.5	6.7
<i>Receivables from others</i>	7	2.5	2.5
<i>Deferred tax assets</i>	9	60.9	54.0
TOTAL NON-CURRENT ASSETS		502.0	480.3
CURRENT ASSETS			
<i>Inventories</i>	10	294.1	233.0
<i>Trade and other receivables</i>	11	348.4	288.4
<i>Income tax receivables</i>		8.2	7.7
<i>Financial assets</i>	6	7.0	8.7
<i>Derivative financial instruments</i>	8	0.6	0.5
<i>Cash and cash equivalents</i>	12	140.4	156.1
TOTAL CURRENT ASSETS		798.7	694.4
TOTAL ASSETS		1,300.7	1,174.7
EQUITY AND LIABILITIES	Note	30 June 2016	31 December 2015
EQUITY			
<i>Equity attributable to equity holders of the parent</i>	13	197.6	159.0
<i>Non-controlling interests</i>	14	9.0	16.8
TOTAL EQUITY		206.6	175.8
NON-CURRENT LIABILITIES			
<i>Borrowings</i>	15	249.4	229.4
<i>Employee defined benefit liabilities</i>	16	58.6	51.2
<i>Provisions for risks and charges</i>	17	5.5	6.1
<i>Other payables</i>	18	21.2	37.2
<i>Derivative financial instruments</i>	8	2.3	2.6
<i>Deferred tax liabilities</i>	9	56.8	59.5
TOTAL NON-CURRENT LIABILITIES		393.8	386.0
CURRENT LIABILITIES			
<i>Borrowings</i>	15	90.6	102.4
<i>Trade and other payables</i>	18	556.7	472.5
<i>Income tax liabilities</i>		25.9	11.9
<i>Provisions for risks and charges</i>	17	26.9	26.0
<i>Derivative financial instruments</i>	8	0.2	0.1
TOTAL CURRENT LIABILITIES		700.3	612.9
TOTAL LIABILITIES		1,094.1	998.9
TOTAL EQUITY AND LIABILITIES		1,300.7	1,174.7

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 2016	1st half 2015
REVENUES	1	572.2	481.2
OTHER REVENUES		9.8	7.8
OPERATING COSTS			
<i>Change in work in progress, semifinished and finished goods</i>		50.5	14.9
<i>Change in inventory of raw, ancillary and consumable materials</i>		8.0	(0.5)
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>		(252.1)	(178.2)
<i>Services, rentals and leases</i>		(134.2)	(112.6)
<i>Personnel costs</i>	19	(185.0)	(165.1)
<i>Depreciation and amortization expense</i>	20	(18.3)	(14.3)
<i>Provisions for risks and charges</i>		(1.9)	1.8
<i>Other operating costs</i>		(4.2)	(3.8)
TOTAL OPERATING COSTS		(537.2)	(457.8)
OPERATING PROFIT	1	44.8	31.2
<i>- of which: effect of non-recurring items</i>	29	(3.7)	(8.9)
FINANCIAL INCOME AND EXPENSE			
<i>Financial income</i>	21	27.8	13.1
<i>Financial expense</i>	22	(14.7)	(22.8)
TOTAL FINANCIAL INCOME AND EXPENSE		13.1	(9.7)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		1.7	0.5
PROFIT BEFORE TAX		59.6	22.0
TAXES	23	(17.9)	(8.0)
PROFIT FOR THE PERIOD		41.7	14.0
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE PARENT		39.4	11.4
NON-CONTROLLING INTERESTS		2.3	2.6
		41.7	14.0
EARNINGS PER SHARE (in euros)	24	1.05	0.31

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 2016	1st half 2015
Net profit for the period		41.7	14.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
<i>Exchange rate gains (losses) on the translation of foreign currency financial statements</i>		(3.0)	6.2
<i>Gains (losses) on financial assets available for sale</i>	13	–	–
<i>Gains (losses) on cash flow hedges</i>	13	0.3	2.9
<i>Tax effect</i>		(0.1)	(0.8)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(2.8)	8.3
Other comprehensive income not being reclassified to profit or loss in subsequent periods:			
<i>Actuarial gains (losses) on post employment benefit obligations</i>	13	(7.3)	5.8
<i>Tax effect</i>		2.1	(1.7)
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		(5.2)	4.1
Gains and losses recognized in equity		(8.0)	12.4
Total comprehensive income		33.7	26.4
Attributable to:			
Equity holders of the parent		31.5	23.7
Non-controlling interests		2.2	2.7
		33.7	26.4

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(MILLIONS OF EUROS)

	Share capital	Share premium reserve	Treasury shares	Trans- lation reserve	Fair value reserve	Other reserves and retained earnings	Profit attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Non- controlling interests	Total equity
Balances at 01.01.2015	19.2	4.8	(0.1)	4.2	(3.4)	26.9	51.6	103.2	13.4	116.6
Distribution of dividends	-	-	-	-	-	-	(50.6)	(50.6)	(2.9)	(53.5)
Allocation of earnings for 2014	-	-	-	-	-	1.0	(1.0)	-	-	-
Capital increases	0.3	27.8	-	-	-	-	-	28.1	-	28.1
Purchase of non-controlling interests	-	-	-	-	-	(2.8)	-	(2.8)	(1.7)	(4.5)
Total comprehensive income	-	-	-	6.1	2.1	4.1	11.4	23.7	2.7	26.4
Balances at 30.06.2015	19.5	32.6	(0.1)	10.3	(1.3)	29.2	11.4	101.6	11.5	113.1
Balances at 01.01.2016	19.5	32.6	(0.1)	9.8	(1.7)	29.0	69.9	159.0	16.8	175.8
Distribution of dividends	-	-	-	-	-	-	(52.5)	(52.5)	(7.5)	(60.0)
Allocation of earnings for 2015	-	-	-	-	-	17.4	(17.4)	-	-	-
Capital increases	0.9	90.3	-	-	-	-	-	91.2	-	91.2
Purchase of non-controlling interests	-	-	-	-	-	(31.6)	-	(31.6)	(2.5)	(34.1)
Total comprehensive income	-	-	-	(3.0)	0.2	(5.1)	39.4	31.5	2.2	33.7
Balances at 30.06.2016	20.4	122.9	(0.1)	6.8	(1.5)	9.7	39.4	197.6	9.0	206.6

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(MILLIONS OF EUROS)

	Note	30 June 2016	30 June 2015
OPERATING ACTIVITIES			
Profit attributable to equity holders of the parent		39.4	11.4
Adjustments for:			
- Depreciation and amortization	20	17.9	15.0
- Capital (gains) losses on disposal of non-current assets		(0.4)	-
- Proceed from exercise of option on non-controlling interests	21	(18.7)	-
- Changes in provisions for risks and charges and employee defined benefit liabilities		-	(2.4)
- Unrealized losses (gains) on exchange rate differences	22	(0.7)	(0.1)
- Other changes		-	0.9
- Taxes		17.9	8.0
- Non-controlling interests		2.3	2.6
- Result from investments accounted for using the equity method		(1.7)	(0.5)
Operating profit before changes in working capital		56.0	34.9
(Increase) decrease in trade and other receivables		(33.4)	(36.8)
(Increase) decrease in inventories		(57.3)	(17.6)
Increase (decrease) in trade and other payables		66.3	2.4
Taxes paid		(7.5)	(5.4)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)		24.1	(22.5)
INVESTING ACTIVITIES			
Investments in property, plant and equipment	2	(8.3)	(12.0)
Investments in intangible assets	3	(6.9)	(6.3)
Acquisition business divisions/companies	25	(7.2)	(67.1)
Purchase of investments	5	(2.8)	(1.6)
Sale of non-current assets		0.6	0.2
Other changes		(1.7)	4.2
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)		(26.3)	(82.6)
FINANCING ACTIVITIES			
Granting of loans	15	50.1	94.7
Repayment of borrowings	15	(16.0)	(20.1)
Repayment of finance lease debts		(0.1)	(0.1)
Increase (decrease) in other payables to banks		(35.2)	30.3
Capital increases	13	90.6	27.9
Purchase of non-controlling interests	14	(34.1)	(4.5)
Consideration for exercise of option on non-controlling interests	21	(4.0)	-
Net change in financial assets and other non current receivables		2.0	(2.0)
Dividends paid to equity holders of the parent	13	(52.5)	(50.6)
Dividends paid to non-controlling interests	14	(7.5)	(2.9)
Payment of interest		(6.9)	(6.1)
Receipt of interest		0.1	0.1
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)		(13.5)	66.7
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)		(15.7)	(38.4)
CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)	12	156.1	133.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	12	140.4	94.9

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

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

A) OVERVIEW

The interim financial report at 30 June 2016 was approved by the Board of Directors on 12 August 2016.

The IMA Group is a world leader in the design and production of automatic machines for the processing and packaging of pharmaceuticals, cosmetics, tea and coffee, and other food products

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

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

At 30 June 2016, IMA S.p.A. is 57.326% (60% at 31 December 2015) owned by SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A.

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

B) GENERAL BASIS OF PREPARATION

General principles

This interim financial report at 30 June 2016 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 2015, available on the company's website www.ima.it.

Commencing from interim report on operations at 31 March 2016, the IMA Group has elected to define an interim period of one semester, since this best reflects the characteristics of the business in which the Group operates. In particular, this decision is most closely aligned with the average duration of the production cycle and the seasonality of the business. Observation of the results of operations on a quarterly basis provides no information about the results expected for the full year; accordingly, the detailed provision of information for each quarter, considered alone, is essentially irrelevant. The company remains committed to providing all the information required from listed issuers in each interim report on operations, including clear disclosure of any significant events that arose during period. However, the exclusion of detailed information about the performance of the business in each quarter, considered alone, will make the interim reports easier to read and provide a better understanding about the performance of the Group.

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 figures in the consolidated financial statements at 30 June 2016 are compared with those at 30 June 2015 approved by the Board of Directors on 7 August 2015 and available on the website www.ima.it, to which reference should be made for further details.

The statement of cash flows has been prepared using the indirect method for determining the cash flows from operating activities. The Group classifies interest paid and received and dividends as cash flows from financing activities.

