

INTERIM REPORT ON OPERATIONS  
AT 31 DECEMBER 2009





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AT 31 DECEMBER 2009

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INTERIM REPORT ON OPERATIONS  
AT 31 DECEMBER 2009

(THE CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN TRANSLATED FROM THE ORIGINAL ITALIAN INTO ENGLISH  
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**DIRECTORS AND OFFICERS**

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**BOARD OF DIRECTORS**

(In office until the Shareholders' Meeting called to approve the financial statements at 31 December 2011)

**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;
- the power to grant beneficial rights over the assets of the Company.

**DIRECTOR AND GENERAL MANAGER**

Andrea Malagoli

**DIRECTORS**

Giancarlo Folco, Marco Galliani, Italo Giorgio Minguzzi, Luca Poggi, Enrico Ricotta (appointed on 28 January 2010), Pierantonio Riello, Maria Carla Schiavina, Gianluca Vacchi, Romano Volta.

In addition to those powers that cannot be delegated, the Board of Directors of IMA S.p.A. collectively has exclusive authority to decide on the following matters:

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

**BOARD OF STATUTORY  
AUDITORS**

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

**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**

Giancarlo Folco - Independent director

Marco Galliani - Independent director

Maria Carla Schiavina - Non-executive director

**MANAGER RESPONSIBLE  
FOR PREPARING  
FINANCIAL REPORTS**

Andrea Malagoli

**LEAD INDEPENDENT DIRECTOR**

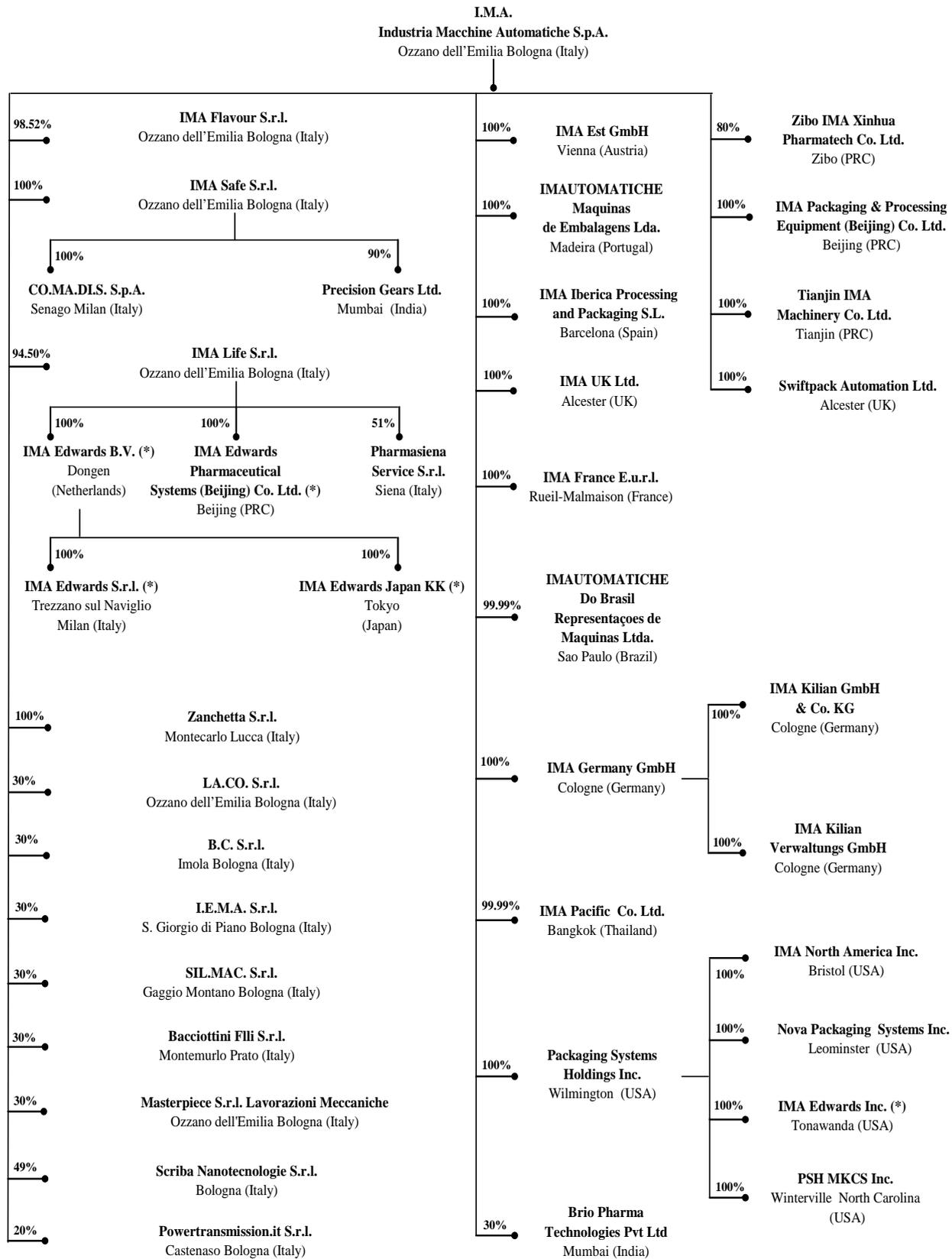
Giancarlo Folco

**INDEPENDENT AUDITORS**

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

PricewaterhouseCoopers S.p.A.

GROUP STRUCTURE



(\*) "Edwards" is a registered trademark of Edwards Limited and is used by the IMA Group under licence.

