
**QUARTERLY REPORT
FOR THE FIRST QUARTER OF 2008**

I . M . A . I N D U S T R I A M A C C H I N E A U T O M A T I C H E S . P . A .
H E A D O F F I C E : O Z Z A N O D E L L ' E M I L I A (B O L O G N A)
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DIRECTORS AND OFFICERS

The directors and officers in office at the date of approval of this quarterly report are as follows:

BOARD OF DIRECTORS

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

DIRECTOR AND HONORARY CHAIRMAN

Marco Vacchi

CHAIRMAN AND MANAGING DIRECTOR

Alberto Vacchi

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

- to transfer or receive for whatever purpose or reason, shares or quotas in companies, associations or entities, lines of business, businesses or combinations of businesses and real estate of any kind;
- 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 CEO

Andrea Malagoli

DIRECTORS

Gino Benedetti, Giancarlo Folco, Italo Giorgio Minguzzi, Luca Poggi, Maria Carla Schiavina, Gianluca Vacchi, Stefano Visentini, Romano Volta.

In addition to the powers that cannot be delegated, the Board of Directors of IMA S.p.A. acting together has exclusive powers to approve:

- the Company's and the Group's strategic, business and financial plans and any decisions relating to the corporate governance of IMA S.p.A. and the Group structure;
- the adequacy of the way the Company and its subsidiaries are organised and administered, with particular reference to the system of internal control and the management of conflicts of interest;
- the results of operations;
- all transactions of economic or financial significance to the Company and, in any case, all transactions with a value in excess of 10 million euros, except for the renewal or extension of bank lines of credit already granted to the Company, the powers for which can be delegated;
- all transactions in which one or more directors have an interest on own account or on behalf of third parties, and all transactions with related parties, including intercompany transactions, unless they relate to routine operations carried out on market terms;
- the size, membership and functioning of the Board of Directors and its committees;

- the decisions about future significant transactions by subsidiaries of IMA S.p.A. that will affect IMA S.p.A.

**BOARD OF STATUTORY
AUDITORS**

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

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 ACCOUNTING
DOCUMENTS**

Sergio Marzo

**LEAD INDEPENDENT
DIRECTOR**

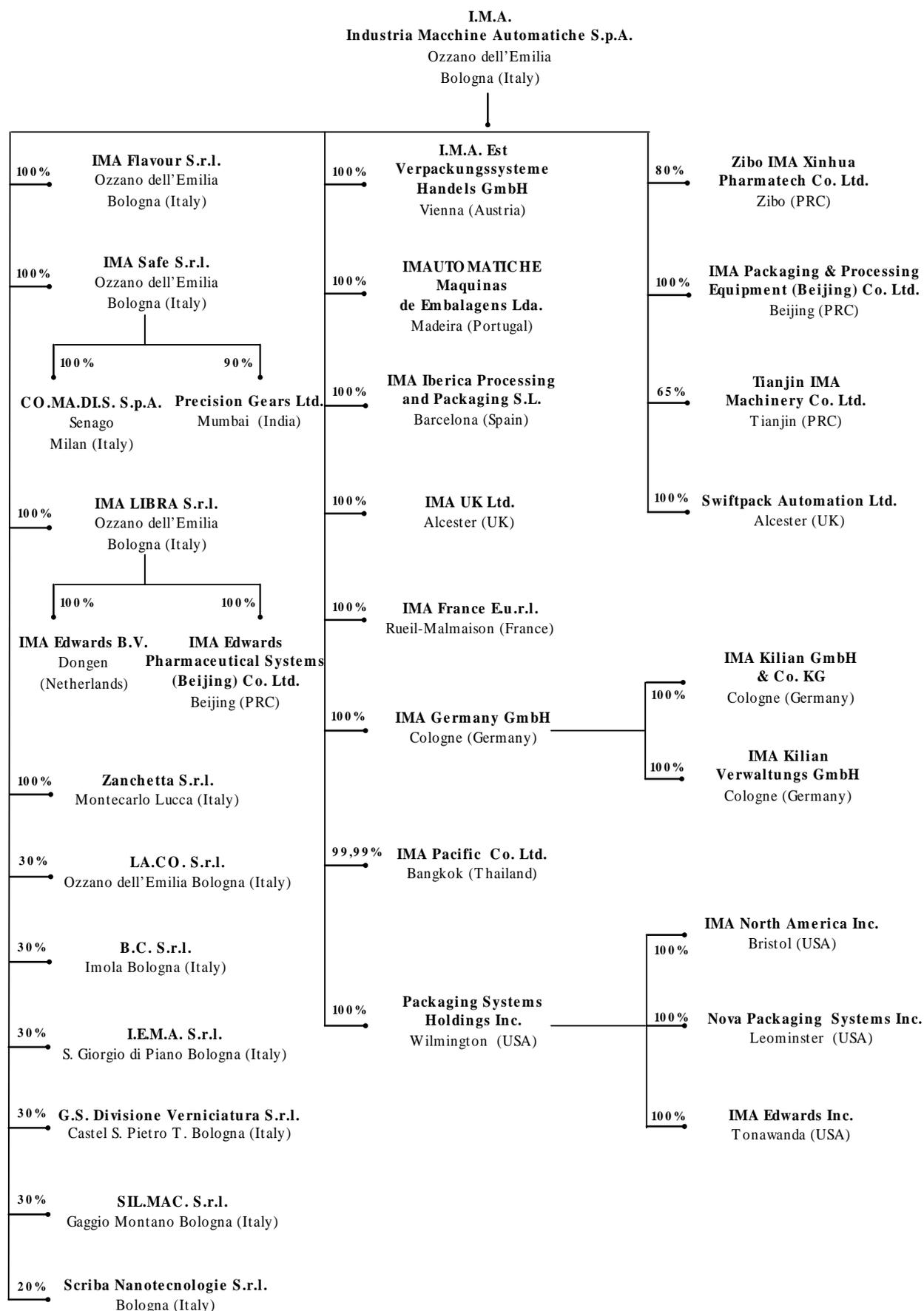
Romano Volta

INDEPENDENT AUDITORS

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

PricewaterhouseCoopers S.p.A.

GROUP STRUCTURE



GROUP COMPANIES BY BUSINESS ACTIVITY

MANUFACTURING
ACTIVITIES

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

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

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

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

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

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

IMA Edwards B.V.
Dongen (Netherlands)

IMA Edwards Inc.
Tonawanda (USA)

IMA Edwards Pharmaceutical
Systems (Beijing) Co. Ltd.
Beijing (PRC)

IMA Kilian GmbH & Co. KG
Cologne (Germany)

Nova Packaging Systems Inc.
Leominster (USA)

Precision Gears Ltd.
Mumbai (India)

Swiftpack Automation Ltd.
Alcester (UK)

Tianjin IMA Machinery Co. Ltd.
Tianjin (PRC)

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

B.C. S.r.l.
Imola - Bologna (Italy)

G.S. Divisione Verniciatura S.r.l.
Castel S. Pietro Terme
Bologna (Italy)

I.E.M.A. S.r.l.
S. Giorgio di Piano
Bologna (Italy)

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

SIL.MAC. S.r.l.
Gaggio Montano - Bologna (Italy)

COMMERCIAL
ACTIVITIES

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

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

IMA Germany GmbH
Cologne (Germany)

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)

IMA UK Ltd.
Alcester (UK)

IMAUTOMATICHE
Maquinas de Embalagens Lda.
Madeira (Portugal)

OTHER
ACTIVITIES

IMA Kilian Verwaltungs GmbH
Cologne (Germany)

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

FINANCIAL
ACTIVITIES

Packaging Systems
Holdings Inc.
Wilmington (USA)

GROUP PERFORMANCE

GENERAL PERFORMANCE

Macroeconomic conditions during the first quarter of 2008 were rife with difficulties. The USA is faced with a significant economic recession following the bursting of the real estate bubble. The resulting credit crunch for American families was aggravated by the sub-prime mortgage crisis, which has caused share prices to fall on stockmarkets around the world.

Uncertainties about the sources of bank funding have been reflected in the market for household and business loans in the USA and beyond. In addition, the widespread rise in domestic price inflation in the wake of higher food prices and the jump in the oil price, is inducing many monetary authorities to adopt a restrictive policy in relation to interest rates.

The end result of all this will be a slowdown in the expansion of the emerging economies which, combined with the risk of recession in the USA, will also slow the rise in world GDP.

