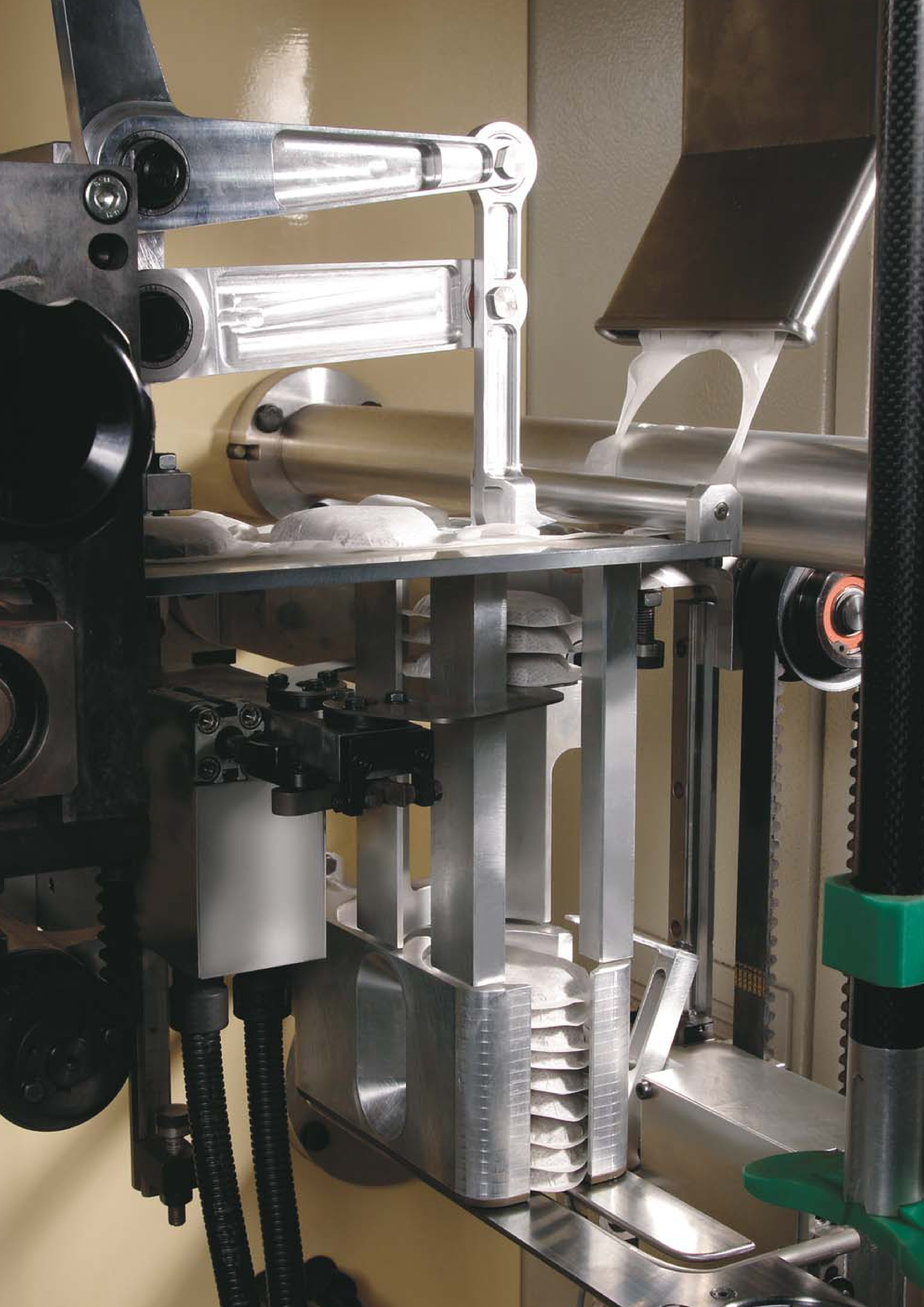
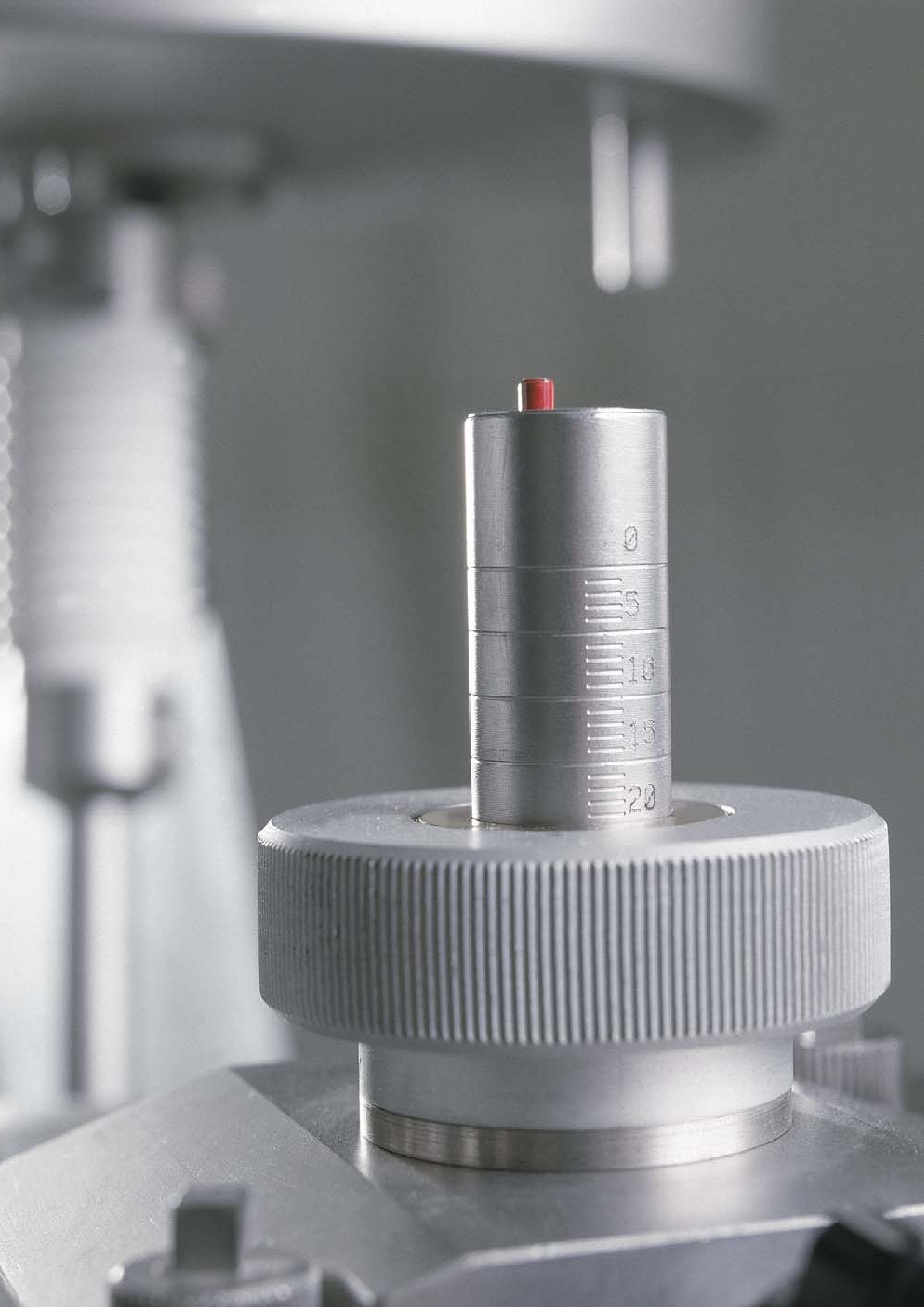
REPORT FOR THE FIRST HALF OF 2007



Report on Operations for the First Half 2007

I.M.A. industria macchine automatiche s.p.a.
Head Office: Ozzano dell'Emilia (Bologna)
share capital fully paid-up: €18,772,000
registered with the register
of enterprises of Bologna
under no. 00307140376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Report on operations

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

DIRECTORS AND OFFICERS

The directors and officers in office at the date of approval of these half-year financial statements are provided below:

BOARD OF DIRECTORS

(In office until the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2008)

Director and Honorary Chairman

Marco Vacchi

On 26 June 2007 Marco Vacchi resigned as Chairman, but continued to be a Director; the Board of Directors named him Honorary Chairman.

Chairman and Managing Director

Alberto Vacchi

On 26 June 2007 Alberto Vacchi was appointed Chairman.

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

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

Director and General Manager

Andrea Malagoli

Directors

Gino Benedetti, Giancarlo Folco (appointed on 27 April 2007), Italo Giorgio Minguzzi, Luca Poggi, Maria Carla Schiavina, Gianluca Vacchi, Stefano Visentini, Romano Volta.

The Board of Directors' Meeting of IMA S.p.A. has powers to resolve upon matters which cannot be delegated, and is entitled to resolve exclusively on the following:

- the strategic, business and financial plans of the Company and the Group, the corporate governance system of IMA S.p.A. and any decisions relating to the Group structure;
- the adequacy of the organizational, administrative and accounting arrangements of the Company and its subsidiaries, with special reference to the internal control system and management of conflicts of interest;
- the general conduct of operations;
- any transaction likely to have a significant impact on the Company's results, assets and liabilities or financial situation and, in any case, any transaction that exceeds a value of 10,000,000.00 euros, except for the power to renew or extend the credit lines already granted to the Company, which can be delegated;

- any transactions in which even one director has a personal interest or represents the interests of a third party and any transactions with related parties, including intercompany transactions, except for ordinary transactions carried out on standard terms and conditions;
- the size, composition and operation of the Board of Directors and its committees;
- decisions involving the subsidiaries of IMA S.p.A. regarding operations with a significant impact for IMA S.p.A.

BOARD OF STATUTORY AUDITORS

(In office until the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2009)

Standing auditors

Amedeo Cazzola – Chairman - Auditor
Piero Aicardi - Auditor
Giacomo Giovanardi - Auditor

Alternate auditors

Vittorio Coraducci - Auditor
Chiara Gallina - Auditor
Antonella Grassigli - Auditor

INTERNAL CONTROL AND REMUNERATION COMMITTEE

Romano Volta – Independent Director - Chairman
Giancarlo Folco – Independent Director
Maria Carla Schiavina – Non-executive Director

MANAGER RESPONSIBLE FOR THE PREPARATION OF COMPANY ACCOUNTING DOCUMENTS

Sergio Marzo
Appointed by resolution of the Board of Directors of 26 June 2007.

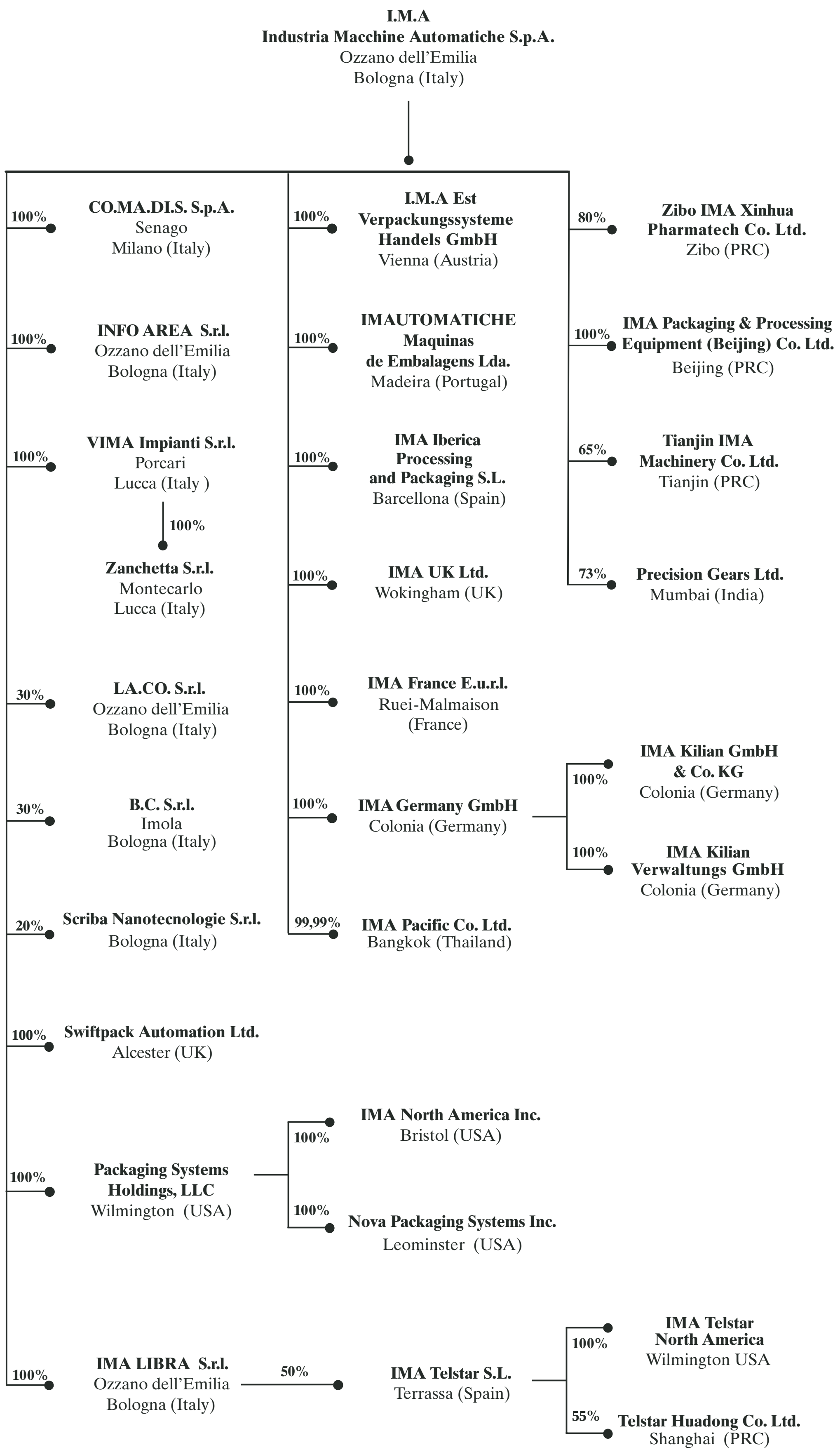
LEAD INDEPENDENT DIRECTOR

Romano Volta

INDEPENDENT AUDITORS

(In office until the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2012)
PricewaterhouseCoopers S.p.A.

