

HALF-YEAR FINANCIAL REPORT
AT 30 JUNE 2008

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INTERIM REPORT ON OPERATIONS

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

DIRECTORS AND OFFICERS

The directors and officers in office at the date of approving this half-year financial 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;
- 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, Italo Giorgio Minguzzi, Luca Poggi, Maria Carla Schiavina, Gianluca Vacchi, Stefano Visentini, Romano Volta.

The Board of Directors 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 million 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 under 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 Shareholders' Meeting called to approve the financial statements at 31 December 2009)

STANDING AUDITORS

Amedeo Cazzola - Chairman - Registered auditor

Piero Aicardi - Registered auditor

Giacomo Giovanardi - Registered auditor

ALTERNATE AUDITORS

Vittorio Coraducci - Registered auditor

Chiara Gallina - Registered auditor

Antonella Grassigli - Registered auditor

**INTERNAL CONTROL AND
REMUNERATION COMMITTEE**

Romano Volta - Independent director - Chairman

Giancarlo Folco - Independent director

Maria Carla Schiavina - Non-executive director

**MANAGER RESPONSIBLE FOR
PREPARING FINANCIAL REPORTS**

Sergio Marzo

**LEAD INDEPENDENT
DIRECTOR**

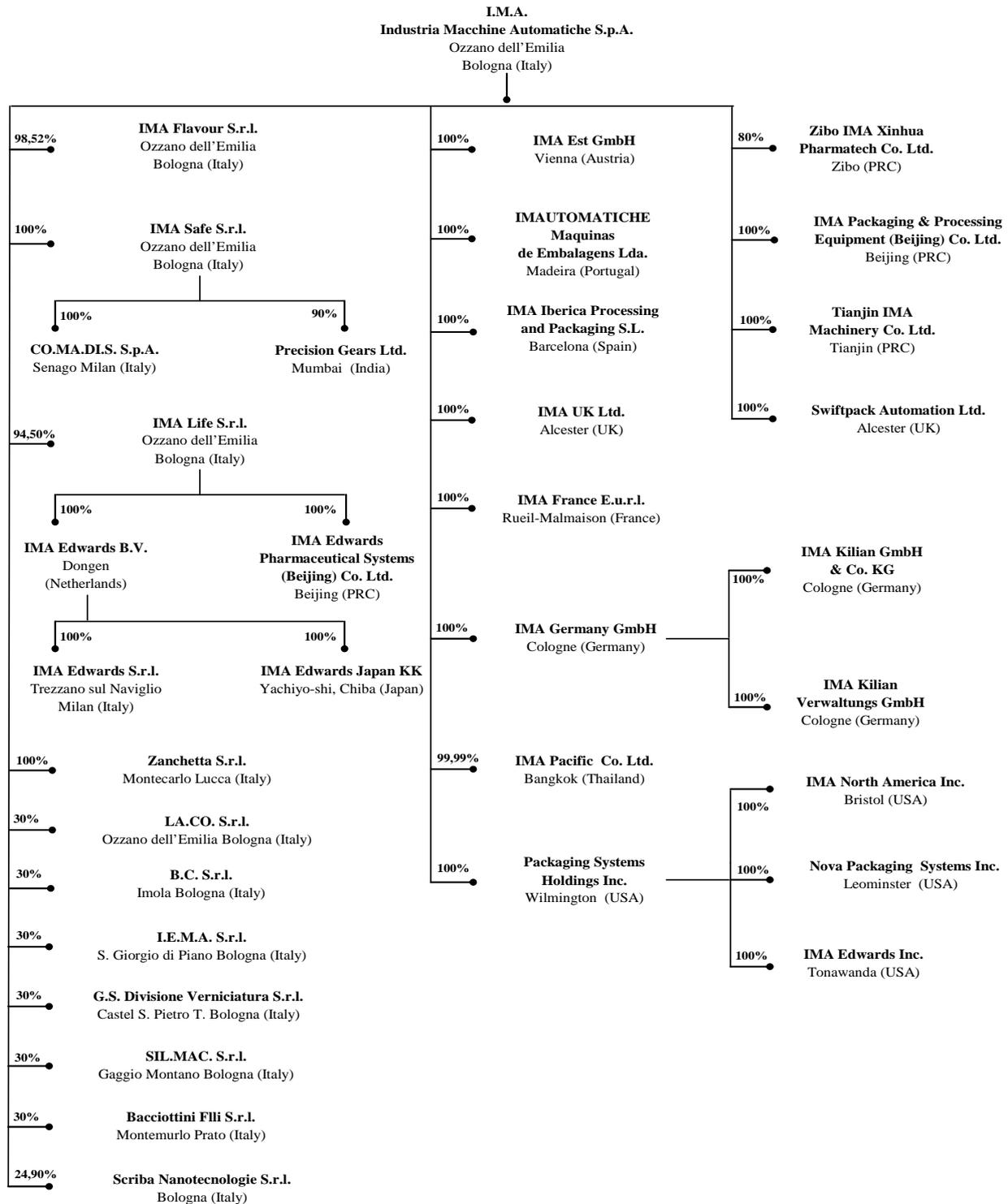
Romano Volta

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 Life 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)

Bacciottini F.lli S.r.l.
 Oste Montemurlo– Prato (Italy)

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

IMA Est 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 Pacific Co. Ltd.
 Bangkok (Thailand)

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

IMA UK Ltd.
 Wokingham (UK)

IMAUTOMATICHE
Maquinas de Embalagens Lda.
 Madeira (Portugal)

IMA Edwards S.r.l.
 Trezzano sul Naviglio
 Milan (Italy)

IMA Edwards Japan KK.
 Yachiyo-shi Chiba (Japan)

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

ECONOMIC CONDITIONS

The world economy is going through a very turbulent period. The credit crunch, triggered by the crisis in subprime mortgages, and rapidly rising global inflation are severely testing the outlook for world economic growth. The slowdown in growth in the first quarter of 2008 was marginal but inflation reached a critical level. The impact of this development has been greatest in the emerging economies, which are net importers of raw materials.

Signs of deterioration in the outlook also heightened in the second quarter, with a widespread drop in business confidence and a tightening of monetary policy by the monetary authorities. Lastly, the true extent of the bad loan problem and the liquidity shortage is still not fully apparent.

This environment has prompted forecasters to revise their projections for world GDP growth downwards for both this year and next. GDP is now forecast to grow by 4.3% in 2008 compared with 5.2% in 2007, falling to 3.5% in 2009.

The pharmaceuticals market, to which IMA is most exposed, is expected to grow by between 6 and 7% in 2008. The expansion is being driven by developing countries, while demand growth in the industrialized nations is more modest. At the same time, sales of generic products are increasing more rapidly than patented ones. The market for tea and herbal tea packaging machinery has also performed well, growing at a faster pace than in the past. This development is attributable to a number of emerging markets, growing demand for highly customized projects and the need to replace obsolete machinery. Sales of machines for packaging coffee in disposable pods are also expected to do well.

The trend in orders during the first half of the year combined with the strong order book in all the Group's businesses bodes well for the Group's results in the current year.

CONSOLIDATED INCOME STATEMENT

The income statement classified by purpose as shown below was prepared in accordance with the following criteria:

- cost of sales: represents costs incurred directly by the Group to generate revenues. They include, for example, the costs of materials, labour, the cost of technical offices for customizing products as well as production overheads;
- R&D costs: these include costs associated with developing new products or maintaining existing products. They also include costs relating to technical personnel, materials used for experiments and overheads for technical offices;
- sales costs: these include costs connected with commercial operations such as staff, commissions paid to agents, promotional and advertising costs and associated overheads;
- general and administrative costs: these include all 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 previously described purposes;
- gross operating profit (EBITDA): this corresponds to the sum of operating profit, amortisation and depreciation for the period, and goodwill impairment.

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

In the first half of 2008, the IMA Group posted an operating profit of 28.6 million euros, compared with 24.3 million euros in the same period of 2007, while Group profit was 16.2 million euros, compared with 11.3 million euros at 30 June 2007.

The table below reports the key figures for the reclassified consolidated income statement for the first half of 2008, with comparative figures for the first half of 2007:

millions of euros	1st half 2008		1st half 2007		Change %
	Amount	%	Amount	%	
Revenues	251.3		209.6		19.9
Cost of sales	(151.5)	60.3	(122.5)	58.4	
Gross industrial income	99.8	39.7	87.1	41.6	14.6
R&D costs	(12.1)		(11.2)		
Sales costs	(30.5)		(26.6)		
General and administrative costs	(28.6)		(25.0)		
Operating profit (E.B.I.T.)	28.6	11.4	24.3	11.6	17.7
- of which non-recurring items	3.1		-		
Net financial income (expense)	(2.1)		(3.7)		
Profit (loss) from investments accounted for using the equity method	(0.1)		-		
Profit before tax	26.4	10.5	20.6	9.8	28.2
Income taxes	(10.2)		(9.2)		
Net profit for the period	16.2	6.4	11.4	5.4	42.1
Profit for the period pertaining to minority interests	-		(0.1)		
Group profit	16.2	6.4	11.3	5.4	43.4
Gross operating profit (E.B.I.T.D.A.)	35.5	14.1	29.6	14.1	19.9
Order book	325.0		231.5		40.4

REVENUES AND ORDERS

Consolidated revenues amounted to 251.3 million euros in the first half of 2008 compared with 209.6 million euros in the corresponding period of 2007.

The freeze-drying business, represented by the Edwards Group, was consolidated for the first time as from 1 February 2008, and contributed 35.7 million euros to first-half revenues over a period of five months.

The following table provides a breakdown of revenues by business sector during the period, with comparative figures for the corresponding period in 2007:

millions of euros	1st half 2008	1st half 2007	Change	%
Tea, herbal tea and coffee packaging	41.1	36.4	4.7	12.9
Pharmaceutical packaging	157.8	120.4	37.4	31.1
Pharmaceutical processing	51.9	50.8	1.1	2.2
Other	0.5	2.0	(1.5)	(75.0)
Total	251.3	209.6	41.7	19.9

The revenues of the Edwards Group have been included in the pharmaceutical packaging sector. The large increase in revenues reflects growth in the Group's pharmaceutical and tea packaging businesses and is attributable to the substantial order book at the end of the previous year, along with the rise in orders in the first half of 2008 in both the pharmaceuticals sector and, above all, the tea packaging sector.

Once again, the Group has proved itself to be highly flexible in coping with changes in market demand, thanks in part to its organisational model, which enables it to respond rapidly even to sharp increases in revenues.

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

in millions of euros	1st half 2008	1st half 2007	Change	%
European Union (excluding Italy)	106.5	82.0	24.5	29.9
Other European countries	15.4	16.8	(1.4)	(8.3)
North America	40.9	46.3	(5.4)	(11.7)
Asia	40.5	32.8	7.7	23.5
Other countries	31.6	14.2	17.4	122.5
Total exports	234.9	192.1	42.8	22.3
Italy	16.4	17.5	(1.1)	(6.3)
Total	251.3	209.6	41.7	19.9

The breakdown of revenues shows that the increases on the corresponding period of 2007 came from non-EU countries, Asia, with China reporting good growth, and other countries. Sales in the United States suffered from the weakness of the US dollar, while sales in Italy were largely in line with the previous year.

The following table compares new orders obtained in the first half of 2008 with those in the first half of 2007:

millions of euros	1st half 2008	1st half 2007	Change	%
Tea, herbal tea and coffee packaging	54.4	47.4	7.0	14.8
Pharmaceutical packaging	171.5	138.6	32.9	23.7
Pharmaceutical processing	58.8	63.1	(4.3)	(6.8)
Total	284.7	249.1	35.6	14.3

The increase in first-half orders took place in the tea and pharmaceutical packaging sectors. The growth in the tea-packaging sector was attributable to orders from East European countries, which are continuing to pursue their investment plans. Orders from the pharmaceutical industry rose by 14.2% (+28.6 million euros) on the same period of the previous year, which had already experienced stronger growth than in the past. The Edwards Group accounted for 31.1 million euros in orders placed in the period.