## 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)

**Pharmasiena Service S.r.l.**  
Siena (Italy)

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

**IMA Edwards B.V.**  
Dongen (Netherlands)

**IMA Edwards Inc.**  
Tonawanda (USA)

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

**IMA Kilian GmbH & Co. KG**  
Cologne (Germany)

**Nova Packaging Systems Inc.**  
Leominster (USA)

**Precision Gears Ltd.**  
Mumbai (India)

**Swiftpack Automation Ltd.**  
Alcester (UK)

**Tianjin IMA Machinery Co. Ltd.**  
Tianjin (PRC)

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

**B.C. S.r.l.**  
Imola – Bologna (Italy)

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

**Brio Pharma Technologies Pvt. Ltd.**  
Mumbai (India)

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

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

**Masterpiece S.r.l.**  
Ozzano dell'Emilia - Bologna (Italy)

**Powertransmission.it S.r.l.**  
Castenaso - Bologna (Italy)

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

COMMERCIAL  
ACTIVITIES

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

**IMA Edwards Japan KK**  
Tokyo (Japan)

**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.**  
Alcester (UK)

**IMAUTOMATICHE Do Brasil Representacoes de Maquinas Ltda.**  
Sao Paulo (Brazil)

**IMAUTOMATICHE Maquinas de Embalagens Ltda.**  
Madeira (Portugal)

**PSH MKCS Inc.**  
Winterville (USA)

OTHER  
ACTIVITIES

**IMA Kilian Verwaltungs GmbH**  
Cologne (Germany)

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

FINANCIAL  
ACTIVITIES

**Packaging Systems Holdings Inc.**  
Wilmington (USA)

## GROUP PERFORMANCE

### GENERAL PERFORMANCE

A better fourth quarter than expected and stronger signs of recovery in recent months lead us to look on 2010 with greater optimism, after a terrible 2009 that depressed world trade by 11.9%. There is still a question mark over the methods and timing of the various governments' exit policies to wind down the measures taken to combat the crisis. The situation in the main industrialised countries in terms of employment and domestic demand seems to indicate that there is still a need for discretionary support measures, while there are signs that prices are picking up in emerging nations and international commodity markets. Talking of which, certain countries, such as Australia, Israel and Norway, have already increased their official interest rates, whereas China has adopted measures that affect financial intermediaries, with a view to restricting the supply of credit. Certainly, the impression is that industrialised nations are about to enter a period of structural chronic unemployment and that it will take several years before they return to pre-crisis employment levels.

To recap: the recovery will go ahead, slowly and probably with the odd hiccup, but it will still go ahead. It will be a recovery with a low level of job creation and with businesses struggling to find credit. Emerging nations will react to the inflationary impulses that the mature economies' expansive monetary policy is forcing on them and the commodity bubbles will not reach dangerous heights as the monetary authorities cannot afford to lose control over the impact of the instruments they have used to avoid systemic collapse.

Capital investment by the pharmaceutical industry, the IMA Group's traditional market, also contracted at a global level in 2009, even though world consumption of medicines only saw a slowdown in growth rather than a decline. However, the dynamics of this crisis, its complexity and extent, have created a climate of much greater prudence on the part of customers when it comes to capital expenditure, not to mention the problems involved in finding credit to finance such investment. All of this is reflected in an order book that is only slightly down on last year's thanks to good order acquisition in the latter part of the year.

On the other hand, the tea and coffee packaging sector, the Group's other activity, has turned in an excellent trend in sales, in part thanks to a hefty order book at the end of 2008. The order book at the end of 2009 was also down on the previous year, though the trend in orders and negotiations in the latter part of the year augurs well for 2010.

### CONSOLIDATED INCOME STATEMENT

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

- cost of sales: represents costs incurred directly by the Group to generate revenues. For example, it includes materials, labour, the technical offices' costs involved in customizing products and production overheads;
- R&D costs: these include the costs involved in developing new products or maintaining existing products. They also include the costs of technical personnel, the materials used in tests and experiments and the technical offices' overheads;
- selling 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 depreciation and amortization not directly connected with the purposes mentioned previously;
- gross operating profit: this corresponds to the sum of operating profit, depreciation and amortization for the year and writedowns of non-current assets.

The following main items in the reclassified income statement are the same as those that appear in the consolidated income statement shown in the section entitled "Consolidated financial statements": revenues, operating profit, financial income and expense, profit before tax, income taxes and Group profit.

The IMA Group's consolidated revenues in 2009 amounted to 505.8 million euros, compared with 547.2 million euros in 2008. Operating profit came to 71.1 million euros versus 71.9 million euros in 2008, which benefited from 3.1 million euros of non-recurring income.

The consolidated income statement for 2009 is summarized below, with comparative figures for the previous year:

in millions of euros	2009		2008		Change %
	Amount	%	Amount	%	
<b>Revenues</b>	<b>505.8</b>		<b>547.2</b>		<b>(7.6)</b>
Cost of sales	(288.3)	57.0	(332.7)	60.8	
<b>Industrial gross profit</b>	<b>217.5</b>	<b>43.0</b>	<b>214.5</b>	<b>39.2</b>	<b>14</b>
R&D costs	(26.0)		(23.3)		
Selling costs	(59.6)		(60.9)		
General and administrative costs	(60.3)		(60.1)		
<b>Operating profit before writedowns/impairment/ non-recurring items (EBITA)</b>	<b>71.6</b>	<b>14.2</b>	<b>70.2</b>	<b>2.8</b>	<b>2.0</b>
Writedowns/Impairment adjustments	(1.0)		(1.4)		
Non-recurring items	0.5		3.1		
<b>Operating profit (EBIT)</b>	<b>71.1</b>	<b>14.1</b>	<b>71.9</b>	<b>13.1</b>	<b>(1.1)</b>
Net financial income (expense)	(10.1)		(11.3)		
Profit (loss) from investments accounted for using the equity method	–		(0.3)		
<b>Profit before tax</b>	<b>61.0</b>	<b>2.1</b>	<b>60.3</b>	<b>11.0</b>	<b>12</b>
Income taxes	(23.3)		(19.0)		
<b>Net profit from continuing operations</b>	<b>37.7</b>	<b>7.5</b>	<b>41.3</b>	<b>7.5</b>	<b>(8.7)</b>
Net profit from discontinued operations/ disposal groups	–		0.8		
<b>Net profit for the period</b>	<b>37.7</b>	<b>7.5</b>	<b>42.1</b>	<b>7.7</b>	<b>(10.5)</b>
Profit (loss) for the period attributable to minority interests	(0.6)		(0.3)		
<b>Group profit</b>	<b>37.1</b>	<b>7.3</b>	<b>41.8</b>	<b>7.6</b>	<b>(11.2)</b>
<b>Gross operating profit (EBITDA)</b>	<b>85.9</b>	<b>17.0</b>	<b>87.7</b>	<b>16.0</b>	<b>(2.1)</b>
<b>Order book</b>	<b>210.3</b>		<b>251.4</b>		<b>(16.3)</b>

## REVENUES AND ORDERS

Consolidated revenues in 2009 amounted to 505.8 million euros, a decrease of 7.6% on the same period last year based on more or less the same scope of consolidation. This moderate reduction was caused by a lower number of orders received during the first six months of 2009, which because of the delivery times, had a higher impact on overall deliveries for the year.