GROUP STRUCTURE



GROUP COMPANIES BY BUSINESS SEGMENT

MANUFACTURING ACTIVITIES

I.M.A.
Industria Macchine
Automatiche S.p.A.
Ozzano dell'Emilia
Bologna (Italy)

IMA Libra S.r.l.
Ozzano dell'Emilia
Bologna (Italy)

CO.MA.DI.S. S.p.A.
Senago – Milan (Italy)

LA.CO. S.r.l.
Ozzano dell'Emilia
Bologna (Italy)

VIMA Impianti S.r.l.
Porcari – Lucca (Italy)

Zanchetta S.r.l.
Montecarlo – Lucca (Italy)

B.C. S.r.l.
Imola – Bologna (Italy)

IMA Kilian GmbH & Co. KG
Cologne (Germany)

Precision Gears Ltd.
Mumbai (India)

Tianjin IMA
Machinery Co. Ltd.
Tianjin (PRC)

Zibo IMA
Xinhua Pharmatech Co. Ltd.
Zibo (PRC)

Nova Packaging
Systems Inc.
Leominster (USA)

Swiftpack Automation Ltd.
Alcester (UK)

IMA-Telstar S.L.
Terrassa – Barcelona (Spain)

Telstar Huadong Co. Ltd.
Shanghai (PRC)

IMA-Telstar North America Inc.
Wilmington (USA)

COMMERCIAL ACTIVITIES

IMA Germany GmbH
Cologne (Germany)

I.M.A. Est
Verpackungssysteme
Handels GmbH
Vienna (Austria)

IMA France E.u.r.l.
Rueil-Malmaison (France)

IMA UK Ltd.
Wokingham (UK)

IMAUTOMATICHE
Maquinas de Embalagens Lda.
Madeira (Portugal)

IMA Iberica
Processing and Packaging S.L.
Barcelona (Spain)

IMA North America Inc.
Bristol (USA)

IMA Packaging and
Processing Equipment
(Beijing) Co. Ltd.
Beijing (PRC)

IMA Pacific Co. Ltd.
Bangkok (Thailand)

OTHER ACTIVITIES

INFO AREA S.r.l.
Ozzano dell'Emilia
Bologna (Italy)

IMA Kilian Verwaltungs GmbH
Cologne (Germany)

SCRIBA Nanotecnologie S.r.l.
Bologna (Italy)

FINANCIAL ACTIVITIES

Packaging Systems
Holdings Inc.
Wilmington (USA)

GROUP PERFORMANCE

THE ECONOMIC SCENARIO

International markets are marked by strong uncertainty, which is revealed by high volatility of the performance of US treasury bonds and of some raw materials. Several factors contribute to this situation. In the first quarter of 2007, the GDP growth rate rose compared with the last 3 months of 2006 in China, India, Russia and Japan. The slow-down in the EMU is only due to temporary factors resulting from the strengthening of the investment cycle. Briefly, markets expect 2007 to be a year of growth, with high inflationary risk that is kept under control by monetary policy authorities that determine whether to rise interest rates or not. The disinflationary pressure from emerging countries, that are marked by low cost of labour, will allow the control of the rise in product prices in spite of the increase in the cost of raw materials.

This year EMU's GDP is expected to rise more than US GDP; however, this will not repeat in the coming years.

The pharmaceutical market IMA operates in has grown at between 6% and 8%, a slight increase over recent periods. The increase is driven by growth in developing countries, while demand in industrialised nations is more modest. The rise in the sale of general products is also greater than that in the sale of patented products. The tea and herbal tea packaging sector showed a positive performance, thanks to the constant development of the Russian market.

In this scenario, IMA registered a significant increase in orders for plant in the pharmaceutical sector and in the tea packaging sector, which indicates a good performance for the Group in the current year.

CONSOLIDATED INCOME STATEMENT

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

- cost of sales: represents costs incurred directly by the Group to generate revenues. This item includes, for example, the costs of materials, labour, the cost of technical offices for customising products as well as production overheads;
- research and development costs include, for each use, costs associated with developing new products or maintaining existing products. This also includes costs related to technical personnel, materials used for experiments and overheads for technical offices;
- sales costs: include, for each use, costs connected with commercial operations such as staff, commissions paid to agents, promotional and advertising costs and associated overheads;
- general and administrative costs: this includes all costs associated with general operations such as administrative offices in general, the management of sectors or divisions, production planning and all amortization and depreciation not directly connected with the previous uses;
- gross operating margin: corresponds to the sum of operating profit, amortization and depreciation for the period, and goodwill write-down.

The following principal items in the reclassified income statement are equivalent to the corresponding items in the table for the consolidated net income contained in the section entitled "Consolidated financial statements": revenues, operating profit, financial income and expense, result before tax, tax and Group profit/loss.

In the first half of 2007 the IMA Group's operating profit was 24.3 million euros, down from 16.0 million euros in the first half of 2006. The Group posted net profit of 11.3 million euros, compared with a profit of 6.9 million euros at 30 June 2006.

The table below reports the key figures for the consolidated income statement for the first half of 2006, with comparative figures for the year-earlier period:

	H1-2007		H1-2006		
millions of euros	**Amount**	**%**	**Amount**	**%**	**Change %**
Revenues	**209.6**		**180.7**		**16.0**
Cost of sales	(122.5)	*58.4*	(102.4)	*56.7*	
Gross Industrial Income	**87.1**	**41.6**	**78.3**	**43.3**	**11.2**
R&D costs	(11.2)		(10.2)		
Sales costs	(26.6)		(25.6)		
General and administrative costs	(25.0)		(26.5)		
Operating profit (E.B.I.T.)	**24.3**	**11,6**	**16.0**	**8.9**	**51.9**
Net financial income (expense)	(3.7)		(2.6)		
Profits (losses) from investments valued at equity	–		0.1		
Profit before income taxes	**20.6**	*9.8*	**13.5**	*7.5*	*52.6*
Income tax	(9.2)		(6.7)		
Net profit for the period	**11.4**	*5.4*	**6.8**	*3.8*	*67.6*
Profit/(Loss) pertaining to minority interests	(0.1)		0.1		
Group profit	**11.3**	*5.4*	**6.9**	*3.8*	*63.8*
Gross Operating Margin (E.B.I.T.D.A.)	**29.6**	*14,1*	**22.2**	*12.3*	*33.3*
Order book	**231.5**		**203.0**		*14.0*

Revenues and orders

In the first half of 2007 consolidated revenues amounted to 209.6 million euros, compared with 180.7 million euros in the first six months of 2006. Zanchetta S.r.l. was included in the scope of consolidation in the second half of 2007 and accounted for 2.2 million euros of revenues for the first half of 2007.

With regard to our sectors of activity, the table below shows a breakdown of revenues compared with the first half of 2006:

millions of euros	H1-2007	H1-2006	Change	%
Tea, coffee and herbal tea packaging	36.4	38.0	(1.6)	*(4.2)*
Pharmaceutical packaging	120.4	102.7	17.7	*17.2*
Pharmaceutical processing	50.8	38.1	12.7	*33.3*
Other	2.0	1.9	0.1	*5.3*
Total	**209.6**	**180.7**	**28.9**	***16.0***

Revenues for Zanchetta S.r.l. are included under pharmaceutical packaging. This strong growth results from the rise in the Group pharmaceutical sector and from the confirmation of the tea packaging sector and is due to the size of the order book at the end of the prior year, and to the steady increase in orders registered in the first half of 2007 in the pharmaceuticals and the tea packaging segments.

Once again this confirmed the Group's ability to adapt to changes in market demand, also thanks to the organisational model, which makes it possible to handle increases in revenues, including significant increases, in a short period of time. The confirmation of the experienced in the entire pharmaceutical sector indicates that the most difficult period, which occurred in 2004 and 2005, is now over.

The following table shows a breakdown of revenues by geographic area:

millions of euros	H1-2007	H1-2006	Change	%
European Union (excluding Italy)	82.0	82.7	(0.7)	(0.8)
Other European countries	16.8	8.1	8.7	107.4
North America	46.3	46.3	–	–
Asia	32.8	18.8	14.0	74.5
Other countries	14.2	12.8	1.4	10.9
Total export	**192.1**	**168.7**	**23.4**	**13.9**
Italy	17.5	12.0	5.5	45.8
Total	**209.6**	**180.7**	**28.9**	**16.0**

This breakdown of revenues shows that the increases over the corresponding period of 2006 came in non-EU countries and Asian countries, with China registering good growth. Results for the United States and the European Union remained largely unchanged, while Italy shows good growth.

The table below shows a comparison of new orders for the first half of 2007 and new orders for the first half of 2006:

millions of euros	H1-2007	H1-2006	Change	%
Tea, coffee and herbal tea packaging	47.4	27.4	20.0	73.0
Pharmaceutical packaging	138.6	133.2	5.4	4.1
Pharmaceutical processing	63.1	59.1	4.0	6.8
Total	**249.1**	**219.7**	**29.4**	**13.4**

This table clearly shows that the increase in orders in the first half is due to all sectors, although most of the growth in the tea-packaging industry is due to orders from Eastern European countries carrying on with their investment plans. The pharmaceutical sector rose by 5% overall as compared with the same period of the prior year, when it registered a strong growth compared with the previous years, thus confirming and further strengthening IMA's position in its business sectors. The good results achieved are due to growth in demand and success of new products.

The table below shows a breakdown of the order book at 30 June 2007:

millions of euros	30-Jun-2007	30-Jun-2006	Change	%
Tea, coffee and herbal tea packaging	45.8	29.2	16.6	56.8
Pharmaceutical packaging	131.3	125.7	5.6	4.5
Pharmaceutical processing	54.4	48.1	6.3	13.1
Total	**231.5**	**203.0**	**28.5**	**14.0**

The order book reflects the considerations above regarding new orders. The good growth of pharmaceutical operations - both packaging and processing (4.5% and 13.1% respectively) – makes us optimistic about the achievement of the volumes expected for the entire year 2007. As regards the tea-packaging sector, the observations made above regarding the strong growth in orders hold here. Accordingly, we expect that revenue goals for the year will be even greater, in line with those for 2006.

Operating profit

Gross industrial income was 87.1 million euros, compared with 78.3 million euros at 30 June 2006, slightly declining as a percentage of revenues (from 41.6% to 43.3% in the prior year). The decrease is due to a different mix between the tea packaging and the pharmaceutical sectors, and the unfavourable mix between machinery, formats and spares, which should level out over the course of the entire year.

R&D expenditure within a comparable scope of consolidation (excluding Zanchetta S.r.l.) came to 11.0 million euros, an increase of 7.8% compared with the corresponding period. This increase is due to the advances paid on the cost for completing some products and the expenses incurred for new research projects on ultrasound compactation and innovative labelling techniques aiming at the tracking and antiforgery of pharmaceutical products. This increase will be partially absorbed over the rest of the year.

Commercial and sales costs within a comparable scope of consolidation rose by 0.7 million euros to 26.3 million euros, almost entirely due to an increase in commissions of 0.5 million over the previous period.

General and administrative costs, excluding Zanchetta S.r.l., which was not consolidated in 2006, amounted to 24.7 million euros, compared with 25.7 million euros in the previous period (less the write-down of the goodwill of the subsidiary Nova Packaging in the amount of 0.8 million euros in 2006). Without this, and within a comparable scope of consolidation, costs would have been lower by 1 million euros as compared with the prior period, due to the great attention paid to the control of structure costs.

Profit before income taxes

Net financial expense came to 3.7 million euros, compared with 2.6 million euros at 30 June 2006. This decrease is principally due to a decrease in exchange rate gains compared with the prior period and greater cost of borrowing due to increased interest rates and higher average debt.

Profit before tax was therefore 20.6 million euros, compared with a profit of 13.5 million euros in the previous period.

Net profit for the period

Net profit for the period came to 11.4 million euros (6.8 million euros at 30 June 2006) after deducting 9.2 million euros in income tax (6.7 million euros at 30 June 2006).

ANALYSIS OF PERFORMANCE BY SECTOR

The following table provides summary income statement and balance sheet figures for the various sectors of Group activity

millions of euros	Tea	Packaging	Processing	Other	Not allocated	Total
Revenues						
H1 2007	36.4	120.4	50.8	2.0	–	209.6
H1 2006	38.0	102.7	38.1	1.9	–	180.7
Operating profit						
H1 2007	12.8	11.9	(0.6)	0.2	–	24.3
H1 2006	13.2	4.6	(1.7)	(0.1)	–	16.0
Net capital employed (*)						
30 June 2007	19.9	107.1	82.5	1.8	(14.8)	196.5
30 June 2006	26.8	96.9	87.3	2.6	(7.7)	205.9
R&D costs						
H1 2007	2.5	5.9	2.8	–	–	11.2
H1 2006	2.3	5.5	2.4	–	–	10.2
Average personnel (**)						
H1 2007	196	1,588	560	–	387	2,731
H1 2006	201	1,557	528	–	396	2,682
Order book						
30 June 2007	45.8	131.3	54.4	–	–	231.5
30 June 2006	29.2	125.7	48.1	–	–	203.0

(*) Non-allocated assets and liabilities mainly relate to non-allocable current and deferred income taxation.

(**) The personnel allocated to the various sectors are those directly employed in those sectors, while the figure reported in the 'Non-allocated' column reflects those employed by the sales organizations at branches and in the Group's administrative and central offices.

The clear general improvement was due to different factors: the tea sector is in line with the prior year; volumes and profitability in the packaging sector are still growing following the actions of the prior year. In the processing sector, the improvement essentially stems from the volume effect due to the commercial success of products. Structure costs were substantially in line with or moderately rose from the prior period in all segments and within a comparable scope of consolidation.

Net capital employed of 196.5 million euros at 30 June 2007 includes goodwill of 56.9 million euros, of which 26.2 million euros relates to the packaging sector and 30.7 million euros relates to the processing sector. The increase in goodwill of some 3.6 million euros in the packaging sector from 30 June 2006 was mainly due to the acquisition of minority interests in Precision Gears Ltd. Goodwill in the processing sector rose by 1.1 million euros, mainly due to the acquisition of Zanchetta S.r.l. (1.1 million euros). Net capital employed in the tea sector decreased due to a greater level of advances from customers as a result of the increase in the order book.

CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

The following principal items of the balance sheet and financial position are equivalent to the corresponding items on the consolidated balance sheet included in the "Consolidated financial statements" section: inventories, property, plant and equipment, intangible assets, Group equity and minority interests.