The following table shows a breakdown of the order book at 30 June 2008:

millions of euros	30.06.2008	30.06.2007	Change	%
Tea, herbal tea and coffee packaging	75.0	45.8	29.2	63.8
Pharmaceutical packaging	181.1	131.3	49.8	37.9
Pharmaceutical processing	68.9	54.4	14.5	26.7
Total	325.0	231.5	93.5	40.4

The order book reflects the developments in new orders noted earlier. The strong growth in the pharmaceutical packaging and processing segments (up 37.9% and 26.7% respectively) gives reason to be optimistic about achieving the volumes forecast for the whole of 2008. The tea-packaging sector also posted strong growth in orders, making it possible to exceed the revenue targets for the year and match the level achieved in 2007.

OPERATING PROFIT

Gross industrial income rose to 99.8 million euros from 87.1 million euros at 30 June 2007, while declining as a percentage of revenues (from 41.6% in the previous year to 39.7%). The decrease is due to the different mix between the tea packaging and the pharmaceutical sectors, and to the unfavourable mix between machinery, formats and spare parts, which should level out over the course of the entire year. The Edwards Group contributed 6.8 million euros.

Assuming the same scope of consolidation (i.e. excluding the Edwards Group, which accounted for 0.7 million euros), R&D costs amounted to 11.4 million euros, broadly in line with the previous year (11.2 million euros).

Again excluding the Edwards Group, which accounted for 1.0 million euros, marketing and sales costs amounted to 29.5 million euros, an increase of 2.9 million euros on the prior period, of which 1.0 million euros due to higher commissions. This increase is mainly attributable to the Interpack trade fair, which takes place once every three years in April and is one of the industry's most important events.

Excluding 2.1 million euros in respect of the Edwards Group, which was not consolidated in 2007, general and administrative costs amounted to 26.5 million euros, compared with 25.0 million euros in the first half of 2007. These costs are stated net of 2.5 million euros in non-recurring income associated with the entry of minority shareholders as owners of IMA Flavour S.r.l. and IMA Life S.r.l. following the reserved capital increases discussed later in this report.

PROFIT BEFORE TAX

Net financial expense amounted to 2.1 million euros, compared with 3.7 million euros at 30 June 2007. This decrease was largely due to 2.1 million euros in net exchange rate gains (compared with a net loss of 0.3 million euros in the year-earlier period) despite the increase in financial expense following a rise in interest rates and in the average level of debt.

Profit before tax therefore came to 26.4 million euros, compared with 20.6 million euros in the first half of 2007.

NET PROFIT FOR THE PERIOD

Net profit for the period came to 16.2 million euros (11.4 million euros at 30 June 2007) after deducting 10.2 million euros in income tax (9.2 million euros at 30 June 2007).

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	Unallocated	Total
Revenues						
1st half 2008	41.1	157.8	51.9	0.5	–	251.3
1st half 2007	36.4	120.4	50.8	2.0	–	209.6
Operating profit						
1st half 2008	17.4	12.8	(1.5)	(0.1)	–	28.6
1st half 2007	12.8	11.9	(0.6)	0.2	–	24.3
Net capital employed (*)						
30 June 2008	17.5	163.3	89.2	13.4	(25.4)	258.0
30 June 2007	19.9	107.1	82.5	1.8	(14.8)	196.5
R&D costs						
1st half 2008	2.2	6.9	3.0	–	–	12.1
1st half 2007	2.5	5.9	2.8	–	–	11.2
Average personnel (**)						
1st half 2008	192	1,822	594	–	402	3,010
1st half 2007	196	1,588	560	–	387	2,731
Order book						
30 June 2008	75.0	181.1	68.9	–	–	325.0
30 June 2007	45.8	131.3	54.4	–	–	231.5

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

(**) The personnel allocated to the various sectors are those directly employed in those sectors, while the figure reported in the "Unallocated" column reflects those employed by the sales organisations of subsidiaries and in the Group's administrative and central offices. The figure for the first half of 2008 includes 331 staff of the Edwards Group, while the corresponding comparative figure included 86 staff of the Telstar Group, which was sold during 2007.

The tea sector has improved its performance relative to the corresponding period of last year thanks to higher sales volumes, a favourable sales mix and non-recurring income of 1.8 million euros after a minority shareholder acquired an interest in IMA Flavour S.r.l. The packaging sector includes contributions from the Edwards Group of 35.7 million euros to revenues and 1.0 million euros to operating profit; assuming the same scope of consolidation the sector's results were largely the same as in the first half of 2007. The processing sector posted a slight deterioration due to a somewhat unfavourable product mix, which is expected to adjust in the second half of the year.

Net capital employed of 258.0 million euros at 30 June 2008 includes 78.3 million euros in goodwill, of which 47.6 million euros relates to the packaging sector and 30.7 million euros to the processing sector. The increase in goodwill of some 21.4 million euros in the packaging sector since 30 June 2007 is mainly due to the acquisition of the Edwards Group on 31 January 2008. Net capital employed in the tea sector has decreased due to the increase in advances from customers as a result of the growth in the order book.

**CONSOLIDATED
BALANCE SHEET AND
FINANCIAL POSITION**

The following main items in the balance sheet and financial position are equivalent to the corresponding items in the consolidated balance sheet included in the "Condensed consolidated half-year financial statements": inventories, property, plant and equipment and intangible assets, Group equity and minority interests.

The following table summarizes the Group's balance sheet and financial position at 30 June 2008, with comparative figures for 31 December 2007:

millions of euros	30.06.2008	31.12.2007
Trade receivables	132.2	102.3
Inventories	164.1	135.8
Trade payables	(170.6)	(135.4)
Other, net	(41.0)	(32.0)
Working capital	84.7	70.7
Property, plant and equipment	68.5	67.9
Intangible assets	117.1	66.3
Investments	13.3	13.7
Non-current assets	198.9	147.9
Provision for severance indemnities and other provisions	(25.6)	(21.6)
Net capital employed	258.0	197.0
FINANCED BY:		
Net debt	164.3	86.6
Minority interests	2.5	1.1
Group equity	91.2	109.3
Total sources of financing	258.0	197.0

Net capital employed amounted to 258.0 million euros at the end of June 2008, up from 197.0 million euros at the end of 2007. The increase is mainly due to the acquisition of the Edwards Group, which added 56.0 million euros. Without the acquisition, the figure would have been essentially the same as at the end of 2007. The change in intangible assets largely reflects the impact of consolidating the Edwards Group for the first time, giving rise to the recognition of 25.9 million euros in goodwill, 20.9 million euros in know-how and 4.5 million euros for the non-compete agreement with the Chinese vendor. The decrease in Group equity is attributable to the payment of dividends in May, which has not yet been offset by profit for the period.

The following is a breakdown of net debt:

millions of euros	30.06.2008	31.12.2007
A. Cash and cash equivalents	(49.9)	(71.0)
B. Other cash equivalents	-	-
C. Investments in securities	(0.3)	(0.2)
D. Liquidity (A)+(B)+(C)	(50.2)	(71.2)
E. Current financial receivables	(0.2)	(0.2)
F. Current payables to banks	74.5	60.6
G. Current portion of non-current bank payables	34.4	33.8
H. Other current financial payables	1.2	1.2
I. Current financial debt (F) + (G) + (H)	110.1	95.6
J. Net current financial debt (D)+(E)+(I)	59.7	24.2
K. Non-current portion of non-current bank payables	106.4	63.5
L. Non-current financial assets	(4.7)	(4.6)
M. Other non-current financial payables	2.9	3.5
N. Net non-current financial debt (K)+(L)+(M)	104.6	62.4
O. Net financial debt (J) + (N)	164.3	86.6

Net debt at the end of the period amounted to 164.3 million, euros compared with 86.6 million euros at 31 December 2007. The increase is mainly due to the acquisition of the Edwards Group (49.9 million euros), the increased volume of inventories needed to meet second-half deliveries, and 1.1 million euros for the purchase of a minority stake in Bacciottini S.r.l. and the exercise of the option to buy 5% of the Indian company Precision Gears Ltd. In addition, IMA S.p.A. paid a dividend of 28.7 million euros in May, which was 6.6 million euros more than that paid in May 2007.

Comparing the net financial position in the first half of 2008 with that in the corresponding period of 2007 (109.0 million euros), the level of net debt has increased by 5.0 million euros after adjusting for the difference in the dividend, extraordinary transactions and the purchase of treasury shares and assuming the same scope of consolidation. This slight deterioration is due to the increase in inventories needed to prepare for second-half deliveries and should be viewed as a temporary event associated with the seasonal nature of the business.

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

CAPITAL EXPENDITURE

Group capital expenditure on property, plant and equipment amounted to 3.2 million euros (2.9 million euros in the same period of 2007) and mainly related to the extension and upgrading of existing buildings and plant, together with the purchase of electronic equipment.

Investment in intangible assets amounted to 6.2 million euros (2.5 million euros in the first half of 2007) and mainly related to the capitalisation of 5.0 million euros for the non-compete agreement made by IMA Life S.r.l. upon acquiring IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd. Goodwill of 25.9 million euros and know-how of 22.2 million euros were recognized in the first half of 2008 in relation to the acquisition of the Edwards Group, leader in the freeze-drying systems sector.

Amortisation and depreciation expense for the period was 6.9 million euros, compared with 5.3 million euros in the same period of last year.

OTHER INFORMATION

SIGNIFICANT SUBSEQUENT EVENTS

No significant events have taken place since the end of the first half of 2008.

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

The following table reconciles equity and net profit (loss) for the period reported in the Parent Company's half-year financial statements with the corresponding consolidated figures pertaining to the Group at 30 June 2008 (millions of euros):

	Group equity	Net profit
Results reported by		
I.M.A. Industria Macchine Automatiche S.p.A.	68.4	3.0
<i>Consolidation adjustments</i>		
a) Elimination of book value of consolidated investments and measurement of investments using the equity method	27.1	17.9
b) Elimination of dividends distributed by Group companies	–	(6.0)
c) Elimination of intercompany items:		
· Intangible assets	(0.1)	–
· Inventories	(5.0)	(0.3)
· Margins and fees for contract work	1.6	(0.8)
d) Impairment	(4.0)	–
e) Tax effect of consolidation and other adjustments	3.2	2.4
<i>Net effect of consolidation adjustments</i>	22.8	13.2
Amounts pertaining to the Group	91.2	16.2

**INFORMATION REQUIRED BY
ART. 36 AND 39 OF THE CONSOB
MARKET REGULATIONS**

With reference to the "Conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries" referred to in Art. 36 of the Consob Market Regulations (issued in implementation of Art. 62, paragraph 3-bis, of Legislative Decree 58/98, as amended by Resolution 16530 dated 25 June 2008), the IMA Group has drawn up a related compliance plan.

The plan first identifies the scope of application of these rules to the IMA Group and then explains the measures already adopted to comply with the conditions dictated by Art. 36 and, where necessary, the measures still needing to be adopted together with the related timetable.

The key elements of the plan are as follows:

- I. although eleven subsidiaries of the IMA Group are based in five non-EU countries, the scope of application relates to only two subsidiaries, namely IMA North America Inc. and IMA Edwards Inc., both based in the United States, as only these two are classified as materially significant, pursuant to paragraph 2 of Art. 36;
- II. as far as the requirement to obtain the articles of association and composition and powers of the boards and officers of such subsidiaries, IMA already keeps constantly updated records on the composition of the boards of all its subsidiaries, including details of the offices held.
- III. the accounting and reporting systems used by the IMA Group already enable it to comply with the substance of this regulation as far as the companies falling under the above scope of application are concerned, both in terms of making the financial statements prepared for the purposes of the consolidated financial statements publicly available, and in terms of their suitability for regularly providing IMA's management and auditors with the information needed to prepare the consolidated financial statements themselves;

- IV. as for IMA's provision of information to the central auditors needed to perform annual and interim audits of its financial statements, the current process of communication with the independent auditors operates effectively in this sense, having recently been overhauled for the purposes of complying with the law on investor protection.