The order trend in the fourth quarter of 2009, on the other hand, was positive (141.2 million euros compared with 130.7 million euros in fourth quarter 2008, an increase of 8%) with an order book that came to 210.3 million euros, 16.3% down on the previous year (251.4 million euros).

Total orders acquired so far during the year amount to 463.5 million euros versus 517.8 million euros in 2008, a decrease of 10.5%.

**OPERATING PROFIT**

Industrial gross profit was 43.0% of revenues, compared with 39.2% in the same period of 2008. This considerable increase is due to a more favourable mix between the tea sector and the pharmaceutical sector.

Sales costs and general and administrative expenses are down slightly on 2008, thanks to the effective policy of cost containment implemented by the Group in recent years.

As a result, operating profit amounted to 71.1 million euros, versus 71.9 million euros in the same period of 2008.

Operating profit benefited from non-recurring income of 3.8 million euros from the sale of buildings and 0.5 million euros from tax credits on R&D costs, less 3.8 million euros of extraordinary provisions for the costs involved in reorganizing certain Group companies. In 2008, on the other hand, non-recurring income amounted to 3.1 million euros and related to the arrival of new minority shareholders in IMA Flavour S.r.l. and IMA Life S.r.l. through reserved increases in capital (2.5 million euros) and tax credits for R&D costs incurred in 2007 (0.6 million euros). Ignoring non-recurring items, operating profit in 2009 would have been 70.6 million euros compared with 68.8 million euros in 2008.

**PROFIT BEFORE TAX**

Net financial expense amounted to 10.1 million euros compared with 11.3 million euros in 2008. The improvement has to do with the lower cost of the debt in euros compared with 2008; it also reflects the writedown of the investment in Pierrel S.p.A. by 4.6 million euros.

Profit before tax therefore came to 61.0 million euros versus 60.3 million euros in 2008.

**NET PROFIT FOR THE PERIOD**

Net profit for the period came to 37.7 million euros versus 42.1 million euros in the same period last year. The variance is mainly due to a higher incidence of income taxes on the pre-tax result.

**ANALYSIS OF PERFORMANCE BY SEGMENT**

The following schedule analyzes operations by business segment:

in millions of euros	Tea	Packaging	Processing	Other	Unallocated	Total
<b>Revenues</b>						
2009	93.8	292.1	119.1	0.8	-	505.8
2008	84.9	323.2	137.8	1.3	-	547.2
<b>Operating profit</b>						
2009	32.8	32.0	6.5	(0.2)	-	71.1
2008	32.5	30.4	9.2	(0.2)	-	71.9
<b>Net capital employed (*)</b>						
31 December 2009	24.9	132.6	77.3	18.6	(9.6)	243.8
31 December 2008	17.6	139.5	97.0	13.8	(10.2)	257.7
<b>R&amp;D costs</b>						
2009	4.5	15.4	6.1	-	-	26.0
2008	4.7	13.4	5.2	-	-	23.3
<b>Average personnel (**)</b>						
2009	200	1,873	640	-	422	3,135
2008	195	1,819	624	-	410	3,048
<b>Order book</b>						
31 December 2009	58.9	115.7	35.7	-	-	210.3
31 December 2008	68.0	139.3	44.1	-	-	251.4

(\*) Unallocated assets and liabilities principally comprise current and deferred income taxes, which are impossible to split by operating segment.

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

Revenues from the tea sector were 10.5% higher than the already good results reported last year, confirming the Group's strong leadership position in this market. Operating profit came to 32.8 million euros (35.0% of sales), just over the 32.5 million euros in 2008 when there were non-recurring items of 1.9 million euros. The order book has fallen by 13.4% (to 58.9 million euros compared with 68.0 million euros in 2008), still providing good visibility for the coming year.

The revenues of the packaging sector fell by 9.6% (292.1 million euros versus 323.2 million euros in 2008) as a result of fewer orders from the pharmaceutical market during the first half of 2009. Operating profit, on the other hand, improved to 32.0 million euros compared with 30.4 million euros in 2008, thanks to better profit margins on contracts due to a more favourable mix and higher production efficiency.

The pharmaceutical processing sector is showing a decline in revenues of 18.7 million euros with respect to 2008 (-13.6%) and an operating profit that has deteriorated slightly (-2.7 million euros). The main reason for this decline in operating profit is lower volumes, while at the industrial gross profit level, the sector has improved its performance as there were no longer the low-margin contracts that penalized 2008.

## CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

The following main items in the balance sheet and financial position are the same as those that appear in the consolidated balance sheet shown in the section entitled "Consolidated financial statements": inventories, property, plant and equipment and intangible assets, Group equity and minority interests.

Other payables, net, mainly includes the amounts due to employees, income tax liabilities and provisions for risks and charges, while the severance obligation and other provisions mainly includes the provision for severance indemnities.

The following table summarizes the Group's balance sheet and financial position at 31 December 2009:

in millions of euros	31.12.2009	31.12.2008
Trade receivables	100.9	110.0
Inventories	140.0	160.2
Trade payables	(92.6)	(155.7)
Other, net	(47.0)	(35.9)
<b>Working capital</b>	<b>101.3</b>	<b>78.6</b>
Property, plant and equipment	28.0	71.0
Intangible assets	115.4	117.4
Investments	18.0	13.2
<b>Non-current assets</b>	<b>161.4</b>	<b>201.6</b>
Severance obligations and other provisions	(18.9)	(22.5)
<b>Net capital employed</b>	<b>243.8</b>	<b>257.7</b>
<b>FINANCED BY:</b>		
<b>Net debt</b>	<b>113.4</b>	<b>134.8</b>
Minority interests	3.4	2.9
<b>Group equity</b>	<b>127.0</b>	<b>120.0</b>
<b>Total sources of financing</b>	<b>243.8</b>	<b>257.7</b>

The net capital employed at 31 December 2009 was 13.9 million euros lower than at the end of 2008. The change during the year is principally due to the property disposals and the increase in working capital.