The following comparative table shows Group's balance sheet and financial structure at 30 June 2007 and 31 December 2006:

millions of euros	30-Jun-2007	31-Dec-2006
Trade receivables	105.1	101.4
Inventories	147.8	122.2
Trade payables	(135.2)	(102.9)
Other, net	(36.6)	(29.2)
Working capital	**81.1**	**91.5**
Property, plant and equipment	71.8	72.7
Intangible assets	71.7	69.9
Investments in subsidiaries and associated companies	1.4	1.8
Non-current assets	**144.9**	**144.4**
Provision for severance indemnities and other provisions	(29.5)	(32.7)
Net capital employed	**196.5**	**203.2**
FINANCED BY:		
Net debt	**109.0**	**104.2**
Minority interests	1.3	1.0
Group equity	**86.2**	**98.0**
Total sources of financing	**196.5**	**203.2**

Net capital employed at the end of June 2007 came to 196.5 million euros, down from 203.2 million euros at the end of 2006.

The decrease is mainly due to the optimisation of net working capital which, despite growth in revenues, declined following the control of trade receivables and the balancing of the increase in inventories through trade payables, but mostly advances from customers for the great level of orders acquired.

The change in intangible assets was caused exclusively by the effects of the consolidation of the newly acquired Zanchetta S.r.l. in terms of goodwill.

The lower level of Group equity is due to the payment of dividends made in May which has not yet been offset by the result for the period.

Net debt is broken down below:

millions of euros	30-Jun-2007	31-Dec-2006
A. Cash and cash equivalents	(40.0)	(60.2)
B. Other cash equivalents	(1.2)	–
C. Investments in securities	(0.2)	(0.2)
D. Liquidity (A)+(B)+(C)	**(41.4)**	**(60.4)**
E. Current financial receivables	**(0.2)**	**–**
F. Current payables to banks	47.7	52.1
G. Current portion of non-current bank debt	21.3	22.2
H. Other current financial payables	1.4	1.6
I. Current financial debt (F)+(G)+(H)	**70.4**	**75.9**
J. Net current financial debt (D)+(E)+(I)	**28.8**	**15.5**
K. Non-current portion of non-current bank debt	78.9	85.0
L. Non-current financial assets	(3.5)	(3.4)
M. Other non-current financial payables	7.1	7.1
N. Non-current financial debt (K)+(L)+(M)	**82.5**	**88.7**
O. Net financial debt (J)+(N)	**111.3**	**104.2**
P. Cash and cash equivalents for sale	(2.3)	–
Q. Total net financial debt (O)+(P)	**109.0**	**104.2**

Net debt at period-end was 109.0 million euros as compared with 104.2 million euros at 31 December 2006. The increase is mainly due to the greater amount of inventories needed to prepare for the deliveries expected in the second half of the year, and to the effect of 1.7 million euros for the payment of the second tranche for the acquisition of Precision Gears and the acquisition of Zanchetta S.r.l. by VIMA S.r.l. In addition, IMA S.p.A paid dividends in May totalling 22.1 million euros, up 8.3 million euros from those paid in May 2006. A comparison between net debt in the first half of 2007 and net debt in the first half of 2006 (118.4 million euros), excluding the difference between dividends paid, extraordinary transactions, purchase of own shares and within a comparable scope of consolidation, shows an improvement of more than 29 million euros.

Debt is expected to reduce significantly over the last part of the year.

Capital Expenditure

Group capital expenditure in property, plant and equipment was 2.9 million euros (about 5.0 million euros in the same period of 2006) and mainly relates to the costs incurred to extend and upgrade existing buildings and plants, and to purchase electronic equipment and furniture. Investments in intangible assets came to 2.5 million euros (compared with 0.8 million euros in the first half of 2006) and refer mainly to the capitalisation of industrial patents and to development costs incurred for entirely new products to be used in the packaging and pharmaceutical processing sectors. Goodwill of 1.1 million euros was posted in 2007 in respect of the acquisition of Zanchetta S.r.l. by VIMA S.r.l.. Amortisation and depreciation came to 5.3 million euros, in line with the same period of the prior year.

OTHER INFORMATION

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FIRST SIX MONTHS

These events took place after 30 June 2007:

- on 30 July 2007 the Board of Directors of IMA S.p.A. resolved upon the acquisition of 875,000 shares (8.5% of the share capital) in Pierrel S.p.A., a company operating in the pharmaceutical sector specialising in the research, development and contract manufacturing of medicines. The transfer of the shares is expected to take place on 10 August 2007 pursuant to a share purchase agreement signed on 30 July 2007 by P Farmaceutici S.r.l., a majority shareholder of Pierrel S.p.A., at a price of 9.35 euros per share. In addition, P Farmaceutici S.r.l. granted to IMA S.p.A. a call option on 876,000 additional shares in Pierrel at a price equal to the simple average of the official price of the shares in the 90 trading days prior to the date of exercise of the option reduced by 20%. This option may be exercised in October 2008 on 438,000 shares and in May 2009 on the remaining 438,000 shares, or, should the option not be exercised in October 2008, on all of the 876,000 shares;
- on 31 July 2007 the sale of the interest in the subsidiary Info Area S.r.l. to Infracom Consulting S.r.l. and the acquisition of a minority interest in Infracom Consulting S.r.l were completed. Based on the price paid of 6.5 million euros, the sale by IMA S.p.A. brought a gain of 5.5 million euros to the Group, including selling costs. The price of the interest acquired by IMA S.p.A. in Infracom Consulting S.r.l. was 2.5 million euros. The goal of Infracom Consulting, a subsidiary owned at 75%

by Infracom S.p.A. and at 12.5% each by IMA S.p.A. and Sacmi S.C. (through one of its subsidiaries), is the creation of an excellence pool specialising in the production, manufacturing and marketing of IT products and services;

- in July 2007 the finance lease contract signed by the joint venture IMA-Telstar S.L. for a building land was sold to Tacra S.L. This will decrease debt by 2.5 million euros. On 19 July 2007 Tacra S.L. and IMA-Telstar S.L. signed a term sheet for the lease of the above said land and the property that will be built there.

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

The following table reconciles the shareholders' equity and the profit for the period of the Parent Company with the corresponding values at 30 June 2007 for the Group (millions of euros):

	Shareholders' equity	Group profit
H1 results for I.M.A. Industria Macchine Automatiche S.p.A.	**76.1**	**11.5**
Consolidation adjustments:		
a) Elimination of the book value of the consolidated equity investments and measurement of investments using the equity method	13.4	1.8
b) Elimination of dividends distributed by Group companies	–	(5.0)
c) Elimination of intercompany items:		
• Intangible assets	(0.2)	–
• Inventories	(5.4)	(0.4)
• Margins and fees for contract work	4.1	2.7
d) Impairment	(4.0)	–
e) Tax effect of consolidation adjustments and other adjustments	2.2	0.7
Net effect of consolidation adjustments	*10.1*	*(0.2)*
Amounts for the Group	**86.2**	**11.3**

OUTLOOK FOR THE REST OF THE YEAR

The recovery registered in the first half by the pharmaceutical sector is expected to strengthen. The key factors in this market are the steady growth of pharmaceutical sales at the global level, the rapid development of advanced health systems even in the developing countries and the demand for new plant from large multinational companies. Thanks to these factors, we believe we can expect good growth in orders in the near future. The excellent amount of new orders and the level of orders in the tea and herbal tea packaging sector indicate that financial year 2007 will be in line with the prior year and that there are good prospects for the next year.

The initiatives being pursued by the entire Group to contain costs, improve the commercial efficiency of the sales network and the business reorganisation that was completed earlier this year constitute another important reason to expect positive results in the future. The results achieved in this half provide confirmation that the company is moving in the right direction.

Consolidated financial statements at 30 June 2007

The consolidated interim financial statements have been translated from those issued in Italy, from the Italian into the English language solely for the convenience of International readers

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

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2007 AND 31 DECEMBER 2006 (MILLIONS OF EUROS)

ASSETS	Note	30 June 2007	31 December 2006
NON-CURRENT ASSETS			
Property, plant and equipment	2	71.8	72.7
Intangible assets	3	71.7	69.9
Investments accounted for using the equity method	4	1.4	1.7
Investments in carried at cost subsidiaries		–	0.1
Financial assets	5	3.5	3.4
Receivables from others	6	0.6	0.5
Derivative financial instruments	7	0.2	0.2
Deferred tax assets	8	16.4	14.8
TOTAL NON-CURRENT ASSETS		165.6	163.3
CURRENT ASSETS			
Inventories	9	147.8	122.2
Trade and other receivables	10	120.8	110.4
Income tax receivables		1.2	0.4
Financial assets	5	1.6	0.2
Derivative financial instruments	7	0.5	0.7
Cash and cash equivalents	11	40.0	60.2
TOTAL CURRENT ASSETS		311.9	294.1
ASSETS HELD FOR SALE	24	4.6	–
TOTAL ASSETS		**482.1**	**457.4**

EQUITY AND LIABILITIES	Note	30 June 2007	31 December 2006
EQUITY			
Share capital	12	18.8	18.8
Share premium reserve		16.4	16.4
Treasury shares	12	(19.7)	(18.9)
Translation reserve		(0.7)	(0.7)
Fair value reserve	13	0.6	0.8
Other reserves		33.4	31.0
Retained earnings		26.1	25.8
Net profit (loss) for the period		11.3	24.8
Total capital and reserves pertaining to the Group		86.2	98.0
Reserves pertaining to minority interests		1.2	1.0
Profit pertaining to minority interests		0.1	–
Total minority interests		1.3	1.0
EQUITY PERTAINING TO THE GROUP AND MINORITY INTERESTS		87.5	99.0
NON-CURRENT LIABILITIES			
Borrowings	14	86.1	92.1
Severance and pension obligations	15	24.7	25.5
Provisions for risks and charges	16	1.3	1.2
Deferred tax liabilities	8	18.5	17.4
TOTAL NON-CURRENT LIABILITIES		130.6	136.2
CURRENT LIABILITIES			
Borrowings	14	70.3	75.9
Trade and other payables	17	170.4	136.8
Income tax liabilities		14.0	4.0
Provisions for risks and charges	16	7.0	5.5
TOTAL CURRENT LIABILITIES		261.7	222.2
LIABILITIES HELD FOR SALE	24	2.3	–
TOTAL LIABILITIES		394.6	358.4
TOTAL EQUITY AND LIABILITIES		**482.1**	**457.4**

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE CONSOLIDATED BALANCE SHEET ARE PROVIDED IN NOTE 27 RELATED PARTY TRANSACTIONS.
THE NOTES FROM PAGE 24 TO PAGE 49 ARE AN INTEGRAL PART OF THE REPORT ON OPERATIONS FOR THE FIRST HALF OF 2007.

CONSOLIDATED INCOME STATEMENT

FOR THE FIRST HALF OF 2007 COMPARED WITH THE FIRST HALF OF 2006 (MILLIONS OF EUROS)

INCOME STATEMENT	Note	H1 2007	H1 2006
REVENUES	**1**	**209.6**	**180.7**
Other revenues		3.3	3.1
OPERATING COSTS			
Change in work in progress, semifinished and finished goods		20.5	21.2
Change in inventory of raw, ancillary and consumable materials and goods for resale		3.9	0.5
Cost of raw, ancillary and consumable materials and goods for resale		(89.9)	(72.4)
Services, rentals and leases		(45.7)	(42.7)
Personnel costs	18	(69.0)	(66.0)
Depreciation and amortisation expense	19	(5.5)	(6.4)
Provisions for risks and charges		(1.0)	(0.2)
Other operating costs		(1.9)	(1.8)
TOTAL OPERATING COSTS		(188.6)	(167.8)
OPERATING PROFIT	1	24.3	16.0
FINANCIAL INCOME AND EXPENSE			
Financial income	20	2.2	4.0
Financial expense	21	(5.9)	(6.6)
TOTAL FINANCIAL INCOME AND EXPENSE		(3.7)	(2.6)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		**–**	**0.1**
PROFIT BEFORE TAX		**20.6**	**13.5**
INCOME TAXES FOR THE PERIOD	22	(9.2)	(6.7)
PROFIT FOR THE PERIOD		**11.4**	**6.8**
ATTRIBUTABLE TO:			
PARENT COMPANY SHAREHOLDERS		11.3	6.9
MINORITY INTERESTS		0.1	(0.1)
		11.4	6.8
EARNINGS PER SHARE (in euros)		**0.33**	**0.20**

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE CONSOLIDATED INCOME STATEMENT ARE PROVIDED IN NOTE 27 RELATED PARTY TRANSACTIONS.
THE NOTES FROM PAGE 24 TO PAGE 49 ARE AN INTEGRAL PART OF THE REPORT ON OPERATIONS FOR THE FIRST HALF OF 2007.