All of the figures contained in the half-year report at 30 June 2016 are stated in millions of euros, unless otherwise indicated.

Consolidation principles

The condensed interim consolidated financial statements have been prepared using the consolidation policies adopted for the annual consolidated financial statements at 31 December 2015 as they are still compatible.

C) ACCOUNTING POLICIES AND STANDARDS

ACCOUNTING POLICIES AND STANDARDS

The accounting policies adopted to prepare the interim report as of 30 June 2016 are consistent with those used to prepare the consolidated financial statements at 31 December 2015, to which the reader is referred for further information.

The amendments and interpretations in force from 1 January 2016 govern circumstances and situations that are not relevant to or significant for the purposes of the consolidated financial statements. The Group is assessing the impact of the changes, amendments and interpretations to the accounting standards that have been approved but not adopted early or pending approval. In particular, the Group has begun to carry out an analysis of the potential impact that adoption of the new standards IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers, and IFRS 16 Leases could have on the balance sheet, financial position, income statement and information contained in the Group financial statements and notes.

Use of estimates

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

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

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

TRANSLATION OF FOREIGN CURRENCY BALANCES

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

Currency	1st half 2016		31 December 2015	1st half 2015	
	Exchange rate end of period	Exchange rate average	Exchange rate end of period	Exchange rate end of period	Exchange rate average
US dollar	1.110	1.116	1.089	1.119	1.116
Pound sterling	0.826	0.779	0.734	0.711	0.732
Indian rupee	74.960	75.002	72.021	71.187	70.124
Chinese yuan	7.375	7.296	7.061	6.937	6.941

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 2015.

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

FAIR VALUE

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

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

The following table shows the assets and liabilities measured at fair value at 30 June 2016 and 31 December 2015 by fair value hierarchy level:

in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	-	-	4.0	4.0
Derivative financial instruments	-	0.6	-	0.6
Total assets at 30.06.2016	-	0.6	4.0	4.6

Liabilities:				
Payables for acquisition	-	-	18.9	18.9
Derivative financial instruments	-	2.5	-	2.5
Total liabilities at 30.06.2016	-	2.5	18.9	21.4

in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets available for sale	-	-	4.5	4.5
Derivative financial instruments	-	0.5	-	0.5
Total assets at 31.12.2015	-	0.5	4.5	5.0
Liabilities:				
Payables for acquisition	-	-	32.3	32.3
Derivative financial instruments	-	2.7	-	2.7
Total liabilities at 31.12.2015	-	2.7	32.3	35.0

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

During the first half of 2016, 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 2016:

in millions of euros	Assets	Liabilities
Balance at 01.01.2015	5.9	0.5
Acquisition of Dairy&Food and Teknoweb business	-	31.8
Increases / (decreases)	(0.2)	-
Balance at 30.06.2015	5.7	32.3
Balance at 01.01.2016	4.5	32.3
Acquisition of Medtech business	-	7.4
Acquisition of Telerobot S.p.A.	-	2.6
Early exercise of the option purchase of 20% of Dairy&Food business	-	(22.9)
Increases / (decreases)	(0.5)	(0.5)
Balance at 30.06.2016	4.0	18.9

The liabilities at 30 June 2016 consist of payables for the options subscribed in connection with the purchase of minority interests in subsidiaries.

E) SCOPE OF CONSOLIDATION

The condensed interim consolidated financial statements at 30 June 2016 contain the financial and operating information of I.M.A. Industria Macchine Automatiche S.p.A. (Parent Company) and of all the companies over which it exercises direct or indirect control.

Set out below are the major events that have changed the scope of consolidation in the first half of 2016:

- From 1 January 2016 the acquisition by Revisioni Industriali S.r.l. of the TEAMAC business came into effect. This is a company dedicated to the design, manufacture and marketing of automatic systems and machines for the packaging of tea products for a consideration of 3.0 million euros. See Note 25 for further information;
- on 15 April 2016 IMA, through its subsidiaries GIMA S.p.A. and Packaging Systems Holdings Inc., completed the acquisition from Komax Holding AG of the entire share capital of Komax Systems LCF SA and Komax Systems Rockford Inc., together with 76% of Komax Systems Malaysia Sdn. Bhd. The agreement also provides for an option to buy the other 24% of Komax Systems Malaysia, which can be exercised in 2018. The three companies are leaders in the design, production and commercialisation of machines for assembling medical products for self-medication (Medtech business). The acquisition cost includes the amount paid (10.4 million euros) and a potential amount of 8.0 million CHF. See Note 25 for further information.

Other transaction which did not change the scope of consolidation:

- the partial and proportional spin-off of GIMA S.p.A. by assigning to the beneficiary company GIMA Holding S.r.l. the entire investment, consisting of 191,000 shares with a total par value of 95,500 euros of GIMA TT S.p.A., as well as the absorption of its parent company (by means of a so-called "reverse merger") of GIMA Holding S.r.l. by GIMA TT S.p.A. As a result of the transactions described since 1 January 2016 the extinction of the merged company GIMA Holding S.r.l. has been completed, as has possession by IMA S.p.A. of the investment, consisting of 140,385 shares with a total nominal value of 70,192.50 euros of GIMA TT S.p.A., formerly owned by GIMA S.p.A.;
- as part of a reorganisation of the Group, on 12 January 2016 IMA S.p.A. sold its stake in IMA Industries India Pvt. Ltd. to IMA PG-India Pvt. Ltd., with a view to a merger;
- on 3 March 2016, IMA S.p.A. acquired a further 6.189% interest in GIMA TT S.p.A. for 12.4 million euros and now owns 70% of that company. Some of the parties to the transaction are related parties;
- on 18 April 2016, IMA S.p.A. acquired from related parties a further 25% interest in GIMA S.p.A. for 21.7 million euros and now owns 98.5% of that company. In compliance with the requirements of the established procedure, the Parent Company informed the Related Party Transactions Committee, which commissioned an appraisal from an independent professional. On completion, the Committee expressed a positive opinion, having classified the transaction as "less relevant related party transaction";
- on 28 April 2016, the Parent Company signed an agreement with Lin Vermoegensverwaltung GmbH for the purchase of the remaining 20% interest in the Dairy&Food Group, following the early exercise of the put&call option, which was originally exercisable from April 2017. The price paid was 4 million euros. This transaction generated financial income of 18.7 million euros. The purchase of the entire equity interest will enable the Group to pursue the integration path even further, with a view to releasing all the organisational and commercial synergies;
- on 20 May 2016 GIMA S.p.A. completed the acquisition from the Xenon fund of 75% of Telerobot S.p.A., with operations based in Alessandria, which is market leader in machines for assembling plastics in the field of caps and closures. The transaction involves an outlay for the purchase of 2.2 million euros which will give GIMA 75% of the this company's shares and an option to buy the other 25% to be exercised by the date of approval of the financial statements at 31 December 2017. See Note 5 for further information.

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 2015 for balance sheet items and the figures for the first half of 2015 for income statement items.

1. SEGMENT INFORMATION

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

The Group's activities comprise the following operating segments:

Tea, Food & Other Sector

It produces machines for the packaging of tea and herbal teas in filter bags and the packaging of coffee in pods for the food & beverage sector, for the personal care sector, for end-of-line equipment, for the cheese sector and for stock cubes and for the tobacco sector, and for primary packaging in the food sector with the use of flexible material (horizontal and vertical flow packs) for assembling medical products plus related services. Operations in this sector are mainly carried out by the following companies:

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

Pharmaceutical 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 sector are mainly carried out by the following companies:

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

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

in millions of euros	1st half 2016			Total
	Tea, Food & Other	Pharmaceutical	Not allocated (*)	
Revenues	300.1	272.1	–	572.2
Segment operating profit	5.8	39.0	–	44.8
Net financial income (expense) (**)				13.1
Profit (loss) from investments accounted for using the equity method	–	1.7	–	1.7
Profit before tax				59.6
Taxes				(17.9)
Net profit for the period				41.7

in millions of euros	1st half 2015			Total
	Tea, Food & Other	Pharmaceutical	Not allocated (*)	
Revenues	242.4	238.8	–	481.2
Segment operating profit	7.5	23.7	–	31.2
Net financial income (expense) (**)				(9.7)
Profit (loss) from investments accounted for using the equity method	(0.2)	0.8	(0.1)	0.5
Profit before tax				22.0
Taxes				(8.0)
Net profit for the period				14.0

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

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

In the first half of 2016, revenues came to 572.2 million euros versus 481.2 million euros in the same period of 2015, an increase of 18.9% thanks to the contribution made by the Medtech business, which was acquired during the course of the year, for a total of 22.7 million euros.

The additional revenues of the Tea, Food & Other business sector reflect the larger order book at the end of 2015 compared with the situation in the prior year, and the contribution made by the acquisition, as mentioned above, and the Pharmaceutical business is also showing strong growth compared with the same period last year.

The sector in which the Group operates is affected by the strong seasonality of deliveries, such that the first half of the year is never truly indicative of the results achievable for the full year.

The revenues generated by the Tea, Food & Other sector have grown by 57.7 million euros, thanks to a larger order book at the start of the period and the contribution made by the Medtech business. Due to the different product mix (which will be recovered in the second half of the year) and the costs incurred by the Dairy&Food business for certain loss-making contracts delivered prior to acquisition, the operating profit is down by 5.8 million euros.

Revenues in the Pharmaceutical sector are 33.3 million euros higher than in the same period last year. Operating profit, 39.0 million euros, shows an increase compared with the previous year (+15.3 million euros). This improvement derives from higher sales volumes and a more favourable product mix at a time when business performance has improved in all product segments.

Total assets at 30 June 2016 and 31 December 2015 are as follows:

in millions of euros	Tea, Food & Other	Pharmaceutical	Not allocated (*)	Total
Total assets at 30 June 2016	641.8	427.8	231.1	1,300.7
Total assets at 31 December 2015	556.9	375.0	242.8	1,174.7

(*) *Unallocated assets principally comprise financial assets, investments, income tax receivables and deferred tax assets not directly attributable to the operating segments.*

The increase in total assets compared with 31 December 2015 is essentially due to the acquisitions of the Medtech business, as well as to the performance and seasonality of the period.