Looking in detail at the changes that took place in working capital, there was a reduction in trade receivables and inventories, against which there was a substantial decline in trade payables and advances received from customers.

The changes in non-current assets are mainly due to the property disposals.

The analysis of net debt takes account of the considerations contained in Consob Communication DEM/6064293 dated 28 July 2006 and the CESR Recommendation 05-054/B dated 10 February 2005. Non-current financial assets are represented by investments in securities and financial receivables. The figure differs from that reported in the balance sheet since it does not include equity interests in other companies.

Net debt is analyzed below:

in millions of euros	31.12.2009	31.12.2008
A. Cash and cash equivalents	(100.2)	(76.4)
B. Other cash equivalents	-	-
C. Investments in securities	(0.9)	(0.9)
<b>D. Liquidity (A)+(B)+(C)</b>	<b>(101.1)</b>	<b>(77.3)</b>
<b>E. Current financial receivables</b>	<b>-</b>	<b>(0.2)</b>
F. Current payables to banks	88.7	85.3
G. Current portion of non-current bank payables	34.5	36.1
H. Other current financial payables	1.4	1.9
<b>I. Current financial debt (F) + (G) + (H)</b>	<b>124.6</b>	<b>123.3</b>
<b>J. Net current financial debt (D)+(E)+(I)</b>	<b>23.5</b>	<b>45.8</b>
K. Non-current portion of non-current bank payables	89.6	91.4
L. Non-current financial assets	(1.0)	(4.8)
M. Other non-current financial payables	1.3	2.4
<b>N. Net non-current financial debt (K)+(L)+(M)</b>	<b>89.9</b>	<b>89.0</b>
<b>O. Net financial debt (J) + (N)</b>	<b>113.4</b>	<b>134.8</b>

Net debt at the end of the period amounts to 113.4 million euros compared with 134.8 million euros at 31 December 2008. The decline in net debt compared with 31 December 2008 is mainly due to the property disposals for a total of 45.9 million euros, which was partly reduced by the rise in working capital, as mentioned earlier, by the purchase of minority interests in certain companies and by the higher dividends paid compared with the previous year.

## CAPITAL EXPENDITURE

Group capital expenditure on property, plant and equipment amounted to 4.8 million euros (10.0 million euros in the same period of 2008) and mainly related to the extension and upgrading of existing buildings and plant, together with the purchase of machinery and electronic equipment. Capital expenditure on intangible assets amounted to 6.9 million euros (12.3 million euros in the same period of 2008) and mainly reflected the capitalization of development costs incurred on totally new products for market segments not previously occupied, as well as the goodwill recorded following the acquisition of the MKCS Inc. line of business. The lower investment in intangibles during 2009 was due to the capitalization of 5.0 million euros in 2008 for the no-competition agreement entered into by IMA Life S.r.l. in connection with the purchase of the investment in IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd.

In addition, the purchase of Pharmasiena Service S.r.l. during the third quarter of 2009 resulted in the recognition of 2.1 million euros of goodwill.

Depreciation and amortization for the period was 13.8 million euros, compared with 14.4 million euros the previous year.

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**OTHER INFORMATION**

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**OUTLOOK FOR OPERATIONS**

The Group turned in another excellent performance in 2009, despite a world scenario of sharp contraction and recession. Even though the order book is lower than at the end of 2008, it is still showing a good level of contracts in terms of both quality and quantity. In January 2010, orders acquired were a good deal higher than in the same period of 2009 (31.2 million euro versus 17.8 million euros at 31 January 2009). The number of negotiations in progress allows us to assume that 2010 will see a moderate degree of growth in revenues, which ought to come in at around 530 million euros and a gross operating profit (EBITDA) in line with that of 2009 at around 85 million euros.



CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2009

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## CONSOLIDATED BALANCE SHEET

(IN MILLIONS OF EUROS)

ASSETS	Note	31 December 2009	31 December 2008
<b>NON-CURRENT ASSETS</b>			
<i>Property, plant and equipment</i>	2	28.0	71.0
<i>Intangible assets</i>	3	115.4	117.4
<i>Investments accounted for using the equity method</i>	4	10.2	6.2
<i>Financial assets</i>	5	8.8	11.8
<i>Receivables from others</i>		0.5	0.5
<i>Derivative financial instruments</i>	6	–	0.1
<i>Deferred tax assets</i>	7	15.4	13.8
<b>TOTAL NON-CURRENT ASSETS</b>		<b>178.3</b>	<b>220.8</b>
<b>CURRENT ASSETS</b>			
<i>Inventories</i>	8	140.0	160.2
<i>Trade and other receivables</i>	9	114.7	131.7
<i>Income tax receivables</i>		0.2	0.1
<i>Financial assets</i>	5	0.9	1.1
<i>Derivative financial instruments</i>	6	–	2.1
<i>Cash and cash equivalents</i>	10	100.2	76.4
<b>TOTAL CURRENT ASSETS</b>		<b>356.0</b>	<b>371.6</b>
<b>ASSETS HELD FOR SALE</b>		<b>–</b>	<b>–</b>
<b>TOTAL ASSETS</b>		<b>534.3</b>	<b>592.4</b>
EQUITY AND LIABILITIES	Note	31 December 2009	31 December 2008
<b>EQUITY</b>			
<i>Share capital</i>	11	17.7	17.7
<i>Share premium reserve</i>		15.5	16.4
<i>Treasury shares</i>	11	(3.4)	(2.7)
<i>Translation reserve</i>		(3.7)	(3.4)
<i>Fair value reserve</i>	12	(0.4)	(1.8)
<i>Other reserves</i>		6.1	21.5
<i>Retained earnings</i>		58.1	30.5
<i>Net profit (loss) for the period</i>		37.1	41.8
<b>Total capital and reserves pertaining to the Group</b>		<b>127.0</b>	<b>120.0</b>
<i>Reserves pertaining to minority interests</i>		2.8	2.6
<i>Profit pertaining to minority interests</i>		0.6	0.3
<b>Total minority interests</b>		<b>3.4</b>	<b>2.9</b>
<b>EQUITY PERTAINING TO THE GROUP AND MINORITY INTERESTS</b>		<b>130.4</b>	<b>122.9</b>
<b>NON-CURRENT LIABILITIES</b>			
<i>Borrowings</i>	13	90.9	93.8
<i>Severance and pension provisions</i>		17.2	17.8
<i>Provisions for risks and charges</i>	14	1.6	1.9
<i>Derivative financial instruments</i>	6	0.6	–
<i>Deferred tax liabilities</i>	7	15.4	18.0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>125.7</b>	<b>131.5</b>
<b>CURRENT LIABILITIES</b>			
<i>Borrowings</i>	13	124.6	123.3
<i>Trade and other payables</i>	15	127.9	196.2
<i>Income tax liabilities</i>		9.8	6.3
<i>Provisions for risks and charges</i>	14	15.9	12.0
<i>Derivative financial instruments</i>	6	–	0.2
<b>TOTAL CURRENT LIABILITIES</b>		<b>278.2</b>	<b>338.0</b>
<b>LIABILITIES HELD FOR SALE</b>		<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>		<b>403.9</b>	<b>469.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>534.3</b>	<b>592.4</b>