CHANGES IN CONSOLIDATED EQUITY

AT 30 JUNE 2007 AND 30 JUNE 2006 (MILLIONS OF EUROS)

Description	Share capital	Share premium reserve	Treasury shares	Translation reserve	Fair value reserve	Other reserves	Retained earnings	Net profit of Group	Total Group equity	Minority interests	Total equity
Balances at 1 Jan 2006	**18.8**	**16.4**	**(14.7)**	**1.3**	**(0.9)**	**30.5**	**27.6**	**12.5**	**91.5**	**3.6**	**95.1**
Allocation of result for 2005											
- dividends	–	–	–	–	–	–	–	(13.8)	(13.8)	(0.3)	(14.1)
- reserves	–	–	–	–	–	0.5	(1.8)	1.3	–	–	–
Purchase and sale of treasury shares	–	–	–	–	–	–	–	–	–	–	–
Gains on transactions in treasury shares	–	–	–	–	–	–	–	–	–	–	–
Fair value of financial instruments	–	–	–	–	1.8	–	–	–	1.8	–	1.8
Exchange rate differences on translation of financial statements in for. currency	–	–	–	(1.8)	–	–	–	–	(1.8)	(0.3)	(2.1)
Net profit for the period	–	–	–	–	–	–	–	6.9	6.9	(0.1)	6.8
Balances at 30 Jun 2006	**18.8**	**16.4**	**(14.7)**	**(0.5)**	**0.9**	**31.0**	**25.8**	**6.9**	**84.6**	**2.9**	**87.5**
Dividends	–	–	–	–	–	–	–		–	(0.2)	(0.2)
Acquisition of 49% in Precision Gears	–	–	–	–	–	–	–	–	–	(2.0)	(2.0)
Purchase and sale of treasury shares	–	–	(4.2)	–	–	–	–	–	(4.2)	–	(4.2)
Gains on transactions in treasury shares	–	–	–	–	–	–	–	–	–	–	–
Fair value of financial instruments	–	–	–	–	(0.1)	–	–	–	(0.1)	–	(0.1)
Exchange rate differences on translation of financial statements in for. currency	–	–	–	(0.2)	–	–	–	–	(0.2)	0.2	0.0
Net profit for the period	–	–	–	–	–	–	–	17.9	17.9	0.1	18.0
Balances at 31 Dec 2006	**18.8**	**16.4**	**(18.9)**	**(0.7)**	**0.8**	**31.0**	**25.8**	**24.8**	**98.0**	**1.0**	**99.0**
Allocation of result for 2006											
- dividends	–	–	–	–	–	–	–	(22.1)	(22.1)	–	(22.1)
- reserves	–	–	–	–	–	2.4	0.3	(2.7)	0.0	–	0.0
Share capital increase	–	–	–	–	–	–	–	–	–	0.2	0.2
Purchase and sale of treasury shares	–	–	(0.8)	–	–	–	–	–	(0.8)	–	(0.8)
Fair value of financial instruments	–	–	–	–	(0.2)	–	–	–	(0.2)	–	(0.2)
Exchange rate differences on translation of financial statements in for. currency	–	–	–	–	–	–	–	–	–	–	–
Net profit for the period	–	–	–	–	–	–	–	11.3	11.3	0.1	11.4
Balances at 30 Jun 2007	**18.8**	**16.4**	**(19.7)**	**(0.7)**	**0.6**	**33.4**	**26.1**	**11.3**	**86.2**	**1.3**	**87.5**

CONSOLIDATED STATEMENT OF CASH FLOWS

AT 30 JUNE 2007 AND 30 JUNE 2006 (MILLIONS OF EUROS)

	30 June 2007	30 June 2006
OPERATING ACTIVITIES		
Net profit (loss) for the period	11.3	6.9
Adjustments for:		
-Depreciation and amortisation	5.3	5.4
-(Reversals) or impairment of assets	–	0.8
-Changes in provisions for risks and charges and staff severance obligations	–	(0.7)
-Unrealised losses (gains) on exchange rate differences	–	(0.5)
-Income taxes	9.2	6.7
-Minority interests	0.1	(0.1)
-Result from investments accounted for using the equity method	–	(0.1)
Operating profit (loss) before changes in working capital	25.9	18.4
(Increase) decrease in trade and other receivables	(9.0)	5.6
(Increase) decrease in inventories	(24.1)	(22.5)
Increase (decrease) in trade and other payables	33.0	(4.7)
Income taxes paid	(1.3)	(0.6)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	24.5	(3.8)
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(2.9)	(2.5)
Investments in intangible assets	(2.5)	(0.8)
Acquisitions of companies	(1.2)	(3.6)
Exchange rate differences on property, plant and equipment and intangible assets	–	0.7
Repayment of finance lease debts	(0.5)	(1.5)
Investments in associates	–	(0.2)
Cash receipts from sale of non-current assets	0.2	0.3
Net change in financial assets and other non-current receivables	(1.6)	0.2
Change in reserves attributable to minority interests	0.2	(0.6)
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(8.3)	(8.0)
FINANCING ACTIVITIES		
Granting of borrowings	4.4	7.0
Repayment of borrowings	(10.8)	(9.1)
Increase (decrease) in other payables to banks	(1.7)	2.5
Dividends paid	(22.1)	(13.8)
Purchase of treasury shares	(0.8)	–
Translation of financial statements in foreign currency	–	(1.8)
Payment/collection of interest	(3.1)	(2.2)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	(34.1)	(17.4)
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	**(17.9)**	**(29.2)**
CASH EQUIVALENTS HELD FOR SALE (E)	**(2.3)**	**–**
CASH AND CASH EQUIVALENTS AT START OF PERIOD (F)	**60.2**	**57.8**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (G=D+E+F)	**40.0**	**28.6**

FOR A BREAKDOWN OF 'CASH AND CASH EQUIVALENTS', REFERENCE SHOULD BE MADE TO NOTE 11.

Explanatory notes
to the consolidated financial statements

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

A) OVERVIEW

The Report on Operations for the first half of 2007 was approved by the Board of Directors on 10 August 2007.

The IMA Group designs, manufactures and sells machinery and plant mainly to the pharmaceuticals, cosmetics and tea-packaging industries. 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, of which up to 60% of the annual total can be concentrated in the second six months of the year.

The Parent Company of the IMA Group is I.M.A. Industria Macchine Automatiche S.p.A., with registered offices in Ozzano dell'Emilia (Bologna) at Via Emilia 428/442, and is listed in the electronic stock exchange of Borsa Italiana S.p.A. in the "S.T.A.R." segment. At 30 June 2007 IMA S.p.A. was owned at 67.55% by SO.FI.MA. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A. During the period under examination, no significant transactions were carried out between IMA S.p.A. and its parent companies.

IMA S.p.A.'s relations with the manufacturing companies in the Group are mainly of a commercial nature, and consist in the buying and selling of the machinery needed to build complete production lines. 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. The financial companies of the Group hold equity investments in a number of foreign-based companies with which they have financial relations.

To summarize, the parent company, IMA S.p.A., manufactures packaging and filling equipment for the tea and pharmaceutical sectors, as well as end-of-line machines for the pharmaceutical and cosmetics markets. The entire product range is sold and serviced by commercial companies that cover specific geographical areas, and by an extensive network of agents covering other areas.

B) GENERAL PREPARATION POLICIES

General principles

This report for the first six months was prepared in accordance with IAS/IFRS and pursuant to Article 81 of the Consob Issuers' Regulation no. 11971/1999 as amended, and was prepared in condensed form, in accordance with IAS 34 'Interim Financial Reporting'; accordingly, it must be read together with the financial statements at 31 December 2006.

Accounting statements

The consolidated income statement reflects an analysis of costs by nature, as this classification was considered to be more significant in order to achieve a full understanding of the Group's earnings. The balance sheet has been prepared based on the operating cycle, separating current and non-current items. The consolidated statement of cash flows has been prepared using the indirect method to determine the cash flows from operating activities.

All the figures in the half-year report at 30 June 2007 are in millions of euros, unless otherwise indicated.

C) ACCOUNTING POLICIES AND PRINCIPLES

ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements at 31 December 2006 have been also used in the preparation of this report, except for the following:

Assets and liabilities held for sale

Non-current assets (or discontinuing operations) are reported as held for sale if their book value will be recovered by selling them rather than using them.

Assets are valued at the lower of book value and fair value less sales costs. Assets and liabilities held for sale are presented in a separate line item in the balance sheet.

Taxes

As prescribed by IAS 34, the interim result must be stated net of income tax, based on the best estimate of the weighted average tax rate expected for the full financial year. The tax provision for the interim period are adjusted in the subsequent interim period of the same financial year if the estimated annual tax rate changes.

Current and deferred taxes are directly debited or credited to equity if they refer to items directly debited or credited to equity in the same or a different financial year.

APPLICATION OF ACCOUNTING STANDARDS

The process for the preparation and endorsement of IAS/IFRS requires that some documents are continuously reviewed. Some of these reviews are not applicable to the IMA Group.

The main documents that have been already endorsed by the EU and that most affect financial reporting are the amendment to IAS 1 'Presentation of Financial Statements' regarding the information on the strategies and objectives to manage capital and IFRS 7 'Financial instruments: disclosures'. The IMA Group will apply these standards starting from the financial statements at 31 December 2007.

Moreover, the Group has considered the effects of other Standards and Interpretations that have been approved but have not been approved yet by the EU, such as IFRS 8 (segment reporting) superseding IAS 14, but has not reported that they can potentially and significantly impact the financial statements.

D) CONSOLIDATION PRINCIPLES

IAS 27 defines control of an enterprise as the power to govern its financial and operating policies so as to obtain benefits from its activities, accompanied by an equity interest, held directly or indirectly, that gives the controlling entity more than half the voting rights (*de iure* control). Control also exists where one company can influence another without holding a majority of voting rights (*de facto* control).

Consolidation is carried out on a line-by-line basis. The criteria used in the application of this method are primarily the following:

- the book value of the equity investments held by the Parent Company or by other consolidated companies is written off against the related net equity, and the assets and liabilities of investee companies are entered in the consolidated accounts;
- any difference between the total cost of acquisition and the Group's share of the fair values of the net identifiable assets and potential liabilities of the consolidated company is recognised as goodwill under intangible assets;

- significant transactions between consolidated companies are eliminated as are the receivables and payables and any unrealized profits resulting from intercompany transactions;
- minority interests in equity and net profit are shown as separate items in the consolidated balance sheet and income statement, respectively;
- companies acquired or sold during the period are consolidated for the period in which a majority interest was held.

IAS 31 defines joint venture as a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and the accounting treatment allowed is the proportional consolidation.

The proportional consolidation involves that the financial statements of the venturer includes its share of each asset, liability, income and expenses in the financial statements of the investor. Companies acquired or sold during the period are consolidated for the period in which joint control was exercised.

E) SCOPE OF CONSOLIDATION

The half-year report at 30 June 2007 contains the financial and operating information of I.M.A. Industria Macchine Automatiche S.p.A. (Parent Company) and all the companies over which it exercises direct or indirect control.

In the first six months of 2007, the following changes in the scope of consolidation of the Group took place:

- on 2 January 2007 the transfer from IMA S.p.A. to the newly-formed IMA Libra S.r.l. of the operations of the Aseptic Processing & Filling sector and of the interest in the Italian-Spanish joint venture IMA-Telstar S.L. (freeze-drying machines) became effective;
- on 28 February 2007 the merger of Zibo IMA Xinhua Machinery Co. Ltd. into Zibo IMA Xinhua Pharmatech Co. Ltd. was completed. Also, in May 2007 the share capital increase of Zibo IMA Xinhua Pharmatech Co. was completed for a total amount of US$ 1 million. Following such capital increase, IMA S.p.A., which previously held 82% of the share capital, now holds 80% in the company, as the increase was subscribed in a non-proportional manner;
- on 12 April VIMA Impianti S.r.l. completed the acquisition of the entire share capital in Zanchetta S.r.l., a company that manufactures powder handling and granulating machines based in Lucca. The total amount of the investment was 1.2 million euros. In the year 2006 Zanchetta S.r.l. reported a turnover of 10 million euros, and EBITDA accounting for 4% of the Company revenues. With this acquisition, the IMA Group carries on its policy of expanding the range of products offered to the pharmaceutical sector and expanding through other lines through specific acquisitions;

Moreover, on 20 December 2006, IMA S.p.A. signed an agreement for the acquisition of 34% of the share capital in Precision Gears Ltd., of which it previously owned 51%. The company, based in Mumbai, manufactures blister and cartoning machines, mainly for emerging markets. The acquisition of 34% was a three-step transaction: the first two lots, both equal to 11% of the share capital, were paid in December 2006 for an amount of 1.3 million euros and in March 2007 for an amount of 1.3 million euros. The third lot (12%) was paid on 4 July 2007 for an amount of 1.5 million euros. For the remaining shares (15% of the share capital) the parties agreed upon mutual put and call options at the same conditions applied to the acquisition of the 34%. The options can be exercised in two tranches, the final one being exercised within January 2010.

The following is a list of the companies included in the scope of consolidation, with an indication of the consolidation method used:

COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

	Registered office		Share capital	Direct investment	Indirect investment
Industrial companies:					
• I.M.A. Industria Macchine Automatiche S.p.A	Ozzano E. (Bologna)	EUR	18,772,000	Parent Company	
• IMA Libra S.r.l.	Ozzano E. (Bologna)	EUR	3,000,000	100%	–
• CO.MA.DI.S. S.p.A.	Senago (Milan)	EUR	1,540,000	100%	–
• VIMA Impianti S.r.l.	Porcari (Lucca)	EUR	363,940	100%	–
• Zanchetta S.r.l.	Montecarlo (Lucca)	EUR	100,000	–	100% (1)
• Zibo IMA Xinhua Pharmatech Co. Ltd.	Zibo (PRC)	USD	5,143,248	80%	–
• Tianjin IMA Machinery Co. Ltd.	Tianjin (PRC)	USD	200,000	65%	–
• Swiftpack Automation Ltd.	Alcester (GB)	LST	1,403,895	100%	–
• Precision Gears Ltd.	Mumbai (India)	RS	(*) 17,852,100	100%	– (2)
• IMA Kilian GmbH & Co. KG	Cologne (Germany)	EUR	3,600,000	–	100% (3)
• Nova Packaging Systems Inc.	Leominster (USA)	USD	8,050,000	–	100% (4)
Commercial companies:					
• IMA UK Ltd.	Wokingham (GB)	LST	50,000	100%	–
• I.M.A. Est Verp. Handels GmbH	Vienna (Austria)	EUR	280,000	100%	–
• IMA Germany GmbH	Cologne (Germany)	EUR	90,000	100%	–
• IMA France E.u.r.l.	Rueil-Malmaison (France)	EUR	45,735	100%	–
• IMA Pacific Co. Ltd.	Bangkok (Thailand)	THB	(*) 40,219,000	99.99%	–
• IMA Packaging and Processing Equipment (Beijing) Co. Ltd.	Beijing (PRC)	USD	1,350,000	100%	–
• Imautomatiche Lda	Madeira (Portugal)	EUR	5,000	100%	–
• IMA Iberica Processing and Packaging S.L.	Barcelona (Spain)	EUR	590,000	100%	–
• IMA North America Inc.	Bristol (USA)	USD	2,500	–	100% (4)
Other companies:					
• Info Area S.r.l.	Ozzano E. (Bologna)	EUR	98,800	100%	–
• IMA Kilian Verwaltungs GmbH	Cologne (Germany)	EUR	25,000	–	100% (3)
Financial companies:					
• Packaging Systems Holdings Inc.	Wilmington (USA)	USD	8,052,500	100%	–

(*) The nominal share capital of Precision Gears Ltd. and IMA Pacific Co. Ltd. amounts to RS 20,000,000 and THB 100,000,000 respectively.

Notes (details of indirect investments):

(1) Owned by VIMA Impianti S.r.l.
(2) The percentage holding refers to an option equal to 15% of the share capital, that essentially constitutes a form of deferred payment
(3) Owned by IMA Germany GmbH
(4) Owned by Packaging Systems Holdings Inc.

Companies consolidated using the proportional method

	Registered office		Share capital	Direct	Indirect investment	
IMA-Telstar S.L.	Terrassa (Spain)	EUR	4,946,400	–	50%	(5)
Telstar Huadong Co. Ltd.	Shanghai (PRC)	RMB	17,370,000	–	27.5%	(6)
IMA-Telstar North America Inc.	Wilmington (USA)	USD	500,000	–	50%	(7)

Notes (details of indirect investments):

(5) Owned by IMA Libra S.r.l.
(6) Owned by IMA-Telstar S.L. (55%)
(7) Owned by IMA-Telstar S.L. (100%)

The balance sheet and the income statement at 30 June 2007 include the Group share of assets, liabilities, revenues and costs of IMA-Telstar S.L., Telstar Huadong Co. Ltd. and IMA-Telstar North America Inc.