The following is a breakdown of IMA Group revenues for the first half of 2016 by geographical area and business segment:

REVENUES BY GEOGRAPHICAL AREA

in millions of euros	1st half 2016	1st half 2015	Change
European Union (excluding Italy)	169.2	155.2	14.0
Other European countries	38.8	27.6	11.2
North America	99.8	95.9	3.9
Asia & Middle East	122.4	94.8	27.6
Other countries	66.9	49.6	17.3
Total exports	497.1	423.1	74.0
Italy	75.1	58.1	17.0
Total	572.2	481.2	91.0

REVENUES BY BUSINESS SEGMENT

in millions of euros	1st half 2016	1st half 2015	Change
Machines and change parts	167.3	175.3	(8.0)
Contract work	255.1	175.8	79.3
Spare parts and other materials	101.1	79.4	21.7
Technical assistance	41.0	41.5	(0.5)
Other services	7.7	9.2	(1.5)
Total	572.2	481.2	91.0

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment report a net increase of 5.0 million euros. The changes during the year were as follows:

in millions of euros	Buildings and leasehold	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
	Land improvements					
Balances at 01.01.16	11.1	35.9	13.5	4.8	7.6	75.5
Increases	0.2	2.9	1.3	0.8	1.8	8.3
Sales and disposals	-	-	(0.1)	-	(0.1)	(0.2)
Change in scope of consolidation	-	2.0	0.5	-	0.5	3.0
Depreciation	-	(2.0)	(1.5)	(0.8)	(1.2)	(5.5)
Reclassifications	1.5	-	0.4	0.2	-	(2.1)
Translation differences	(0.2)	(0.2)	(0.1)	-	-	(0.6)
Balances at 30.06.16	12.6	38.6	14.0	5.0	8.6	80.5

Leasehold improvements amount to 25.3 million euros (22.2 million euros at 31 December 2015).

"Other assets" comprise:

in millions of euros	30.06.2016	31.12.2015
Electronic office equipment	3.3	2.6
Office furniture and fittings	3.1	3.1
Vehicles	1.6	1.3
Other	0.6	0.6
Total	8.6	7.6

Additions for the period mainly relate to costs incurred to extend and upgrade buildings rented by IMA S.p.A. and to the capitalisation of machinery and electronic equipment and other charges associated to the construction of a production facility by Delta Systems & Automation Inc.

The change in the scope of consolidation mainly reflects the acquisition of the Medtech business as discussed in Note 25.

3. INTANGIBLE ASSETS

The movements in intangible assets during the period are analyzed below:

in millions of euros	Development costs	Industrial patents rights	Software licences, trademarks and similar	Goodwill	Assets under development and advances	Total
	Balances at 01.01.16	100.3	4.7	70.0	135.6	
Increases	1.6	0.8	0.9	-	3.6	6.9
Change in scope of consolidation	0.4	0.2	0.4	-	-	1.0
Acquisition of TEAMAC business	-	-	-	0.7	-	0.7
Acquisition of Medtech business	-	-	-	7.6	-	7.6
Amortization	(6.2)	(0.9)	(5.3)	-	-	(12.4)
Reclassifications and other changes	4.9	-	-	(0.3)	(4.9)	(0.3)
Translation differences	-	-	-	(0.4)	-	(0.4)
Balances at 30.06.16	101.0	4.8	66.0	143.2	9.5	324.5

Development costs include the costs incurred for unpatented technology, the useful life of which has been estimated to be between 5 and 10 years and is attributable to the following acquisitions:

- the Dairy&Food business acquired in 2015, 47.8 million euros;

- DOSA S.r.l. and G.S. Coating Technologies S.r.l. businesses, purchased in 2014, for 0.6 million euros and 2.0 million euros respectively;
- Ilapak Group, which took place in 2013, for 11.9 million euros;
- Dairy & Convenience Food business of the Corazza Group, occurred in 2011, for 8.2 million euros.

In addition, this caption includes costs of 13.5 million euros incurred by the Parent Company on projects related to the Pharmaceutical sector and of 3.0 million euros on the development for the Tea sector.

Software, licences, trademarks and other rights primarily include operating and technical software applications and intangible assets linked to the "customer list" of 27.0 million euros, 7.3 million euros and 7.2 million euros respectively. They arose on the acquisition of the Dairy&Food business, the Ilapak Group and the Corazza Group. This caption also includes trademarks totalling 18.4 million euros that relate to the Dairy&Food business.

Goodwill comprises the following:

in millions of euros	30.06.2016	31.12.2015
Tea, Food & Other sector:		
CGU B.F.B. S.p.A.	1.8	1.8
CGU GIMA S.p.A.	1.6	1.6
CGU Corazza Group	18.9	18.9
CGU Dairy&Food Group	24.7	25.0
CGU Ilapak Group	4.1	4.1
CGU Medtech	7.6	n.a.
CGU Teknoweb Group	13.3	13.3
CGU Naturapack S.r.l.	8.7	8.7
CGU TEAMAC	0.7	n.a.
	81.4	73.4
Pharmaceutical sector:		
CGU CO.MA.DI.S. S.p.A.	3.8	3.8
CGU DOSA S.r.l.	0.8	0.8
CGU G.S. S.r.l. Coating System	7.4	7.4
CGU G.S. Coating Technologies S.r.l.	0.6	0.6
CGU Edwards Group	23.1	23.1
CGU Nova Group	14.0	14.4
CGU ICO OLEODINAMICI S.p.A.	1.6	1.6
CGU MKCS Inc.	0.6	0.6
CGU Pharmsiena 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
	61.8	62.2
Total	143.2	135.6

The goodwill recognized on acquisitions of the TEAMAC and Medtech businesses is discussed in Note 25.

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

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

Assets under development and advances mainly relate to the capitalization of development costs incurred by the Parent Company (4.0 million euros), Ilapak Italia S.p.A (1.9 million euros) and GIMA S.p.A. (2.6 million euros).

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This item breaks down as follows:

in millions of euros	30.06.2016	31.12.2015
Associates:		
Amherst Stainless Fabrication LLC	0.4	0.2
B.C. S.r.l.	2.4	2.1
Bacciottini F.Ili S.r.l.	0.6	0.6
Bolognesi S.r.l.	1.0	0.9
Brio Pharma Technologies Pvt. Ltd.	0.4	0.4
Doo Officina-Game East Vrsc	0.3	0.3
I.E.M.A. S.r.l.	1.0	0.8
LA.CO. S.r.l.	0.5	0.4
Logimatic S.r.l.	0.7	0.6
Meccanica Sarti S.r.l.	1.2	1.2
MORC 2 S.r.l.	1.5	1.4
Plasticenter S.r.l.	0.6	0.5
SIL.MAC. S.r.l.	0.8	0.4
Sirio S.p.A. Associazione in partecipazione	5.2	5.2
Other associates	0.8	0.8
	17.4	15.8
Joint venture:		
CMRE S.r.l.	4.3	4.4
	4.3	4.4
Total	21.7	20.2

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

Brief information about transactions with associates is given below:

- Amherst Stainless Fabrication LLC operates in the field of mechanical engineering and industrial assembly;
- B.C. S.r.l. manufactures machine parts for the Group and third parties;
- Bacciottini F.Ili S.r.l. processes sheet metal for pharmaceutical machinery;
- Bolognesi S.r.l. operates in the field of mechanical engineering and industrial assembly;
- Brio Pharma Technologies Pvt. Ltd. distributes certain product lines of the Group in India;
- Doo Officina-Game East Vrsac operates in the field of mechanical engineering, specialising in the construction of machines for third parties;
- I.E.M.A. S.r.l. designs and produces equipment for automated machinery;
- LA.CO. S.r.l. manufactures mechanical constructions and repairs machine tools;
- Logimatic S.r.l. operates in the marketing, distribution and testing of automatic machines;
- Meccanica Sarti S.r.l. is active in the construction of mechanical components for machinery;
- MORC 2 S.r.l. operates in the manufacture of industrial handling and automation systems.
- Plasticenter S.r.l. is active in the plastics industry;
- SILMAC. S.r.l. operates in the field of mechanical engineering, specializing in the construction of machines for third parties.

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

**5. INVESTMENTS IN
NON-CONSOLIDATED SUBSIDIARIES**

On 20 May 2016 GIMA S.p.A. completed the acquisition from the Xenon fund of 75% of Telerobot S.p.A., with operations based in Alessandria. The company is market leader in machines for assembling plastics in the field of caps and closures. The transaction involves an outlay for the purchase of 2.2 million euros which will give GIMA 75% of the this company's shares and an option to buy the other 25% to be exercised by the date of approval of the financial statements at 31 December 2017.

The company has been measured at cost because of the immateriality of the amounts involved and in view of the time required for it to adopt the IMA Group's consolidation procedures. For 2016, the business should generate a turnover of around 10 million euros and EBITDA of 1 million euros, with 48 employees. The company will be consolidated line-by-line for the period May-September, starting from the interim report at 30 September 2016.

6. FINANCIAL ASSETS

Non-current financial assets of 6.5 million euro include investments in other companies of 2.8 million euros (2.8 million euros at 31 December 2015) and financial receivables of 3.7 million euros (3.9 million euros at 31 December 2015).

Investments in other companies mainly include the interest held in InterMedia Holding S.p.A., 1.2 million euros (1.2 million euros at 31 December 2015), and the shares held in Continuus Pharmaceuticals Inc. totalling 1.4 million euros (1.4 million euros at 31 December 2015). The 2014 loss accumulated due to significant and prolonged reduction in the fair value of the investment in InterMedia was recognized as a financial expense.

Non-current financial receivables are attributable to Ilapak International SA, 2.8 million euros for loans to third parties, to a loan of 0.6 million euros granted by the Parent Company to Logimatic S.r.l., an associated company, on market terms and to a loan of 0.3 million euros granted by GIMA S.p.A. to Telerobot S.p.A. a non-consolidated subsidiary.