CONSOLIDATED INCOME STATEMENT

(IN MILLIONS OF EUROS)

INCOME STATEMENT	Note	4th quarter 2009	4th quarter 2008	from 01/01/2009 to 31/12/2009	from 01/01/2008 to 31/12/2008
<b>REVENUES</b>	1	165.9	166.9	505.8	547.2
Other revenues		4.7	(0.4)	11.4	7.8
<b>OPERATING COSTS</b>					
Change in work in progress, semifinished and finished goods		(25.8)	(12.1)	(18.6)	18.3
Change in inventory of raw, ancillary and consumable materials		(2.6)	(2.8)	(2.0)	0.9
Cost of raw, ancillary and consumable materials and goods for resale		(33.6)	(45.6)	(141.6)	(208.4)
Services, rentals and leases		(28.3)	(31.2)	(101.3)	(114.9)
Personnel costs	16	(43.8)	(41.4)	(164.4)	(155.1)
Depreciation, amortization and writedowns	17	(4.5)	(5.9)	(15.2)	(17.4)
Provisions for risks and charges		(0.7)	(1.1)	0.2	(3.1)
Other operating costs		(1.1)	(0.8)	(3.2)	(3.4)
<b>TOTAL OPERATING COSTS</b>		<b>(140.4)</b>	<b>(140.9)</b>	<b>(446.1)</b>	<b>(483.1)</b>
<b>OPERATING PROFIT</b>	1	<b>30.2</b>	<b>25.6</b>	<b>71.1</b>	<b>71.9</b>
- of which: effect of non-recurring items	25	(2.4)	-	0.5	3.1
<b>FINANCIAL INCOME AND EXPENSE</b>					
Financial income	18	2.2	4.0	11.6	10.3
Financial expense	19	(5.6)	(8.7)	(21.7)	(21.6)
<b>TOTAL FINANCIAL INCOME AND EXPENSE</b>		<b>(3.4)</b>	<b>(4.7)</b>	<b>(10.1)</b>	<b>(11.3)</b>
<b>PROFIT (LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		<b>-</b>	<b>(0.2)</b>	<b>-</b>	<b>(0.3)</b>
<b>PROFIT BEFORE TAX</b>		<b>26.8</b>	<b>20.7</b>	<b>61.0</b>	<b>60.3</b>
INCOME TAXES FOR THE PERIOD	20	(10.2)	(4.4)	(23.3)	(19.0)
<b>NET PROFIT FROM CONTINUING ACTIVITIES</b>		<b>16.6</b>	<b>16.3</b>	<b>37.7</b>	<b>41.3</b>
<b>NET PROFIT FROM DISCONTINUED OPERATIONS/ DISPOSAL GROUPS</b>		<b>-</b>	<b>0.8</b>	<b>-</b>	<b>0.8</b>
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>16.6</b>	<b>17.1</b>	<b>37.7</b>	<b>42.1</b>
<b>ATTRIBUTABLE TO:</b>					
<b>PARENT COMPANY SHAREHOLDERS</b>		16.3	16.9	37.1	41.8
<b>MINORITY INTERESTS</b>		0.3	0.2	0.6	0.3
		<b>16.6</b>	<b>17.1</b>	<b>37.7</b>	<b>42.1</b>
<b>EARNINGS PER SHARE (in euros)</b>		<b>0.48</b>	<b>0.50</b>	<b>1.09</b>	<b>1.23</b>
- of which: from continuing operations		0.48	0.48	1.09	1.21
- of which: from discontinued operations/disposal groups		-	0.02	-	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(IN MILLIONS OF EUROS)

	from 01/01/2009 to 31/12/2009	from 01/01/2008 to 31/12/2008
<b>Net profit for the period</b>	37.7	42.1
<i>Exchange gains (losses) on the translation of foreign currency financial statements</i>	(0.3)	(0.5)
<i>Gains (losses) on financial assets available for sale</i>	3.9	(3.1)
<i>Gains (losses) on cash flow hedges</i>	(2.5)	1.3
<i>Gains (losses) booked to equity</i>	1.1	(2.3)
<b>Total income and expenses for the period</b>	<b>38.8</b>	<b>39.8</b>
<b>Attributable to:</b>		
<b>Parent Company shareholders</b>	38.2	39.4
<b>Minority interests</b>	0.6	0.4
	<b>38.8</b>	<b>39.8</b>

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(IN 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 01.01.2008	17.7	16.4	(2.7)	(2.8)	-	14.6	26.6	39.5	109.3	1.1	110.4
Allocation of result for the year 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	-	-	-	-	-	-	-	-	-	-	-
Total income and expenses for the period	-	-	-	(0.6)	(1.8)	-	-	41.8	39.4	0.4	39.8
Balances at 31.12.2008	17.7	16.4	(2.7)	(3.4)	(1.8)	21.5	30.5	41.8	120.0	2.9	122.9
Allocation of result for the year 2008											
- dividends	-	(0.9)	-	-	-	(17.1)	(5.1)	(7.4)	(30.5)	(0.3)	(30.8)
- reserves	-	-	-	-	-	1.7	32.7	(34.4)	-	-	-
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	0.2	0.2
Purchase and sale of treasury shares	-	-	(0.7)	-	-	-	-	-	(0.7)	-	(0.7)
Total income and expenses for the period	-	-	-	(0.3)	1.4	-	-	37.1	38.2	0.6	38.8
Balances at 31.12.2009	17.7	15.5	(3.4)	(3.7)	(0.4)	6.1	58.1	37.1	127.0	3.4	130.4