OUTLOOK FOR THE CURRENT YEAR

The healthy level of orders placed in the pharmaceuticals sector during the first half of the year seems to be continuing. The key factors driving this market are the constant growth in world pharmaceutical sales, the rapid development of advanced healthcare systems even in developing countries and the demand for new plant from large multinational companies. The excellent level of orders in the tea and herbal tea packaging sector and the strong order book will ensure that the results for 2008 are at least in line with the previous year as well as holding out promise for the following year.

The group-wide efforts to cut costs and to enhance the impact of our sales network's commercial activities are another important reason to be confident in the future. The results achieved in the first half of the year appear to confirm that the Group is moving in the right direction.

Sales revenues are expected to meet the target of 560 million euros for 2008 (an increase of some 8% on a comparable scope of consolidation basis). As for margins, the good first-half results point to an operating profit of around 73 million euros and a gross operating profit of 87 million euros for the year as a whole.

**CONDENSED CONSOLIDATED
HALF-YEAR FINANCIAL STATEMENTS**

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

CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008 AND 31 DECEMBER 2007 (MILLIONS OF EUROS)

ASSETS	Note	30 June 2008	31 December 2007
NON-CURRENT ASSETS			
Property, plant and equipment	2	68.5	67.9
Intangible assets	3	117.1	66.3
Investments accounted for using the equity method	4	4.1	3.7
Investments in subsidiaries carried at cost		0.3	–
Financial assets	5	13.5	14.5
Receivables from others	6	0.5	0.5
Derivative financial instruments	7	0.2	0.2
Deferred tax assets	8	13.7	13.2
TOTAL NON-CURRENT ASSETS		217.9	166.3
CURRENT ASSETS			
Inventories	9	164.1	135.8
Trade and other receivables	10	164.4	121.2
Income tax receivables		0.7	1.1
Financial assets	5	0.5	0.4
Derivative financial instruments	7	0.5	0.6
Cash and cash equivalents	11	49.9	71.0
TOTAL CURRENT ASSETS		380.1	330.1
TOTAL ASSETS		598.0	496.4
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	17.7	17.7
Share premium reserve		16.4	16.4
Treasury shares	12	(4.2)	(2.7)
Translation reserve		(5.5)	(2.8)
Fair value reserve	13	(1.4)	–
Other reserves		21.5	14.6
Retained earnings		30.5	26.6
Net profit (loss) for the period		16.2	39.5
Total capital and reserves pertaining to the Group		91.2	109.3
Reserves pertaining to minority interests		2.5	0.9
Profit pertaining to minority interests		–	0.2
Total minority interests		2.5	1.1
EQUITY PERTAINING TO THE GROUP AND MINORITY INTERESTS		93.7	110.4
NON-CURRENT LIABILITIES			
Borrowings	14	109.3	67.0
Severance and pension provisions	15	17.7	18.0
Provisions for risks and charges	16	1.5	1.5
Deferred tax liabilities	8	21.2	15.8
TOTAL NON-CURRENT LIABILITIES		149.7	102.3
CURRENT LIABILITIES			
Borrowings	14	110.1	95.6
Trade and other payables	17	215.2	172.8
Income tax liabilities		18.6	9.1
Provisions for risks and charges	16	10.5	6.2
Derivative financial instruments	7	0.2	–
TOTAL CURRENT LIABILITIES		354.6	283.7
TOTAL LIABILITIES		504.3	386.0
TOTAL EQUITY AND LIABILITIES		598.0	496.4

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE CONSOLIDATED BALANCE SHEET ARE REPORTED IN NOTE 26 - RELATED-PARTY TRANSACTIONS.

CONSOLIDATED INCOME STATEMENT

FOR THE FIRST HALF OF 2008 COMPARED WITH THE FIRST HALF OF 2007 (MILLIONS OF EUROS)

INCOME STATEMENT	Note	1st half 2008	1st half 2007
REVENUES	1	251.3	209.6
<i>Other revenues</i>		6.8	3.3
OPERATING COSTS			
<i>Change in work in progress, semifinished and finished goods</i>		21.8	20.5
<i>Change in inventory of raw, ancillary and consumable materials and goods for resale</i>		2.7	3.9
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>		(110.1)	(89.9)
<i>Services, rentals and leases</i>		(56.6)	(45.7)
<i>Personnel costs</i>	18	(76.6)	(69.0)
<i>Depreciation, amortization and impairment</i>	19	(7.5)	(5.5)
<i>Provisions for risks and charges</i>		(1.3)	(1.0)
<i>Other operating costs</i>		(1.9)	(1.9)
TOTAL OPERATING COSTS		(229.5)	(188.6)
OPERATING PROFIT	1	28.6	24.3
<i>- of which: impact of non-recurring items</i>	27	3.1	-
FINANCIAL INCOME AND EXPENSE			
<i>Financial income</i>	20	5.2	2.2
<i>Financial expense</i>	21	(7.3)	(5.9)
TOTAL FINANCIAL INCOME AND EXPENSE		(2.1)	(3.7)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		(0.1)	-
PROFIT BEFORE TAX		26.4	20.6
INCOME TAXES FOR THE PERIOD	22	(10.2)	(9.2)
NET PROFIT (LOSS) FOR THE PERIOD		16.2	11.4
ATTRIBUTABLE TO:			
PARENT COMPANY SHAREHOLDERS		16.2	11.3
MINORITY INTERESTS		-	0.1
		16.2	11.4
EARNINGS PER SHARE (in euros)		0.48	0.33

THE EFFECTS OF TRANSACTIONS WITH RELATED PARTIES ON THE CONSOLIDATED INCOME STATEMENT ARE REPORTED IN NOTE 26 - RELATED-PARTY TRANSACTIONS.

CHANGES IN CONSOLIDATED EQUITY

FOR THE PERIODS ENDED 30 JUNE 2008 AND 30 JUNE 2007 (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 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:											
- dividends	-	-	-	-	-	-	-	(22.1)	(22.1)	-	(22.1)
- reserves	-	-	-	-	-	2.4	0.3	(2.7)	-	-	-
Capital increases	-	-	-	-	-	-	-	-	-	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 foreign currency	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	11.3	11.3	0.1	11.4
Balance 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
Changes in minority interests	-	-	-	-	-	-	-	-	-	(0.3)	(0.3)
Cancellation of treasury shares	(1.1)	-	19.9	-	-	(16.5)	(2.3)	-	-	-	-
Sale of Info Area S.r.l.	-	-	-	-	-	(2.3)	2.3	-	-	-	-
Purchase and sale of treasury shares	-	-	(2.9)	-	-	-	0.5	-	(2.4)	-	(2.4)
Fair value of financial instruments	-	-	-	-	(0.6)	-	-	-	(0.6)	-	(0.6)
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	(2.1)	-	-	-	-	(2.1)	-	(2.1)
Net profit for the period	-	-	-	-	-	-	-	28.2	28.2	0.1	28.3
Balance at 31 Dec 2007	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:											
- dividends	-	-	-	-	-	-	-	(28.7)	(28.7)	-	(28.7)
- reserves	-	-	-	-	-	6.9	3.9	(10.8)	-	-	-
Changes in minority interests	-	-	-	-	-	-	-	-	-	1.4	1.4
Purchase and sale of treasury shares	-	-	(1.5)	-	-	-	-	-	(1.5)	-	(1.5)
Fair value of financial instruments	-	-	-	-	(1.4)	-	-	-	(1.4)	-	(1.4)
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	(2.7)	-	-	-	-	(2.7)	-	(2.7)
Net profit for the period	-	-	-	-	-	-	-	16.2	16.2	-	16.2
Balance at 30 Jun 2008	17.7	16.4	(4.2)	(5.5)	(1.4)	21.5	30.5	16.2	91.2	2.5	93.7

CONSOLIDATED STATEMENT OF CASH FLOWS

AT 30 JUNE 2008 AND 30 JUNE 2007 (MILLIONS OF EUROS)

	30 June 2008	30 June 2007
OPERATING ACTIVITIES		
Net profit (loss) for the period	16.2	11.3
Adjustments for:		
- Depreciation and amortization	6.9	5.3
- Capital (gains) losses on disposal of non-current assets	0.1	-
- Changes in provisions for risks and charges and staff severance obligations	0.4	-
- Non-recurring items	(0.6)	-
- Unrealized losses (gains) on exchange rate differences	(1.5)	-
- Income taxes	10.2	9.2
- Minority interests	-	0.1
- Result from investments accounted for using the equity method	0.1	-
Operating profit (loss) before changes in working capital	31.8	25.9
(Increase) decrease in trade and other receivables	60.1	(9.0)
(Increase) decrease in inventories	(23.1)	(24.1)
Increase (decrease) in trade and other payables	(63.0)	33.0
Income taxes paid	(1.4)	(1.3)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	4.4	24.5
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(3.2)	(2.9)
Investments in intangible assets	(1.2)	(2.5)
Acquisitions of companies	(48.0)	(1.2)
Exchange rate differences on property, plant and equipment and intangible assets	0.9	-
Repayment of finance lease debts	(0.5)	(0.5)
Purchase of equity investments	(0.7)	-
Proceeds from sale of non-current assets	0.2	0.2
Net change in financial assets and other non-current receivables	(0.3)	(1.6)
Changes in reserves pertaining to minority interests	1.4	0.2
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(51.4)	(8.3)
FINANCING ACTIVITIES		
Grant of borrowings	53.5	4.4
Repayment of borrowings	(10.4)	(10.8)
Increase (decrease) in other payables to banks	19.5	(1.7)
Dividends paid	(28.7)	(22.1)
Purchase of treasury shares	(1.5)	(0.8)
Translation of financial statements in foreign currency	(2.7)	-
Payment of interest	(4.3)	(3.5)
Receipt of interest	0.5	0.4
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	25.9	(34.1)
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(21.1)	(17.9)
CASH EQUIVALENTS HELD FOR SALE (E)	-	(2.3)
CASH AND CASH EQUIVALENTS AT START OF PERIOD (F)	71.0	60.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E+F)	49.9	40.0

A BREAKDOWN OF "CASH AND CASH EQUIVALENTS" IS PROVIDED IN NOTE 11.

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

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

A) OVERVIEW

The half-year financial report at 30 June 2008 was approved by the Board of Directors on 8 August 2008.

The IMA Group designs, manufactures and sells machinery and plant mainly to the pharmaceutical, 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 on the electronic stock exchange of Borsa Italiana S.p.A. in the "S.T.A.R." segment.

At 30 June 2008 IMA S.p.A. is 71.517% owned by SO.FI.MA. Società Finanziaria Macchine Automatiche S.p.A., in turn controlled by Lopam Fin S.p.A.

IMA S.p.A.'s relations with the manufacturing companies in the Group are mainly of a commercial nature, and consist of 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.

To summarize, the IMA Group 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 marketing companies that cover specific geographical areas, and by an extensive network of agents covering other areas.

B) GENERAL BASES OF PREPARATION

General principles

This half-year financial report at 30 June 2008 has been prepared in accordance with Art. 154-ter of Legislative Decree 58/98 and in compliance with the IAS/IFRS recognized by the European Union, specifically IAS 34 "Interim Financial Reporting".

Financial statements

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

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

The statement of cash flows has been prepared using the indirect method for determining cash flows from operating activities.

All of the figures contained in the half-year report at 30 June 2008 are stated in millions of euros, unless otherwise indicated.

C) ACCOUNTING POLICIES AND STANDARDS

ACCOUNTING POLICIES AND STANDARDS

This half-year financial report has been prepared using the same accounting policies and standards adopted to prepare the annual and consolidated financial statements at 31 December 2007, where compatible, and reference should be made to them for further information.

As required by IAS 34, the interim result is stated net of income taxes calculated using the best estimate of the weighted average tax rate expected for the full year. The amounts provided for tax in an interim period are adjusted in subsequent interim periods of the same financial year if the estimated annual tax rate changes.

Preparing interim reports requires management to make estimates and assumptions based on their best assessment of the situation at the time. These then have an impact on the figures reported in the financial statements and in the explanatory notes.

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

APPLICATION OF ACCOUNTING STANDARDS

The process of developing and approving international accounting standards means that certain documents are constantly being revised. Some of these revisions do not apply to the IMA Group.