Current financial assets, 7.0 million euros (8.7 million euros at 31 December 2015), essentially comprise loans granted by the Parent Company, Packaging Manufacturing Industry S.r.l. and GIMA S.p.A. to CMRE S.r.l., a joint venture, to Logimatic S.r.l., LA.CO S.r.l., and Doo Officina-Game East Vrsac, to the non-consolidated subsidiary Telerobot S.p.A. and to InterMedia Holding S.p.A., totalling 2.0 million euros, and other liquid assets consisting of the bank deposits of IMA-PG India Pvt Ltd. 3.2 million euros, financial receivables due to Ilapak International SA, 0.5 million euros, and the investments of IMA S.p.A. in mutual funds, 1.2 million euros, the book value of which reflects their fair value.

7. RECEIVABLES FROM OTHERS

These include various guarantee deposits.

**8. DERIVATIVE FINANCIAL
INSTRUMENTS**

Derivative financial instruments comprise:

in millions of euros	Assets	Liabilities	Assets	Liabilities
	30.06.2016	30.06.2016	31.12.2015	31.12.2015
Interest rate swaps- cash flow hedges	-	2.3	-	2.6
Exchange rate hedging instruments - cash flow hedges	0.6	0.2	0.5	0.1
Total	0.6	2.5	0.5	2.7

INTEREST RATE DERIVATIVES

At 30 June 2016, the amounts of 2.3 million euros represent the fair value of option contracts to hedge the interest rate risk arranged by the Parent Company with leading banks and connected to a bond loan and part of the medium-term loans that expire by the end of 2020, on a nominal value of 50.0 million US dollars and 89.2 million euros.

EXCHANGE RATE DERIVATIVES

At 30 June 2016, the amount of 0.6 million euros in assets and 0.2 million euros in liabilities are the fair value of the forward currency purchase and sale contracts taken out by the Group to manage its exchange risk exposure based on a notional of 52.9 million US dollars, 13.2 million Chinese yuan, 1.4 million Pounds Sterling and 1.2 million Canadian dollars.

9. DEFERRED TAX ASSETS AND LIABILITIES

At 30 June 2016, the deferred tax asset of 60.9 million euros (54.0 million euros at 31 December 2015), mainly relates to a deferred tax asset recognised in 2012 on the release of the uplift in the carrying amounts of the controlling interests recorded in IMA S.p.A.'s consolidated financial statements and temporary differences arising on provisions.

At 30 June 2016, deferred tax liabilities amount to 56.8 million euros (59.5 million euros at 31 December 2015) and relate mainly to temporary differences between the book values of certain tangible and intangible assets and their values recognised for tax purposes.

10. INVENTORIES

This item breaks down as follows:

in millions of euros	30.06.2016			31.12.2015		
	Gross value	Impairment provision	Net value	Gross value	Impairment provision	Net value
Raw, ancillary and consumable materials	71.1	(15.7)	55.4	59.5	(14.1)	45.4
Work in progress and semifinished goods	258.0	(31.9)	226.1	206.0	(29.7)	176.3
Finished products and goods for resale	16.6	(4.0)	12.6	15.2	(3.9)	11.3
Total	345.7	(51.6)	294.1	280.7	(47.7)	233.0

The increase in inventories since 31 December 2015 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:

in millions of euros	
Balances at 01.01.2015	33.3
Net provisions	2.2
Change in scope of consolidation	9.5
Exchange rate difference	0.3
Balances at 30.06.2015	45.3
Balances at 01.01.2016	47.7
Net provisions	2.8
Change in scope of consolidation	1.2
Exchange rate difference	(0.1)
Balances at 30.06.2016	51.6

11. TRADE AND OTHER RECEIVABLES

This item comprises:

in millions of euros	30.06.2016	31.12.2015
Trade receivables	293.1	248.0
Advances to suppliers	24.5	15.2
Tax receivables	9.2	9.6
Deferrals	7.1	3.4
Other receivables	14.5	12.2
Total	348.4	288.4

TRADE RECEIVABLES

Trade receivables include amounts due from customers of 149.8 million euros (148.6 million euros at 31 December 2015), amounts due on contract work in progress of 136.1 million euros (93.6 million euros at 31 December 2015) and receivables from associates and non-consolidated subsidiaries of 7.2 million euros (5.8 million euros at 31 December 2015).

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

Trade receivables from customers are carried net of accumulated provisions amounting to 15.0 million euros (14.8 million euros at 31 December 2015).

Receivables assigned without recourse not yet due at 30 June 2016 amounted to around 32.8 million euros, of which 31.1 million euros assigned to factoring companies and 1.7 million euros to other financial institutions. The first half of 2016 saw the assignment without recourse of receivables with an overall nominal value of around 21.6 million euros.

Amounts due from customers in respect of contract work in progress, determined on a percentage-of-completion basis, are shown below net of the advances:

in millions of euros	30.06.2016	31.12.2015
Construction contracts (costs incurred plus recognized margins)	329.5	195.1
Advances received	(193.4)	(101.5)
Due from customers	136.1	93.6

The amount attributable to the newly acquired Medtech business comes to 22.7 million euros.

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

in millions of euros	30.06.2016	31.12.2015
Advances received	(53.8)	(66.0)
Construction contracts (costs incurred plus recognized margins)	33.5	44.5
Due to customers	(20.3)	(21.5)

ADVANCES TO SUPPLIERS

At 30 June 2016 these relate to advances for goods to be used in production and for services of respectively 17.9 million euros (10.3 million euros at 31 December 2015) and 6.6 million euros (4.9 million euros at 31 December 2015). This item includes advances to associates of 4.1 million euros (3.4 million euros at 31 December 2015).

TAX RECEIVABLES

Tax receivables mainly consist of VAT receivables.

OTHER RECEIVABLES

This item includes the residual receivable of 8.0 million euros from Sacmi Imola S.c. following the sale of the investment in CMH S.r.l. in December 2015.

12. CASH AND CASH EQUIVALENTS

This item comprises:

in millions of euros	30.06.2016	31.12.2015
Bank current accounts	136.1	150.8
Deposits	4.0	5.1
Cheques and cash	0.3	0.2
Total	140.4	156.1

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

13. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENTSHARE CAPITAL AND SHARE PREMIUM RESERVE

The share capital reported in the consolidated financial statements at 30 June 2016, 20.4 million euros, is the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A., and is represented by 39,260,000 ordinary shares with a par value of 0.52 euros each.

On 6 June 2016, based on the mandate given to it by the Extraordinary Shareholders' Meeting on 27 April 2016, the Board of Directors of IMA S.p.A. approved a cash increase in capital with a total par value of 910,000 euros, equal to around 4.67% of IMA's share capital, by issuing 1,750,000 new ordinary shares of par value 0.52 euros each, excluding shareholders' option rights, for a total of 92,750,000 euros, including a share premium. The placement was by means of an accelerated book-build reserved for qualified investors in Italy and institutional investors abroad. In this transaction, IMA has taken a lock-up commitment for 90 days in line with market practice in similar operations. The shares have been placed at 53 euros per share. The transaction was settled by delivery of the shares and payment of the consideration on 10 June 2016. The attestation of the increase in capital was deposited with the Bologna Company Register on 10 June 2016.

The charges for the increase in share capital amounted to Euro 2.2 million and consist of bank placement fees, consultancy fees and legal fees. The costs involved in the capital increase have been deducted from equity in accordance with IAS 32, net of the related tax benefit (0.6 million euros) calculated at the applicable rates.

At 30 June 2016 the share premium reserve amounts to 122.9 million euros. The increase of 90.3 million euros is due to the increase in capital, after deducting the related costs.

TREASURY SHARES

The Parent Company did not carry out any transactions in its own shares during the first half of 2016, nor during the whole of 2015. At 30 June 2016, 5,500 shares are held in portfolio (0.014% of share capital), with a total value of 0.1 million euros.

DIVIDENDS

In May 2016 the Parent Company paid a total dividend of 52.5 million euros, equal to a gross amount of 1.40 euros per outstanding ordinary share (50.6 million euros, equal to a gross amount of 1.35 euros in May 2015).

FAIR VALUE RESERVE

Changes in the fair value reserve break down as follows:

in millions of euros	
Balance at 01.01.2015	(3.4)
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	0.8
Fair value - tax effect	(0.2)
Realization recognized in income - revenues	2.7
Realization recognized in income - financial income and expense	(0.6)
Tax effect - realization in income statement	(0.6)
Balance at 30.06.2015	(1.3)
Balance at 01.01.2016	(1.7)
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	0.5
Fair value - tax effect	(0.1)
Realization recognized in income - revenues	(0.2)
Realization recognized in income - costs	0.1
Realization recognized in income - financial income and expense	(0.1)
Balance at 30.06.2016	(1.5)

OTHER RESERVES AND RETAINED EARNINGS

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

In addition, this item includes the reserve on the remeasurement of defined benefit plans, the movements of which during the period were as follows:

in millions of euros	
Balance at 01.01.2015	(3.7)
Actuarial value	5.8
Tax effect	(1.7)
Balance at 30.06.2015	0.4
Balance at 01.01.2016	(8.2)
Actuarial value	(7.2)
Tax effect	2.1
Balance at 30.06.2016	(13.3)

14. NON-CONTROLLING INTERESTS

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

	Country	30 June 2016		31 December 2015	
		% held by the Group	% held by third parties	% held by the Group	% held by third parties
Direct investments:					
GIMA S.p.A.	Italy	98.5%	1.5%	73.5%	26.5%
GIMA Holding S.r.l.	Italy	n.a.	n.a.	73.5%	26.5%
GIMA TT S.p.A. (*)	Italy	70%	30%	63.81%	39.19%
Pharmasiena S.r.l.	Italy	70%	30%	70%	30%
Transworld Packaging Holding B.V.	The Netherlands	81%	19%	81%	19%
Indirect investments:					
Digidoc S.r.l.	Italy	80%	20%	80%	20%
Fillshape S.r.l.	Italy	78.8%	21.2%	58.8%	41.2%
Dreamer S.r.l.	Italy	88.65%	11.35%	66.15%	33.85%
Shanghai Tianyan Ph. Mach. Co. Ltd.	PRC	86.29%	13.71%	86.29%	13.71%
Teknoweb N.A. Llc	USA	75%	25%	75%	25%

(*) At 31 December 2015 the investment in GIMA TT S.p.A. was held by GIMA S.p.A.