Against this macroeconomic background, the pharmaceuticals market represents one of the few paradise islands, with growth in the sale of medicines continuing to exceed 7% per annum. This performance is also reflected in the level of investment, which has not contracted with respect to the strong results achieved in the prior year. In terms of forecast results, the size of the Group's orderbook bodes well for the current year. Orders for machines for the packaging of tea, herbs and coffee in filter bags have also continued to grow.

CONSOLIDATED INCOME STATEMENT

IMA Edwards Inc., IMA Edwards B.V. and IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd., all newly-acquired companies, have not been consolidated line-by-line in view of the time required for them to adopt IMA Group procedures; accordingly, the income statement for the period to 31 March 2008 does not include the contribution made by these companies.

Group revenues in first quarter 2008 amounted to 96.9 million euros, compared with 94.6 million euros in the same period of 2007. The operating profit amounted to 10.3 million euros, compared with 9.5 million euros in first quarter 2007.

The following is a summarized version of the consolidated income statement for the period under review, with comparative figures for the corresponding period in 2007:

in millions of euros	1st quarter 2008		1st quarter 2007		Change %
	Amount	%	Amount	%	
Revenues	96.9		94.6		2.4
Cost of sales	(54.5)	56.2	(54.8)	57.9	
Industrial gross profit	42.4	43.8	39.8	42.1	6.5
R&D costs	(5.8)		(5.3)		
Selling costs	(13.2)		(12.5)		
General and administrative costs	(13.1)		(12.5)		
Operating profit (E.B.I.T.)	10.3	10.6	9.5	10.0	8.4
Net financial income (expense)	(1.8)		(2.1)		
Profit (loss) from investments carried at equity	(0.1)		(0.1)		
Result before tax	8.4	8.7	7.3	7.7	15.1
Income taxes	(3.3)		(3.3)		
Profit for the period	5.1	5.3	4.0	4.2	27.5
Profit for the period attributable to minority interests	–		–		
Group share of net profit	5.1	5.3	4.0	4.2	27.5
Gross operating profit (E.B.I.T.D.A.)	12.8	13.2	12.1	12.8	5.8
Order book	267.8		216.0		24.0

REVENUES AND ORDERS

Consolidated revenues for first quarter 2008 totalled 96.9 million euros, up 2.4% with respect to the comparative period of last year. This result was made possible by the strength of the order book at the end of last year, mainly due to the tea sector.

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

The level of orders received during first quarter 2008 was also good, raising the backlog by 24.0% from the start of the year (216.0 million euros) to 267.8 million euros. In particular, orders acquired during the quarter, amounting to 121.7 million euros, were 2.6% ahead of the excellent performance (118.6 million euros) achieved in 2007.

The numerous projects currently underway in a somewhat dynamic market, together with investment demand from customers, make the Group's sales objectives (growth of around 6.4%, determined on a consistent comparative basis with respect to 2007) highly credible in a competitive climate that is broadly unchanged.

OPERATING PROFIT

Industrial gross profit was 43.8% of revenues in first quarter 2008. This improvement with respect to the comparative period (42.1%) was partly due to the greater incidence of the tea sector, thus confirming the quality of the action taken in prior years. The steps taken last year to improve product costs have taken effect, as have the repeated increases made to the US dollar price lists.

As a result, the operating profit was 10.3 million euros, versus 9.5 million euros in the same period of 2007, after modest increases in overheads and R&D costs.

RESULT BEFORE TAX

Net financial expense amounted to 1.8 million euros compared with 2.1 million euros at 31 March 2007.

This improvement was largely due to exchange gains of 0.3 million euros.

Accordingly, profit before tax was 8.4 million euros versus 7.3 million euros in the period to 31 March 2007.

PROFIT FOR THE PERIOD

The profit for the period of 5.1 million euros compares with 4.0 million euros in the same period of last year. The reasons for this difference were explained in the previous two sections.

ANALYSIS OF PERFORMANCE BY SECTOR

The following schedule analyzes operations by business sector:

in millions of euros	Tea	Packaging	Processing	Other	Unallocated	Total
Revenues						
1st quarter 2008	19.9	55.4	21.3	0.3	–	96.9
1st quarter 2007	16.9	55.9	20.7	1.1	–	94.6
Operating profit						
1st quarter 2008	7.1	4.3	(1.1)	–	–	10.3
1st quarter 2007	5.5	5.0	(1.1)	0.1	–	9.5
Net capital employed (*)						
31 March 2008	21.5	153.0	87.6	13.3	(13.2)	262.2
31 March 2007	23.0	110.0	82.9	1.9	(9.8)	208.0
R&D costs						
1st quarter 2008	1.3	3.0	1.5	–	–	5.8
1st quarter 2007	1.3	2.8	1.2	–	–	5.3
Average personnel (**)						
1st quarter 2008	190	1,477	596	–	395	2,658
1st quarter 2007	198	1,580	549	–	385	2,712
Order book						
31 March 2008	64.6	131.8	71.4	–	–	267.8
31 March 2007	45.1	122.9	48.0	–	–	216.0

(*) *Unallocated assets and liabilities mainly comprise current and deferred income taxes and other equity investments, which cannot be allocated accurately to the above divisions.*

(**) *The personnel allocated to the various sectors are those directly employed there, while the figure reported in the "Unallocated" column reflects those employed by the sales organisations at branches and in the Group's administrative and central offices. The information for first quarter 2007 includes 82 persons belonging to the Telstar group, which was sold during 2007.*

Revenues from the tea sector were 3.0 million euros (17.8%) more than the substantial level achieved in the prior year, due to the high level of orders outstanding at the end of 2007. Industrial gross profit also rose as a consequence of this favorable sales mix, while steps to contain fixed costs have contributed to the further rise in operating profit. As confirmation of the IMA Group's strong leadership in this market, the order book is around 19.5 million euros higher than at the end of first quarter 2007, suggesting that performance over the year will be in line with expectations.

Revenues from the packaging sector were 0.5 million euros lower than in the comparative period of 2007. This was due to differences in the timing of sales and will be recovered during the year. Operating profit eased to 4.3 million euros (5.0 million euros in the period to 31 March 2007), partly due to an unfavorable sales mix. The inflow of orders remains strong (7.2% more than in first quarter 2007), enabling the period to close with a healthy order book and good prospects for the current year.

The sector that makes processing machines for the pharmaceutical industry also reported better results compared with this time last year. Revenues increased slightly (up 2.9% with respect to 2007) with higher margins, although an operating loss was incurred due to the seasonal nature of deliveries.

The Group is working hard to rationalize expenditure, both by reducing production costs and by the re-engineering of processes to eliminate possible duplications of effort. The internal reorganization of the Group, which involved combining functions and product lines with a view to maximizing efficiency, already produced benefits last year and even more so in the current year.

**CONSOLIDATED
BALANCE SHEET AND
FINANCIAL POSITION**

The following table summarizes the Group's balance sheet as at 31 March 2008:

in millions of euros	31.03.2008	31.12.2007
Trade receivables	97.6	102.3
Inventories	150.6	135.8
Trade payables	(130.1)	(135.4)
Other, net	(29.7)	(32.0)
Working capital	88.4	70.7
Property, plant and equipment	67.2	67.9
Intangible assets	70.5	66.3
Investments	56.6	13.7
Fixed assets	194.3	147.9
Employee severance indemnities and other	(20.5)	(21.6)
Net capital employed	262.2	197.0
FINANCED BY:		
Net debt	152.0	86.6
Minority interests	1.0	1.1
Equity pertaining to the Group	109.2	109.3
Total sources of finance	262.2	197.0

The net capital employed at the end of the first quarter of 2008 was 65.2 million euros higher than at the end of 2007. The difference is due to the increase in working capital (17.7 million euros) and equity investments (42.9 million euros). Analyzing the changes in working capital, the significant reduction in trade receivables due to collections made following deliveries in fourth quarter 2007 and despite the strong growth in revenues, was offset by a rise in inventories that was not matched by an equivalent increase in trade payables. This reflects the timing of purchases, which takes place well before the shipment of finished products and reflects the increased size of the order book.

The main changes affects equity investments and derives from the purchase of the lyophilization plant business represented by the BOC Edwards Pharmaceutical Systems Group. This business was acquired on 31 January 2008 for 43.8 million euros, as discussed further below.