The main document already endorsed by the European Union, applicable from 1 January 2009, is IFRS 8 "Operating Segments", which supersedes IAS 14 "Segment Reporting". The new standards requires reporting to be based on the information that management uses for making its operational decisions. The IMA Group does not expect the adoption of IFRS 8 to have a significant impact on its reporting.

In addition, the Group has considered the effects of other Standards and Interpretations that have been approved but not yet endorsed by the European Union, such as the amendments to IAS 1, 27 and 28 and IFRS 3. These are not expected to have a significant impact on the Group's financial statements.

D) CONSOLIDATION PRINCIPLES

Subsidiary companies

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

The main principles used in applying line-by-line consolidation are as follows:

- the book value of equity investments held by the Parent Company or by other consolidated companies is eliminated against the Group share of their equity, while their assets and liabilities 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 identifiable assets and liabilities and contingent liabilities of the consolidated company is recognized 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.

Associated companies

Associates are companies in which the Group has a significant influence, but does not exercise operational control.

Such influence is presumed to exist when the Group holds an interest of between 20% and 50% of voting rights. The consolidated financial statements include the share of the net profits and losses of associated companies, valued using the equity method, from the date on which the significant influence begins to the date that it ends.

Profits and losses pertaining to the Group after the purchase of associates are recognized in the income statement.

Equity investments in associates are initially recorded at purchase cost. Any excess in the purchase cost with respect to the Group's proportional share of the fair value of the investee company's net assets is included in the value of the investment.

E) SCOPE OF CONSOLIDATION

The condensed consolidated half-year financial statements at 30 June 2008 report the financial and operating information of I.M.A. - Industria Macchine Automatiche S.p.A. (Parent Company) and of all the companies over which it exercises direct or indirect control, except for IMA Edwards S.r.l. and IMA Edwards Japan KK, as discussed below.

The following changes in Group structure took place during the first half of 2008:

- contracts were signed with the Linde AG Group on 31 January 2008 for the purchase of its freeze-drying 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 takeover of a loan in the amount of 11.9 million euros. 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 Life S.r.l. is the owner of 100% of BOC Edwards Pharmaceutical Systems B.V. (now IMA Edwards B.V.) and 50% of Edwards Tianli (Beijing) Pharmaceutical Systems Co. Ltd (now IMA Edwards Pharmaceutical Systems Beijing Co. Ltd.). During February, IMA Life S.r.l. acquired the remaining 50% interest from the Chinese partner for 4 million euros and signed a four-year non-compete agreement at a cost of 5 million euros. Authorisation for the transfer of these shares was received from the local authorities on 31 March 2008; accordingly, at 30 June 2008, IMA Life S.r.l. wholly owns the Chinese company. See Note 23 for further information;
- on 11 April 2008, IMA Edwards S.r.l., a sole shareholder company based in the province of Milan, was entered in the Milan Companies Register; its corporate purpose is to provide technical support for the freeze-drying systems 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 Shareholders' Meeting of IMA Libra S.r.l. resolved a change of name to IMA Life S.r.l., authorised and subscribed an increase in share capital from 3.0 million euros to 13.2 million euros, and authorised a further capital increase with

the exclusion of pre-emption rights from 13.2 million euros to 14.0 million euros; as a result, the Parent Company's interest in IMA Life S.r.l. has decreased to 94.5% at 30 June 2008, after a new shareholder acquired the other 5.5%;

- 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 15 May 2008 the Parent Company purchased the remaining 35% of Tianjin IMA Machinery Co. Ltd. for 0.2 million euros;
- on 15 May 2008 IMA Edwards Japan KK, a Japanese-registered company, was formed as a wholly-owned subsidiary of IMA Edwards BV to provide technical and marketing services in Japan;
- on 3 June 2008 the Extraordinary Shareholders' Meeting of IMA Flavour S.r.l. approved an increase in capital from 3,000 thousand euros to 3,045 thousand euros; this increase was designed to admit a new third-party shareholder, having excluded the exercise of pre-emption rights by existing shareholders. The new investor paid up the share capital on 24 June 2008, reducing the Parent Company's interest in IMA Flavour S.r.l. to 98.52% at 30 June 2008, with the other 1.48% held by the new shareholder. This capital increase was entered in the related Company Register on 3 July 2008.

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

- the merger of Zanchetta S.r.l. into VIMA S.r.l., with effect from 1 January 2008 and the simultaneous change in the latter's name to Zanchetta S.r.l.;
- the transfer by IMA S.p.A. (at book value, with effect from 2 January 2008) of the tea, herbal tea and coffee packaging operations and the pharmaceutical packaging operations 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 transferred to IMA Safe S.r.l.;
- the 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, against payment of 0.6 million euros. At the closing, the parties agreed reciprocal put and call options on the residual 10% interest, to be exercised by January 2010.

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

COMPANIES CONSOLIDATED
ON A LINE-BY-LINE BASIS

	Registered office		Share capital at 30/06/2008	Direct investment	Indirect investment
Manufacturing companies:					
• IMA Industria Macchine Automatiche Sp.A	Ozzano E. (Bologna)	EUR	17,732,000	Parent Company	
• IMA Flavour S.r.l.	Ozzano E. (Bologna)	EUR	3,045,000	98.52%	
• IMA Life S.r.l.	Ozzano E. (Bologna)	EUR	14,000,000	94.50%	–
• IMA Safe S.r.l.	Ozzano E. (Bologna)	EUR	3,000,000	100%	–
• CO.MADIS Sp.A.	Senago (Milan)	EUR	1,540,000	–	100% (1)
• Zanchetta S.r.l.	Montecarlo (Lucca)	EUR	363,940	100%	–
• Zibo IMA Xinhua Pharmatech Co. Ltd.	Zibo (PRC)	USD	5,143,248	80%	–
• Tianjin IMA Machinery Co. Ltd.	Tianjin (PRC)	USD	200,000	100%	–
• Swiftpack Automation Ltd.	Alcester (GB)	GBP	1,403,895	100%	–
• Precision Gears Ltd.	Mumbai (India)	RS	(*) 17,852,100	–	100% (1)
• 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)
• IMA Edwards B.V.	Dongen (Netherlands)	EUR	(*) 12,382,850	–	100% (2)
• IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd.	Beijing (PRC)	USD	400,000	–	100% (2)
• IMA Edwards Inc.	Tonawanda (USA)	USD	100	–	100% (4)
Marketing companies:					
• IMA UK Ltd.	Alcester (GB)	GBP	50,000	100%	–
• IMA Est GmbH	Vienna (Austria)	EUR	280,000	100%	–
• IMA Germany GmbH	Cologne (Germany)	EUR	90,000	100%	–
• IMA France Eur.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:					
• IMA Kilian Verwaltungs GmbH	Cologne (Germany)	EUR	25,000	–	100% (3)
Holding companies:					
• Packaging Systems Holdings Inc.	Wilmington (USA)	USD	1,000	100%	–

(*) The nominal share capital of Precision Gears Ltd., IMA Pacific Co. Ltd. and IMA Edwards B.V. amounts to RS 20,000,000, THB 100,000,000 and Euro 45,400,000 respectively.

Notes (details of investments):

- (1) Owned 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) Owned by IMA Life S.r.l.
- (3) Owned by IMA Germany GmbH
- (4) Owned by Packaging Systems Holdings Inc.

 INVESTMENTS ACCOUNTED FOR
USING THE EQUITY METHOD

	Registered office		Share capital at 30/06/2008	Direct investment	Indirect investment
• B.C. S.r.l.	Imola (Bologna)	EUR	36,400	30%	–
• Bacciottini F.lli.	Oste Montemurlo (Prato)	EUR	60,000	30%	–
• G.S. Divisione Verniciatura S.r.l.	Castel S. Pietro T. (Bologna)	EUR	11,000	30%	–
• I.E.M.A. S.r.l.	S. Giorgio di Piano (Bologna)	EUR	10,400	30%	–
• L.A.CO S.r.l.	Ozzano E. (Bologna)	EUR	30,000	30%	–
• Scriba Nanotecnologie S.r.l.	Bologna	EUR	18,750	24.9%	–
• SILMAC S.r.l.	Gaggio Montano (Bologna)	EUR	90,000	30%	–
• Sirio S.p.A. Ass. in partecipazione(*)	Milan	EUR	200,000		

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

The consolidated financial statements at 30 June 2008 include the Group's share of the net profits and losses of companies valued using the equity method, from the date on which significant influence begins until the date when it ends.

INVESTMENTS CARRIED AT COST

	Registered office		Share capital at 30/06/2008	Direct investment	Indirect investment
• IMA Edwards S.r.l.	Trezzano sul Naviglio (Milan)	EUR	80,000	-	100% (1)
• IMA Edwards Japan KK	Yachiyo Chiba (Japan)	YEN	40,000,000	-	100% (1)

Notes (details of investments):

(1) Owned by IMA Edwards B.V.

The newly formed companies have been measured at cost since they were not operational at 30 June 2008 and the amounts concerned are not material.

F) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The changes reported below have been determined with respect to the figures at 31 December 2007 for balance sheet items and the figures for the first half of 2007 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 herbal teas in filter bags and coffee in pods, and related services. Operations in this sector are mainly carried out by IMA Flavour S.r.l.

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 sector are mainly carried out by these companies:

- IMA S.p.A. manufactures end-of-line machines through the IMA Safe line;
- IMA Life S.r.l. manufactures filling machines for liquid products and powders, under both sterile and non-sterile conditions;
- IMA Safe S.r.l. manufactures blister-pack machines, machines for the packaging of gelcaps, capsules and tablets and cartoning machines;
- CO.MA.D.I.S. S.p.A. manufactures tube-filling machines for the pharmaceutical, cosmetics, chemicals and food industries;
- IMA Edwards B.V., IMA Edwards Inc. and IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd. produce freeze-drying equipment for the pharmaceutical industry;
- Precision Gears Pvt. Ltd. manufactures blister-pack and cartoning machines, mainly for emerging markets;
- Swiftpack Automation Ltd. and Nova Packaging Systems Inc. manufacture machines for the bottling of capsules and tablets 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 sector are mainly carried out by these companies:

- IMA S.p.A. manufactures tablet pressing machines, capsule filling machines, coating and granulating machines through the IMA Active division;
- Zanchetta S.r.l. manufactures machines for the movement of powders and depowdering of tablets and machines for the movement and granulation of pharmaceutical powders;
- IMA Kilian GmbH & Co. KG manufactures tablet pressing machines for the pharmaceutical and chemicals industries;
- Zibo IMA Xinhua Pharmatech Co. Ltd. manufactures machines for the pharmaceutical industry.

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

The following table provides a breakdown of revenues by business segment during the period, with comparative figures for the corresponding period of 2007 (millions of euros):

	1st half 2008	1st half 2007	Change
Tea, herbal tea and coffee packaging	41.1	36.4	4.7
Pharmaceutical packaging	157.8	120.4	37.4
Pharmaceutical processing	51.9	50.8	1.1
Other	0.5	2.0	(1.5)
Total	251.3	209.6	41.7

Revenues came to 251.3 million euros in the first half of 2008 compared with 209.6 million euros in the corresponding period of 2007. The freeze-drying business, represented by IMA Edwards, consolidated for the first time from 1 February 2008 and included in the pharmaceutical packaging segment, contributed 35.7 million euros to revenues in the first half of 2008.

The large increase in revenues reflects growth in the Group's pharmaceutical and tea packaging businesses and is attributable to the substantial order book at the end of the previous year, along with a steady rise in orders in the first half of 2008 in the pharmaceuticals segment and, above all, the tea packaging segment. Once again, the Group has proved itself to be highly flexible in coping with changes in market demand, thanks in part to its organisational model, which enables it to respond rapidly even to sharp increases in revenues.