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

At 30 June 2016, minority interests total 9.0 million euros (16.8 million euros at 31 December 2015) and principally relate to GIMA TT S.p.A., 2.8 million euros, and the Ilapak Group, 5.4 million euros.

The partial, proportional spin-off from GIMA S.p.A. took effect from 1 January 2016, with the assignment to the beneficiary, GIMA Holding S.r.l., of the entire equity interest in GIMA TT S.p.A., comprising 191,000 shares with a total nominal value of 95,500 euros, as well as the absorption by GIMA TT S.p.A. of its parent, GIMA Holding S.r.l. As a result of the transactions described, GIMA Holding S.r.l. has been struck off and IMA S.p.A. now owns the 140,385 shares in GIMA TT S.p.A., with a total nominal value of 70,192.50 euros, that were formerly owned by GIMA S.p.A.

On 3 March 2016, IMA S.p.A. acquired a further 6.189% interest in GIMA TT S.p.A. for 12.4 million euros and now owns 70% of that company. Some of the parties to the transaction are related parties. The total effect of the transaction on the equity attributable to the shareholders of the Parent Company was to reduce the reserves by 11.1 million euros.

On 18 April 2016, IMA S.p.A. acquired from related parties a further 25% interest in GIMA S.p.A. for 21.7 million euros and now owns 98.5% of that company. The total effect of the transaction on the equity attributable to the shareholders of the Parent Company was to reduce the reserves by 20.5 million euros.

In compliance with the requirements of the established procedure, the Parent Company informed the Related Party Transactions Committee, which commissioned an appraisal from an independent professional. On completion, the Committee expressed a positive opinion, having classified the transactions as "less relevant related party transactions".

The dividends paid to the minority shareholders in 2016 amounted to 7.5 million euros and referred to GIMA S.p.A. and GIMA TT S.p.A.

15. BORROWINGS

This includes amounts due to banks of 220.2 million euros (210.5 million euros at 31 December 2015), amounts due to other lenders of 3.2 million euros (3.2 million euros at 31 December 2015) and bonds of 116.6 million euros (118.1 million euros at 31 December 2015).

PAYABLES TO BANKS

Payables to banks comprise:

in millions of euros	30.06.2016	31.12.2015
Non-current:		
· Applied research and technological innovation loans	4.5	5.0
· Other loans	132.7	107.1
	137.2	112.1
Current:		
· Current accounts	1.5	11.7
· Advances on domestic transactions (Italy)	1.7	1.0
· Advances on export transactions	22.4	33.6
· Advances on export transactions to be carried out	8.9	12.1
· Applied research and technological innovation loans	1.0	1.0
· Other loans	47.5	39.0
	83.0	98.4
Total	220.2	210.5

It is worth pointing out that a loan obtained by the Parent Company in 2014 from the European Investment Bank (EIB), at 30 June 2016 is secured by a SACE guarantee of 11.2 million euros.

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 2016.

Applied research and technological innovation loans

Repayments totalling 0.5 million euros were made by the Parent Company as they fell due during the period; no new loans were received.

Other loans

The principal changes in Other loans relate to the Parent Company and comprise new loans of 50.0 million euros and repayments of 13.2 million euros.

Payables to banks break down by maturity as follows:

in millions of euros	30.06.2016	31.12.2015
Due within 1 year	83.0	98.4
Due from 1 to 5 years	137.2	111.5
Due after more than 5 years	–	0.6
Total	220.2	210.5

PAYABLES TO OTHER LENDERS

These break down as follows:

in millions of euros	30.06.2016	31.12.2015
Payables to leasing companies	1.0	1.0
Payables to factoring companies	0.1	0.1
Other	2.1	2.1
Total	3.2	3.2

At 30 June 2016, the amount payable to leasing companies principally includes the finance lease on the factory in Krakow (Poland) used by Ilapak Sp. Z o.o.

"Other" includes the guaranteed financial payables of Ilapak Italia S.p.A..
Payables falling due beyond 5 years amount to 0.2 million euros.

BONDS

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

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

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

Bonds are analyzed as follows:

in millions of euros	30.06.2016	31.12.2015
Non-current portion	110.5	115.5
Current portion	6.1	2.6
Total book value	116.6	118.1
Adjustment to fair value and measurement at amortized cost	8.4	7.8
Present value of finance lease payables	125.0	125.9

NET DEBT

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

in millions of euros	30.06.2016	31.12.2015
A. Cash and cash equivalents	(140.4)	(156.1)
B. Other cash equivalents	(3.2)	(2.9)
C. Investments in securities	(1.2)	(1.6)
D. Liquidity (A) + (B) + (C)	(144.8)	(160.6)
E. Current financial receivables	(2.6)	(4.2)
F. Current payables to banks	34.5	61.1
G. Current portion of non-current payables	55.0	40.3
H. Other current financial payables	1.1	1.0
I. Current financial debt (F) + (G) + (H)	90.6	102.4
J. Net current financial debt (D)+(E)+(I)	(56.8)	(62.4)
K. Non-current portion of non-current bank payables	137.2	112.1
L. Bonds issued	110.5	115.5
M. Other non-current financial payables	1.7	1.8
N. Non-current financial assets	(3.7)	(3.9)
O. Net non-current financial debt (K)+(L)+(M)+(N)	245.7	225.5
P. Net financial debt (J)+(O)	188.9	163.1

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

Total non-current financial assets differs from that reported in the balance sheet as it does not include equity interests in other companies. For further information on the composition of net debt, see Notes 6 and 12.

The Group also has payables in respect of acquisitions totalling 20.1 million euros (33.9 million euros at 31 December 2015), mainly relating to the options agreed for the purchase of the minority interests in subsidiaries. The change with respect to the previous period is mainly due to the options exercised in advance in connection with the purchase of the remaining 20% of the Dairy&Food business in April 2016.

Net debt at the end of the period amounts to 188.9 million euros (163.1 million euros at 31 December 2015). The increase stems from the physiological growth due to the increase in working capital, dividends paid by the parent company (52.5 million euros paid in May 2016), the purchase of the Medtech business for a total of 21.8 million euros, the purchase of minority shareholdings of GIMA S.p.A. and GIMA TT S.p.A. for 34.3 million euros, net of the 90.9 million euro increase in capital concluded in June.

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

16. EMPLOYEE DEFINED BENEFIT LIABILITIES

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

The movements in these provisions in the period were as follows:

in millions of euros	
Balance at 01.01.2016	51.2
Current service cost	0.4
Financial expense	0.5
Net actuarial losses (gains) recognized during the period	7.3
Change in scope of consolidation	0.5
Severance payments made during the period	(1.3)
Balance at 30.06.2016	58.6

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

in millions of euros	30.06.2016	31.12.2015
Italy	20.3	18.7
Germany	33.0	28.1
France	2.3	2.1
Switzerland	2.0	1.3
North America	0.2	0.3
Other countries	0.8	0.7
Total	58.6	51.2

At 30 June 2016, the liabilities for defined benefits of companies belonging to the Dairy&Food business amount to 34.9 million euros (29.9 million euros at 31 December 2015); the following economic-financial assumptions were adopted:

	30.06.2016	31.12.2015
Annual discount rate	1.40%	2.40%
Annual rate of increase of total compensation	2.5-2.2%	2.5-2.2%
Annual rate of increase of pension fund	1.5-0%	1.5-0%

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

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

	30.06.2016	31.12.2015
Annual discount rate	1.19%	1.95%
Annual inflation rate	1.75%	1.75%
Annual rate of increase of total compensation	3.25%	3.25%
Annual rate of increase of severance indemnity	2.81%	2.81%

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

The main demographic assumptions made by the actuary in valuing severance indemnities for Italian companies did not change with respect to 31 December 2015.

17. PROVISIONS FOR RISKS AND CHARGES

These provisions break down as follows:

in millions of euros	Balance at 31.12.2015	Net increases	Net decreases	Change in scope of consolidation	Exchange rate differences	Balance at 30.06.2016
Non-current:						
Agency termination indemnities	5.1	-	(0.2)	-	-	4.9
Other provisions	1.0	-	(0.4)	-	-	0.6
	6.1	-	(0.6)	-	-	5.5
Current:						
Product guarantee provision	23.2	2.4	(1.7)	-	(0.1)	23.8
Other provisions	2.8	1.5	(1.3)	0.1	-	3.1
	26.0	3.9	(3.0)	0.1	(0.1)	26.9
Total	32.1	3.9	(3.6)	0.1	(0.1)	32.4

The change in the scope of consolidation refers to the newly acquired Medtech business.

The product guarantee provision was established on the basis of estimated expenses for work to be performed under guarantee after 30 June 2016.

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

18. TRADE AND OTHER PAYABLES

This item breaks down as follows:

in millions of euros	30.06.2016	31.12.2015
Trade payables	303.7	250.9
Advances from customers	166.7	138.9
Social security and defined-contribution plans payables	7.4	11.3
Tax payables	7.3	10.6
Employee payables	54.8	46.0
Payables in respect of acquisitions	20.1	33.9
Deposits	5.1	5.0
Other payables	12.8	13.1
Total	577.9	509.7

TRADE PAYABLES

This item includes trade payables of 235.6 million euros (196.4 million euros at 31 December 2015), payables to agents of 10.7 million euros (10.4 million euros at 31 December 2015) and trade payables to associates of 57.4 million euros (44.1 million euros at 31 December 2015).

ADVANCES FROM CUSTOMERS

The high amount of advances from customers reflects the substantial volume of orders acquired at the date of this report. Information on the amount due to customers for construction contracts (20.3 million euros) can be found in Note 11.

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. This item includes 2.8 million euros classified among the non-current liabilities (1.8 million euros at 31 December 2015).

PAYABLES IN RESPECT OF ACQUISITIONS

This item includes payables for the purchase of equity investments attributable to the acquisitions of the Teknoweb and Medtech businesses and of Telerobot S.p.A., for 8.9 million euros, 7.4 million euros and 2.6 million euros respectively.

This item also includes the residual payable of 1.2 million euros following the acquisition of G.S. Coating Technologies S.r.l..