## CONSOLIDATED STATEMENT OF CASH FLOWS

(IN MILLIONS OF EUROS)

	31 December 2009	31 December 2008
<b>OPERATING ACTIVITIES</b>		
Net profit (loss) for the period	37.1	41.8
Adjustments for:		
- Depreciation and amortization	13.8	14.3
- (Writebacks) or writedowns of non-current assets	1.0	1.4
- Capital (gains) losses on disposal of non-current assets	-	0.1
- Changes in provisions for risks and charges and staff severance obligations	(0.9)	1.0
- Non-recurring items	(0.5)	(3.1)
- Unrealized losses (gains) on exchange rate differences	0.1	2.1
- Other non-monetary changes	0.1	-
- Adjustments to the value of financial assets	4.6	-
- Income taxes	23.3	19.4
- Capital gains on the disposal of discontinued activities	-	(1.1)
- Minority interests	0.6	0.3
- Result from investments accounted for using the equity method	-	0.3
Operating profit (loss) before changes in working capital	79.2	76.5
(Increase) decrease in trade and other receivables	17.7	31.9
(Increase) decrease in inventories	20.9	(19.3)
Increase (decrease) in trade and other payables	(69.9)	(18.7)
Income taxes paid	(21.4)	(25.7)
<b>CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)</b>	<b>26.5</b>	<b>44.7</b>
<b>INVESTING ACTIVITIES</b>		
Investments in property, plant and equipment	(4.8)	(7.8)
Investments in intangible assets	(6.4)	(6.7)
Exchange rate differences on property, plant and equipment and intangible assets	0.1	0.2
Acquisition of business divisions/companies	(2.6)	(48.3)
Purchase of equity investments	(4.3)	(2.7)
Repayment of finance lease debts	(1.1)	(1.0)
Capital received for newly issued quotas	-	4.0
Proceeds from sale of investments	0.4	-
Proceeds from sale of non-current assets	45.9	0.2
Net change in financial assets and other non-current receivables	2.3	(1.1)
Changes in reserves pertaining to minority interests	0.2	-
<b>CASH FLOW GENERATED BY INVESTING ACTIVITIES (B)</b>	<b>29.7</b>	<b>(63.2)</b>
<b>FINANCING ACTIVITIES</b>		
Granting of loans	40.5	53.5
Repayment of borrowings	(37.6)	(24.0)
Increase (decrease) in other payables to banks	3.2	32.8
Dividends paid	(30.8)	(28.7)
Purchase of treasury shares	(0.7)	-
Translation of financial statements in foreign currency	(0.3)	(0.7)
Payment of interest	(7.8)	(9.9)
Receipt of interest	1.1	0.9
<b>CASH FLOW ABSORBED BY FINANCING ACTIVITIES (C)</b>	<b>(32.4)</b>	<b>23.9</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)</b>	<b>23.8</b>	<b>5.4</b>
<b>CASH AND CASH EQUIVALENTS AT START OF PERIOD (E)</b>	<b>76.4</b>	<b>71.0</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (F=D+E)</b>	<b>100.2</b>	<b>76.4</b>

A BREAKDOWN OF "CASH AND CASH EQUIVALENTS" IS PROVIDED IN NOTE 10.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

## A) OVERVIEW

The interim report at 31 December 2009 was approved by the Board of Directors on 12 February 2010 and has not been audited.

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

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

At 31 December 2009, IMA S.p.A. is 71.517% owned by SO.FI.MA. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A.

## B) BASIS OF PREPARATION

### General principles

This interim report at 31 December 2009 has been prepared in accordance with art. 154-ter of Legislative Decree 58/98 and subsequent amendments, and with the Issuers' Regulation issued by Consob. The report complies with international accounting standards (IAS/IFRS) and, in particular, with IAS 34 "Interim Financial Reporting".

The accounting principles used in preparing the interim report as of 31 December 2009 are consistent with those used to prepare the consolidated financial statements at 31 December 2008, to which the reader is referred for further information.

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 annual and quarterly schedules for 2008 show the definitive figures for tax.

Preparing interim reports requires the directors to make estimates and assumptions based on their best assessment at the time, which then have an effect on the figures shown in the financial statements and in the notes. These estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the period when circumstances change.

The process of developing and approving international accounting standards means that certain documents are being constantly revised. The principal documents already endorsed by the EU legislator and applied by the Group with effect from 1 January 2009 are IFRS 8 Operating Segments, which replaced IAS 14 Segment Information, and the revised IAS 1 Presentation of Financial Statements. The Group has not opted to adopt early the revised versions of IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements, which come into force on 1 January 2010.

Lastly, the effects of the approved standards and interpretations not yet endorsed by the EU legislator have been considered, without identifying any potential significant effects on the economic or financial position of the Group.

### Financial statements

The balance sheet has been classified on the basis of the operating cycle, distinguishing between current and non-current items. As envisaged by IAS 34, the interim report includes a summary statement of comprehensive income presented in the form of two schedules: a summary separate income statement (Consolidated income statement) and a summary statement of comprehensive income (Consolidated statement of comprehensive income). The consolidated income statement reflects an analysis of costs by nature, as this classification was considered to be more meaningful for a full understanding of the Group's earnings. The statement of cash flows has been prepared using the indirect method for determining cash flows from operating activities.

All of the figures in the interim report at 31 December 2009 are in millions of euros, unless stated otherwise.

## C) SCOPE OF CONSOLIDATION

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The interim report at 31 December 2009 includes the financial and operating information of IMA - Industria Macchine Automatiche S.p.A. (Parent Company) and of all the companies over which it exercises direct or indirect control.