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

	1st half 2008	1st half 2007	Change
Tea, herbal tea and coffee packaging	17.4	12.8	4.6
Pharmaceutical packaging	12.8	11.9	0.9
Pharmaceutical processing	(1.5)	(0.6)	(0.9)
Other	(0.1)	0.2	(0.3)
Total	28.6	24.3	4.3

The tea segment has improved its performance relative to the corresponding period of last year thanks to higher sales volumes, a favourable sales mix and non-recurring income of 1.8 million euros after a minority shareholder took an interest in IMA Flavour S.r.l. The packaging segment includes a contribution of 1.0 million euros from IMA Edwards but is largely unchanged with respect to the first half of 2007 assuming a like-for-like scope of consolidation. The processing sector posted a slight deterioration due to a somewhat unfavourable product mix, which is expected to adjust in the second half of the year.

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

REVENUES BY GEOGRAPHICAL AREA

	1st half 2008	1st half 2007	Change
European Union (excluding Italy)	106.5	82.0	24.5
Other European countries	15.4	16.8	(1.4)
North America	40.9	46.3	(5.4)
Asia and Middle East	40.5	32.8	7.7
Other countries	31.6	14.2	17.4
Total exports	234.9	192.1	42.8
Italy	16.4	17.5	(1.1)
Total	251.3	209.6	41.7

REVENUES BY BUSINESS CATEGORY

	1st half 2008	1st half 2007	Change
Machines and formats	107.0	101.6	5.4
Contract work	91.4	61.9	29.5
Spare parts	31.7	29.6	2.1
Technical assistance	14.6	10.1	4.5
Other services	6.6	6.4	0.2
Total	251.3	209.6	41.7

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment shows a net increase of 0.6 million euros. Movements in the item during the period break down as follows (millions of euros):

	Land	Buildings and leasehold improv.	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
Balance at 1 Jan 2008	15.1	34.6	13.4	1.4	3.1	0.3	67.9
Increases in the period	-	0.6	1.8	0.2	0.6	-	3.2
Sales and disposals	-	(0.1)	-	-	(0.2)	-	(0.3)
Change in scope of consolidation	-	0.1	1.0	-	0.5	-	1.6
Depreciation	-	(0.9)	(1.6)	(0.3)	(0.7)	-	(3.5)
Translation differences	-	(0.2)	(0.1)	-	(0.1)	-	(0.4)
Balance at 30 Jun 2008	15.1	34.1	14.5	1.3	3.2	0.3	68.5

Increases during the period mainly relate to costs incurred to expand and upgrade existing buildings and plant, and to purchase electronic equipment.

The change in the scope of consolidation reflects the acquisition of the Edwards Group discussed previously.

"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) held 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 the subsidiaries IMA France E.u.r.l., IMA UK Ltd. and Precision Gears Ltd. respectively.

"Other assets" comprise (millions of euros):

	30.06.2008	31.12.2007
Electronic office equipment	1.3	1.1
Office furniture and fittings	1.1	1.1
Vehicles	0.6	0.7
Other	0.2	0.2
Total	3.2	3.1

3. INTANGIBLE ASSETS

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

	Development costs	Industrial patent rights	Software licences, trademarks and similar	Goodwill	Assets under development and advances	Total
Balance at 1 Jan 2008	7.5	2.7	2.6	52.9	0.6	66.3
Increases in the period	–	0.3	5.1	–	0.8	6.2
Acquisition of the Edwards Group	22.2	–	–	25.9	–	48.1
Change in the scope of consolidation	0.4	–	–	–	–	0.4
Amortization	(2.1)	(0.3)	(1.0)	–	–	(3.4)
Reclassifications	0.4	–	–	–	(0.4)	–
Translation differences	–	–	–	(0.5)	–	(0.5)
Balance at 30 Jun 2008	28.4	2.7	6.7	78.3	1.0	117.1

Development costs mainly include the costs incurred for new products that were not previously available and are targeted at new market segments. Capitalisations mainly relate to the C300 error-control tablet-counting machine, as well as the Vortex high-speed wet granulators, with optional fluid-bed integrators (Pegasus), the CA1 packaging machine for coffee pods in filter paper, and biotechnology compacts. Development costs also include the know-how relating to washing and powder handling systems in the pharmaceuticals processing sector, recognized following the acquisition of VIMA Impianti S.r.l. (now Zanchetta S.r.l.). Lastly, the acquisition of the Edwards Group in the first half of 2008 involved the recognition of 22.2 million euros in know-how in freeze-drying systems for the pharmaceutical industry, with an estimated useful life of 7 years.

The increase in software, licenses, trademarks and similar rights mainly reflects the capitalisation of 5.0 million euros, amortizable over four years, in relation to the non-compete agreement signed by IMA Life S.r.l. with the acquisition of the investment in IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd.

Goodwill comprises (millions of euros):

	30.06.2008	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
Edwards Group	25.9	–
Total	78.3	52.9

See Note 23 for comments on the goodwill of the Edwards Group.

A review of the value of goodwill did not find evidence of any impairment, based on the current outlook.

Performance in the second half of the year will provide a clearer picture of the future prospects for the various CGUs, as this period traditionally makes a very important contribution to the result for the year and the acquisition of orders for the coming year.

Assets under development and advances relate to the capitalisation of development costs incurred by the Parent Company and IMA Life S.r.l., amounting to 0.4 million euros and 0.6 million euros respectively.

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

These break down as follows (millions of euros):

	% holding	30.06.2008	31.12.2007
B.C. S.r.l.	30.0%	0.6	0.6
Bacciottini F.Ili S.r.l.	30.0%	0.4	–
G.S. Divisione Verniciatura S.r.l.	30.0%	0.7	0.7
I.E.M.A. S.r.l.	30.0%	0.4	0.4
LA.CO. S.r.l.	30.0%	0.4	0.4
Scriba Nanotecnologie S.r.l.	24.9%	0.2	0.2
SIL.MAC. S.r.l.	30.0%	0.3	0.3
Sirio S.p.A. Associazione in partecipazione (*)		1.1	1.1
Total		4.1	3.7

(*) Amount paid under the agreement signed in the last quarter of 2007 for the management of an aircraft.

See the section on the scope of consolidation for a discussion of Bacciottini F.Ili S.r.l.

The carrying amount of investments accounted for using the equity method includes 1.4 million euros in goodwill.

The following table summarizes key financial data of associated companies at 31 December 2007 (millions of euros) :

	Assets	Liabilities	Revenues	Net profit (loss)
Bacciottini F.Ili S.r.l.	3.4	2.4	5.0	0.7
B.C. S.r.l.	3.5	1.4	3.0	0.1
G.S. Divisione Verniciatura S.r.l.	2.8	2.2	3.7	–
I.E.M.A. S.r.l.	2.0	1.8	3.3	0.2
LA.CO. S.r.l.	4.2	3.8	4.9	–
Scriba Nanotecnologie S.r.l.	0.4	0.3	0.5	–
SIL.MAC. S.r.l.	3.3	2.7	3.0	0.1

5. FINANCIAL ASSETS

Non-current financial assets amounted to 13.5 million euros, and 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 non-current borrowings. They also include financial receivables of 1.7 million euros (1.6 million euros at 31 December 2007) and investments in other companies of 8.8 million euros (9.9 million euros at 31 December 2007).

The decrease in investments in other companies mainly reflects the downward adjustment of the carrying amount of the investment in Pierrel S.p.A. by 1.1 million euros, determined on the basis of its official market price at 30 June 2008.

Current financial assets came to 0.5 million euros, and include investments by the Parent Company in listed bond funds of 0.3 million euros (0.2 million euros at 31 December 2007) and financial receivables of 0.2 million euros (0.2 million euros at 31 December 2007).

6. RECEIVABLES FROM OTHERS

These include various kinds of guarantee deposits.

7. DERIVATIVE FINANCIAL INSTRUMENTS

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

	Assets 30.06.2008	Liabilities 30.06.2008	Assets 31.12.2007	Liabilities 31.12.2007
Interest rate swaps (non-current) - cash flow hedges	0.2	-	0.2	-
Exchange rate hedging instruments (current) - cash flow hedges	0.5	0.2	0.6	-
Total	0.7	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 medium-term loans maturing in June and October 2011.

FOREIGN EXCHANGE DERIVATIVES

The amounts of 0.5 million euros (assets) and 0.2 million euros (liabilities) represent the fair values of forward foreign-exchange sale and purchase contracts, respectively, arranged by the Group in order to hedge exchange rate risk. The respective notional amounts of these hedging instruments at 30 June 2008 were 13.5 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

Deferred tax assets amounted to 13.7 million euros at 30 June 2008 (13.2 million euros at 31 December 2007). They mainly relate to temporary differences in respect of provisions, the elimination of unrealized intercompany profits on the sale of finished products and the tax benefit of tax losses carried forward.

Deferred tax liabilities amounted to 21.2 million euros at 30 June 2008 (15.8 million euros at 31 December 2007). They mainly relate to temporary differences between the book value and the value recognized for tax purposes of certain items of property, plant and equipment and intangible assets and construction contracts.

9. INVENTORIES

These break down as follows (millions of euros):

	Gross value	Impairment provision	Net value at 30.06.2008	Net value at 31.12.2007
Raw, ancillary and consumable materials	27.8	(5.1)	22.7	20.3
Work in progress and semifinished goods	161.5	(21.7)	139.8	114.3
Finished products and goods for resale	3.2	(1.6)	1.6	1.2
Total	192.5	(28.4)	164.1	135.8

The increase in inventories since 31 December 2007 reflects the preparation of machines for delivery to customers during the second half of the year, as confirmed by the significant size of the order book at the end of June.

Inventories attributable to IMA Edwards amount to 2.5 million euros at 30 June 2008.

10. TRADE AND OTHER RECEIVABLES

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

	30.06.2008	31.12.2007
Trade receivables	132.1	102.3
Advances to suppliers	13.1	7.4
Tax receivables	12.9	8.0
Deferrals	3.1	1.1
Other receivables	3.2	2.4
Total	164.4	121.2

TRADE RECEIVABLES

Trade receivables include customer receivables of 80.6 million euros (82.7 million euros at 31 December 2007), amounts due on construction contracts of 51.3 million euros (19.6 million euros at 31 December 2007), and trade receivables from associated companies of 0.2 million euros.

On a comparable scope of consolidation basis, customer receivables have decreased by about 5 million euros since 31 December 2007 as a result of collections during the period and the Group's careful management of customer credit. Customer receivables falling due after one year amount to 0.4 million euros. Payment extensions granted to customers who reside in countries with particular risks are guaranteed by suitable financial instruments to secure collection. Customer receivables are carried net of accumulated provisions for doubtful accounts amounting to 4.1 million euros (3.4 million euros at 31 December 2007).

During the period, receivables assigned without recourse had a total nominal value of around 1.2 million euros; assigned receivables without recourse not yet due at 30 June 2008 amounted to around 2.4 million euros, of which 1.5 million euros have been assigned to factoring companies and 0.9 million euros 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):

	30.06.2008	31.12.2007
Construction contracts (costs incurred plus recognized margins)	88.5	32.5
Advances received	(37.2)	(12.9)
Due from customers	51.3	19.6

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

	30.06.2008	31.12.2007
Advances received	(33.8)	(3.5)
Construction contracts (costs incurred plus recognized margins)	16.7	3.2
Due to customers	(17.1)	(0.3)

Amounts due from/to customers of IMA Edwards came to 26.6 million euros and -16.7 million euros respectively.

ADVANCES TO SUPPLIERS

At 30 June 2008 these relate to advances for goods to be used in production and for services of respectively 9.2 million euros (4.5 million euros at 31 December 2007) and 3.9 million euros (2.9 million euros at 31 December 2007). This balance includes 0.3 million euros in advances to associated companies (0.8 million euros at 31 December 2007). The increase is mainly attributable to advances paid by companies in the IMA Edwards Group.

TAX RECEIVABLES

Tax receivables mainly consist of VAT receivables. The increase is mainly attributable to the formation of new companies, to which business lines were transferred and which did not the status of regular exporters, with the related benefits.

11. CASH AND CASH EQUIVALENTS

This item comprises (millions of euros):

	30.06.2008	31.12.2007
Bank current accounts	47.8	68.9
Deposits	1.9	1.2
Cheques and cash	0.2	0.9
Total	49.9	71.0

Cash and cash equivalents have decreased by 21.1 million euros due to the normal increase in inventories since 31 December 2007 and to the payment of 28.7 million euros in dividends.