In April 2016, the Parent Company signed an agreement with Lin Vermoegensverwaltung GmbH for the purchase of the remaining 20% of the Dairy&Food Group, following the early exercise of the put&call option. This is discussed further in the section of this report on Scope of consolidation.

The total amount of payables for acquisitions classified under non-current liabilities comes to 14.1 million euros (32.7 million euros at 31 December 2015).

OTHER PAYABLES

Other payables at 30 June 2016 include 4.3 million euros related to the medium and long term variable component of payroll that can be earned by three directors on the achievement of pre-defined measurable targets over three years (2.7 million euros at 31 December 2015).

19. PERSONNEL COSTS

This item breaks down as follows:

in millions of euros	1st half 2016	1st half 2015	Change
Wages and salaries	134.1	116.9	17.2
Social security contributions	30.2	28.0	2.2
Remuneration of directors	4.4	3.7	0.7
Pensions - defined-benefit plans	0.4	0.3	0.1
Pensions - defined-contribution plans	5.6	5.4	0.2
Other personnel costs	10.3	10.8	(0.5)
Total	185.0	165.1	19.9

Personnel costs related to the companies of the Medtech business, not included in the scope of consolidation in the first half of 2015, amounted to 6.0 million euros in the period April to June 2016.

The increase in personnel costs also reflects the rise in the total number of employees during the period.

In the first half of 2016, the IMA Group employed an average of 4,962 persons, as follows:

	1st half 2016	1st half 2015	Year 2015
Management	193	140	169
Office workers	3,306	3,005	3,093
Production workers	1,463	1,247	1,314
Total	4,962	4,392	4,576

At the end of the period, the Group had 5,135 employees (4,781 at 31 December 2015), of which 254 were added by the newly acquired Medtech business.

20. DEPRECIATION, AMORTIZATION EXPENSE

This includes depreciation of property, plant and equipment of 5.5 million euros (4.5 million euros in the first half of 2015), amortization of intangible assets of 12.4 million euros (10.5 million euros in the first half of 2015), and writedowns of receivables of 0.4 million euros (0.7 million euros in the first half of the previous year). The increase in amortization of intangible assets mainly reflects the amortization of unpatented technologies, customer lists and trademarks recorded following the consolidation of the Dairy&Food business from March 2015.

21. FINANCIAL INCOME

This item comprises:

in millions of euros	1st half 2016	1st half 2015	Change
Income from exercise of the option of Dairy&Food business	18.7	–	18.7
Interest income from banks	0.2	0.1	0.1
Income from derivative financial instruments	0.3	–	0.3
Various interest income and other financial income	0.1	0.3	(0.2)
Exchange rate gains	8.5	12.7	(4.2)
Total	27.8	13.1	14.7

On 28 April 2016, the Parent Company signed an agreement with Lin Vermoegensverwaltung GmbH for the purchase of the remaining 20% interest in the Dairy&Food Group. The price paid was 4 million euros. The deal generated a financial income of 18.7 million euros and was completed following an agreement for the early exercise of the put&call option, originally scheduled for April 2017.

22. FINANCIAL EXPENSE

This item comprises:

in millions of euros	1st half 2016	1st half 2015	Change
Interest expense on bank payables	2.3	3.7	(1.4)
Interest expense on bonds	2.9	2.9	–
Net financial expense on defined-benefit plans	0.5	0.4	0.1
Expense on bank guarantees	0.3	0.3	–
Expense from derivative financial instruments	0.2	0.2	–
Other interest and financial expense	0.5	0.6	(0.1)
Exchange rate losses	8.0	14.7	(6.7)
Total	14.7	22.8	(8.1)

The decrease in interest expense reflects the lower level of borrowing during the period.

Exchange rate gains and losses at 30 June 2016 include unrealized gains of 4.3 million euros (7.0 million euros in the first half of 2015) and unrealized losses of 3.6 million euros (6.9 million euros in the first half of 2015).

23. TAXES

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

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

24. EARNINGS PER SHARE

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

	1st half 2016	1st half 2015
Net profit for the period (millions of euros)	39.4	11.4
Average number of outstanding ordinary shares (millions of shares)	37.7	37.2
Earning per share (in euros)	1.05	0.31

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

25. BUSINESS COMBINATIONS

From 1 January 2016 the acquisition by Revisioni Industriali S.r.l. of the TEAMAC business came into effect. This is a company dedicated to the design, manufacture and marketing of automatic systems and machines for the packaging of tea products for a consideration of 3.0 million euros.

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

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

On 15 April 2016 GIMA S.p.A. and Packaging Systems Holdings Inc., subsidiaries of IMA, completed the acquisition from Komax Holding AG of the entire share capital of Komax Systems LCF SA and Komax Systems Rockford Inc., together with 76% of Komax Systems Malaysia Sdn. Bhd.

The agreement also provides for an option to buy the other 24% of Komax Systems Malaysia, which can be exercised in 2018. The three companies are leaders in the design, production and commercialisation of machines for assembling medical products for self-medication (Medtech business).

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

	Registered office	Percent of share
Komax Systems LCF SA	La Chaux de Fonds (Switzerland)	100% (1)
Komax Systems Rockford Inc.	Loves Park - Illinois (USA)	100% (2)
Komax Systems Malaysia Sdn. Bhd.	Penang (Malaysia)	76% (1)

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

(2) Held by Packaging Systems Holdings Inc.

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

in millions of euros	Total book values	Fair value
Property, plant and equipment	3.1	3.1
Intangible assets	0.4	0.4
Deferred tax assets	4.3	4.3
Inventories	1.4	1.4
Trade and other receivables	26.7	26.7
Cash and cash equivalents	6.2	6.2
Borrowings	(16.9)	(16.9)
Provisions for risks and charges	(0.1)	(0.1)
Deferred tax liabilities	(0.2)	(0.2)
Trade and other payables	(14.8)	(14.8)
Total	10.1	10.1
Purchase cost		17.7
Goodwill		7.6

The acquisition cost includes the purchase price paid of 10.4 million euros and an estimated amount of 8.0 million CHF, of which 6.0 million as earn-out and 2.0 million for the option to buy the other 24% of Komax Systems Malaysia.

At 30 June 2016 the key figures of the newly acquired business, consolidated for 3 months, are as follows:

in thousands of euros	
Property, plant and equipment	3.0
Intangible assets	0.4
Goodwill	7.6
Inventories	1.9
Trade receivables	28.0
Cash and cash equivalents	3.5
Trade payables	(11.9)
Revenues	22.7
Gross operating profit (EBITDA)	2.3
Operating profit (EBIT)	2.1
Depreciation and amortization	(0.2)
Personnel cost	(6.0)

The initial values for these business combinations were determined on a provisional basis, since the fair value of the related assets, liabilities and contingent liabilities, as well as the costs of the operations, have not been finalized. As required by IFRS 3, any adjustments will be made within twelve months of the acquisition date.

1.4 million euros of ancillary charges related to the acquisition were booked to the income statement under services, rentals and leases.

At 30 June 2016 the amount of the purchase price that has been paid, net of the cash acquired, amounts to 4.2 million euros.

26. GUARANTEES GRANTED

At 30 June 2016, the Group has given sureties and other bank guarantees to customers totalling 25.9 million euros for the proper operation of machinery, bid bonds and advances not yet received, sureties to guarantee rental contracts for 7.0 million euros, sureties in favour of the Tax Authorities for VAT credits for 1.7 million euros, sureties associated with the purchase of the Medtech business and the sale of CMH S.r.l. for 5.1 million euros and 3.5 million euros respectively and sureties in favour of others for 2.4 million euros.

The Parent Company has also given sureties and other guarantees (binding letters of patronage) to third parties on behalf of subsidiaries and associates and joint ventures, with respect to lines or credit or financing extended by banks and the payment of rental fees for 244.4 million euros.

Lastly, Ilapak International SA has provided guarantees to third parties in the interest of certain companies of the Ilapak Group for a total of 1.4 million euros.

Sureties given against advances received from customers amount to about 105.9 million euros (102.9 million euros at 31 December 2015).

27. COMMITMENTS

It should be noted that at 30 June 2016 there are commitments for the purchase of property, plant and equipment and intangible assets of 0.4 million euros relating principally to leasehold improvements and electronic equipment.

The Group has commitments of 3.1 million euros represented by future minimum payments for non-cancellable operating leases, mainly relating to vehicles (1.6 million euros due within one year, 1.5 million euros due from one to five years), and rental commitments of 148.8 million euros (18.5 million euros due within one year, 62.8 million euros due from one to five years and 67.5 million euros due after more than five years).

A total of 10.2 million euros in operating lease and rent payments were made during the first half of 2016 (8.8 million euros in the first half of 2015).

Other commitments in favour of third parties, 13.2 million euros, mainly consist of the Parent Company's agreement to buy further units of the mutual funds.

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 2016 is 57.326% owned by SO.FI.M.A. S.p.A. (60% at 31 December 2015), which is in turn controlled by Lopam Fin S.p.A.

Intercompany transactions are carried out in the ordinary course of business on arm's-length terms. Relations with other related parties are mainly attributable to the persons who control the Parent Company, to persons who administer and direct the activities of IMA S.p.A. and to entities that are controlled by them.