The following changes in Group structure took place in 2009:

- January 2009 saw completion of the purchase of 30% of Brio Pharma Technologies Pvt. Ltd., an Indian company, for 0.3 million euros. This company has worked with IMA for a number of years promoting certain Group product lines on the Indian market;
- Powertransmission.it S.r.l. based at Castenaso (Bologna) was formed on 16 February 2009 in order to produce and sell engineering components, assemblies and complete industrial plants, as well as to provide outsourcing services; the Parent Company holds 20% of this newly-formed company;
- Packaging Systems Holdings Inc. purchased a line of business comprising the provision of technical assistance for freeze-dryers from MKCS Inc. on 1 April 2009. This acquisition was made via a new wholly-owned subsidiary, PSH MKCS Inc. with Head office in Winterville, North Carolina (USA);
- IMAUTOMATICHE Do Brasil Representacoes De Maquinas Ltda., based in Sao Paulo - Brazil, was formed in May 2009 as a 99.99% subsidiary of the Parent Company. This company sells the IMA Group's pharmaceutical products in Brazil;
- IMA S.p.A. sold its 30% interest in G.S. Divisione Verniciatura S.r.l. to third parties on 29 June 2009; this transaction did not generate significant costs for the Group;
- on 2 July 2009, IMA Life S.r.l. completed the purchase of a 51% interest in Pharmasienna Service S.r.l., which designs and manufactures systems for filling vials and syringes under sterile conditions. IMA Life S.r.l. also granted the sellers a put option for the sale of a further 19% of the company's quota capital. During July, IMA Life S.r.l. subscribed 0.2 million euros to the increase in quota capital authorized at the Extraordinary Quotaholders' Meeting of Pharmasienna Service S.r.l. This amount has already been paid in. See Note 21 for further information.

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

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

	Registered office		Share capital at 31/12/2009	Direct investment	Indirect investment
<b>Manufacturing companies:</b>					
• I.M.A. Industria Macchine Automatiche S.p.A.	Ozzano E. (Bologna)	EUR	17,732,000	Parent Company	
• IMA Flavour S.r.l.	Ozzano E. (Bologna)	EUR	3,045,000	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.MA.DI.S. S.p.A.	Senago (Milan)	EUR	1,540,000	–	100% (1)
• Pharmasiena Service S.r.l.	Siena (Siena)	EUR	100,000	–	70% (2)
• Zanchetta S.r.l.	Montecarlo (Lucca)	EUR	363,940	100%	–
• IMA Edwards B.V.	Dongen (Netherlands)	EUR	(*)12,382,850	–	100% (2)
• IMA Edwards Inc.	Tonawanda (USA)	USD	100	–	100% (3)
• IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd.	Beijing (PRC)	USD	400,000	–	100% (2)
• IMA Kilian GmbH & Co. KG.	Cologne (Germany)	EUR	3,600,000	–	100% (4)
• Nova Packaging Systems Inc.	Leominster (USA)	USD	8,050,000	–	100% (3)
• Precision Gears Ltd.	Mumbai (India)	RS	(*) 17,852,100	–	100% (1)
• Swiftpack Automation Ltd.	Alcester (GB)	GBP	1,403,895	100%	–
• Tianjin IMA Machinery Co. Ltd.	Tianjin (PRC)	USD	200,000	100%	–
• Zibo IMA Xinhua Pharm. Co. Ltd.	Zibo (PRC)	USD	6,419,868	80%	–
<b>Commercial companies:</b>					
• IMA Edwards S.r.l.	Trezzano Naviglio (Milan)	EUR	80,000	–	100% (5)
• IMA Edwards Japan KK	Tokyo (Japan)	YEN	40,000,000	–	100% (5)
• IMA Est GmbH	Vienna (Austria)	EUR	280,000	100%	–
• IMA France E.u.r.l.	Rueil-Malmaison (France)	EUR	45,735	100%	–
• IMA Germany GmbH	Cologne (Germany)	EUR	90,000	100%	–
• IMA Iberica Processing and Packaging S.L.	Barcelona (Spain)	EUR	590,000	100%	–
• IMA North America Inc.	Bristol (USA)	USD	2,500	–	100% (3)
• 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%	–
• IMA UK Ltd.	Alcester (GB)	GBP	50,000	100%	–
• Imautomatiche Do Brasil Representacoes de Maquinas Ltda.	Sao Paulo (Brazil)	BRL	1,509,560	99.99%	–
• Imautomatiche Ltda.	Madeira (Portugal)	EUR	5,000	100%	–
• PSH MKCS Inc.	Winterville (USA)	USD	50,000	–	100% (3)
<b>Other companies:</b>					
• IMA Kilian Verwaltungs GmbH	Cologne (Germany)	EUR	25,000	–	100% (4)
<b>Financial companies:</b>					
• Packaging Systems Holdings Inc.	Wilmington (USA)	USD	1,000	100%	–

(\*) The share capital of Precision Gears Ltd., IMA Edwards B.V. and IMA Pacific Co. Ltd. amounts, at par, to Rs 20,000,000, Euro 45,400,000 and Thb 100,000,000 respectively.

**Notes (list of investments):**

- (1) Held by IMA Safe S.r.l. The percentage interest in Precision Gears Ltd. includes an option to purchase 10% of the share capital, which in essence represents a form of deferred payment.
- (2) Held by IMA Life S.r.l. The percentage interest held in Pharmasiena Service S.r.l. includes an option to purchase 19% of the quota capital
- (3) Held by Packaging Systems Holdings Inc.
- (4) Held by IMA Germany GmbH
- (5) Held by IMA Edwards B.V.

INVESTMENTS ACCOUNTED  
FOR USING THE EQUITY METHOD

	Head office		Share capital at 31/12/2009	Direct investment	Indirect investment
• B.C. S.r.l.	Imola (Bologna)	EUR	36,400	30%	–
• Bacciottini F.lli S.r.l.	Oste Montemurlo (Prato)	EUR	60,000	30%	–
• Brio Pharma Technol. Pvt. Ltd.	Mumbai (India)	RS	1,000,000	30%	–
• I.E.M.A. S.r.l.	S. Giorgio di Piano (Bologna)	EUR	10,400	30%	–
• LA.CO S.r.l.	Ozzano E. (Bologna)	EUR	30,000	30%	–
• Masterpiece S.r.l.	Ozzano E. (Bologna)	EUR	10,000	30%	–
• Powertransmission.it S.r.l.	Castenaso (Bologna)	EUR	50,000	20%	–
• Scriba Nanotecnologie S.r.l.	Bologna (Bologna)	EUR	25,556	49%	–
• SIL.MAC. S.r.l.	Caggio Montano (Bologna)	EUR	90,000	30%	–
• Sirio S.p.A. Associazione in partecipazione (*)	Milan				

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

D) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The changes reported below have been determined with respect to the figures at 31 December 2008 for balance sheet items and the figures for 2008 for income statement items.