Investments valued using the equity method

	Registered office		Share capital	Direct investment	Indirect investment	
B.C. S.r.l.	Imola (Bologna)	EUR	36,400	30%	–	
LA.CO. S.r.l.	Ozzano E. (Bologna)	EUR	30,000	30%	–	
Scriba Nanotecnologie S.r.l.	Bologna	EUR	18,750	40%	–	(8)

Notes (details of indirect investments):

(8) The percentage holding includes an agreement for the purchase of 20% of the share capital.

The balance sheet and income statement at 30 June 2007 include the share of the net profits and losses of associated companies, valued using the equity method, from the date on which the significant influence emerged to the date it ceases.

F) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The changes reported below have been calculated on figures at 31 December 2006 for balance sheet items and on figures for the half-year 2006 for income statement items.

1. Segment information

The Group's primary reporting is divided by business segment, as follows:

Tea, herbal tea and coffee packaging

Machines for the packaging of tea and herbs in filter bags and the packaging of coffee in pods, and related services. Operations in this segment are mainly carried out by the Parent Company in the tea division.

Pharmaceutical packaging

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, cartoning and end-of-line equipment, and related services;

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

- IMA S.p.A. manufactures machines through the Blister, Win.Pack divisions, machines for cartoning and end-of-line activities;
- IMA Libra S.r.l. manufactures aseptic and non-aseptic processing and filling machines;
- Swiftpack Automation Ltd. and Nova Packaging Systems Inc. manufacture machines for the bottling of capsules and tablets for the pharmaceutical industry;
- CO.MA.DI.S. S.p.A. manufactures tube-filling machines for the pharmaceutical, cosmetics, chemicals and food industries.
- Precision Gears Ltd. manufactures blister and cartoning machines, mainly for emerging markets;
- IMA-Telstar S.L. and Telstar Huadong Co. Ltd. manufacture freeze-drying machines for the pharmaceutical industry.

Pharmaceutical processing

Machines for the production of tablets and capsules, machines for coating and fluid bed granulators, and related services. Operations in this segment are mainly carried out by these companies:

- IMA S.p.A. Solid dose division;
- VIMA Impianti S.r.l. manufactures machinery for powder handling and tablet depowdering optional unit;
- Zanchetta S.r.l. manufactures powder handling and granulating machines;
- IMA Kilian GmbH & Co. KG manufactures tablet pressing machines for the pharmaceutical and chemicals industries;
- Zibo IMA Xinhua Pharmatech Co. Ltd. assembles machinery for the pharmaceutical industry.

The Group's secondary reporting is divided by geographical segment.

The following table gives a breakdown of revenues by business segment, with comparative figures for the corresponding period of 2006 (millions of euros):

	1st half 2007	1st half 2006	Change
Tea, herbal tea and coffee packaging	36.4	38.0	(1.6)
Pharmaceutical packaging	120.4	102.7	17.7
Pharmaceutical processing	50.8	38.1	12.7
Other	2.0	1.9	0.1
Total	**209.6**	**180.7**	**28.9**

In the first half of 2007 consolidated revenues came to 209.6 million euros, compared with 180.7 million euros in the first six months of 2006. Zanchetti S.r.l. was included in the scope of consolidation in the second half of 2007 as a company operating in the processing sector and accounted for 2.2 million euros of revenues for the first half of 2007.

This strong growth results from the rise in the Group pharmaceutical segment and from the confirmation of the tea packaging sector and is due to the size of the order book at the end of the prior year, and to the steady increase in orders registered in the first half of 2007 in the pharmaceuticals and the tea packaging segments. Once again, the Group reveals itself as highly flexible to changes in market demand, partly due to its organisational model, which enables it to cope with increases in revenues, even significant ones, over a short period of time. The confirmation of the recovery in the entire pharmaceuticals segment is a sign that the crisis of 2004 and 2005 is now over.

The following table shows operating profit by segment (millions of euros):

	1st half 2007	1st half 2006	Change
Tea, herbal tea and coffee packaging	12.8	13.2	(0.4)
Pharmaceutical packaging	11.9	4.6	7.3
Pharmaceutical processing	(0.6)	(1.7)	1.1
Other	0.2	(0.1)	0.3
Total	**24.3**	**16.0**	**8.3**

The clear general improvement was due to different factors: the tea sector is in line with the prior year; volumes and profitability in the packaging sector are still growing following the actions of the prior year. In the processing sector, the improvement essentially stems from the volume effect due to the commercial success of products. Structure costs were substantially in line with or moderately rose from the prior period in all segments and within a comparable scope of consolidation.

IMA Group revenues in the first half of 2006 are broken down by geographical and business segment as follows (millions of euros):

REVENUES BY GEOGRAPHICAL SEGMENT

	1st half 2007	1st half 2006	Change
European Union (excluding Italy)	82.0	82.7	(0.7)
Other European countries	16.8	8.1	8.7
North America	46.3	46.3	–
Asia	32.8	18.8	14.0
Other countries	14.2	12.8	1.4
Total export	**192.1**	**168.7**	**23.4**
Italy	17.5	12.0	5.5
Total	**209.6**	**180.7**	**28.9**

REVENUES BY BUSINESS SEGMENT

	1st half 2007	1st half 2006	Change
Machines and formats	101.6	101.5	0.1
Construction contracts	61.9	35.5	26.4
Spare parts	29.6	27.5	2.1
Technical assistance	10.1	10.0	0.1
Other services	6.4	6.2	0.2
Total	**209.6**	**180.7**	**28.9**

2. Property, plant and equipment

Property, plant and equipment shows a net decrease of 0.9 million euros. Movements in the item break down as follows (millions of euros):

	Land	Buildings leasehold improv.	Plant and machinery	Indust. and comm. equip.	Other assets	Assets under constr. and advances	Total
Balances at 1 Jan 2007	**17.1**	**35.3**	**13.7**	**1.7**	**3.4**	**1.5**	**72.7**
Increases for the period	–	0.6	0.9	0.2	0.8	0.4	2.9
Sales and disposals	(0.1)	–	(0.1)	–	–	–	(0.2)
Change in cons. scope	–	–	–	–	0.1	–	0.1
Depreciation	–	(0.9)	(1.6)	(0.4)	(0.7)	–	(3.6)
Reclassifications	(0.2)	0.7	–	–	(0.2)	(0.5)	(0.2)
Translation differences	–	0.1	–	–	–	–	0.1
Balances at 30 Jun 2007	**16.8**	**35.8**	**12.9**	**1.5**	**3.4**	**1.4**	**71.8**

Increases for the period mainly relate to the costs incurred to expand and upgrade existing buildings and plants and to the purchase of electronic equipment and furniture.

Reclassifications include 0.7 million euros to complete the building for industrial use of Telstar Huadong Co. Ltd. and 0.2 million euros of assets of Info Area S.r.l. reported as assets held for sale as commented on in Note 24.

“Land” includes 10.6 million euros in respect of property in Ozzano dell’Emilia (Bologna) and Bentivoglio (Bologna) owned by the Parent Company; 3.2 million euros refers to land in Calenzano (Florence) and 2.5 million euros to land in Terrassa (Spain) under a finance lease.

Buildings and leasehold improvements mainly regard Parent Company buildings located in Ozzano dell’Emilia, Bentivoglio, Calenzano, and buildings in France, the United Kingdom and India, which are owned by the subsidiaries IMA France E.u.r.l., IMA UK Ltd. and PG Bombay Pvt Ltd., respectively.

“Other assets” comprise (in millions of euros):

	30-Jun-2007	31-Dec-2006
Electronic office machines	1.3	1.3
Office furniture and fittings	1.2	1.2
Vehicles	0.7	0.7
Other	0.2	0.2
Total	**3.4**	**3.4**

Assets under construction and advances mainly regard urban development works on the land in Via Tolara, Ozzano dell’Emilia, incurred by the Parent Company, and capitalised costs for equipment under construction for use in the production process.

3. Intangible assets

Movements in intangible assets for the period break down as follows (millions of euros):

	Development costs	Industrial patent rights	Software, lic., trademarks and similar	Goodwill	Assets under dev. and advances	Total
Balances at 1 Jan 2007	**8.7**	**1.7**	**2.5**	**55.9**	**1.1**	**69.9**
Increases for period	–	1.3	0.2	–	1.0	2.5
Acquisition of Zanchetta S.r.l.	–	–	–	1.1	–	1.1
Amortisation	(0.8)	(0.3)	(0.6)	–	–	(1.7)
Translation differences	–	–	–	(0.1)	–	(0.1)
Balances at 30 Jun 2007	**7.9**	**2.7**	**2.1**	**56.9**	**2.1**	**71.7**

Development costs mainly include the costs incurred by the Parent Company for new products that were not available previously and are targeted at new market segments. Specifically, capitalisations relate to the CA1, a packaging machine for filter coffee refill pods, the C300, an error-control tablet counting machine, and fast wet granulators (Vortex) possibly with fluid bed integrators (Pegasus). They also include the know-how gained in the freeze-drying sector in the production of biotech-derived pharmaceuticals; the useful life was estimated in 7 years. They also include the know-how, which was recorded following the acquisition of VIMA Impianti S.r.l., for washing and powder handling systems in the pharmaceuticals processing sector; the useful life was estimated in 5 years.

Software, licences, trademarks and other rights mainly include application, management and technical software.

Goodwill comprises the following (millions of euros):

	30-Jun-2007	31-Dec-2006
Acquisition of G.S. S.r.l. Coating System division	7.4	7.4
Acquisition of ICO OLEODINAMICI S.p.A. division	3.1	3.1
Acquisition of CO.MA.DI.S. S.p.A.	3.8	3.8
B.F.B. S.p.A.	1.8	1.8
IMA Kilian GmbH & Co. KG	14.8	14.8
Nova Group	13.2	13.3
Telstar Group	3.4	3.4
VIMA Impianti S.r.l.	4.3	4.3
Precision Gears Ltd.	4.0	4.0
Zanchetta S.r.l.	1.1	–
Total	**56.9**	**55.9**

A review of the value of goodwill did not find evidence of any impairment within the framework of the current outlook.

Developments in the second half of the year, which are key to the year's results and order acquisition for the following year, will provide a more complete picture of prospects for the various CGUs.

For the goodwill recognised following the acquisition of Zanchetta S.r.l., reference should be made to Note 23.

Assets under development and advances relate to the capitalisation of development costs of the Parent Company and IMA Libra S.r.l. in the amount of 0.3 millions euros and 1.3 millions euros.

4. Investments valued at equity

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

	% holding	30-Jun-2007	31-Dec-2006
B.C. S.r.l.	30%	0.6	0.6
LA.CO. S.r.l.	30%	0.4	0.5
Scriba Nanotecnologie S.r.l.	40%	0.4	0.4
IMA-Telstar North America Inc.	50%	–	0.2
Total		**1.4**	**1.7**

As to the equity investments in IMA-Telstar North America Inc., in the first half of 2007 the company was consolidated using the line-by-line method.

The book values of the equity investments of LA.CO. S.r.l. and Scriba Nanotecnologie S.r.l. include goodwill of 0.1 million euros and 0,2 million euros respectively.

The consortium contract was terminated. It had been effective since July 2005 between the Parent Company IMA S.p.A. (25%), Info Area S.r.l. (25%) and a third company (50%) to provide IT services to the consortium's members; the consortium fund was returned in July 2007.

The following table summarises key financial data at 31 December 2006 of associated companies:

	Assets	Liabilities	Revenues	Net profit
B.C. S.r.l.	2.9	0.9	2.9	0.2
LA.CO. S.r.l.	2.6	2.2	3.3	(0.1)
Scriba Nanotecnologie S.r.l.	0.2	0.1	0.1	(0.1)

5. Financial assets

This item, which amounts to 3.5 million euros, includes investments in securities totalling 3,0 million euros (3.0 million euros at 31 December 2006), which mainly comprise listed bond funds pledged as collateral for non-current loans received. This section also includes financial receivables of 0.4 million euros (0.3 million euros at 31 December 2006) and investments in other companies of 0.1 million euros (0.1 million euros at 31 December 2006).

The current loans, which amounts to 1.6 million euros, includes investments of the Parent Company in listed bond funds totalling 0.2 million euros (0.2 million euros at 31 December 2006) and financial receivables (0.2 million euros). During the first half of 2007 IMA-Telstar S.L. has deposited 1.2 million euros with a leading international credit institution with maturity in the second half of 2007.

6. Receivables from others

These include various guarantee deposits.

7. Derivative financial instruments

Derivative financial instruments break down as follows (millions of euros):

	Assets 30-Jun-2007	Assets 31-Dec-2006
(Non-current) Interest rate swaps – cash flow hedges	0.2	0.2
(Current) exchange rate hedging instruments – cash flow hedges	0.5	0.7
Total	**0.7**	**0.9**

INTEREST RATE DERIVATIVES

The amount of 0.2 million euros is the fair value of two options entered into during 2005 and 2006 with a leading credit institution to hedge interest rate risk; such options are separately linked to two medium-term loans maturing in June and October 2011.

FOREIGN EXCHANGE DERIVATIVES

The amount of 0.5 million euros represents the fair value of the sale of forward contracts in foreign currency and options entered by the Group in order to hedge against the exchange rate risk. The notional amounts of these hedging instruments fell from 32.1 million US Dollars at 31 December 2006 to 25.2 million US Dollars at 30 June 2007.

8. Deferred tax assets and liabilities

At 30 June 2007, deferred tax assets amounted to 16.4 million euros (14.8 million euros at 31 December 2006). They mainly regard temporary differences in respect of provisions of the Parent Company, the elimination of unrealised intercompany profits on sales of finished goods and the tax benefit deriving from loss carry-forward.

At 30 June 2007 deferred tax liabilities of 18.5 million euros (17.4 million euros at 31 December 2006) mainly relate to temporary differences between the book value and the value recognised for tax purposes of some of property, plant and equipment and intangible assets and construction contracts.