Net debt is analyzed below:

in millions of euros	31.03.2008	31.12.2007
A. Cash and cash equivalents	(34.3)	(71.0)
B. Other cash equivalents	–	–
C. Investment in securities	(0.2)	(0.2)
D. Liquidity (A)+(B)+(C)	(34.5)	(71.2)
E. Current financial receivables	(0.2)	(0.2)
F. Current payables to banks	59.2	60.6
G. Current portion of non current-banks debt	34.0	33.8
H. Other current financial payables	1.1	1.2
I. Current financial debt (F)+(G)+(H)	94.3	95.6
J. Net current financial debt (D)+(E)+(I)	59.6	24.2
K. Non-current portion of non-current bank debt	93.8	63.5
L. Non-current financial assets (*)	(4.6)	(4.6)
M. Other non-current financial payables	3.2	3.5
N. Non-current financial debt (K)+(L)+(M)	92.4	62.4
O. Net financial debt (J)+(N)	152.0	86.6

(*) Non-current financial assets comprise investments in securities and financial receivables and differ from the corresponding balance sheet amount due to the exclusion of investments in other companies.

Net debt at the end of the period amounts to 152.0 million euros (86.6 million euros at 31 December 2007). This increase includes the total outlay of 49.8 million euros to acquire the lyophilization plant business represented by the BOC Edwards

Pharmaceutical Systems Group, as well as the normal rise in borrowing during the first quarter linked to the increase in working capital. In addition, a further 5% interest in Precision Gears Ltd. was acquired during first quarter 2008 for 0.6 million euros. Nevertheless, comparison of the net financial position at the end of first quarter 2008 with the same period in 2007 (105.7 million euros), excluding extraordinary transactions and the purchase of treasury shares, and based on the same scope of consolidation, the level of net debt has improved by around 6.2 million euros.

It is expected that net debt will fall considerably in the latter part of the year.

CAPITAL EXPENDITURE

Group capital expenditure amounted to 1.3 million euros, broadly unchanged with respect to first quarter 2007, and mainly related to the extension and upgrading of existing buildings and plant, as well as to the purchase of electronic equipment. Investment in intangible assets amounted to 5.5 million euros (0.5 million euros in first quarter 2007) and mainly related to the capitalization, 5.0 million euros, of the no-competition agreement signed by IMA Libra S.r.l. on purchase of the investment in IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd.

The depreciation and amortization charge for the period, 2.5 million euros, was much the same as in the comparative period of last year.

OTHER INFORMATION

OUTLOOK FOR THE CURRENT YEAR

The progress made during last quarter 2007 together with the results for first quarter 2008 bode well for the year as a whole.

This positive outlook is confirmed by the increased scope of consolidation following the acquisition completed on 31 January 2008, the healthy level of orders in both the tea and pharmaceutical sectors, the efforts made by the Group to reduce costs and the results of more incisive commercial action, despite the weakness of the US dollar. The Group intends to continue pursuit of the profitability improvements achieved in 2007 as its top priority over the short term.

If the signs identified above are confirmed over the next few months, sales growth of around 20% (6% on a consistent comparative basis) should be achievable, with a gross operating profit of around 87 million euros.

CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2008

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 . I N D U S T R I A M A C C H I N E A U T O M A T I C H E S . P . A .
A N D S U B S I D I A R I E S

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2008 AND 31 DECEMBER 2007 (MILLIONS OF EUROS)

ASSETS	Note	31 March 2008	31 December 2007
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2	67.2	67.9
<i>Intangible assets</i>	3	70.5	66.3
<i>Companies valued using the equity method</i>	4	3.6	3.7
<i>Investments in non-consolidated subsidiaries</i>	5	43.8	–
<i>Financial assets</i>	6	13.8	14.5
<i>Receivables from others</i>		0.5	0.5
<i>Derivatives</i>	7	0.2	0.2
<i>Deferred tax assets</i>	8	13.3	13.2
TOTAL NON-CURRENT ASSETS		212.9	166.3
CURRENT ASSETS			
<i>Inventories</i>	9	150.6	135.8
<i>Trade and other receivables</i>	10	122.4	121.2
<i>Income tax receivables</i>		1.4	1.1
<i>Financial assets</i>	6	0.4	0.4
<i>Derivatives</i>	7	1.1	0.6
<i>Cash and cash equivalents</i>	11	34.3	71.0
TOTAL CURRENT ASSETS		310.2	330.1
TOTAL ASSETS		523.1	496.4
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
<i>Share capital</i>	12	17.7	17.7
<i>Share premium reserve</i>		16.4	16.4
<i>Treasury shares</i>	12	(4.2)	(2.7)
<i>Translation reserve</i>		(5.9)	(2.8)
<i>Fair value reserve</i>	13	(0.6)	–
<i>Other reserves</i>		14.6	14.6
<i>Retained earnings</i>		66.1	26.6
<i>Profit (loss) for the period</i>		5.1	39.5
Total capital and reserves pertaining to the Group		109.2	109.3
<i>Reserves pertaining to minority interests</i>		1.0	0.9
<i>Profit pertaining to minority interests</i>		–	0.2
Total minority interests		1.0	1.1
EQUITY PERTAINING TO THE GROUP AND MINORITY INTERESTS		110.2	110.4
NON-CURRENT LIABILITIES			
<i>Borrowings</i>	14	97.0	67.0
<i>Severance and pension obligations</i>		18.0	18.0
<i>Provisions for risks and charges</i>	15	1.5	1.5
<i>Deferred tax liabilities</i>	8	15.3	15.8
TOTAL NON-CURRENT LIABILITIES		131.8	102.3
CURRENT LIABILITIES			
<i>Borrowings</i>	14	94.3	95.6
<i>Trade and other payables</i>	16	167.5	172.8
<i>Income tax liabilities</i>		12.6	9.1
<i>Provisions for risks and charges</i>	15	6.5	6.2
<i>Derivatives</i>	7	0.2	–
TOTAL CURRENT LIABILITIES		281.1	283.7
TOTAL LIABILITIES		412.9	386.0
TOTAL EQUITY AND LIABILITIES		523.1	496.4

CONSOLIDATED INCOME STATEMENT

FOR FIRST QUARTER 2008 AND FIRST QUARTER 2007 (MILLIONS OF EUROS)

INCOME STATEMENT	Note	1st quarter 2008	1st quarter 2007
REVENUES	1	96.9	94.6
<i>Other revenues</i>		2.1	1.9
OPERATING COSTS			
<i>Change in work in progress, semifinished and finished goods</i>		14.4	13.8
<i>Change in inventory of raw, ancillary and consumable materials</i>		1.4	2.4
<i>Cost of raw, ancillary and consumable materials</i>		(43.1)	(43.8)
<i>Services, rentals and leases</i>		(23.2)	(20.8)
<i>Personnel costs</i>	17	(34.7)	(34.1)
<i>Depreciation, amortization and writedowns</i>	18	(2.5)	(2.6)
<i>Provision for risks and charges</i>		(0.3)	(0.6)
<i>Other operating costs</i>		(0.7)	(1.3)
TOTAL OPERATING COSTS		(88.7)	(87.0)
OPERATING PROFIT	1	10.3	9.5
FINANCIAL INCOME AND EXPENSE			
<i>Financial income</i>	19	2.8	1.1
<i>Financial expense</i>	20	(4.6)	(3.2)
TOTAL FINANCIAL INCOME AND EXPENSE		(1.8)	(2.1)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		(0.1)	(0.1)
PROFIT BEFORE TAX		8.4	7.3
INCOME TAXES FOR THE PERIOD	21	(3.3)	(3.3)
PROFIT FOR THE PERIOD		5.1	4.0
ATTRIBUTABLE TO:			
PARENT COMPANY SHAREHOLDERS		5.1	4.0
MINORITY INTERESTS		-	-
		5.1	4.0
EARNINGS PER SHARE (in euros)		0.15	0.12

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

FOR THE PERIOD AT 31 MARCH 2008 AND 31 MARCH 2007 (MILLIONS OF EUROS)

Description	Share capital	Share premium	Treasury shares	Translation reserve	Fair value reserve	Other reserves	Retained earnings	Net profit of Group	Total Group equity	Minority interests	Total equity
Balances at 01.01.2007	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:	-	-	-	-	-	-	24.8	(24.8)	-	-	-
Purchase and sale of treasury shares	-	-	(0.8)	-	-	-	-	-	(0.8)	-	(0.8)
Fair value of financial instruments	-	-	-	-	0.1	-	-	-	0.1	-	0.1
Exchange differences on translation of foreign currency financial statements	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	4.0	4.0	-	4.0
Balances at 31.03.2007	18.8	16.4	(19.7)	(0.7)	0.9	31.0	50.6	4.0	101.3	1.0	102.3
Balances at 01.01.2008	17.7	16.4	(2.7)	(2.8)	-	14.6	26.6	39.5	109.3	1.1	110.4
Allocation of result for 2007:	-	-	-	-	-	-	39.5	(39.5)	-	-	-
Purchase and sale of treasury shares	-	-	(1.5)	-	-	-	-	-	(1.5)	-	(1.5)
Fair value of financial instruments	-	-	-	-	(0.6)	-	-	-	(0.6)	-	(0.6)
Exchange differences on translation of foreign currency financial statements	-	-	-	(3.1)	-	-	-	-	(3.1)	(0.1)	(3.2)
Profit for the period	-	-	-	-	-	-	-	5.1	5.1	-	5.1
Balances at 31.03.2008	17.7	16.4	(4.2)	(5.9)	(0.6)	14.6	66.1	5.1	109.2	1.0	110.2