Cash and cash equivalents include 4.2 million euros relating to the IMA Edwards companies acquired in the first half of 2008.

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

12. SHARE CAPITAL AND TREASURY SHARES

Share capital at 30 June 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.

In May 2008, a total dividend of 28.7 million euros was paid, equal to 0.85 euros gross per ordinary share in circulation (22.1 million euros, equal to 0.65 euros gross in May 2007).

During the first half of 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 recognized directly in equity in accordance with IAS 32.

The table below shows the number of outstanding shares:

Thousands of shares	
Balance at 1 Jan 2007	34,125
Purchase of treasury shares	(66)
Sale of treasury shares	-
Balance at 30 Jun 2007	34,059
Purchase of treasury shares	(158)
Sale of treasury shares	-
Balance at 31 Dec 2007	33,901
Purchase of treasury shares	(108)
Sale of treasury shares	-
Balance at 30 Jun 2008	33,793

A new share buy-back plan commenced on 12 November 2007, implemented by BHV, with a view to stabilizing the share price in full compliance with current regulations. Upon termination of this plan on 21 April 2008, the Parent Company had purchased a total of 266,500 shares for 3.8 million euros.

At 30 June 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 1 Jan 2007	0.8
<i>Cash flow hedges/hedging instruments</i>	
Valuation at fair value	0.5
Fair value - tax effect	(0.2)
Realization recognized in income - revenues	(0.7)
Realization recognized in income - financial income and expense	(0.1)
Realization recognized in income - tax effect	0.3
Balance at 30 Jun 2007	0.6
Balance at 1 Jan 2008	-
<i>Available for sale</i>	
Valuation at fair value	(1.2)
<i>Cash flow hedges/hedging instruments</i>	
Valuation at fair value	0.4
Realization recognized in income - revenues	(0.4)
Realization recognized in income - financial income and expense	(0.2)
Balance at 30 Jun 2008	(1.4)

The available for sale category includes the writedown of 1.1 million euros to the investment in Pierrel S.p.A. to reflect its stock price at 30 June 2008.

14. BORROWINGS

These include payables to banks of 215.3 million euros (157.9 million euros at 31 December 2007), and payables to other lenders of 4.1 million euros (4.7 million euros at 31 December 2007).

PAYABLES TO BANKS

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

	30.06.2008	31.12.2007
Non-current:		
· Applied research and technological innovation loans	12.0	14.4
· Other	94.4	49.1
	106.4	63.5
Current:		
· Current accounts	15.1	11.1
· Advances on domestic transactions (Italy)	1.0	1.9
· Advances on export transactions	57.3	47.0
· Advances on export transactions to be carried out	1.1	0.4
· Applied research and technological innovation loans	4.3	4.5
· Other	30.1	29.5
	108.9	94.4
Total	215.3	157.9

The increase in the amount due to banks is mainly related to the loan of 53.5 million euros obtained to finance the acquisition of the freeze-drying business represented by the Edwards group.

Certain loans and borrowings are secured by compliance with financial covenants calculated with reference to both the annual financial statements of IMA S.p.A. and/or the annual consolidated financial statements of the IMA Group and the Group's half-year consolidated financial statements.

Applied research and technological innovation loans

Repayments totalling 2.4 million euros were made by the Parent Company as they fell due during the period; no new loans were received in the period.

Other loans

The main changes in other loans relate to 53.5 million euros in new loans received by the Parent Company and 7.8 million euros in repayments made in accordance with contractual terms by IMA S.p.A., IMA Life S.r.l. and IMA Killian GmbH & Co KG.

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

	30.06.2008	31.12.2007
Due within 1 year	108.9	94.4
Due from 1 to 5 years	87.6	62.0
Due after more than 5 years	18.8	1.5
Total	215.3	157.9

PAYABLES TO OTHER LENDERS

These break down as follows (millions of euros):

	30.06.2008	31.12.2007
Non-current:		
· Payables to leasing companies	2.9	3.5
· Other	-	-
	2.9	3.5
Current:		
· Payables to leasing companies	1.1	1.0
· Other	0.1	0.2
	1.2	1.2
Total	4.1	4.7

The balance at 30 June 2008 mainly comprises payables for finance leases relating to the Calenzano plant for 3.9 million euros (4.4 million euros at 31 December 2007).

The non-current portion comprises payables falling due between 1 and 5 years.

NET DEBT

Net debt amounted to 164.3 million euros at 30 June 2008 and breaks down as follows:

	30.06.2008	31.12.2007
A. Cash and cash equivalents	(49.9)	(71.0)
B. Other cash equivalents	-	-
C. Investments in securities	(0.3)	(0.2)
D. Liquidity (A)+(B)+(C)	(50.2)	(71.2)
E. Current financial receivables	(0.2)	(0.2)
F. Current payables to banks	74.5	60.6
G. Current portion of non-current bank payables	34.4	33.8
H. Other current financial payables	1.2	1.2
I. Current financial debt (F)+(G)+(H)	110.1	95.6
J. Net current financial debt (D)+(E)+(I)	59.7	24.2
K. Non-current portion of non-current bank payables	106.4	63.5
L. Non-current financial assets (*)	(4.7)	(4.6)
M. Other non-current financial payables	2.9	3.5
N. Non-current financial debt (K)+(L)+(M)	104.6	62.4
O. Net financial debt (J)+(N)	164.3	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.

More information on the composition of net financial debt can be found in Notes 5 and 11.

Apart from the normal increase in inventories to meet second-half deliveries, the change in net debt since 31 December 2007 is mainly attributable to:

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

In addition, IMA S.p.A. paid a dividend of 28.7 million euros in May, 6.6 million euros more than that paid in May 2007.

15. SEVERANCE AND PENSION PROVISIONS

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

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

Balance at 31 Dec 2007	18.0
Current service cost	0.1
Interest cost	0.4
Net actuarial losses (gains) recognized during the period	–
Severance payments made during period	(0.8)
Balance at 30 Jun 2008	17.7

16. PROVISIONS FOR RISKS AND CHARGES

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

	Balance at 31.12.2007	Provisions	Uses	Change in scope of consolidation	Translation differences	Balance at 30.06.2008
Non-current:						
Agency termination indemnities	1.4	–	–	–	–	1.4
Legal disputes	0.1	–	–	–	–	0.1
	1.5	–	–	–	–	1.5
Current:						
Product warranty provision	5.7	1.4	(0.4)	2.7	(0.1)	9.3
Legal disputes	0.1	–	–	–	–	0.1
Other provisions	0.4	–	(0.1)	0.8	–	1.1
	6.2	1.4	(0.5)	3.5	(0.1)	10.5
Total	7.7	1.4	(0.5)	3.5	(0.1)	12.0

The product warranty provision reflects the estimated cost of work to be performed under warranties subsequent to 30 June 2008 for machines sold prior to that date.

The change in the scope of consolidation includes amounts relating to IMA Edwards.

17. TRADE AND OTHER PAYABLES

These are analyzed as follows (millions of euros):

	30.06.2008	31.12.2007
Trade payables	109.3	98.1
Advances from customers	74.4	44.7
Social security payables	3.5	5.2
Tax payables	2.6	3.7
Employee payables	19.0	15.7
Payables in respect of acquisitions	1.3	1.9
Other payables	5.1	3.5
Total	215.2	172.8

TRADE PAYABLES

These include payables to suppliers of 98.6 million euros (89.6 million euros at 31 December 2007), payables to agents of 4.8 million euros (4.9 million euros at 31 December 2007) and trade payables to associated companies of 5.9 million euros (3.6 million euros at 31 December 2007).

IMA Edwards companies account for 3.2 million euros in payables to suppliers.

ADVANCES FROM CUSTOMERS

The increase in advances from customers for uncompleted contracts with respect to 31 December 2007 is due mainly to the first-time consolidation of IMA Edwards companies and the large volume of orders to be completed in the second half of the year.

Information on the amount due to customers for construction contracts (17.1 million euros) can be found in Note 10.

TAX PAYABLES

Tax payables mainly regard to withholding taxes for employees.

EMPLOYEE PAYABLES

The increase in this amount since 31 December 2007 mainly reflects deferred monthly wages and accrued holiday entitlement, most of which will be used in July and August.

PAYABLES IN RESPECT OF ACQUISITIONS

These mainly refer to the estimated liability for purchase of the remaining 10% interest in Precision Gears Ltd., India, in relation to which the parties have agreed reciprocal put and call options to be exercised by the end of January 2010. An option to acquire 5% of the Indian company was exercised in January 2008, against payment of 0.6 million euros.

18. PERSONNEL COSTS

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

	1st half 2008	1st half 2007	Change
Wages and salaries	54.3	49.6	4.7
Social security contributions	13.5	12.5	1.0
Remuneration of directors	1.3	1.1	0.2
Pensions - defined-benefit plans	0.5	0.6	(0.1)
Pensions - defined-contribution plans	2.9	1.6	1.3
Other personnel costs	4.1	3.6	0.5
Total	76.6	69.0	7.6

Personnel costs include 6.4 million euros in the first half of 2008 in relation to IMA Edwards companies that were not consolidated in the first half of last year. The first half of 2007 included 1.3 million euros in personnel costs relating to the Telstar Group, which was sold during 2007.

In the first half of 2008, the IMA Group employed an average of 3,010 persons as follows:

	1st half 2008	1st half 2007	Full year 2007
Management	84	65	64
Office workers	1,997	1,822	1,767
Production workers	929	844	798
Total	3,010	2,731	2,629

The figure for the first half of 2008 includes 331 employees relating to IMA Edwards companies, while the comparative period included 86 employees relating to the Telstar Group.

**19. DEPRECIATION,
AMORTIZATION AND
IMPAIRMENT**

This includes depreciation of property, plant and equipment of 3.5 million euros (3.6 million euros in the first half of 2007), amortisation of intangible assets of 3.4 million euros (1.7 million euros in the first half of 2007), and other writedowns of 0.6 million euros (0.2 million euros in the first half of 2007).

The increase in the amortisation of intangible assets includes 1.3 million euros in amortisation of the know-how in freeze-drying systems for the pharmaceutical industry recognized upon acquiring the Edwards Group.

20. FINANCIAL INCOME

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

	1st half 2008	1st half 2007	Change
Interest income from banks	0.9	0.8	0.1
Interest income from customers and other financial income	0.1	0.1	–
Income from derivatives	0.1	–	0.1
Exchange rate gains	4.1	1.3	2.8
Total	5.2	2.2	3.0

21. FINANCIAL EXPENSE

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

	1st half 2008	1st half 2007	Change
Interest expense on bank payables	4.9	3.7	1.2
Interest expense on finance leases	0.1	0.2	(0.1)
Expense from derivatives	–	0.2	(0.2)
Other interest and financial expense	0.3	0.2	0.1
Exchange rate losses	2.0	1.6	0.4
Total	7.3	5.9	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 rate gains at 30 June 2008 include unrealized gains of 2.2 million euros (0.4 million euros in the first half of 2007), while exchange rate losses at this date include unrealized losses of 0.7 million euros (0.4 million euros in the first half of 2007).

**22. INCOME TAXES
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. (now IMA Life S.r.l.), and CO.MA.DI.S. S.p.A., as consolidated companies, and SO.FI.MA. S.p.A., as the consolidating company, elected to apply the domestic tax consolidation mechanism for the 2007-2009 period.

During the first half of 2008, IMA Safe S.r.l. and IMA Flavour S.r.l. also elected to join the tax consolidation mechanism.

23. BUSINESS COMBINATIONS

The first half of 2008 saw the finalisation of the contracts for the purchase of the freeze-drying business represented by the BOC Edwards Pharmaceutical Systems Group, the undisputed leader in this sector, as discussed in more detail in the section "Scope of consolidation". The group acquired is organized as follows:

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

The Edwards Group companies supply integrated systems and are present in all the principal world markets, with a strong presence in America. The freeze-drying 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 drive the sale of filling and sterilisation lines.

The initial recognition of the business combination involving the BOC Edwards Group has been determined provisionally because the fair value of the assets, liabilities and contingent liabilities as well as the cost of the combination are not yet final.