9. Inventories

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

	Gross value	Impair. provision	Net value at 30-Jun-2007	Net value at 31-Dec-2006
Raw materials, supplies and consumable stores	25.8	(5.5)	20.3	16.1
Work in progress and semifinished products	143.6	(18.9)	124.7	102.6
Finished goods and merchandise	4.8	(2.0)	2.8	3.5
Total	**174.2**	**(26.4)**	**147.8**	**122.2**

The increase in inventories from 31 December 2006 is due to the construction of machinery to be delivered to customers during the second half of the year, as is also revealed by the significant size of the order book acquired at the end of June. The inventories of Zanchetta S.r.l. amounted to 1.8 million euros at 30 June 2007.

Please note that, during the period, the Parent Company and IMA Kilian GmbH & Co. KG made provisions of 1.0 million and 0.4 million euros respectively for writedowns of work in progress and semifinished goods.

10. Trade receivables and other receivables

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

	30-Jun-2007	31-Dec-2006
Trade receivables	105.1	101.4
Advances to suppliers	4.1	3.8
Tax receivables	5.5	1.7
Deferrals	2.6	1.3
Other receivables	3.5	2.2
Total	**120.8**	**110.4**

TRADE RECEIVABLES

Trade receivables include customer receivables of 71.7 million euros (81.3 million euros at 31 December 2006), amounts due on contract work in progress of 32.9 million euros (19.1 million euros at 31 December 2006), and commercial receivables from associates of 0.5 million euros (1.0 million euros at 31 December 2006).

Customer receivables show a 9.6 million euro decrease compared with 31 December 2006 following collections during the period and the Group's prudent management of receivables. Customer receivables falling due after one year amounted to 1.4 million euros. Payment extensions granted to customers who reside in countries with particular risks are backed by appropriate financial instruments to secure collection. Trade receivables from customers are carried net of accumulated provisions amounting to 2.9 million euros (2.5 million euros at 31 December 2006).

The period saw the non-recourse assignment of receivables with an overall nominal value of around 3.3 million euros. Assigned receivables that had not yet fallen due at 30 June 2007 amounted to around 4.4 million euros, of which 0.8 million euros are assigned to factoring companies and 3.6 million to other financial institutions.

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

	30-Jun-2007	31-Dec-2006
Construction contracts (costs incurred plus recognised margins)	54.2	34.2
Advances received	(21.3)	(15.1)
Due from customers	**32.9**	**19.1**

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

	30-Jun-2007	31-Dec-2006
Advances received	(2.9)	(6.8)
Construction contracts (costs incurred plus recognised margins)	2.2	3.9
Due to customers	**(0.7)**	**(2.9)**

TAX RECEIVABLES

Tax receivables mainly consist of VAT receivables.

DEFERRALS

This mainly include prepaid insurance premiums, maintenance fees and advisory fees.

11. CASH AND CASH EQUIVALENTS

This item is composed as follows (millions of euros):

	30-Jun-2007	31-Dec-2006
Bank current accounts	36.9	57.1
Deposits	2.9	2.6
Cheques and cash	0.2	0.5
Total	**40.0**	**60.2**

Cash and cash equivalents decreased by 20.2 million euros due to the natural increase in inventories from 31 December 2006 and the payment of dividends of 22.1 million euros. The amount of cash and cash equivalents (2.3 million euros) of Info Area S.r.l. was reclassified under assets held for sale. For a better understanding of the performance of this item, reference should be made to Note 14 dealing with a breakdown of net debt.

12. Share capital and treasury shares

The share capital at 30 June 2007 refers to the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A., made up of 36,100,000 ordinary shares with a par value of 0.52 euros each.

In May 2007, a total dividend of 22.1 million euros was paid, equal to 0.65 euros (gross) per ordinary share in circulation (13.8 million euros, equal to 0.40 euros per ordinary share in May 2006).

In the first half of 2007, the Parent Company carried out operations involving its equity instruments and acquired 66,235 treasury shares for an amount of 0.8 million euros. In 2006 the Parent Company acquired 383,765 treasury shares for 4.2 million euros. These transactions were recognised directly in equity in accordance with IAS 32.

The table below shows the number of outstanding shares:

in thousands	
Balance at 1 Jan 2006	34,509
Treasury shares acquired	–
Treasury shares sold	–
Balance at 30 Jun 2006	**34,509**
Treasury shares acquired	(384)
Treasury shares sold	–
Balance at 31 Dec 2006	**34,125**
Treasury shares acquired	(66)
Treasury shares sold	–
Balance at 30 Jun 2007	**34,059**

On 6 March 2007 the plan for the acquisition by UBM S.p.A. of treasury shares, which was resolved by the Shareholders in the Meeting of 27 April 2006 to stabilize the share price in the Stock Market, was completed in pursuance of all applicable laws. The total consideration for the 450,000 treasury shares purchased under the plan was 5 million euros.

At 30 June 2007 treasury shares totalled 2,041,235 for an amount of 20.3 million euros.

The Shareholders of IMA S.p.A. in the Extraordinary Meeting of 19 June 2007 resolved to cancel 2,000,000 treasury shares with a par value of 0.52 euro each, with the voluntary reduction of the share capital from 18.8 million euros to 17.7 million euros. The cancellation of some of the treasury shares will bring an improvement in earnings per share in the long-term and, considering the same payout, the payment of a greater dividend per share for outstanding shares. With a comparable number of shares owned, the reduction of the share capital will bring an increase in the equity investments held by the shareholders at the date of performance of this transaction.

Pursuant to Article 2445 of the Italian Civil Code, the voluntary reduction of the share capital will be made only after 90 days from the registration of the Meeting resolution in the register of enterprises, which took place on 25 June 2007, provided that no company creditors object to that within that date.

13. Fair value reserve

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

Balance at 1 Jan 2006	(0.9)
Cash flow hedges / hedging instruments	
Valuation at fair value	1.5
Fair value - tax effect	(0.5)
Realisation recognised in income	1.1
Realisation recognised in income - tax effect	(0.3)
Balance at 30 Jun 2006	**0.9**
Balance at 1 Jan 2007	0.8
Available for sale	
Valuation at fair value	–
Cash flow hedges / hedging instruments	
Valuation at fair value	0.5
Fair value - tax effect	(0.2)
Realisation recognised in income as a revenue	(0.7)
Realisation recognised in income as financial income and expense	(0.1)
Realisation recognised in income - tax effect	0.3
Balance at 30 Jun 2007	**0.6**

14. Borrowings

These include payables to banks of 147.9 million euros (159.3 million euros at 31 December 2006) and payables to other lenders of 8.5 million euros (8,7 million euros at 31 December 2006).

Payables to banks

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

	30-Jun-2007	31-Dec-2006
Non-current:		
Applied research and technological innovation loans	16.7	19.1
Other	62.3	65.9
	79.0	**85.0**
Current:		
Current accounts	1.1	0.8
Advances on export transactions	43.8	49.7
Advances on export transactions to be carried out	0.2	0.1
Advances on exports - Italy	1.9	1.2
Applied research and technological innovation loans	5.0	5.0
Other	16.9	17.5
	68.9	**74.3**
Total	**147.9**	**159.3**

The decrease in payables to banks compared with 31 December 2006 is mainly due to the repayment of current loans to banks, which is also revealed by the decrease in cash equivalents.

Certain loans and financings are guaranteed by the compliance with certain financial covenants calculated on the Parent Company's financial statements and/or the Group consolidated accounts. There are no covenants calculated on the half-year report.

Applied research and technological innovation loans

Over the period, maturing instalments were paid regularly by the Parent Company in the overall amount of 2.3 million euros. No new lending was received.

Other

The main changes in this item regard new loans to IMA Libra S.r.l. for 4.0 million euros and ordinary repayments amounting to 6.9 million euros. During the period Nova Packaging Systems Inc. early repaid a loan of 2.0 million US dollars (1.5 million euros).

Payables to banks are broken down by maturity as follows (thousands of euros):

	30-Jun-2007	31-Dec-2006
Due within 1 year	68.9	74.3
Due from 1 to 5 years	77.7	82.7
Due after more than 5 years	1.3	2.3
Total	**147.9**	**159.3**

PAYABLES TO OTHER LENDERS

This item is composed of the following (millions of euros):

	30-Jun-2007	31-Dec-2006
Non-current:		
• Payables to leasing companies	6.3	7.0
• Other	0.8	0.1
	7.1	**7.1**
Current:		
• Payables to leasing companies	1.2	1.0
• Other	0.2	0.6
	1.4	**1.6**
Total	**8.5**	**8.7**

At 30 June 2007 these include finance lease payables for the Calenzano plant of 4.9 million euros (5.4 million euros at 31 December 2006) and the land in Terrassa (Spain) of 2.5 million euros.

In July 2007 the finance lease contract signed by the joint venture IMA-Telstar S.L. for a building land was sold to Tacra S.L. This will decrease debt by 2.5 million euros. On 19 July 2007 Tacra S.L. and IMA-Telstar S.L. signed a term sheet for the lease of the above said land and the property that will be built there.

NET DEBT

Net debt at 30 June 2007 amounted to 109.0 million euros and breaks down as follows:

millions of euros	30-Jun-2007	31-Dec-2006
A. Cash and cash equivalents	(40.0)	(60.2)
B. Other cash equivalents	(1.2)	–
C. Investments in securities	(0.2)	(0.2)
D. Liquidity (A)+(B)+(C)	**(41.4)**	**(60.4)**
E. Current financial receivables	**(0.2)**	**–**
F. Current payables to bank	47.7	52.1
G. Current portion of non-current bank debt	21.3	22.2
H. Other current financial payables	1.4	1.6
I. Current financial debt (F)+(G)+(H)	**70.4**	**75.9**
J. Net current financial debt (D)+(E)+(I)	**28.8**	**15.5**
K. Non-current portion of non-current bank debt	78.9	85.0
L. Non-current financial assets	(3.5)	(3.4)
M. Other non-current financial payables	7.1	7.1
N. Non-current financial debt (K)+(L)+(M)	**82.5**	**88.7**
O. Net financial debt (J)+(N)	**111.3**	**104.2**
P. Cash and cash equivalents for sale	(2.3)	–
Q. Total net financial debt (O)+(P)	**109.0**	**104.2**

For information on the breakdown of the items in the net debt, reference is made to Notes 5 and 11.

Net debt at period-end was 109.0 million euros as compared with 104.2 million euros at 31 December 2006. The increase is mainly due to the greater amount of inventories needed to prepare for the deliveries expected in the second half of the year, and to the effect of 1.7 million euros for the payment of the second tranche for the acquisition of Precision Gears and the acquisition of Zanchetta S.r.l. by VIMA S.r.l. In addition, in May IMA S.p.A paid out dividends totalling 22.1 million euros, up 8.3 million euros from those paid in May 2006. A comparison between net debt in the first half of 2007 and net debt in the first half of 2006 (118.4 million euros), excluding the difference between dividends paid, extraordinary transactions, purchase of own shares and within a comparable scope of consolidation, shows an improvement of more than 29 million euros.

15. Severance and pension provisions

This item includes post-employment benefits valued on the basis of an actuarial assessment of the obligation made by independent actuaries under IAS 19. It mainly comprises severance indemnity provisions by the Group's Italian companies. The liability for the year is recorded as personnel costs.

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

Balance at 31 Dec 2006	**25.5**
Costs in respect of employment services during the period	0.6
Financial expense	0.6
Net actuarial losses (gains) recognised during the period	(0.7)
Change in scope of consolidation	0.5
Reclassifications	(0.4)
Severance payments made during period	(1.4)
Balance at 30 Jun 2007	**24.7**

Reclassifications relate to the severance indemnity provision of Info Area S.r.l., which was recognised as a liability held for sale.
The IMA Group has not recognised yet the accounting effects of the changes to the regulations of the Severance Indemnity Provision as envisaged by Law no. 296 of 27 December 2006 ("Finance Law 2007") and subsequent Decrees and Regulations issued in the first months of 2007. The effect has not been recognised yet because the relevant authorities have not announced methods and timing of recognition yet.

16. Provisions for risks and charges

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

	Balance at 31 Dec 2006	Allocations	Uses	Change in scope of consolidation	Balance at 30 Jun 2007
Non-current:					
• Agency termination indemnities	1.1	–	–	0.1	1.2
• Legal disputes	0.1	–	–	–	0.1
	1.2	**–**	**–**	**0.1**	**1.3**
Current:					
• Product guarantee provision	5.0	1.1	(0.3)	0.1	5.9
• Other	0.5	0.1	–	0.5	1.1
	5.5	**1.2**	**(0.3)**	**0.6**	**7.0**
Total	**6.7**	**1.2**	**(0.3)**	**0.7**	**8.3**

The product guarantee provision is established on the basis of estimated expenses for interventions under guarantee after 30 June 2007 for machines sold previous to that date.

Other risk provisions mainly include provisions covering any estimated liabilities coming up following the process for the reorganization of some Group company structures tat will mainly affect managers.

17. Trade payables and other payables

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

	30.06.2007	31.12.2006
Trade payables	96.4	77.6
Advances from customers	42.9	29.2
Social security payables	3.7	4.0
Tax payables	1.9	4.2
Employee payables	18.4	14.1
Payables in respect of acquisitions	3.5	4.8
Other	3.6	2.9
Total	**170.4**	**136.8**

Trade payables

These include trade payables to suppliers of 90.1 million euros (70.8 million euros at 31 December 2006), agent payables of 4.5 million euros (5.0 million euros at 31 December 2006) and trade payables to associates of 1.8 million euros (1.8 million euros at 31 December 2006).

ADVANCES FROM CUSTOMERS

The increase in advances from customers for uncompleted contracts with respect to 31 December 2006 is due mainly to the large volume of orders to be completed in the second half of the year.

Information on the amounts due for construction contracts is provided in Note 10.

TAX PAYABLES

Tax payables refer mainly to withholding taxes for employees.

EMPLOYEE PAYABLES

The increase in this item compared with 31 December 2006 reflects principally the deferred monthly pays and accrued holiday entitlement mainly used by personnel in July and August.

PAYABLES IN RESPECT OF ACQUISITIONS

This item includes the residual debt (1.5 million euros) from the third tranche (the last one) for the acquisition of further 34% of Precision Gears Ltd. which was acquired by the Parent Company in December 2006.

The second tranche of 1.3 million euros was regularly paid in March 2007, as envisaged in the contract, and the third tranche was paid on 4 July 2007. This item also includes 1,800 thousand euros related to the estimated debt for the acquisition of the remaining shares, equal to 15% of the share capital of the Indian company, for which the Parent Company and the minority interests agreed to mutually acknowledge Put & Call rights on the same financial terms as those entered into for the purchase and sale of the 34%. The options can be exercised in two tranches, the final one being exercised within January 2010.