CONSOLIDATED STATEMENT OF CASH FLOWS

AT 31 MARCH 2008 AND 31 MARCH 2007 (MILLIONS OF EUROS)

	31 March 2008	31 March 2007
OPERATING ACTIVITIES		
<i>Profit (loss) for the period</i>	5.1	4.0
<i>Adjustments for:</i>		
- <i>Depreciation and amortisation</i>	2.5	2.6
- <i>Changes in provisions for risks and charges and staff severance obligations</i>	0.3	0.7
- <i>Unrealised losses (gains) on exchange rate differences</i>	(0.1)	0.1
- <i>Other non-monetary changes</i>	(0.1)	-
- <i>Income taxes</i>	3.3	3.3
- <i>Result from investments accounted for using the equity method</i>	0.1	0.1
Operating profit (loss) before changes in working capital	11.1	10.8
<i>(Increase) decrease in trade and other receivables</i>	(1.2)	(5.1)
<i>(Increase) decrease in inventories</i>	(14.8)	(15.8)
<i>Increase (decrease) in trade and other payables</i>	(5.3)	11.0
<i>Income taxes paid</i>	(0.7)	(0.3)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	(10.9)	0.6
INVESTING ACTIVITIES		
<i>Investments in property, plant and equipment</i>	(1.3)	(1.3)
<i>Investments in intangible assets</i>	(5.5)	(0.5)
<i>Exchange rate differences on property, plant and equipment and intangible assets</i>	0.8	0.1
<i>Purchase of equity investments</i>	(43.8)	-
<i>Repayment of finance lease debts</i>	(0.3)	(0.3)
<i>Proceeds from sale of non-current assets</i>	-	0.1
<i>Net change in financial assets and other non-current receivables</i>	(0.1)	(1.5)
<i>Changes in reserves pertaining to minority interests</i>	(0.1)	-
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(50.3)	(3.4)
FINANCING ACTIVITIES		
<i>New loans obtained</i>	36.0	0.4
<i>Borrowings repaid</i>	(5.3)	(6.7)
<i>Increase (decrease) in other payables to banks</i>	0.3	(5.0)
<i>Purchase of treasury shares</i>	(1.5)	(0.8)
<i>Translation of foreign currency financial statements</i>	(3.1)	-
<i>Payment/collection of interest</i>	(1.9)	(1.6)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	24.5	(13.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(36.7)	(16.5)
CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)	71.0	60.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	34.3	43.7

"CASH AND CASH EQUIVALENTS" ARE ANALYZED IN NOTE 11.

**EXPLANATORY NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS**

A) OVERVIEW

The Report on Operations for first quarter 2008 was approved by the Board of Directors on 14 May 2008.

The IMA Group designs, manufactures and sells machinery and plant mainly to the pharmaceuticals, cosmetics and tea packaging industries.

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

At 31 March 2008, IMA S.p.A. is 71.517% owned by SO.FI.MA. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A.

In the market segment in which the IMA Group operates, interim results cannot be considered representative of the year as a whole, as activity tends to intensify in the second half of the year.

B) BASIS OF PREPARATION

General principles

This report on performance in the first quarter, prepared in accordance with IAS/IFRS and art. 82 of Consob Issuers' Regulation no. 11971/1999 and subsequent amendments, is presented in summary form as envisaged by IAS 34 Interim financial statements and, accordingly, must be read together with the financial statements at 31 December 2007.

This quarterly report has been prepared on the basis of the same accounting principles and standards used to prepare the annual and consolidated financial statements at 31 December 2007, where compatible, and reference should be made to them for further information. Income tax for the period is calculated using the best estimate of the weighted-average tax rate for the entire year.

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

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

The process of developing and approving international accounting standards means that certain documents are constantly under review. The Group has considered the effects of the accounting standards that became applicable from 1 January 2008. In the view of the directors, they do not have a significant effect on this interim report.

Accounting schedules

The format of the consolidated income statement reflects an analysis of costs by nature, since this classification is considered the most meaningful in terms of understanding the Group's results.

The balance sheet is classified on the basis of the operating cycle, distinguishing between current and non-current items.

The statement of cash flows is prepared using the indirect method to identify the cash flows from operating activities.

All of the figures in the quarterly report at 31 March 2008 are reported in millions of euros, unless stated otherwise.

C) SCOPE OF CONSOLIDATION

The quarterly report at 31 March 2008 includes the income statements and balance sheets of I.M.A. - Industria Macchine Automatiche S.p.A. (the Parent Company) and all the companies in which it directly or indirectly holds a controlling interest, except for IMA Edwards Inc., IMA Edwards B.V. and IMA Edwards P.S. (Beijing) Co. Ltd., as discussed below.

Contracts were completed with the Linde AG Group on 31 January 2008 for the purchase of its lyophilization plant business represented by the BOC Edwards Pharmaceutical Systems Group, the undisputed leader in this sector. The final price for the transaction, based on the balance sheet at 31 January 2008, was 28.4 million euros paid on signing plus an adjustment of 3.6 million euros determined in May 2008, together with the payment of 11.9 million euros towards a future capital increase. As from 31 January 2008, Packaging Systems Holdings Inc. is the owner of the entire share capital of BOC Edwards Pharmaceutical Systems Inc. (now IMA Edwards Inc.) and IMA Libra S.r.l. is the owner of 100% of BOC Edwards Pharmaceutical Systems B.V. (now IMA Edwards B.V. - Netherlands) and 50% of Edwards Tianli (Beijing) Pharmaceutical Systems Co. Ltd (now IMA Edwards Pharmaceutical Systems Beijing Co. Ltd. - China).

During February, IMA Libra S.r.l. acquired the remaining 50% interest from the Chinese partner for 4 million euros and signed a four-year no-competition agreement at a cost of 5 million euros.

Authorization for the transfer of these shares was received from the local authorities on 31 March 2008; accordingly, at the date of this quarterly report, IMA Libra S.r.l. wholly owns the Chinese company. See Note 5 for further information.

In addition, the following significant transactions took place during the period:

- absorption of Zanchetta S.r.l. by VIMA S.r.l. with effect from 1 January 2008 and simultaneous change in the latter's name to Zanchetta S.r.l.;
- contribution by IMA S.p.A. with effect from 2 January 2008 of the book values of the tea, herbal tea and coffee packaging sector and the pharmaceutical packaging sector to, respectively, IMA Flavour S.r.l. and IMA Safe S.r.l., both newly-formed companies; the investments in CO.MA.DI.S. S.p.A. and Precision Gears Ltd. were also contributed to IMA Safe S.r.l.;
- exercise in January 2008 by IMA Safe S.r.l. of the option to acquire 5% of the shares of Precision Gears Ltd., India, previously 85% owned, with the simultaneous payment of 0.6 million euros. On completion of the original contract, the parties agreed reciprocal Put&Call options with regard to the residual 10% interest, to be exercised by January 2010.