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

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

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

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

in millions of euros	Receivables at 30.06.2016	Receivables at 31.12.2015	Payables at 30.06.2016	Payables at 31.12.2015
Associates and joint venture:				
Amherst Stainless LLC	1.3	1.1	0.4	0.6
B.C. S.r.l.	2.4	2.1	0.9	0.7
Bacciottini F.lli S.r.l.	0.7	0.6	5.5	4.0
Bognesi S.r.l.	1.0	0.9	2.4	1.6
Brio Pharma Tech. Ltd.	0.5	0.5	1.0	0.6
CMRE S.r.l.	5.3	7.1	–	–
Doo Officina-Game East Vrsac	0.7	0.8	–	–
I.E.M.A. S.r.l.	2.5	0.9	12.4	11.3
L.A.CO S.r.l.	0.8	0.7	3.9	3.1
Logimatic S.r.l.	8.4	6.6	16.7	12.5
Masterpiece S.r.l.	–	–	0.4	0.3
Meccanica Sarti S.r.l.	1.2	1.2	0.6	0.4
MORC 2 S.r.l.	1.6	1.4	2.0	1.2
Plasticenter S.r.l.	0.6	0.5	4.5	2.9
Powertransmission.it S.r.l.	0.1	0.1	0.5	0.2
Scriba Nanotecnologie S.r.l.	0.4	0.4	–	–
SIL.MACS.r.l.	1.4	1.0	4.7	3.5
S.I.Me. S.r.l.	0.4	0.4	0.3	0.3
STA.MA. S.r.l.	0.2	0.1	1.2	0.8
Other associates	–	0.1	–	0.1
	29.5	26.5	57.4	44.1
Other related parties:				
Banca di Bologna	1.9	0.4	–	–
Costal S.r.l.	–	–	0.7	0.5
Datalogic Automat. S.r.l.	–	–	0.2	0.2
EPSOL S.r.l.	0.4	0.2	4.0	3.2
Morosina S.p.A.	0.2	–	–	0.3
Poggi & Associati	0.6	0.2	0.2	0.3
Schiavina S.r.l.	0.3	0.3	–	–
Verniciatura Ozzanese S.r.l.	–	–	0.4	0.3
Other related parties	0.1	0.1	0.2	0.1
	3.5	1.2	5.7	4.9
Total	33.0	27.7	63.1	49.0

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

in millions of euros	Revenues	Revenues	Costs	Costs
	1st half 2016	1st half 2015	1st half 2016	1st half 2015
Associates and joint ventures:				
Amherst Stainless LLC	0.1	–	2.1	1.9
B.C. S.r.l.	0.3	0.3	2.7	2.6
Bacciottini F.lli S.r.l.	0.1	–	3.5	2.2
Bolognesi S.r.l.	0.1	0.2	3.0	2.2
Brio Pharma Technologies Ltd.	–	–	0.9	0.4
CMFIMA S.r.l.	n.a.	0.4	n.a.	–
CMH S.r.l.	n.a.	–	n.a.	0.3
Doo Officina-Game East Vrsac	–	–	0.2	0.4
I.E.M.A. S.r.l.	1.5	0.2	7.4	5.7
LA.CO S.r.l.	0.2	0.1	2.1	1.8
Logimatic S.r.l.	2.7	1.4	10.5	7.7
Masterpiece S.r.l.	–	–	0.3	0.2
Meccanica Sarti S.r.l.	–	–	0.4	0.3
MORC 2 S.r.l.	0.2	–	2.2	0.3
Plasticenter S.r.l.	0.1	0.1	2.3	1.5
Powertransmission.it S.r.l.	–	–	0.6	0.4
SIL.MAC. S.r.l.	0.7	0.2	3.3	1.5
STA.MA. S.r.l.	0.1	0.1	0.7	0.7
SI.Me. S.r.l.	–	–	0.6	–
Other associates	–	–	0.2	–
	6.1	3.0	43.0	30.1
Other related parties:				
Cataudella Stefano	–	–	0.3	0.2
Costal S.r.l.	–	–	0.7	0.2
Datalogic Automation S.r.l.	–	–	0.2	0.2
EPSOL S.r.l.	0.5	0.3	2.3	1.8
Lopam S.r.l.	–	–	0.3	0.2
Morosina S.p.A.	–	–	0.3	0.5
Nemo Investimenti S.r.l.	–	0.2	1.0	0.9
Poggi & Associati	–	–	1.2	0.3
Verniciatura Ozzanese S.r.l.	–	–	0.3	0.2
Other related parties	–	–	0.2	0.3
	0.5	0.5	6.8	4.8
Total	6.6	3.5	49.8	34.9

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 23.

The increase in trade payables to associates reflects the Group's constant commitment in pursuing close collaboration with those suppliers that play a key role in production, also by considering the possibility of becoming shareholders in their companies. Transactions with associates are largely of a commercial nature. See Note 4 for further information.

In the first half of 2016, total fees paid to managers with strategic responsibilities of any kind and in any form amounted to 6.1 million euros (5.0 million euros in the first half of 2015). The managers with strategic responsibilities include three members of the Parent Company's Board of Directors.

On 3 March 2016, IMA S.p.A. acquired a further 6.189% interest in GIMA TT S.p.A. for 12.4 million euros and now owns 70% of that company. Some of the parties to the transaction are related parties. The total effect of the transaction on the equity attributable to the shareholders of the Parent Company was to reduce the reserves by 11.1 million euros.

On 18 April 2016, IMA S.p.A. acquired from related parties a further 25% interest in GIMA S.p.A. for 21.7 million euros and now owns 98.5% of that company. The total effect of the transaction on the equity attributable to the shareholders of the Parent Company was to reduce the reserves by 20.5 million euros.

In compliance with the requirements of the established procedure, the Parent Company informed the Related Party Transactions Committee, which commissioned an appraisal from an independent professional. On completion, the Committee expressed a positive opinion, having classified the transactions as "less relevant related party transactions".

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:

in millions of euros	30.06.2016			31.12.2015		
	Total at	Of which related parties	% impact	Total at	Of which related parties	% impact
Balance sheet:						
<i>Non-current assets</i>	502.0	17.9	3.6%	480.3	16.1	3.4%
Trade and other receivables	348.4	11.6	3.3%	288.4	9.6	3.3%
Other current assets	450.3	3.5	0.8%	406.0	2.0	0.5%
<i>Current assets</i>	798.7	15.1	1.9%	694.4	11.6	1.7%
Total assets	1,300.7	33.0	2.5%	1,174.7	27.7	2.4%
<i>Equity</i>	206.6			175.8		
<i>Non-current liabilities</i>	393.8	-	-	386.0	-	-
Trade and other payables	556.7	63.1	11.3%	472.5	49.0	10.4%
Other current liabilities	143.6	-	-	140.4	-	-
<i>Current liabilities</i>	700.3	63.1	9.0%	612.9	49.0	8.0%
Total liabilities and equity	1,300.7	63.1	4.9%	1,174.7	49.0	4.2%

in millions of euros	1st half 2016			1st half 2015		
		Of which related parties	% impact		Of which related parties	% impact
Income statement:						
Revenues and other income	582.0	4.7	0.8%	489.0	2.4	0.5%
Cost of raw materials and goods	(252.1)	(32.5)	12.9%	(178.2)	(22.4)	12.6%
Cost of services and leases	(134.2)	(17.0)	12.7%	(112.6)	(11.8)	10.5%
Other operating costs	(150.9)	(0.1)	0.1%	(167.0)	(0.1)	0.1%
Operating profit	44.8			31.2		
Net financial income (expense)	13.1	-	-	(9.7)	-	-
Profit (loss) from investment accounted for using equity method	1.7	1.7	100.0%	0.5	0.5	100.0%
Taxes	(17.9)	-	-	(8.0)	-	-
Profit for the period	41.7			14.0		

29. SIGNIFICANT NON-RECURRING TRANSACTIONS AND EVENTS

During the first half of 2016, non-recurring charges classified under Personnel costs and under Services, rentals and leases amount to 2.1 million euros and 1.6 million euros respectively, and principally relate to the reorganisation of the Dairy&Food business and to the purchase of the Medtech business.

During the first half of 2015, non-recurring charges classified under Personnel costs and under Services, rentals and leases amounted to 5.0 million euros and 3.9 million euros respectively

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 incorporation of the trading company IMA Fuda (Shanghai) Packaging Machinery Co. Ltd. was completed in July 2016. This company is based in Shanghai and is held 80% by the Parent Company and has a share capital of 6.0 million Chinese Yuan.