18. PERSONNEL COSTS

Personnel costs break down as follows (millions of euros):

	1st half 2007	1st half 2006	Change
Wages and salaries	49.6	47.6	2.0
Social security contributions	12.5	12.4	0.1
Remuneration of directors	1.1	0.7	0.4
Pensions - defined-benefit plans	0.6	1.2	(0.6)
Pensions - defined-contribution plans	1.6	0.5	1.1
Other personnel costs	3.6	3.6	–
Total	**69.0**	**66.0**	**3.0**

It should be noted that the figure for the first half of 2007 includes 0.7 million euros in personnel costs for Zanchetta S.r.l., not included in the scope of consolidation since the first quarter of 2006.

In the first half of 2007, the IMA Group employed an average of 2,731 people as follows:

	1st half 2007	1st half 2006	Year 2006
Management	65	68	65
Office workers	1,822	1,786	1,780
Production workers	844	828	846
Total	**2,731**	**2,682**	**2,691**

The average for the first half of 2007 includes 27 employees of Zanchetta S.r.l.

19. Depreciation and amortisation expense

This includes depreciation of 3.6 million euros (3.8 million euros in the first quarter of 2006), amortisation of 1.7 million euros (1.6 million euros during the first half of 2006) and other write-downs of 0.2 million euros (0.2 million euros in the first half of 2006). In the first quarter of 2006 this also included write-downs of goodwill of the Nova Group amounting to 0.8 million euros.

20. Financial income

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

	1st half 2007	1st half 2006	Change
Interest income from banks	0.8	0.5	0.3
Interest income from customers and other financial income	0.1	0.1	–
Income from derivatives	–	0.1	(0.1)
Exchange rate gains	1.3	3.3	(2.0)
Total	**2.2**	**4.0**	**(1.8)**

21. Financial expense

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

	1st half 2007	1st half 2006	Change
Interest expense on bank payables	3.7	3.1	0.6
Interest expense on finance leases	0.2	0.1	0.1
Expense on derivatives	0.2	0.3	(0.1)
Other financial expense	0.2	0.2	–
Exchange rate losses	1.6	2.9	(1.3)
Total	**5.9**	**6.6**	**(0.7)**

The increase in interest expense on bank payables reflects both the higher cost of money (particularly on the euro exposure) in the first half of 2007 and increased debt compared with the same period in the previous year.

At 30 June 2007, exchange rate gains and losses included, respectively, an unrealised gain of 0.4 million euros (1.6 million euros in the first quarter of 2006) and an unrealised loss of 0.4 million euros (1.1 million euros in the first quarter of 2006).

22. Income taxes for the period

Income tax for the period is calculated on the best estimate of the expected weighted average tax rate for the entire year, as envisaged by IAS 34. During the first half of 2007 Group companies VIMA Impianti S.r.l., IMA S.p.A, IMA Libra S.r.l., and Comadis S.p.A. as consolidated companies and SO.FI.MA. S.p.A. as the consolidating company opted for the national tax consolidated accounts for the three years 2007-2009. Thanks to the adoption of the national tax consolidated accounts, the taxable income and the tax losses of each of the adopting companies in every tax period can be offset. The adoption of group taxation also brings some further benefits under applicable laws, such as the possibility of totally detaxing the dividends distributed by the adopting companies, the deductibility of financial expense on equity investments in consolidated companies and the possibility of making intercompany transfers under the tax neutrality regime.

23. Business combinations

On 12 April VIMA Impianti S.r.l. completed the acquisition of the entire share capital in Zanchetta S.r.l., a company that manufactures powder handling and granulating machines as commented on in the section "Scope of consolidation".

Key data of assets and liabilities at 31 March 2007, assessment date for the purchased company, are (millions of euros):

	Book value	Fair value
Property, plant and equipment and intangible assets	0.1	0.1
Inventories	1.6	1.6
Trade receivables and other receivables	3.1	3.1
Severance indemnity provision	(0.5)	(0.5)
Bank payables	(0.3)	(0.3)
Trade and other payables	(3.2)	(3.2)
Other assets / (liabilities)	(0.7)	(0.7)
Total	**0.1**	**0.1**
Book value of equity interest		1.2
Goodwill		**1.1**

Zanchetta S.r.l. was consolidated for the second half of 2007.

24. Assets and Liabilities held for sale

At 30 June 2007 Assets and Liabilities held for sale included assets and liabilities of Info Area S.r.l. The agreement for the sale of the company was signed on 28 June 2007 and the transaction was completed on 31 July 2007. Based on the price paid of 6.5 million euros, the sale brought a gain of 5.5 million euros to the IMA Group, including transaction costs. During the period the sold company recognised net profit of 0.1 million euros.

The key data of the company accounts at 30 June 2007 are provided below (millions of euros):

Property, plant and equipment	0.2
Trade receivables and other receivables	2.0
Cash and cash equivalents	2.3
Other assets	0.1
Total assets held for sale	**4.6**
Severance indemnity provision	0.4
Trade and other payables	1.9
Total liabilities held for sale	**2.3**

25. Guarantees granted

At 30 June 2007, the Group had granted sureties to customers in the amount of 12.3 million euros for the proper operation of machinery, bid bonds and advances not yet received, sureties in favour of the municipality of Ozzano dell'Emilia (Bologna) totalling 0.7 million euros to secure performance of contracts and sureties to others amounting to 0.9 million euros mainly to secure leases, sundry utilities and customs duties.

Sureties granted against advances received from customers amounted to about 21.9 million euros (23.8 million at 31 December 2006).

26. Commitments

At 30 June 2007 commitments to purchase property, plant and equipment came to 0.8 million euros mainly for costs to purchase new plant and machinery and to expand and upgrade existing buildings and plants.

The Group has commitments of 1.5 million euros of future minimum payments for non-cancellable operating lease transactions for software and motor vehicles (0.7 million euros is due within one year, 0.8 million euros is due from one to five years), and commitments for rents of 30.9 million euros (4.3 million euros is due within one year, 13.3 million euros is due from one to five years and 13.3 million euros is due after more than five years). Fees paid during the first half of 2007 for operating lease contracts and rentals were 2.6 million euros (2.1 million euros in the first half of 2006).

27. Related-party transactions

In addition to intercompany transactions conducted in the course of business and at arm's length, the Group also conducts operations with other related parties, mainly persons controlling the Parent Company, or persons responsible for the administration and management of IMA S.p.A. or entities controlled by such persons. The Board of Directors has subjected the functions connected with related-party transactions, including intercompany transactions, to the prior approval of the Board of Directors in a collective session, except for typical or usual transactions to be concluded on standard conditions.

These transactions are mainly real estate operations (leased premises used by the Parent Company or the Group) or commercial and/or supplementary production agreements. None is of special economic or strategic interest to the Group as receivables, payables, revenues and costs towards related parties do not have a significant percentage impact on the total amounts in the accounts. Transactions are conducted on an arm's length basis.

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

	Receivables at 30 Jun 2007	Receivables at 31 Dec 2006	Payables at 30 Jun 2007	Payables at 31 Dec 2006
Associated companies:				
B.C. S.r.l.	–	–	0.6	0.4
LA.CO. S.r.l.	0.2	0.1	1.0	0.7
Consorzio Info Area	1.1	1.0	1.0	0.7
	1.3	**1.1**	**2.6**	**1.8**
Other related parties:				
Datasensor S.p.A.	–	–	0.1	0.1
Naturapack S.r.l.	0.5	0.6	–	–
Luca Poggi	–	–	0.1	0.1
Viaggi Nuova Era S.r.l.	–	–	1.6	1.3
	0.5	**0.6**	**1.8**	**1.5**
Total	**1.8**	**1.7**	**4.4**	**3.3**

	Revenues 1st half 2007	Revenues 1st half 2006	Costs 1st half 2007	Costs 1st half 2006
Associated companies:				
B.C. S.r.l.	–	–	1.2	1.5
LA.CO. S.r.l.	0.2	–	0.9	0.7
Consorzio Info Area	1.5	1.5	1.4	1.4
	1.7	**1.5**	**3.5**	**3.6**
Other related parties:				
Datasensor S.p.A.	–	–	0.1	0.1
Italbe	–	–	0.1	0.1
Lopam S.r.l.	–	–	0.2	0.2
Morosina S.p.A.	–	–	0.1	0.1
Naturapack S.r.l.	0.8	0.7	0.4	0.2
Luca Poggi	–	–	0.1	0.1
Sporting Club Gira S.r.l.	–	–	0.1	0.1
Viaggi Nuova Era S.r.l.	–	–	1.9	1.8
	0.8	**0.7**	**3.0**	**2.7**
Total	**2.5**	**2.2**	**6.5**	**6.3**

The transactions listed above mainly relate to the Parent Company.

B.C. S.r.l. manufactures machine parts for Group and external companies, LA.CO. S.r.l. manufactures mechanical constructions and repairs machine tools, and Consorzio Infoarea provides IT services to consortium members. Receivables and payables reported above are of commercial origin.

Naturapack S.r.l. is a company performing set-up and repair of used tea packaging machines. IMA S.p.A. sells – or arranges for its customers to sell - used tea packaging machinery to Naturapack S.r.l., which refurbishes the equipment and, as part of an exclusive agency agreement with IMA S.p.A. and the Group, sells it to the market. Viaggi Nuova Era S.r.l., a travel agency owned by Lopam Fin S.p.A., provides services to Group companies at market prices.

Transactions with Italbe S.r.l. and Lopam S.r.l. mainly relate to rent expense.

The table below provides a summary of the balance sheet and the income statement, including transactions with related parties and the incidence percentage (millions of euros):

	Total at 30 Jun 2007	% incidence	Total at 31 Dec 2006	% incidence
Balance Sheet:				
Non-current assets	165.6		163.3	
of which related parties	–	–	–	–
Current assets	311.9		294.1	
of which related parties	*1.0*	*0.3%*	*1.7*	*0.6%*
Assets held for sale	4.6		–	
of which related parties	*0.8*	*17.4%*	–	–
Total assets	**482.1**		**457.4**	
of which related parties	***1.8***	***0.4%***	***1.7***	***0.4%***
Non-current liabilities	130.6		136.2	
of which related parties	–	–	–	–
Current liabilities	261.7		222.2	
of which related parties	*3.6*	*1.4%*	*3.3*	*1.5%*
Liabilities held for sale	2.3		–	
of which related parties	*0.8*	*34.8%*	–	–
Total liabilities	**394.6**		**358.4**	
of which related parties	***4.4***	***1.1%***	***3.3***	***0.9%***

	Total at 1st half 2007	% incidence	Total at 1st half 2007	% incidence
Income Statement:				
Revenues and other income	212.9	–	183.8	
of which related parties	*2.5*	*1.2%*	*2.2*	*1.2%*
Operating costs	188.6		167.8	
of which related parties	*6.5*	*3.4%*	*6.3*	*3.8%*

Finally, we report the overall values of the main transactions of IMA-Telstar S.L., a company consolidated on a proportional basis, with the other companies in the IMA Group: receivables of 0.8 million euros, payables of 2.2 million euros and costs of 0.3 million euros.

28. Significant non-recurring events and transactions

The IMA Group has not carried out any significant non-recurring transactions during the first half of 2007.

For the sake of complete information, it must be pointed out that in the first half of 2007 an agreement was signed (and performed on 31 July 2007) for the sale of the subsidiary Info Area S.r.l., as thoroughly commented on in Notes 24 and 30.

29. Positions or transactions deriving from atypical and/or unusual transactions

No positions or transactions deriving from atypical and/or unusual transactions were reported during the period.

30. Post-balance sheet events

These events took place after 30 June 2007:

- on 30 July 2007 the Board of Directors of IMA S.p.A. resolved upon the acquisition of 875,000 shares (8.5% of the share capital) in Pierrel S.p.A., a company operating in the pharmaceutical sector specialising in the research, development and contract manufacturing of medicines. The transfer of the shares is expected to take place on 10 August 2007 pursuant to a share purchase agreement signed on 30 July 2007 by P Farmaceutici S.r.l., a majority shareholder of Pierrel S.p.A., at a price of 9.35 euros per share. In addition, P Farmaceutici S.r.l. granted to IMA S.p.A. a call option on 876,000 additional shares in Pierrel at a price equal to the simple average of the official price of the shares in the 90 trading days prior to the date of exercise of the option reduced by 20%. This option may be exercised in October 2008 on 438,000 shares and in May 2009 on the remaining 438.000 shares, or, should the option not be exercised in October 2008, on all of the 876,000 shares;
- on 31 July 2007 the sale of the interest in the subsidiary Info Area S.r.l. to Infracom Consulting S.r.l. and the acquisition of a minority interest in Infracom Consulting S.r.l were completed. Based on the price paid of 6.5 million euros, the sale by IMA S.p.A. brought a gain of 5.5 million euros to the Group, including transaction costs. The price of the interest acquired by IMA S.p.A. in Infracom Consulting S.r.l. was 2.5 million euros. The goal of Infracom Consulting, a subsidiary owned at 75% by Infracom S.p.A. and at 12.5% each by IMA S.p.A. and Sacmi S.C. (through one of its subsidiaries), is the creation of an excellence pool specialising in the production, manufacturing and marketing of IT products and services;

- in July 2007 the finance lease contract signed by the joint venture IMA-Telstar S.L. for a building land was sold to Tacra S.L. This will decrease debt by 2.5 million euros. On 19 July 2007 Tacra S.L. and IMA-Telstar S.L. signed a term sheet for the lease of the above said land and the property that will be built there.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APPENDICES

APPENDICES

Below is additional information to that stated in the explanatory notes and concerning the second half of 2007:

- Consolidated income statement for the second quarter of 2007 and 2006;
- Net debt at 30 June 2007, 31 March 2007 and 31 December 2006.