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

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

	Registered offices		Share capital at 31/03/2008	Direct investment	Indirect investment
Industrial companies:					
• I.M.A. Industria Macchine Automatiche S.p.A	Ozzano E. (Bologna)	EUR	17,732,000	Parent Company	–
• IMA Flavour S.r.l.	Ozzano E. (Bologna)	EUR	3,000,000	100%	–
• IMA Libra S.r.l.	Ozzano E. (Bologna)	EUR	3,000,000	100%	–
• IMA Safe S.r.l.	Ozzano E. (Bologna)	EUR	3,000,000	100%	–
• Zanchetta S.r.l.	Montecarlo (Lucca)	EUR	363,940	100%	–
• CO.MA.DI.S. S.p.A.	Senago (Milan)	EUR	1,540,000	–	100% (1)
• Swiftpack Automation Ltd.	Alcester (GB)	GBP	1,403,895	100%	–
• Tianjin IMA Machinery Co. Ltd.	Tianjin (PRC)	USD	200,000	65%	–
• Zibo IMA Xinhua Pharmatech Co. Ltd.	Zibo (PRC)	USD	5,143,248	80%	–
• Precision Gears Ltd.	Mumbai (India)	RS	17,852,100 (*)	–	100% (1)
• IMA Kilian GmbH & Co. KG	Cologne (Germany)	EUR	3,600,000	–	100% (2)
• Nova Packaging Systems Inc.	Leominster (USA)	USD	8,050,000	–	100% (3)
Commercial companies:					
• I.M.A. Est Verp. Handels GmbH	Vienna (Austria)	EUR	280,000	100%	–
• IMA France E.u.r.l.	Rueil-Malmaison (France)	EUR	45,735	100%	–
• IMA Germany GmbH	Cologne (Germany)	EUR	90,000	100%	–
• IMA Iberica Processing and Packaging S.L.	Barcelona (Spain)	EUR	590,000	100%	–
• IMA Packaging and Processing Equipment (Beijing) Co. Ltd.	Beijing (PRC)	USD	1,350,000	100%	–
• IMA Pacific Co. Ltd.	Bangkok (Thailand)	THB	40,219,000 (*)	99.99%	–
• IMA UK Ltd.	Alcester (GB)	GBP	50,000	100%	–
• Imautomatiche Lda	Madeira (Portugal)	EUR	5,000	100%	–
• IMA North America Inc.	Bristol (USA)	USD	2,500	–	100% (3)
Other companies:					
• IMA Kilian Verwaltungs GmbH	Cologne (Germany)	EUR	25,000	–	100% (2)
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. totals Rs 20,000,000 and Thb 100,000,000 respectively.

Notes (list of investments):

(1) Held by IMA Safe S.r.l. The percentage interest in Precision Gears Ltd. includes an option to purchase 10% of the share capital which, in substance, represents a form of deferred payment.

(2) Held by IMA Germany GmbH

(3) Held by Packaging Systems Holdings Inc

**COMPANIES VALUED
USING THE EQUITY METHOD**

	Registered offices		Share capital at 31/03/2008	Direct investment	Indirect investment
B.C. S.r.l.	Imola (Bologna)	EUR	36,400	30%	–
G.S. Divisione Verniciatura S.r.l.	C.S.Pietro T. (Bologna)	EUR	11,000	30%	–
I.E.M.A. S.r.l.	S.G. Piano (Bologna)	EUR	10,400	30%	–
LA.CO. S.r.l.	Ozzano E. (Bologna)	EUR	30,000	30%	–
Scriba Nanotecnologie S.r.l.	Bologna	EUR	18,750	20%	–
SIL.MAC. S.r.l.	Gaggio M. (Bologna)	EUR	90,000	30%	–
Sirio S.p.A. Ass. in participation (*)	Milan	EUR	200,000	–	–

(*) Agreement signed in the last quarter of 2007 for the management of an aeroplane.

The consolidated financial statements at 31 March 2008 include the Group's share of the net profits and losses of companies measured using the equity method, from the date on which significant influence begins until the date when it ends.

**INVESTMENTS
VALUED AT COST**

	Registered offices		Share capital at 31/03/2008	Direct investment	Indirect investment
IMA Edwards Inc.	Tonawanda (USA)	USD	1,000	–	100% (1)
IMA Edwards B.V.	Dongen (Netherlands)	EUR	12,376,850 (*)	–	100% (2)
IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd.	Beijing (PRC)	USD	400,000	–	100% (2)

(*) The nominal share capital totals Euro 45,378,000.

Notes (list of investments):

(1) Held by Packaging Systems Holdings Inc.

(2) Held by IMA Libra S.r.l.

The newly-acquired companies have been measured at cost in view of the time required for them to adopt the IMA Group's consolidation procedures.

D) EXPLANATORY NOTES

The changes reported below were determined with respect to the amounts at 31 December 2007 for balance sheet items and the amounts for first quarter 2007 for income statement items.

1. SEGMENT INFORMATION

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

- machines for the packaging of tea and herbal teas in filter bags and coffee in pods, and related services;
- pharmaceutical packaging sector: machines for the packaging of pharmaceutical capsules and tablets in blisters and bottles, machines for filling bottles and vials with liquid and powdered products in sterile and non-sterile environments, machines for cartoning and end-of-line equipment, and related services;
- pharmaceutical process sector: machines for the production of tablets and capsules, machines for coating and fluid bed granulators, and related services.

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

The next table gives a breakdown of revenues with comparative figures for the same period in 2007 (in millions of euros):

	from 01.01.2008 to 31.03.2008	from 01.01.2007 to 31.03.2007	Change
Tea, coffee and herbal tea packaging	19.9	16.9	3.0
Pharmaceutical packaging	55.4	55.9	(0.5)
Pharmaceutical processing	21.3	20.7	0.6
Other	0.3	1.1	(0.8)
Total	96.9	94.6	2.3

Consolidated revenues for first quarter 2008 totalled 96.9 million euros, up 2.4% with respect to the comparative period of last year. This result was made possible by the strength of the order book at the end of last year, mainly due to the tea sector. The sector in which the Group operates is affected by the strong seasonality of deliveries, such that the early quarters of the year are never truly indicative of the results achievable for the full year.

Revenues from the tea sector were 17.8% higher than the good results reported last year, confirming the Group's strong leadership position in this market. Revenues from the packaging sector were 0.5 million euros lower than in the comparative

period of 2007. This was due to differences in the timing of sales and will be recovered during the year. Lastly, the process plant sector improved its revenues by 2.9%.

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

	from 01.01.2008 to 31.03.2008	from 01.01.2007 to 31.03.2007	Change
Tea, coffee and herbal tea packaging	7.1	5.5	1.6
Pharmaceutical packaging	4.3	5.0	(0.7)
Pharmaceutical processing	(1.1)	(1.1)	–
Other	–	0.1	(0.1)
Total	10.3	9.5	0.8

The operating profit of the tea sector has improved significantly due to the positive sales mix and the containment of fixed costs; the operating profit of the packaging sector was affected by a slight reduction in revenues and an unfavorable sales mix. Margins have improved in the process sector, although an operating loss was still reported due to the usual seasonal factors affecting deliveries.

The following is a breakdown of IMA Group revenues for the period to 31 March 2008 by geographical and business segment (millions of euros):

REVENUES BY GEOGRAPHICAL SEGMENT

	from 01.01.2008 to 31.03.2008	from 01.01.2007 to 31.03.2007	Change
E.U. (excluding Italy)	38.7	36.3	2.4
Other European countries	7.5	6.5	1.0
North America	15.2	21.8	(6.6)
Asia	13.2	14.1	(0.9)
Other countries	15.7	8.9	6.8
Total exports	90.3	87.6	2.7
Italy	6.6	7.0	(0.4)
Total	96.9	94.6	2.3

REVENUES BY BUSINESS SEGMENT

	from 01.01.2008 to 31.03.2008	from 01.01.2007 to 31.03.2007	Change
Machines and change parts	44.1	43.5	0.6
Contract work	29.7	29.3	0.4
Spare parts	15.1	14.0	1.1
Technical assistance	5.1	4.5	0.6
Other services	2.9	3.3	(0.4)
Total	96.9	94.6	2.3

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment have decreased by 0.7 million euros since 31 December 2007. Movements in property, plant and equipment during the period are analyzed as follows (millions of euros):

	Land	Buildings and leasehold improv.	Plant and machinery	Indust. and comm. equipment	Other assets	Assets under construction and advances	Total
Balances at 01.01.08	15.1	34.6	13.4	1.4	3.1	0.3	67.9
Additions	–	0.2	0.5	0.1	0.3	0.2	1.3
Depreciation	–	(0.5)	(0.8)	(0.1)	(0.3)	–	(1.7)
Exchange differences	–	(0.1)	(0.1)	–	(0.1)	–	(0.3)
Balances at 31.03.08	15.1	34.2	13.0	1.4	3.0	0.5	67.2

Land includes 11.5 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) under a finance lease.

Buildings and leasehold improvements mainly comprise the parent company's buildings located in Ozzano dell'Emilia, Bentivoglio and Calenzano, as well as buildings in France, the United Kingdom and India, which are owned by IMA France E.u.r.l., IMA UK Ltd. and Precision Gears Ltd. respectively.

Additions during the period mainly related to costs incurred to extend and upgrade existing buildings and plant, and to purchase electronic machines.