As required by IFRS 3, any adjustments will be made within twelve months of the acquisition date. The main assets and liabilities at 31 January 2008, the valuation date for the acquisition, were as follows (millions of euros):

	IMA Edwards Inc.	IMA Edwards B.V.	IMA Edwards Beijing	Total book values	Fair value
Property, plant and equipment and intangible assets	0.8	0.5	0.8	2.1	2.1
Know-how	-	-	-	-	22.2
Tax effect of recognizing know-how	-	-	-	-	(6.7)
Inventories	1.1	3.3	0.8	5.2	5.2
Trade and other receivables	46.1	53.8	3.4	103.3	103.3
Cash and cash equivalents	2.3	2.1	1.2	5.6	5.6
Provisions for risks and charges	(2.0)	(1.5)	(0.1)	(3.6)	(3.6)
Trade and other payables	(43.7)	(69.1)	(4.5)	(117.3)	(117.3)
Total	4.6	(10.9)	1.6	(4.7)	10.8
Carrying amount of the investment					36.7
Goodwill					25.9

The acquisition of the BOC Group absorbed around 48 million euros in cash flow; this includes 5.0 million euros for the non-compete agreement, capitalized in intangible assets as discussed in Note 3, the takeover of a loan for 11.9 million euros and 5.6 million euros in cash acquired.

The IMA Edwards companies were consolidated for five months in the first half of 2008 and contributed 35.7 million euros in revenues and 1.0 million euros in operating profit to the IMA Group's results.

24. GUARANTEES GRANTED

At 30 June 2008, the Group has granted sureties to customers of 14.2 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 0.5 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 instalments totalling 130.0 million euros.

Sureties given against advances received from customers amounted to about 33.3 million euros (28.2 million euros at 31 December 2007).

25. COMMITMENTS

At 30 June 2008, commitments to purchase property, plant and equipment totalled 1.0 million euros, main in respect of costs to be incurred for the purchase of new machinery and the expansion and upgrading of existing plant.

The Group has commitments of 1.8 million euros in future minimum payments for non-cancellable operating leases, mainly relating to plant, machinery and vehicles (0.8 million euros is due within one year, 1.0 million euros is due from one to five years), and commitments of 31.5 million euros for rents (4.1 million euros is due within one year, 14.0 million euros is due from one to five years and 13.4 million euros is due after more than five years). A total of 2.8 million euros in operating lease and rent payments were made during the first half of 2008 (2.6 million euros in the first half of 2007).

Other commitments in favour of third parties amounted to 8.2 million euros, consisting mainly of the commitment to the Sirio S.p.A. participation arrangement of 7.7 million US Dollars.

26. RELATED-PARTY TRANSACTIONS

The parent company of the IMA Group is I.M.A. Industria Macchine Automatiche S.p.A., which at 30 June 2008 was 71.517% owned by SO.FI.MA. S.p.A., in turn controlled by Lopam Fin S.p.A.

Intercompany transactions are carried out in the ordinary course of business and on arm's-length terms. Transactions 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. or to parties that are controlled by such persons. The Board must give advance approval in its meetings for all transactions with related parties, including intercompany transactions, except for transactions carried out in the ordinary course of business on an arm's-length basis.

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

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 30.06.2008	Receivables at 31.12.2007	Payables at 30.06.2008	Payables at 31.12.2007
Parent company:				
SO.FI.MA. S.p.A.	-	-	6.1	6.7
	-	-	6.1	6.7
Associates:				
Bacciottini F.lli S.r.l.	-	n.a.	1.0	n.a.
B.C. S.r.l.	-	0.2	1.0	0.7
G.S. Divisione Verniciatura S.r.l.	-	-	0.2	0.1
I.E.M.A. S.r.l.	-	-	0.8	0.5
LA.CO. S.r.l.	0.3	0.3	1.4	1.1
SIL.MAC. S.r.l.	0.2	0.3	1.5	1.2
	0.5	0.8	5.9	3.6
Other related parties:				
Datasensor S.p.A.	-	-	0.1	0.1
Felsinea Ristorazione S.r.l.	-	n.a.	0.5	n.a.
Info Area S.r.l.	n.a.	1.9	n.a.	4.1
Morosina S.p.A.	-	-	0.1	-
Naturapack S.r.l.	0.9	1.1	0.1	-
Viaggi Nuova Era S.r.l.	-	-	1.8	1.6
	0.9	3.0	2.6	5.8
Total	1.4	3.8	14.6	16.1

	Revenues 1st half 2008	Revenues 1st half 2007	Costs 1st half 2008	Costs 1st half 2007
Associates:				
Bacciottini F.lli S.r.l.	-	n.a.	0.7	n.a.
B.C. S.r.l.	-	-	2.0	1.2
Consorzio Infoarea	n.a.	1.5	n.a.	1.4
G.S. Divisione Verniciatura S.r.l.	-	n.a.	0.2	n.a.
I.E.M.A. S.r.l.	-	n.a.	1.0	n.a.
LA.CO. S.r.l.	0.4	0.2	1.2	0.9
SIL.MAC. S.r.l.	-	n.a.	1.4	n.a.
	0.4	1.7	6.5	3.5
Other related parties:				
Datasensor S.p.A.	-	-	0.1	0.1
Felsinea Ristorazione S.r.l.	-	n.a.	0.6	n.a.
Italbe S.p.A.	-	-	0.1	0.1
Lopam S.r.l.	-	-	0.2	0.2
Morosina S.p.A.	-	-	0.1	0.1
Naturapack S.r.l.	1.0	0.8	0.1	0.4
Luca Poggi	-	-	0.2	0.1
Sporting Club Gira S.r.l.	-	-	0.1	0.1
Viaggi Nuova Era S.r.l.	-	-	2.2	1.9
	1.0	0.8	3.7	3.0
Total	1.4	2.5	10.2	6.5

The above transactions primarily relate to Italian companies.

Brief information on associates is given below:

- Bacciottini F.Ili S.r.l. processes sheet metal for pharmaceutical machinery;
- B.C. S.r.l. manufactures machine parts for the Group and third parties;
- G.S. S.r.l. makes painting equipment and coating machines;
- I.E.M.A. designs and produces equipment for automated machinery;
- LA.CO. S.r.l. manufactures mechanical constructions and repairs machine tools;
- Scriba Nanotecnologie S.r.l. specializes in the study of hi-tech solutions to prevent food adulteration and for tracking pharmaceuticals, a sector with considerable growth prospects;
- SILMAC. S.r.l. operates in the field of mechanical engineering, specialising in the construction of machines for third parties;

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

Brief information about transactions with other related parties is given below:

- Naturapack S.r.l. is a company that refurbishes and repairs used tea packaging machines. IMA Flavour 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 the IMA Group, sells it on the market;
- Viaggi Nuova Era S.r.l., a travel agency controlled 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 following table provides a summary of the items in the balance sheet and income statement that include related-party transactions, together with the related percentage impact (millions of euros):

	Total at 30.06.2008	of which related parties	% impact	Total at 31.12.2007	of which related parties	% impact
Balance sheet:						
<u>Non-current assets</u>	217.9	0.1	0.0%	166.3	0.6	0.4%
Trade and other receivables	164.4	1.4	0.9%	121.2	3.8	3.1%
Financial assets	0.5	0.2	40.0%	0.4	0.2	50.0%
Other current assets	215.2	-	0.0%	208.5	-	0.0%
<u>Current assets</u>	380.1	1.6	0.4%	330.1	4.0	1.2%
Total assets	598.0	1.7	0.3%	496.4	4.6	0.9%
<u>Equity</u>	93.7			110.4		
<u>Non-current liabilities</u>	149.7	-	0.0%	102.3	-	0.0%
Trade and other payables	215.2	8.5	3.9%	172.8	9.4	5.4%
Income tax liabilities	18.6	6.1	32.8%	9.1	6.7	73.6%
Other current liabilities	120.8	-	0.0%	101.8	-	0.0%
<u>Current liabilities</u>	354.6	14.6	4.1%	283.7	16.1	5.7%
Total liabilities and equity	598.0	14.6	2.4%	496.4	16.1	3.2%

	1st half 2008	of which related parties	% impact	1st half 2007	of which related parties	% impact
Income statement:						
Revenues and other income	258.1	1.4	0.5%	212.9	2.5	1.2%
Cost of raw materials and goods	(110.1)	(5.2)	4.7%	(89.9)	(2.4)	2.7%
Services, rentals and leases	(56.6)	(5.0)	8.8%	(45.7)	(4.1)	9.0%
Other operating costs	(62.8)	–	0.0%	(53.0)	–	0.0%
Operating profit	28.6			24.3		
Net financial income (expense)	(2.1)	–	0.0%	(3.7)	–	0.0%
Other income statement items	(10.3)	–	0.0%	(9.2)	–	0.0%
Net profit for the period	16.2			11.4		

27. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

During the first half of 2008 the Extraordinary Shareholders' Meetings of IMA Life S.r.l. and IMA Flavour S.r.l. approved a capital increase, excluding the exercise of pre-emption rights by existing shareholders and admitting new third-party shareholders; as a result the Parent Company's interest in these two companies has decreased to 94.5% and 98.52%, respectively, as discussed in the section "Scope of consolidation". These transactions generated an overall capital gain of 2.5 million euros.

In addition, the Parent Company and IMA Life S.r.l. have recognized 0.5 million euros and 0.1 million euros, respectively, in tax credits for research and development costs incurred in 2007, as permitted by Article 1 of Law 296 of 27 December 2006, as amended.

The overall amount of these non-recurring items of 3.1 million euros has been classified in "Other revenues" in the first half of 2008.

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

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

29. SIGNIFICANT SUBSEQUENT EVENTS

No significant events have taken place since the end of the first half of 2008.

APPENDICES

The following section provides additional information to that contained in the explanatory notes for the second quarter of 2008:

- Consolidated income statement for the 2nd quarter of 2008 and 2nd quarter of 2007;
- Net debt at 30 June 2008, 31 March 2008 and 31 December 2007.

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

INCOME STATEMENT	2nd quarter 2008	2nd quarter 2007	1st half 2008	1st half 2007
REVENUES	154.4	115.0	251.3	209.6
<i>Other revenues</i>	4.7	1.4	6.8	3.3
OPERATING COSTS				
<i>Change in work in progress, semifinished and finished goods</i>	7.4	6.7	21.8	20.5
<i>Change in inventory of raw, ancillary and consumable materials and goods for resale</i>	1.3	1.5	2.7	3.9
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>	(67.0)	(46.1)	(110.1)	(89.9)
<i>Services, rentals and leases</i>	(33.4)	(24.9)	(56.6)	(45.7)
<i>Personnel costs</i>	(41.9)	(34.9)	(76.6)	(69.0)
<i>Depreciation, amortization and impairment</i>	(5.0)	(2.9)	(7.5)	(5.5)
<i>Provisions for risks and charges</i>	(1.0)	(0.4)	(1.3)	(1.0)
<i>Other operating costs</i>	(1.2)	(0.6)	(1.9)	(1.9)
TOTAL OPERATING COSTS	(140.8)	(101.6)	(229.5)	(188.6)
OPERATING PROFIT	18.3	14.8	28.6	24.3
<i>- of which: impact of non-recurring items</i>	3.1	-	3.1	-
FINANCIAL INCOME AND EXPENSE				
<i>Financial income</i>	2.4	1.1	5.2	2.2
<i>Financial expense</i>	(2.7)	(2.7)	(7.3)	(5.9)
TOTAL FINANCIAL INCOME AND EXPENSE	(0.3)	(1.6)	(2.1)	(3.7)
PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	-	0.1	(0.1)	-
PROFIT BEFORE TAX	18.0	13.3	26.4	20.6
INCOME TAXES FOR THE PERIOD	(6.9)	(5.9)	(10.2)	(9.2)
NET PROFIT (LOSS) FOR THE PERIOD	11.1	7.4	16.2	11.4
ATTRIBUTABLE TO:				
PARENT COMPANY SHAREHOLDERS	11.1	7.3	16.2	11.3
MINORITY INTERESTS	-	0.1	-	0.1
	11.1	7.4	16.2	11.4
EARNINGS PER SHARE (in euros)	0.33	0.21	0.48	0.33

NET DEBT

(MILLIONS OF EUROS)

	30.06.2008	31.03.2008	31.12.2007
A. Cash and cash equivalents	(49.9)	(34.3)	(71.0)
B. Other cash equivalents	-	-	-
C. Investments in securities	(0.3)	(0.2)	(0.2)
D. Liquidity (A)+(B)+(C)	(50.2)	(34.5)	(71.2)
E. Current financial receivables	(0.2)	(0.2)	(0.2)
F. Current payables to banks	74.5	59.2	60.6
G. Current portion of non-current bank payables	34.4	34.0	33.8
H. Other current financial payables	1.2	1.1	1.2
I. Current financial debt (F)+(G)+(H)	110.1	94.3	95.6
J. Net current financial debt (D)+(E)+(I)	59.7	59.6	24.2
K. Non-current portion of non-current bank payables	106.4	93.8	63.5
L. Non-current financial assets	(4.7)	(4.6)	(4.6)
M. Other non-current financial payables	2.9	3.2	3.5
N. Non-current financial debt (K)+(L)+(M)	104.6	92.4	62.4
O. Net financial debt (J)+(N)	164.3	152.0	86.6

FINANCIAL STATEMENTS OF THE PARENT COMPANY
AT 30 JUNE 2008

COMMENTS ON THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

The separate financial statements of the Parent Company IMA S.p.A. have been prepared in compliance with the IAS/IFRS issued by the IASB (International Accounting Standards Board) currently in force and with the related SIC/IFRIC interpretations.