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

INCOME STATEMENT	Q2 2007	Q2 2006	H1 2007	H1 2006
REVENUES	115.0	103.4	209.6	180.7
Other revenues	1.4	1.7	3.3	3.1
OPERATING COSTS				
Change in work in progress, semifinished and finished goods	6.7	3.5	20.5	21.2
Change in inventory of raw, ancillary and consumable materials and goods for resale	1.5	1.1	3.9	0.5
Cost of raw, ancillary and consumable materials and good for resale	(46.1)	(36.3)	(89.9)	(72.4)
Services, rentals and leases	(24.9)	(22.9)	(45.7)	(42.7)
Personnel costs	(34.9)	(33.2)	(69.0)	(66.0)
Depreciation and amortisation expense	(2.9)	(3.7)	(5.5)	(6.4)
Provisions for risks and charges	(0.4)	–	(1.0)	(0.2)
Other operating costs	(0.6)	(0.9)	(1.9)	(1.8)
TOTAL OPERATING COSTS	(101.6)	(92.4)	(188.6)	(167.8)
OPERATING PROFIT	14.8	12.7	24.3	16.0
FINANCIAL INCOME AND EXPENSE				
Financial income	1.1	2.1	2.2	4.0
Financial expense	(2.7)	(3.8)	(5.9)	(6.6)
TOTAL FINANCIAL INCOME AND EXPENSE	(1.6)	(1.7)	(3.7)	(2.6)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	0.1	0.1	–	0.1
PROFIT BEFORE TAX	13.3	11.1	20.6	13.5
INCOME TAXES FOR THE PERIOD	(5.9)	(5.6)	(9.2)	(6.7)
PROFIT FOR THE PERIOD	**7.4**	**5.5**	**11.4**	**6.8**
ATTRIBUTABLE TO:				
PARENT COMPANY SHAREHOLDERS	7.3	5.5	11.3	6.9
MINORITY INTERESTS	0.1	–	0.1	(0.1)
	7.4	**5.5**	**11.4**	**6.8**
EARNINGS PER SHARE (in euros)	**0.21**	**0.16**	**0.33**	**0.20**

NET DEBT

(MILLIONS OF EUROS)

	30-Jun-2007	31-Mar-2007	31-Dec-2006
A. Cash and cash equivalents	(40.0)	(43.7)	(60.2)
B. Other cash equivalents	(1.2)	(1.1)	–
C. Investments in securities	(0.2)	(0.2)	(0.2)
D. Liquidity (A)+(B)+(C)	**(41.4)**	**(45.0)**	**(60.4)**
E. Current financial receivables	**(0.2)**	**(0.2)**	**–**
F. Current payables to banks	47.7	45.5	52.1
G. Current portion of non-current bank debt	21.3	21.1	22.2
H. Other current financial payables	1.4	1.7	1.6
I. Current financial debt (F)+(G)+(H)	**70.4**	**68.3**	**75.9**
J. Net current financial debt (D)+(E)+(I)	**28.8**	**23.1**	**15.5**
K. Non-current portion of non-current bank debt	78.9	79.4	85.0
L. Non-current financial assets	(3.5)	(3.5)	(3.4)
M. Other non-current financial payables	7.1	6.7	7.1
N. Non-current financial debt (K)+(L)+(M)	**82.5**	**82.6**	**88.7**
O. Net debt (J)+(N)	**111.3**	**105.7**	**104.2**
P. Cash and cash equivalents held for sale	(2.3)	–	–
Q. Total net financial debt (O)+(P)	**109.0**	**105.7**	**104.2**

Financial statements of the Parent Company at 30 June 2007

NOTES TO THE STATUTORY FINANCIAL STATEMENTS OF THE PARENT COMPANY

The statutory financial statements of the Parent Company IMA S.p.A. were prepared in conformity with the IAS/IFRS issued by the I.A.S.B. – International Accounting Standards Board now in force and the relevant interpretations SIC/IFRIC.

Pursuant to European Regulation no. 1606/2002, since 2005 the IMA Group adopted IAS/IFRS in the preparation of its consolidated financial statements. Based on the provisions implementing this Regulation, the separate financial statements of IMA S.p.A. were prepared under IAS/IFRS since 2006.

For a proper interpretation of the accounting statements at 30 June 2007, it must be reminded that on 2 January 2007 the transfer from IMA S.p.A. to the newly-formed IMA Libra S.r.l. of the operations of the Aseptic Processing & Filling sector and of the interest in the Italian-Spanish joint venture IMA-Telstar S.L. (freeze-drying machines) became effective.

In the balance sheet at 30 June 2007 of IMA S.p.A. assets held for sale include the interest in the subsidiary Info Area S.r.l. Assets were valued at the lower of book value and fair value less sales costs. The sale of the interest in Info Area S.r.l. was performed on 31 July 2007. Based on the sale price of 6.5 million euros, the sale brought a gain of 6 million euros to IMA S.p.A., including transaction costs.

BALANCE SHEET

AT 30 JUNE 2007 AND 31 DECEMBER 2006 (MILLIONS OF EUROS)

ASSETS	30 June 2007	31 December 2006
NON-CURRENT ASSETS		
Property, plant and equipment	58.4	59.5
Intangible assets	20.0	20.8
Investments in subsidiaries, associated companies and joint ventures	78.4	79.7
Financial assets	3.1	3.1
Receivables from others	0.2	0.3
Derivative financial instruments	0.2	0.2
Deferred tax assets	8.2	9.4
TOTAL NON-CURRENT ASSETS	168.5	173.0
CURRENT ASSETS		
Inventories	84.1	85.9
Trade and other receivables	78.9	87.3
Financial assets	19.0	20.8
Derivative financial instruments	0.2	0.6
Cash and cash equivalents	14.8	29.5
TOTAL CURRENT ASSETS	197.0	224.1
ASSETS HELD FOR SALE	0.5	–
TOTAL ASSETS	**366.0**	**397.1**

EQUITY AND LIABILITIES	30 June 2007	31 December 2006
EQUITY		
Share capital	18.8	18.8
Share premium reserve	16.4	16.4
Treasury shares	(19.7)	(18.9)
Fair value reserve	0.3	0.7
Other reserves	31.1	28.9
Retained earnings	17.7	17.7
Net profit (loss) for the period	11.5	24.3
TOTAL EQUITY	76.1	87.9
NON-CURRENT LIABILITIES		
Borrowings	74.7	83.6
Severance and pension obligations	18.0	23.2
Provisions for risks and charges	0.9	0.9
Deferred tax liabilities	12.0	14.4
TOTAL NON-CURRENT LIABILITIES	105.6	122.1
CURRENT LIABILITIES		
Borrowings	46.7	57.2
Trade and other payables	121.4	122.3
Income tax liabilities	12.6	2.9
Provisions for risks and charges	3.6	4.7
TOTAL CURRENT LIABILITIES	184.3	187.1
TOTAL LIABILITIES	289.9	309.2
TOTAL EQUITY AND LIABILITIES	**366.0**	**397.1**

INCOME STATEMENT

FOR THE FIRST HALF OF 2007 COMPARED WITH THE FIRST HALF OF 2006 (MILLIONS OF EUROS)

INCOME STATEMENT	H1 2007	H1 2006
REVENUES	132.6	138.2
Other revenues	5.7	3.7
OPERATING COSTS		
Change in work in progress, semifinished and finished goods	10.0	15.0
Change in inventory of raw, ancillary and consumable materials and goods for resale	2.0	0.1
Cost of raw, ancillary and consumable materials and goods for resale	(59.8)	(55.2)
Services, rentals and leases	(31.7)	(36.2)
Personnel costs	(36.2)	(43.2)
Depreciation and amortisation expense	(3.5)	(4.0)
Provisions for risks and charges	(0.1)	0.1
Other operating costs	(1.0)	(1.0)
TOTAL OPERATING COSTS	(120.3)	(124.4)
OPERATING PROFIT	18.0	17.5
FINANCIAL INCOME AND EXPENSE		
Financial income	6.0	7.3
Financial expense	(3.9)	(4.9)
TOTAL FINANCIAL INCOME AND EXPENSE	2.1	2.4
PROFIT BEFORE TAX	20.1	19.9
INCOME TAXES FOR THE PERIOD	(8.6)	(9.3)
PROFIT FOR THE PERIOD	**11.5**	**10.6**
EARNINGS PER SHARE (in euros)	**0.34**	**0.31**

CHANGES IN EQUITY

AT 30 JUNE 2007 AND 30 JUNE 2006 (MILLIONS OF EUROS)

Description	Share capital	Share premium reserve	Treasury shares	Fair value reserve	Other reserves	Retained earnings	Net profit (loss) for the period	Total equity
Balances at 1 Jan 2006	**18.8**	**16.4**	**(14.7)**	**(0.8)**	**28.5**	**17.7**	**14,2**	**80.1**
Allocation of result for 2005								
- dividends	–	–	–	–	–	–	(13.8)	(13.8)
- reserves	–	–	–	–	0.4		(0.4)	–
Purchase and sale of treasury shares	–	–	–	–		–	–	–
Gains on transactions in treasury shares	–	–	–	–	–	–	–	–
Fair value of financial instruments	–	–	–	1.5	–	–	–	1.5
Net profit for the period	–	–	–	–	–	–	10.6	10.6
Balances at 30 Jun 2006	**18.8**	**16.4**	**(14.7)**	**0.7**	**28.9**	**17.7**	**10.6**	**78.4**
Purchase and sale of treasury shares	–	–	(4.2)	–	–	–	–	(4.2)
Gains on transactions in treasury shares	–	–	–	–	–	–	–	–
Fair value of financial instruments	–	–	–		–	–	–	–
Net profit for the period	–	–	–	–	–	–	13.7	13.7
Balances at 31 Dec 2006	**18.8**	**16.4**	**(18.9)**	**0.7**	**28.9**	**17.7**	**24.3**	**87.9**
Allocation of result for 2006								
- dividends	–	–	–	–	–	–	(22.1)	(22.1)
- reserves	–	–	–	–	2.2		(2.2)	–
Purchase and sale of treasury shares	–	–	(0.8)	–	–	–	–	(0.8)
Gains on transactions in treasury shares	–	–		–	–	–	–	–
Fair value of financial instruments	–	–	–	(0.4)	–	–	–	(0.4)
Net profit for the period	–	–	–	–	–	–	11.5	11.5
Balances at 30 Jun 2007	**18.8**	**16.4**	**(19.7)**	**0.3**	**31.1**	**17.7**	**11.5**	**76.1**

STATEMENT OF CASH FLOWS

AT 30 JUNE 2007 AND 30 JUNE 2006 (MILLIONS OF EUROS)

	30 June 2007	30 June 2006
OPERATING ACTIVITIES		
Net profit (loss) for the period	11.5	10.6
Adjustments for:		
- Depreciation and amortisation	3.5	3.9
- (Reversals) or impairment of assets	–	(0.1)
- Changes in provisions for risks and charges and staff severance obligations	(0.7)	(1.4)
- Unrealised losses (gains) on exchange rate differences	–	(0.2)
- Income taxes	8.6	9.3
Operating profit (loss) before changes in working capital	22.9	22.1
(Increase) decrease in trade and other receivables	(13.2)	7.4
(Increase) decrease in inventories	(11.7)	(15.1)
Increase (decrease) in trade and other payables	18.5	(12.0)
Income taxes paid	(0.3)	–
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	16.2	2.4
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(2.0)	(1.8)
Investments in intangible assets	(1.8)	(0.8)
Repayment of finance lease debts	(0.5)	(0.6)
Equity investments in subsidiaries, associated companies and joint ventures	(0.5)	(6.3)
Adjustment to business transfer	1.6	–
Liquidation of subsidiaries	–	0.3
Cash receipts from sale of non-current assets	0.1	0.3
Net change in financial assets and other non-current receivables	1.4	0.2
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(1.7)	(8.7)
FINANCE ACTIVITY		
Granting of borrowings	–	6.9
Repayment of borrowings	(9.1)	(7.9)
Increase (decrease) in other payables to banks	5.4	0.4
Dividends paid	(22.1)	(13.8)
Purchase of treasury shares	(0.8)	–
Payment/collection of interest	(2.6)	(1.7)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	(29.2)	(16.1)
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	**(14.7)**	**(22.4)**
CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)	**29.5**	**36.2**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	**14.8**	**13.8**

Statement of acts and communications related to the disclosures under Article 154 bis (2) of the Finance Code

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

The undersigned, Sergio Marzo, manager in charge of the preparation of company accounting documents of IMA S.p.A., declares, in accordance with Article 154-bis (2) of Legislative Decree no. 58 of 24 February 1998 that, as it appears, the accounting information in these financial statements corresponds to the entries in documents, ledgers and accounting books.

10 August 2007
Sergio Marzo

Report of the Independent Auditors on the Limited Review of the half-year report

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

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers SpA

AUDITORS' REPORT ON THE LIMITED REVIEW OF INTERIM FINANCIAL REPORTING FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2007 PREPARED IN ACCORDANCE WITH ARTICLE 81 OF CONSOB REGULATION APPROVED BY RESOLUTION No. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND INTEGRATIONS

To the Shareholders of
I.M.A. Industria Macchine Automatiche SpA

1 We have performed a limited review of the consolidated interim financial statements consisting of the consolidated balance sheet, consolidated income statement, changes in consolidated equity and consolidated statement of cash flows (hereinafter "consolidated accounting statements") and related explanatory notes included in the interim financial reporting of I.M.A. Industria Macchine Automatiche SpA (hereinafter the "Company") for the period ended at 30 June 2007. The interim financial reporting is the responsibility of I.M.A. Industria Macchine Automatiche SpA's Directors. Our responsibility is to issue this report based on our limited review. We have also checked the part of the notes related to the information on operations for the sole purpose of verifying the consistency with the remaining part of the interim financial reporting.

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

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 3.754.400,00 Euro i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n. 43 dell'Albo Consob – Altri Uffici: **Bari** 70125 Viale della Repubblica 110 Tel. 0805429863 – **Bologna** 40122 Via delle Lame 111 Tel. 051526611 – **Brescia** 25124 Via Cefalonia 70 Tel. 0302219811 – **Firenze** 50129 Viale Milton 65 Tel. 0554627100 – **Genova** 16121 Piazza Dante 7 Tel. 01029041 – **Napoli** 80121 Piazza dei Martiri 30 Tel. 08136181 – **Padova** 35137 Largo Europa 16 Tel. 0498762677 – **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 – **Parma** 43100 Viale Tanara 20/A Tel. 0521242848 – **Roma** 00154 Largo Fochetti 29 Tel. 06570251 – **Torino** 10129 Corso Montevecchio 37 Tel. 011556771 – **Trento** 38100 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 – **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 – **Verona** 37122 Corso Porta Nuova 125 Tel.0458002561

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Regarding the comparative data of the consolidated financial statements of the prior year and of the prior year interim financial reporting presented in the accounting statements, reference should be made to our reports dated 6 April 2007 and 9 August 2006 respectively.

3 Based on our review, no significant changes or adjustments came to our attention that should be made to the consolidated accounting statements and related explanatory notes, identified in paragraph 1 of this report, in order to make them consistent with the international accounting standard IAS 34 and with the criteria for the preparation of interim financial reporting established by Article 81 of CONSOB Regulation approved by Resolution no. 11971 of 14 May 1999 and subsequent amendments and integrations.

Bologna, 10 August 2007

PricewaterhouseCoopers SpA

Signed by

Roberto Megna
(Partner)

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