3. INTANGIBLE ASSETS

Movements in intangible assets during the period are analyzed as follows (millions of euros):

	Development costs	Industrial patents rights	Software, licenses, trademarks and similar	Goodwill	Assets under development and advances	Total
Balances at 01.01.08	7.5	2.7	2.6	52.9	0.6	66.3
Increases in the period	–	0.2	5.0	–	0.3	5.5
Amortization	(0.4)	(0.2)	(0.2)	–	–	(0.8)
Reclassifications	0.3	–	–	–	(0.3)	–
Exchange differences	–	–	–	(0.5)	–	(0.5)
Balances at 31.03.08	7.4	2.7	7.4	52.4	0.6	70.5

Development costs include the costs incurred by the parent company and certain Italian subsidiaries on totally new products for market segments not previously occupied, as well as the know-how recognized on the acquisition of VIMA Impianti S.r.l., now Zanchetta S.r.l., in the field of washing and powder handling systems for the pharmaceutical processing sector.

The increase in software, licenses, trademarks and similar mainly reflects the capitalization of 5.0 million euros, amortizable over four years, in relation to the no-competition agreement signed by IMA Libra S.r.l. on acquisition of the investment in IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd.

Goodwill comprises the following (millions of euros):

	31.03.2008	31.12.2007
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	12.1	12.6
Acquisition of VIMA Impianti S.r.l.	4.3	4.3
Precision Gears Ltd.	4.0	4.0
Acquisition of Zanchetta S.r.l.	1.1	1.1
Total	52.4	52.9

The impairment tests carried out in accordance with the procedures outlined in IAS 36 did not identify the need to record any loss of value. Performance over the coming quarters will provide more a meaningful picture of the prospects for the various Cash Generating Units.

4. COMPANIES VALUED USING THE EQUITY METHOD

This item comprises (millions of euros):

	% Holding	31.03.2008	31.12.2007
B.C. S.r.l.	30%	0.6	0.6
G.S. Divisione Verniciatura S.r.l.	30%	0.7	0.7
I.E.M.A. S.r.l.	30%	0.3	0.4
LA.CO. S.r.l.	30%	0.4	0.4
Scriba Nanotecnologie S.r.l.	20%	0.2	0.2
SIL.MAC. S.r.l.	30%	0.3	0.3
Sirio S.p.A. Association in participation (*)		1.1	1.1
Total		3.6	3.7

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

The changes in this caption reflect adjustment of the carrying amount of the investments to their related equity values.

5. INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

This caption includes the investments in IMA Edwards Inc., IMA Edwards B.V. and IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd. These equity investments have been measured at cost since, given that they were acquired during first quarter 2008, the companies have not yet been able to adopt the IMA Group's procedures. The group acquired is organized as follows:

- IMA Edwards Inc., located in Tonawanda - New York - USA, which produces lyophilization machines, mainly for the pharmaceuticals market;
- IMA Edwards B.V., located in Dongen - Netherlands, which produces lyophilization machines, mainly for the pharmaceuticals and cosmetics markets;
- IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd., located in Beijing, China, which produces lyophilization machines, mainly for the pharmaceuticals and cosmetics markets.

The Edwards group companies supply integrated systems for the lyophilization market, where it is the undisputed leader with an installed base of more than 1,000 machines in over 50 countries. The group is present in all the principal world markets, with a strong presence in the US market. The lyophilization business is

expanding rapidly, with excellent prospects in the field of biotechnologies. This acquisition strengthens the IMA Group's world leadership in the supply of machines for the pharmaceutical industry and will facilitate the sale of filling and sterilization lines. The lyophilization business is expected to contribute revenues of about 75 million euros to the IMA Group in 2008.

About 370 persons are employed.

The final purchase price for the US and Netherlands companies and for 50% of the Chinese company, determined with reference to their balance sheets at 31 January 2008, was 28.4 million euros paid on signature plus an adjustment of 3.6 million euros determined during May 2008, together with the payment of 11.9 million euros for a future capital increase.

During February, the remaining 50% interest was acquired from the Chinese partner for 4 million euros and a four-year no-competition agreement was signed at a cost of 5 million euros.

The goodwill relating to this acquisition is still being determined at the date of preparing this quarterly report.

Preliminary information for February and March 2008 relating to the acquired companies indicates estimated consolidated revenues and operating losses of, respectively, about 5.6 million euros and 0.7 million euros, while the order book at 31 March 2008 amounts to 57.3 million euros.

For further information, see the comments in the section entitled "Scope of consolidation".

6. FINANCIAL ASSETS

Non-current financial assets, 13.8 million euros, include investments in securities totalling 3.0 million euros (3.0 million euros at 31 December 2007). These mainly comprise listed bond funds pledged as collateral for the non-current loans received. They also include financial receivables of 1.6 million euros (1.6 million euros at 31 December 2007) and investments in other companies of 9.2 million euros (9.9 million euros at 31 December 2007).

The decrease in investments in other companies mainly reflects downward adjustment of the carrying amount of the investment in Pierrel S.p.A. by 0.8 million euros, determined with reference to its official market price at 31 March 2008.

Current financial assets, 0.4 million euros, include investments by the Parent company in listed bond funds of 0.2 million euros (0.2 million euros at 31 December 2007) and loans granted of 0.2 million euros (0.2 million euros at 31 December 2007).

7. DERIVATIVES

Derivatives comprise (millions of euros):

	Assets	Liabilities	Assets	Liabilities
	31.03.2008	31.03.2008	31.12.2007	31.12.2007
Interest rate swap (non-current) cash flow hedges	0.2	–	0.2	–
Exchange rate hedges (current) - cash flow hedges	1.1	0.2	0.6	–
Total	1.3	0.2	0.8	–

INTEREST RATE DERIVATIVES

The amount of 0.2 million euros represents the fair value of two options, arranged with leading banks in 2005 and 2006, that hedge the interest rate risk on two long-term loans maturing in June and October 2011.

CURRENCY DERIVATIVES

The amounts of 1.1 million euros (assets) and 0.2 million euros (liabilities) represent the fair values of, respectively, the currency sale and purchase contracts arranged by the Group in order to manage exchange rate risk. The respective notional amounts of these hedging contracts at 31 March 2008 are 21.7 million US dollars (20.5 million US dollars at 31 December 2007) and 7.7 million US dollars (not present at 31 December 2007).

8. DEFERRED TAX ASSETS AND LIABILITIES

At 31 March 2008, deferred tax assets of 13.3 million euros (13.2 million euros at 31 December 2007) mainly relate to temporary differences deriving from provisions, as well as to the elimination of unrealized intercompany profits on the sale of finished products and the tax benefit of tax losses carried forward.

At 31 March 2008, deferred tax liabilities amount to 15.3 million euros (15.8 million euros at 31 December 2007) and relate mainly to temporary differences between the book values of certain tangible and intangible assets and contract work in progress and their values recognised for tax purposes.

9. INVENTORIES

This item comprises (millions of euros):

	Gross value	Provision for obsolete and slow-moving goods	Net value at 31.03.2008	Net value at 31.12.2007
Raw, ancillary and consumable materials	26.6	(5.0)	21.6	20.3
Work in progress and semifinished goods	149.8	(21.1)	128.7	114.3
Finished products and goods	1.9	(1.6)	0.3	1.2
Total	178.3	(27.7)	150.6	135.8

The increase in inventories since 31 December 2007 reflects the preparation of machines for delivery to customers in subsequent quarters, as well as the substantial order backlog at the end of March.

10. TRADE AND OTHER RECEIVABLES

This item comprises (millions of euros):

	31.03.2008	31.12.2007
Trade receivables	97.6	102.3
Advances to suppliers	8.1	7.4
Tax receivables	10.8	8.0
Prepayments	2.6	1.1
Other receivables	3.3	2.4
Total	122.4	121.2

TRADE RECEIVABLES

Trade receivables include amounts due from customers, 71.3 million euros (82.7 million euros at 31 December 2007) and amounts due on contract work in progress, 26.3 million euros (19.6 million euros at 31 December 2007).

Amounts due from customers have decreased by 11.4 million euros as a result of collections during the period, confirming the effectiveness of the Group's credit control policies.

Amounts due from customers beyond 12 months total 0.4 million euros. The deferred payment terms granted to customers resident in countries at risk are guaranteed by suitable financial instruments that assure collection. Amounts due from customers are stated net of accumulated provisions amounting to 3.1 million euros (3.4 million euros at 31 December 2007).

Receivables with a total nominal value of around 0.4 million euros were assigned without recourse during 2008; assigned receivables not yet due at 31 March 2008 amount to around 4.6 million euros, of which 3.4 million euros have been assigned to factoring companies and 1.2 million euros to other financial institutions.