In compliance with Regulation (EC) no. 1606/2002, the IMA Group has adopted IAS/IFRS since 2005 in the preparation of its consolidated financial statements. Based on the measures implementing this Regulation, the separate financial statements of IMA S.p.A. have been prepared in accordance with IAS/IFRS since 2006.

When interpreting the financial statements at 30 June 2008, it should be borne in mind that IMA S.p.A. transferred its operations in the tea, herbal tea and coffee packaging and pharmaceutical packaging sectors at book value to the newly-formed companies IMA Flavour S.r.l. and IMA Safe S.r.l., effective 2 January 2008.

BALANCE SHEET

AT 30 JUNE 2008 AND 31 DECEMBER 2007 (MILLIONS OF EUROS)

ASSETS	30 June 2008	31 December 2007
NON-CURRENT ASSETS		
<i>Property, plant and equipment</i>	57.1	58.3
<i>Intangible assets</i>	17.1	20.4
<i>Investments in subsidiaries and associates</i>	109.6	80.8
<i>Financial assets</i>	12.8	13.9
<i>Receivables from others</i>	0.2	0.2
<i>Derivative financial instruments</i>	0.2	0.2
<i>Deferred tax assets</i>	3.9	7.3
TOTAL NON-CURRENT ASSETS	200.9	181.1
CURRENT ASSETS		
<i>Inventories</i>	36.0	83.2
<i>Trade and other receivables</i>	53.1	73.8
<i>Income tax receivables</i>	1.0	1.0
<i>Financial assets</i>	30.7	15.9
<i>Derivative financial instruments</i>	0.1	0.4
<i>Cash and cash equivalents</i>	5.1	35.9
TOTAL CURRENT ASSETS	126.0	210.2
TOTAL ASSETS	326.9	391.3
EQUITY AND LIABILITIES	30 June 2008	31 December 2007
EQUITY		
<i>Share capital</i>	17.7	17.7
<i>Share premium reserve</i>	16.4	16.4
<i>Treasury shares</i>	(4.2)	(2.7)
<i>Fair value reserve</i>	(1.8)	(0.3)
<i>Other reserves</i>	21.4	14.6
<i>Retained earnings</i>	15.9	15.9
<i>Net profit (loss) for the period</i>	3.0	35.5
TOTAL EQUITY	68.4	97.1
NON-CURRENT LIABILITIES		
<i>Borrowings</i>	97.1	52.9
<i>Severance obligations</i>	7.3	12.6
<i>Provisions for risks and charges</i>	0.9	0.9
<i>Deferred tax liabilities</i>	9.0	11.5
TOTAL NON-CURRENT LIABILITIES	114.3	77.9
CURRENT LIABILITIES		
<i>Borrowings</i>	69.1	72.5
<i>Trade and other payables</i>	68.1	136.2
<i>Income tax liabilities</i>	5.4	4.1
<i>Provisions for risks and charges</i>	1.4	3.5
<i>Derivative financial instruments</i>	0.2	-
TOTAL CURRENT LIABILITIES	144.2	216.3
TOTAL LIABILITIES	258.5	294.2
TOTAL EQUITY AND LIABILITIES	326.9	391.3

INCOME STATEMENT

FOR THE FIRST HALF OF 2008 COMPARED WITH THE FIRST HALF OF 2007 (MILLIONS OF EUROS)

INCOME STATEMENT	1st half 2008	1st half 2007
REVENUES	52.2	132.6
<i>Other revenues</i>	16.6	5.7
OPERATING COSTS		
<i>Change in work in progress, semifinished and finished goods</i>	7.5	10.0
<i>Change in inventory of raw, ancillary and consumable materials and goods for resale</i>	0.6	2.0
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>	(28.0)	(59.8)
<i>Services, rentals and leases</i>	(21.2)	(31.7)
<i>Personnel costs</i>	(22.8)	(36.2)
<i>Depreciation, amortization and impairment</i>	(3.6)	(3.5)
<i>Provisions for risks and charges</i>	-	(0.1)
<i>Other operating costs</i>	(0.7)	(1.0)
TOTAL OPERATING COSTS	(68.2)	(120.3)
OPERATING PROFIT	0.6	18.0
<i>- of which: impact of non-recurring items</i>	0.5	-
FINANCIAL INCOME AND EXPENSE		
<i>Financial income</i>	8.7	6.0
<i>Financial expense</i>	(4.4)	(3.9)
TOTAL FINANCIAL INCOME AND EXPENSE	4.3	2.1
PROFIT BEFORE TAX	4.9	20.1
INCOME TAXES FOR THE PERIOD	(1.9)	(8.6)
NET PROFIT (LOSS) FOR THE PERIOD	3.0	11.5

CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 JUNE 2008 AND 30 JUNE 2007 (MILLIONS OF EUROS)

Description	Share capital	Share premium reserve	Treasury shares	Fair value reserve	Other reserves	Retained earnings	Net profit for the period	Total equity
Balance at 1 Jan 2007	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)
Fair value of financial instruments	-	-	-	(0.4)	-	-	-	(0.4)
Net profit for the period	-	-	-	-	-	-	11.5	11.5
Balance at 30 Jun 2007	18.8	16.4	(19.7)	0.3	31.1	17.7	11.5	76.1
Cancellation of treasury shares	(1.1)	-	19.9	-	(16.5)	(2.3)	-	-
Purchase and sale of treasury shares	-	-	(2.9)	-	-	0.5	-	(2.4)
Fair value of financial instruments	-	-	-	(0.6)	-	-	-	(0.6)
Net profit for the period	-	-	-	-	-	-	24.0	24.0
Balance at 31 Dec 2007	17.7	16.4	(2.7)	(0.3)	14.6	15.9	35.5	97.1
Allocation of result for 2007:								
- dividends	-	-	-	-	-	-	(28.7)	(28.7)
- reserves	-	-	-	-	6.8	-	(6.8)	-
Purchase and sale of treasury shares	-	-	(1.5)	-	-	-	-	(1.5)
Change in fair value reserve	-	-	-	(1.5)	-	-	-	(1.5)
Net profit for the period	-	-	-	-	-	-	3.0	3.0
Balance at 30 Jun 2008	17.7	16.4	(4.2)	(1.8)	21.4	15.9	3.0	68.4

STATEMENT OF CASH FLOWS

AT 30 JUNE 2008 AND 30 JUNE 2007 (MILLIONS OF EUROS)

	30 June 2008	30 June 2007
OPERATING ACTIVITIES		
<i>Net profit (loss) for the period</i>	3.0	11.5
<i>Adjustments for:</i>		
- <i>Depreciation and amortization</i>	3.2	3.5
- <i>Capital (gains) losses on disposal of non-current assets</i>	0.1	-
- <i>Changes in provisions for risks and charges and staff severance obligations</i>	(0.3)	(0.7)
- <i>Non-recurring items</i>	(0.5)	-
- <i>Unrealized losses (gains) on exchange rate differences</i>	0.1	-
- <i>Income taxes</i>	1.9	8.6
Operating profit (loss) before changes in working capital	7.5	22.9
<i>(Increase) decrease in trade and other receivables</i>	(12.7)	(13.2)
<i>(Increase) decrease in inventories</i>	(8.2)	(11.7)
<i>Increase (decrease) in trade and other payables</i>	3.7	18.5
<i>Income taxes paid</i>	(0.2)	(0.3)
CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	(9.9)	16.2
INVESTING ACTIVITIES		
<i>Investments in property, plant and equipment</i>	(1.9)	(2.0)
<i>Investments in intangible assets</i>	(0.3)	(1.8)
<i>Repayment of finance lease debts</i>	(0.5)	(0.5)
<i>Purchase of equity investments</i>	(26.1)	(0.5)
<i>Price adjustment on transfer of business lines</i>	(14.9)	1.6
<i>Proceeds from sale of non-current assets</i>	-	0.1
<i>Net change in financial assets and other non-current receivables</i>	(15.5)	1.4
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(59.2)	(1.7)
FINANCING ACTIVITIES		
<i>Grant of borrowings</i>	57.5	-
<i>Repayment of borrowings</i>	(8.3)	(9.1)
<i>Increase (decrease) in other payables to banks</i>	21.7	5.4
<i>Dividends paid</i>	(28.7)	(22.1)
<i>Purchase of treasury shares</i>	(1.5)	(0.8)
<i>Payment of interest</i>	(2.6)	(2.7)
<i>Receipt of interest</i>	0.2	0.1
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	38.3	(29.2)
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(30.8)	(14.7)
CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)	35.9	29.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E)	5.1	14.8

CERTIFICATION OF FINANCIAL REPORTS
AND ANNOUNCEMENTS PURSUANT TO ART. 154-BIS OF LEGISLATIVE DECREE 58/98

Certification of the condensed consolidated half-year financial statements pursuant to art. 154-bis of Legislative Decree 58/98

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

- the appropriateness with regard to the Company's characteristics and
- the effective application

of the administrative and accounting procedures for preparing the condensed consolidated half-year financial statements for the first half of 2008.

It is also certified that the condensed consolidated half-year financial statements at 30 June 2008:

- a) have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and specifically with IAS 34 – Interim Financial Reporting, and with the measures issued in implementation of Art. 9 of Legislative Decree 38/2005;
- b) correspond to the entries in the accounting books and records;
- c) provide a true and fair view of the performance and financial position of the issuer and the group of companies included in the scope of consolidation.

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

Ozzano dell'Emilia (Bologna), 8 August 2008

Managing Director

Manager responsible for preparing financial reports

Alberto Vacchi

Sergio Marzo

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



PricewaterhouseCoopers SpA

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM (HALF YEAR) FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

To the Shareholders of
IMA Industria Macchine Automatiche SpA

- 1 We have reviewed the consolidated condensed interim financial statements of IMA Industria Macchine Automatiche SpA and subsidiaries (hereinafter, IMA Group) as of 30 June 2008 and the six months then ended, comprising the consolidated balance sheet, the consolidated income statement, consolidated statements of changes in shareholders' equity and cash flows and related explanatory notes. IMA Industria Macchine Automatiche SpA's Directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

- 2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The review excluded certain auditing procedures such as compliance 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 an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

Regarding the comparative amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented in the consolidated condensed interim financial statements, reference should be made to our reports dated 11 April 2008 and dated 10 August 2007, respectively.

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- 3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of IMA Group have not been prepared, in all material respects, in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union.

Bologna, 8 August 2008

PricewaterhouseCoopers SpA

Roberto Megna
(Partner)

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