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

Companies consolidated line-by-line	Registered office		Share capital	Currency	Direct investment	Indirect investment
Industrial and service companies:						
- I.M.A. Industria Macchine Automatiche S.p.A.	Ozzano dell'Emilia	Bologna - Italy	20,415,200	EUR	Parent company	
- CO.MA.DI.S. S.p.A.	Senago	Milan - Italy	1,540,000	EUR	100%	-
- Corazza S.p.A.	Bologna	Bologna - Italy	15,675,000	EUR	100%	-
- Fillshape S.r.l.	Zola Predosa	Bologna - Italy	100,000	EUR	-	78.8% (1)
- GIMA S.p.A.	Zola Predosa	Bologna - Italy	1,000,000	EUR	98.5%	-
- GIMA TT S.p.A.	Ozzano dell'Emilia	Bologna - Italy	110,000	EUR	70%	-
- G.S. Coating Technologies S.r.l.	Castel San Pietro T.	Bologna - Italy	100,000	EUR	100%	-
- Ilapak Italia S.p.A.	Foiano della Chiana	Arezzo - Italy	4,074,000	EUR	-	81% (2)
- Pharmasiena Service S.r.l.	Siena	Siena - Italy	100,000	EUR	70%	-
- Revisioni Industriali S.r.l.	Ozzano dell'Emilia	Bologna - Italy	100,000	EUR	-	100% (3)
- Teknoweb Converting S.r.l.	Palazzo Pignano	Cremona - Italy	1,000,000	EUR	100% (4)	-
- Benhil GmbH	Neuss	Germany	5,500,000	EUR	-	100% (5)
- Delta Systems & Automation Inc.	Rogers	USA	1,000	USD	-	81% (6)
- Erca S.A.	Les Ulis	France	2,594,390	EUR	-	100% (5)
- Erca-Formseal Ibérica S.A.	Gavà Barcelona	Spain	60,101	EUR	-	100% (7)
- GASTI Verpackungsmaschinen GmbH	Schwaebisch Hall	Germany	25,000	EUR	-	100% (5)
- Hamba Filltec GmbH & Co. KG	Neunkirchen	Germany	1,700,000	EUR	-	100% (5)
- Hamba Verwaltungsgesellschaft mbH	Neunkirchen	Germany	25,000	EUR	-	100% (5)
- Hassia Packaging Pvt. Ltd.	Taluka Shirur Pune	India	42,000,000	INR	-	100% (5)
- Hassia Verpackungsmaschinen GmbH	Ranstadt	Germany	2,100,000	EUR	-	100% (8)
- Ilapak International SA	Collina d'Oro Lugano	Switzerland	4,000,000	CHF	-	81% (9)
- Ilapak (Langfang) Packaging Machinery Co. Ltd.	Langfang	PRC	3,000,000	USD	-	81% (10)
- Komax Systems LCF SA	La Chaux de Fonds	Switzerland	13,250,000	CHF	-	98.5% (1)
- Komax Systems Malaysia Sdn. Bhd.	Penang	Malaysia	3,000,000	MYR	-	98.5% (1)
- Komax Systems Rockford Inc.	Loves Park	USA	10,610,000	USD	-	100% (11)
- IMA Life The Netherlands B.V.	Dongen	The Netherlands	22,382,654 (*)	EUR	100%	-
- IMA Life North America Inc.	Tonawanda	USA	100	USD	-	100% (11)
- IMA Life (Beijing) Pharmaceutical Systems Co. Ltd.	Beijing	PRC	400,000	USD	100%	-
- IMA North America Inc.	Leominster	USA	8,052,500	USD	-	100% (11)
- IMA-PG India Pvt. Ltd.	Mumbai	India	17,852,100 (*)	INR	100%	-
- Shanghai Tianyan Pharmaceutical Co. Ltd.	Shanghai	PRC	5,250,000	RMB	-	86.29% (12)
- Swiftpack Automation Ltd.	Alcester	UK	1,403,895	GBP	100%	-
- Tianjin IMA Machinery Co. Ltd.	Tianjin	PRC	200,000	USD	100%	-
Commercial companies:						
- Ilapak.AT Services GmbH	Vienna	Austria	17,500 (*)	EUR	-	81% (2)
- Ilapak do Brasil Maquinas de embalagem Ltda.	Sao Paulo	Brazil	5,951,799	BRL	-	81% (9)
- Ilapak France SA	Lognes Paris	France	105,130	EUR	-	81% (2)
- Ilapak Inc.	Newtown	USA	12,500	USD	-	81% (2)
- Ilapak Israel Ltd.	Caesarea	Israel	1	ILS	-	81% (2)
- Ilapak Ltd.	Hayes London	UK	795,536	GBP	-	81% (2)
- Ilapak SNG OOO	Moscow	Russia	1,785,700	RUB	-	81% (2)
- Ilapak Sp. Z o.o.	Krakow	Poland	3,740,400	PLN	-	81% (2)
- Ilapak Verpackungsmaschinen GmbH	Haan Düsseldorf	Germany	102,500	EUR	-	81% (2)
- IMA Dairy & Food USA Inc.	Edison	USA	1	USD	-	100% (5)
- IMA Est GmbH	Vienna	Austria	280,000	EUR	100%	-
- IMA France E.u.r.l.	Rueil Malmaison	France	45,735	EUR	100%	-
- IMA Germany GmbH	Cologne	Germany	90,000	EUR	100%	-
- IMA Iberica Processing and Packaging S.L.	Barcelona	Spain	590,000	EUR	100%	-
- IMA Industries GmbH	Aschaffenburg	Germany	100,000	EUR	100%	-
- IMA Industries Inc. (in liquidation)	Mundelein	USA	1,856,106	USD	-	100% (3)
- IMA Industries India Pvt. Ltd.	Mumbai	India	5,000,100 (*)	INR	-	99.99% (13)
- IMA Industries North America Inc.	Leominster	USA	100,000	USD	-	100% (11)
- IMA Life Japan KK	Tokyo	Japan	40,000,000	YEN	-	100% (14)
- IMA Pacific Co. Ltd.	Bangkok	Thailand	132,720,000	THB	99.99%	-
- IMA Packaging & Processing Co. Ltd.	Beijing	PRC	2,350,000	USD	100%	-
- IMA UK Ltd.	Alcester	UK	50,000	GBP	100%	-
- Imautomatiche Do Brasil Ltda.	Sao Paulo	Brazil	6,651,550	BRL	99.98%	-
- OOO IMA Industries	Moscow	Russia	12,000,000	RUB	-	100% (3)
- Teknoweb N.A. LLC	Loganville Atlanta	USA	56,000	USD	-	75% (15)
- Teknoweb Suisse Sagl	Mendrisio	Switzerland	40,000	CHF	-	100% (16)

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

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Companies consolidated line-by-line (continued)	Registered office		Share capital	Currency	Direct investment	Indirect investment
Financial companies:						
- Packaging Systems Holdings Inc.	Wilmington	USA	1,000	USD	100%	-
- IMA Dairy & Food Holding GmbH	Stutensee	Germany	25,000	EUR	100%	-
- Tekno NA Inc	Atlanta	USA	50,000	USD	-	100% (16)
- Transworld Packaging Holding B.V.	Amsterdam	The Netherlands	3,241,661	EUR	81%	-
Other companies:						
- Digidoc S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	-	80% (17)
- Dreamer S.r.l.	Bologna	Bologna - Italy	100,000	EUR	-	88.65% (1)
- Ilapak China Ltd.	Hong Kong	PRC	13	USD	-	81% (2)
- Packaging Manufacturing Industry S.r.l.	Castenaso	Bologna - Italy	110,000	EUR	100%	-
- Società del Sole S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	100%	-

Notes:

- (1) Held by GIMA S.p.A.: Dreamer S.r.l. at 90%, Fillshape S.r.l. at 80%, Komax Systems LCF SA at 100% and Komax Systems Malaysia Sdn. Bhd. at 76%. The percentage interest held in Komax Systems Malaysia Sdn. Bhd. includes an option to purchase 24% of the quota capital.
- (2) Held by Ilapak International SA at 100% except Ilapak France SA held at 99.99%
- (3) Held by Corazza S.p.A.
- (4) The percentage interest held in Teknoweb Converting S.r.l. includes an option to purchase 40% of the quota capital.
- (5) Held by IMA Dairy & Food Holding GmbH
- (6) Held by Ilapak Inc. at 100%
- (7) Held by Erca S.A. at 100%
- (8) Held by IMA Dairy & Food Holding GmbH at 94% and by IMA Germany GmbH at 6%
- (9) Held by Transworld Packaging Holding B.V. at 100%
- (10) Held by Ilapak Italia S.p.A. at 100%
- (11) Held by Packaging Systems Holdings Inc.
- (12) Held by IMA Life (Beijing) Ph. Systems Co. Ltd.
- (13) Held by IMA-PG India Pvt. Ltd.
- (14) Held by IMA Life The Netherlands B.V.
- (15) Held by Tekno NA Inc. at 75%
- (16) Held by Teknoweb Converting S.r.l. at 100%
- (17) Held by Packaging Manufacturing Industry S.r.l.

Investments accounted for using the equity method	Registered office		Share capital	Currency	Direct investment
Industrial and service companies:					
- Amherst Stainless Fabrication LLC	Amherst NY	USA	1,100,000	USD	20% (1)
- B.C.S.r.l.	Imola	Bologna - Italy	36,400	EUR	30%
- Bacciottini F.lli S.r.l.	Oste Montemurlo	Prato - Italy	60,000	EUR	30% (2)
- Bolognesi S.r.l.	Dozza	Bologna - Italy	10,920	EUR	30% (2)
- Brio Pharma Technologies Pvt. Ltd.	Mumbai	India	1,000,000	INR	30%
- CMRE S.r.l.	Bologna	Bologna - Italy	50,000	EUR	50%
- Consorzio L.I.A.M.	Vignola	Modena - Italy	20,000 (3)	EUR	25%
- Doo Officina-Game East Vrsac	Vrsac	Serbia	130,474,863	RSD	49% (2)
- FID S.r.l. Impresa Sociale	Bologna	Bologna - Italy	20,000	EUR	30%
- I.E.M.A. S.r.l.	S.Giorgio di Piano	Bologna - Italy	100,000	EUR	30% (2)
- LA.CO S.r.l.	Ozzano dell'Emilia	Bologna - Italy	30,000	EUR	30% (2)
- Logimatic S.r.l.	Ozzano dell'Emilia	Bologna - Italy	100,000	EUR	35% (2)
- Masterpiece S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	30% (2)
- Meccanica Sarti S.r.l.	Bologna	Bologna - Italy	102,000	EUR	30% (2)
- MORC 2 S.r.l.	Castel Bolognese	Ravenna - Italy	20,800	EUR	20% (2)
- Plasticenter S.r.l.	Granarolo dell'Emilia	Bologna - Italy	50,960	EUR	20% (2)
- Powertransmission.it S.r.l.	Castenaso	Bologna - Italy	50,000	EUR	20% (2)
- Scriba Nanotecnologie S.r.l.	Bologna	Bologna - Italy	25,556	EUR	24.9%
- SIL.MAC S.r.l.	Gaggio Montano	Bologna - Italy	90,000	EUR	30% (2)
- S.I.Me. S.r.l.	Granarolo dell'Emilia	Bologna - Italy	100,000	EUR	49% (2)
- STA.MA. S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,400	EUR	30% (2)
- Sirio S.p.A. Associazione in partecipazione (4)	Milan	Milan - Italy			

Notes:

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

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

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

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

1. The undersigned, Alberto Vacchi, Chairman and Managing Director, and Sergio Marzo, the manager responsible for preparing the financial reports of IMA S.p.A., certify, also having regard to Art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:

- the appropriateness with regard to the characteristics of the Company and
- the effective application of the administrative and accounting procedures in preparing the condensed consolidated half-year financial statements for the first half of 2016.

2. It is also certified that:

2.1 the condensed consolidated half-year financial statements at 30 June 2016:

- 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), 12 August 2016

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)



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Review report on the interim consolidated financial statements (Translation from the original Italian text)

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

Introduction

We have reviewed the interim consolidated financial statements, comprising the statement of financial position as of June 30, 2016, the statements of income, the statement of comprehensive income, the statement of changes in equity and cash flows for the period then ended and the related explanatory notes of I.M.A. Industria Macchine Automatiche S.p.A. and its subsidiaries (the "IMA Group"). The Directors of I.M.A. Industria Macchine Automatiche S.p.A. are responsible for the preparation of the interim consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements of IMA Group as of June 30, 2016 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, August 12, 2016

EY 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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