ADVANCES TO SUPPLIERS

At 31 March 2008, these relate to advances for goods to be used in production and for services totaling, respectively, 4.5 million euros (4.5 million euros at 31 December 2007) and 3.6 million euros (2.9 million euros at 31 December 2007). This caption includes advances to associates of 0.6 million euros (0.8 million euros at 31 December 2007).

11. CASH AND CASH EQUIVALENTS

This item comprises (millions of euros):

	31.03.2008	31.12.2007
Bank current accounts	31.9	68.9
Demand deposits	2.2	1.2
Cheques and cash	0.2	0.9
Total	34.3	71.0

Liquid assets have decreased by 36.7 million euros due to the normal reduction in collections and the increase in inventories since 31 December 2007. Reference is made to Note 14 on the analysis of borrowing for a better understanding of the changes in this caption.

12. SHARE CAPITAL AND TREASURY SHARES

The share capital reported in the consolidated financial statements at 31 March 2008 is represented by the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A., comprising 34,100,000 ordinary shares with a par value of 0.52 euros each.

During first quarter 2008, the Parent company carried out transactions in treasury shares by buying 108,250 own shares for a total of 1.5 million euros. During 2007, the Parent Company bought 224,485 treasury shares for a total of 3.2 million euros. These transactions were recognised directly in equity in accordance with IAS 32.

The table below shows the number of shares in circulation:

Thousands of shares	
Balance at 01.01.2007	34,125
Own shares acquired	(66)
Own shares sold	–
Balance at 31.03.2007	34,059
Own shares acquired	(158)
Own shares sold	–
Balance at 31.12.2007	33,901
Own shares acquired	(108)
Own shares sold	–
Balance at 31.03.2008	33,793

The new program for the purchase of treasury shares via BHV commenced on 12 November 2007, with a view to stabilising the share price on the stock exchange in full compliance with current regulations. On completion of this program on 21 April 2008, the Parent company had purchased a total of 266,500 shares for 3.8 million euros.

At 31 March 2008, 307,735 treasury shares were held with a total value of 4.2 million euros.

13. FAIR VALUE RESERVE

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

Balance at 01.01.2007	0.8
<i>Cash flow hedges/hedging instruments</i>	
Valuation at fair value	0.4
Fair value - tax effect	(0.1)
Realisation recognised in income	(0.3)
Realisation recognised in income - tax effect	0.1
Balance at 31.03.2007	0.9
Balance at 01.01.2008	–
<i>Available for sale</i>	
Valuation at fair value	(0.8)
<i>Cash flow hedges/hedging instruments</i>	
Valuation at fair value	0.6
Realisation recognised in income	(0.4)
Balance at 31.03.2008	(0.6)

The available for sale category includes the writedown by 0.8 million euros of the investment in Pierrel S.p.A. to reflect its stockmarket price at 31 March 2008.

14. BORROWINGS

This item mainly includes amounts due to banks, 187.0 million euros (157.9 million euros at 31 December 2007), and amounts due to other lenders, 4.3 million euros (4.7 million euros at 31 December 2007).

PAYABLES TO BANKS

The increase in the amount due to banks is mainly related to the loan of 36.0 million euros obtained to finance the acquisition of the lyophilization plant business represented by the BOC Edwards group.

Applied research and technological innovation loans

Repayments totalling 2.0 million euros were made by the Parent Company as they fell due during the period; there were no new loans.

Other loans

The principal changes in other loans relate to new loans received by the parent company, 36.0 million euros and repayments made in accordance with the contractual terms, 2.7 million euros.

PAYABLES TO OTHER LENDERS

At 31 March 2008 the balance mainly includes payables for finance leases relating to the Calenzano plant for 4.2 million euros (4.4 million euros at 31 December 2007). The non-current portion comprises payables due between 1 and 5 years totalling 3.2 million euros.

NET DEBT

Net debt at 31 March 2008 amounts to 152.0 million euros and comprises:

in millions of euros	31.03.2008	31.12.2007	31.03.2007
A. Cash and cash equivalents	(34.3)	(71.0)	(43.7)
B. Other cash equivalents	-	-	(1.1)
C. Investment in securities	(0.2)	(0.2)	(0.2)
D. Liquidity (A)+(B)+(C)	(34.5)	(71.2)	(45.0)
E. Current financial receivables	(0.2)	(0.2)	(0.2)
F. Current payables to banks	59.2	60.6	45.5
G. Current portion of non-current bank debt	34.0	33.8	21.1
H. Other current financial payables	1.1	1.2	1.7
I. Current financial debt (F)+(G)+(H)	94.3	95.6	68.3
J. Net current financial debt (D)+(E)+(I)	59.6	24.2	23.1
K. Non-current portion of non-current bank debt	93.8	63.5	79.4
L. Non-current financial assets (*)	(4.6)	(4.6)	(3.5)
M. Other non-current financial payables	3.2	3.5	6.7
N. Non-current financial debt (K)+(L)+(M)	92.4	62.4	82.6
O. Net financial debt (J)+(N)	152.0	86.6	105.7

(*) At 31 March 2008 and 31 December 2007, non-current financial assets comprise investments in securities and financial receivables and differ from the corresponding balance sheet amounts of 13.8 million euros and 14.5 million euros due to the exclusion of investments in other companies.

For information on the composition of net debt, see Notes 6 and 11.

The change in net debt since 31 December 2007 is mainly attributable to:

- the purchase of treasury shares for 1.5 million euros;
- the purchase for 50.4 million euros of the investments in IMA Edwards B.V., IMA Edwards Inc., IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd. and Precision Gears Ltd.

With respect to 31 March 2007, the financial position is also affected by the extraordinary transactions that took place during the last nine months of 2007:

- the purchase of treasury shares for 2.3 million euros;
- the purchase of holdings in Pierrel S.p.A., Sirio S.p.A., Precision Gears Ltd., Zanchetta S.r.l., Infracom S.p.A., I.E.M.A. S.r.l., G.S. S.r.l. and SIL.MAC. S.r.l. for 14.3 million euros;
- the sale of the investments in Info Area S.r.l. and IMA-Telstar S.L., and the disposal of the latter's finance leases, for a total of 16.0 million euros.

15. PROVISIONS FOR RISKS AND CHARGES

These provisions comprise (millions of euros):

	Balance at 31.12.2007	Provisions	Uses	Balance at 31.03.2008
Non-current:				
•Agency termination indemnities	1.4	–	–	1.4
•Legal disputes	0.1	–	–	0.1
	1.5	–	–	1.5
Current:				
•Product guarantee provision	5.7	0.4	(0.1)	6.0
•Legal disputes	0.1	–	–	0.1
•Other	0.4	–	–	0.4
	6.2	0.4	(0.1)	6.5
Total	7.7	0.4	(0.1)	8.0

The product guarantee provision reflects the estimated cost of work to be performed under warranty subsequent to 31 March 2008, in relation to machines sold prior to that date.

The other provisions for risks and charges mainly relate to the estimated cost of reorganising certain Group companies including, in particular, certain management roles.

16. TRADE AND OTHER PAYABLES

This item comprises (millions of euros):

	31.03.2008	31.12.2007
Trade payables	90.3	98.1
Advances from customers	47.9	44.7
Social security payables	4.7	5.2
Tax payables	3.0	3.7
Employee payables	16.9	15.7
Acquisition payables	1.3	1.9
Other	3.4	3.5
Total	167.5	172.8

TRADE PAYABLES

This item includes trade payables of 81.5 million euros (89.6 million euros at 31 December 2007), payables to agents of 4.3 million euros (4.9 million euros at 31 December 2007) and trade payables to associates of 4.5 million euros (3.6 million euros at 31 December 2007).

ADVANCES FROM CUSTOMERS

The increase in advances from customers for future supplies compared with 31 December 2007 mainly reflects the substantial volume of orders acquired at the date of this quarterly report for fulfillment in subsequent quarters.

TAX PAYABLES

Tax payables mainly comprise the taxation withheld from employees.

ACQUISITION PAYABLES

This caption mainly includes the estimated liability for the purchase of the remaining 10% interest in Precision Gears Ltd., India, in relation to which the parties have agreed reciprocal put and call option rights to be exercised by the end of

January 2010. An option to acquire 5% of the Indian company was exercised in January 2008, with the simultaneous payment of 0.6 million euros.

17. PERSONNEL COSTS

Personnel costs comprise (millions of euros):

	from 01.01.2008 to 31.03.2008	from 01.01.2007 to 31.03.2007	Change
Wages and salaries	24.7	24.4	0.3
Social security contributions	6.4	6.2	0.2
Remuneration of directors	0.5	0.4	0.1
Pensions - defined-benefit plans	0.3	1.2	(0.9)
Pensions - defined-contribution plans	1.3	0.3	1.0
Other personnel costs	1.5	1.6	(0.1)
Total	34.7	34.1	0.6

During the third quarter of 2007, the IMA Group recorded the effect of the changes made to the regulations governing severance indemnities by Law 296 dated 27 December 2006.

18. DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

This caption includes the depreciation of property, plant and equipment, 1.7 million euros (1.8 million euros in the same period of 2007) and the amortisation of intangible assets, 0.8 million euros (0.8 million euros in the same period of 2007).

19. FINANCIAL INCOME

This item comprises the following (millions of euros):

	from 01.01.2008 to 31.03.2008	from 01.01.2007 to 31.03.2007	Change
Interest income from banks	0.5	0.4	0.1
Interest income on amounts due from customers	0.1	–	0.1
Income on derivatives	0.1	–	0.1
Exchange gains	2.1	0.7	1.4
Total	2.8	1.1	1.7

20. FINANCIAL EXPENSE

This item comprises the following (millions of euros):

	from 01.01.2008 to 31.03.2008	from 01.01.2007 to 31.03.2007	Change
Interest expense on bank payables	2.4	1.9	0.5
Interest expense on finance leases	–	0.1	(0.1)
Expense on derivatives	–	0.1	(0.1)
Other interest and financial expense	0.1	0.1	–
Exchange losses	2.1	1.0	1.1
Total	4.6	3.2	1.4

The increase in interest expense on bank payables reflects the increase in net debt compared with the same period of the previous year.

Exchange gains and losses in the period to 31 March 2008 included, respectively, unrealised gains of 1.4 million euros and unrealised losses of 1.3 million euros (0.3 million euros and 0.4 million euros respectively in first quarter 2007).

**21. INCOME TAX
FOR THE PERIOD**

Income tax for the period is calculated using the best estimate of the weighted average tax rate for the full year, as envisaged by IAS 34.

During 2007, VIMA Impianti S.r.l. (now Zanchetta S.r.l.), IMA S.p.A., IMA Libra S.r.l., and CO.MA.DI.S. S.p.A., as group companies, elected with SO.FI.MA. S.p.A., as the consolidating company, to establish a domestic tax group for the three-year period 2007-2009.

During first quarter 2008, IMA Safe S.r.l. and IMA Flavour S.r.l. also made this domestic tax group election.

22. GUARANTEES GIVEN

At 31 March 2008, the Group has given sureties to customers of 23.0 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) for 0.7 million euros to secure the performance of contracts, a surety to the Tax Authorities for VAT rebates of 1.9 million euros and sureties to others of 0.6 million euros, mainly to secure leases, sundry utilities and customs duties. In addition, the Parent company has given sureties and other guarantees (binding letters of patronage) to third parties on behalf of subsidiaries, in relation to lines of credit and loans from the banking system and to the payment of lease installments totaling 129.5 million euros. Sureties given against advances from customers amount to about 25.0 million euros (28.2 million euros at 31 December 2007).

23. COMMITMENTS

At 31 March 2008, commitments for the purchase of property, plant and equipment total 0.7 million euros, relating principally to charges to be incurred for the purchase of new machinery and the expansion existing plant. The Group also has commitments in respect of minimum lease payments for non-cancellable operating leases totalling 1.8 million euros (1.4 million euros at 31 December 2007) and rentals totalling 25.5 million euros (26.9 million euros at 31 December 2007). There are also other commitments in favour of third parties for 8.3 million euros, consisting mainly of the commitment to the association in participation Sirio S.p.A. for 7.7 million US dollars.

**24. RELATED-PARTY
TRANSACTIONS**

Intercompany transactions are carried in the ordinary course of business and on arms'-length terms. Relations with other related parties are mainly attributable to the parties that control the Parent Company, to persons who administer and direct the activities of IMA S.p.A., and to parties that are controlled by such persons. The Board, meeting together, must give advance approval for all transactions with related parties, including intercompany transactions, except for transactions carried out in the ordinary course of business on arms'-length terms.

Related-party transactions mainly comprise commercial and property operations (leased premises used by the Parent Company or Group companies), together with membership of the tax group discussed earlier. None of these transactions is particularly important to the Group in economic or strategic terms, since the receivables, payables, costs and revenues attributable to related parties do not represent a significant proportion of the totals reported in the financial statements.

Related-party transactions are carried out on an arm's-length basis. The following table details the main transactions carried out with related parties (millions of euros):

	Receivables at 31.03.2008	Receivables at 31.12.2007	Payables at 31.03.2008	Payables at 31.12.2007
Parent companies:				
SO.FI.MA. S.p.A.	–	–	6.0	6.0
	–	–	6.0	6.0
Associates:				
B.C. S.r.l.	0.1	0.2	1.0	0.7
I.E.M.A. S.r.l.	–	–	0.7	0.5
LA.CO. S.r.l.	0.2	0.3	1.3	1.1
SIL.MAC. S.r.l.	0.3	0.3	1.4	1.2
	0.6	0.8	4.4	3.5
Other related parties:				
Felsinea Ristorazione S.r.l.	–	n.a.	0.3	n.a.
Info Area S.r.l.	n.a.	1.9	n.a.	4.1
Naturapack S.r.l.	1.1	1.1	–	–
Viaggi Nuova Era S.r.l.	–	–	1.7	1.6
	1.1	3.0	2.0	5.7
Total	1.7	3.8	12.4	15.2

	Revenues 1st qtr. 2008	Revenues 1st qtr. 2007	Costs 1st qtr. 2008	Costs 1st qtr. 2007
Associates:				
B.C. S.r.l.	–	–	1.0	0.7
I.E.M.A. S.r.l.	–	n.a.	0.4	n.a.
LA.CO. S.r.l.	0.1	–	0.5	0.4
SIL.MAC. S.r.l.	–	n.a.	0.6	n.a.
	0.1	–	2.5	1.1
Other related parties:				
Felsinea Ristorazione S.r.l.	–	n.a.	0.3	n.a.
Naturapack S.r.l.	0.4	0.4	–	0.4
Viaggi Nuova Era S.r.l.	–	–	1.1	0.9
	0.4	0.4	1.4	1.3
Total	0.5	0.4	3.9	2.4

The above transactions primarily relate to Italian companies.

25. POSITIONS OR OPERATIONS DERIVING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS

No positions or operations deriving from atypical and/or unusual transactions arose during the first quarter of 2008.

26. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST QUARTER

The principal events taking place subsequent to period end were:

- on 11 April 2008, IMA Edwards S.r.l., a sole quotaholder company based in the province of Milan, was recorded on the Milan Companies Register; its objects are to provide technical support for the lyophilization plant produced by IMA Edwards. This company was formed by IMA Edwards B.V., an indirect subsidiary, on 28 March 2008;
- on 22 April 2008, the Extraordinary Meeting of IMA Libra S.r.l. resolved a change of name to IMA Life S.r.l., authorized and subscribed for an

increase in quota capital from 3.0 million euros to 13.2 million euros, and authorized a further capital increase with the exclusion of pre-emption rights from 13.2 million euros to 14.0 million euros;

- on 22 April 2008, the Parent company purchased a 30% interest in Bacciottini F.lli S.r.l., located in the province of Prato, for 0.4 million euros. This company processes sheet metal for pharmaceutical machinery and is a supplier to the IMA Group;
- on 22 April 2008, IMA S.p.A. announced the completion of the program to purchase treasury shares, which involved the acquisition of 266,500 treasury shares representing 0.782% of share capital;
- during May, the adjustment payable to Linde Group, following the purchase of the lyophilization plant business represented by the Edwards group, was determined to be 3.6 million euros, as discussed in the "Scope of consolidation" section and in Note 5.

In addition, the Shareholders' Meeting held on 29 April 2008 resolved:

- to allocate the net profit for 2007 to dividends for Euro 0.85 (gross) per outstanding ordinary share with the balance going to extraordinary reserve;
- to grant the necessary powers to the Board of Directors, for a period of 12 months, to buy and sell treasury shares up to a maximum of 3,410,000 shares (10% of share capital).

The manager responsible for the preparation of the Company's accounting documents, Sergio Marzo, declares in accordance with article 154 bis paragraph 2 of the Consolidated Finance Act that the accounting information contained in this quarterly report agrees with the books of account, the accounting entries and supporting documentation.