1. SEGMENT INFORMATION

Operating segments have been identified based on the internal reports used by senior management to allocate resources and evaluate the results of each business.

The Group's activities comprise the following operating segments:

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

The sector information for 2009 is as follows (in millions of euros):

2009	Tea, coffee and herbal tea packaging	Pharma- ceuticals packaging	Pharma- ceuticals processing	Other	Total
Revenues	93.8	292.1	119.1	0.8	505.8
Segment operating profit	32.8	32.0	6.5	(0.2)	71.1
Net financial income (expense) (*)				(4.4)	(10.1)
Profit (loss) from investments accounted for using the equity method	–	–	–	–	–
Profit before tax					61.0
Income tax for the period					(23.3)
Net profit for the period					37.7

(\*) Financial income and expense have not been allocated to the individual operating segments as it is not possible to indicate specific amounts for each segment; this subdivision is not used in internal reports. The amount in the "Other" column relates to available for sale investments.

The sector information for 2008 is as follows (in millions of euros):

2008	Tea, coffee and herbal tea packaging	Pharma- ceuticals packaging	Pharma- ceuticals processing	Other	Total
Revenues	84.9	323.2	137.8	1.3	547.2
Segment operating profit	32.5	30.4	9.2	(0.2)	71.9
Net financial income (expense)(*)					(11.3)
Profit (loss) from investments accounted for using the equity method	-	-	-	(0.3)	(0.3)
Profit before tax					60.3
Income tax for the period					(19.0)
NET PROFIT FROM CONTINUING ACTIVITIES					41.3
Net profit from discontinued operations	-	-	-	0.8	0.8
Net profit for the period					42.1

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

Consolidated revenues in 2009 amounted to 505.8 million euros, a decrease of 7.6% on the previous year. This reduction was caused by a lower number of orders received during the first six months of 2009, which because of the delivery times, had a higher impact on overall deliveries for the year.

Revenues from the tea sector were 10.5% higher than the already good results reported last year, confirming the Group's strong leadership position in this market. Operating profit was also higher.

The revenues of the packaging sector fell by 9.6% as a result of fewer orders from the pharmaceutical market during the first half of 2009. Operating profit, on the other hand, improved to 32.0 million euros compared with 30.4 million euros in 2008, thanks to better profit margins on contracts due to a more favourable mix and higher production efficiency.

The pharmaceutical processing sector is showing a decline in revenues of 13.6% and an operating profit that is down by 2.7 million euros. The main reason for this decline in operating profit is lower volumes, while at the industrial gross profit level, the sector has improved its performance as there were no longer the low-margin contracts that penalized 2008.

The following is a breakdown of IMA Group revenues at 31 December 2009 by geographical and business segment (millions of euros):

#### REVENUES BY GEOGRAPHICAL AREA

	year 2009	year 2008	Change
European Union (excluding Italy)	193.8	213.1	(19.3)
Other European countries	36.3	50.6	(14.3)
North America	76.4	97.8	(21.4)
Asia & Middle East	118.3	95.3	23.0
Other countries	44.1	59.7	(15.6)
<b>Total</b>	<b>468.9</b>	<b>516.5</b>	<b>(47.6)</b>
Italy	36.9	30.7	6.2
<b>Total</b>	<b>505.8</b>	<b>547.2</b>	<b>(41.4)</b>

*REVENUES BY BUSINESS SEGMENT*

	year 2009	year 2008	Change
Machines and change parts	251.9	253.7	(1.8)
Contract work	145.7	180.4	(34.7)
Spare parts	64.1	64.9	(0.8)
Technical assistance	33.3	34.8	(1.5)
Other services	10.8	13.4	(2.6)
<b>Total</b>	<b>505.8</b>	<b>547.2</b>	<b>(41.4)</b>

**2. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment have decreased overall by 43.0 million euros since 31 December 2008. Movements in property, plant and equipment during the period are analysed as follows (in millions of euros):

	Land	Buildings and leasehold improv.	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
<b>Balances at 01.01.09</b>	<b>14.2</b>	<b>33.7</b>	<b>16.0</b>	<b>1.4</b>	<b>3.4</b>	<b>2.3</b>	<b>71.0</b>
Increases in the period	–	1.4	1.2	0.5	1.2	0.5	4.8
Sales and disposals	(9.8)	(26.2)	(5.7)	–	(0.1)	–	(41.8)
Change in scope of consolidation	–	–	–	–	0.1	–	0.1
Depreciation	–	(1.2)	(2.7)	(0.6)	(1.5)	–	(6.0)
Reclassifications	0.4	0.9	0.2	–	–	(1.5)	–
Translation differences	–	–	(0.1)	–	–	–	(0.1)
<b>Balances at 31.12.09</b>	<b>4.8</b>	<b>8.6</b>	<b>8.9</b>	<b>1.3</b>	<b>3.1</b>	<b>1.3</b>	<b>28.0</b>

Land includes 1.2 million euros in respect of the site in Ozzano dell'Emilia (Bologna) owned by the Parent Company and 3.2 million euros relating to the 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 and Calenzano, as well as buildings in France, the United Kingdom and India, which are owned by IMA France E.u.r.l., IMA UK Ltd. and Precision Gears Ltd. respectively.

Increases during the period mainly reflect the costs incurred to extend and upgrade existing buildings and plant, and to purchase machinery and electronic equipment.

The Group has initiated a programme of property disposals in order to raise the financial resources needed to continue its external expansion policy.

The sales made by the Parent Company during the period as part of this programme are as follows:

- sale of the industrial complex in Via 1 Maggio, Ozzano dell'Emilia (BO), on 30 June 2009, to IRUAM S.p.A., a property company controlled by InterMedia Holding S.p.A. The selling price of 19.0 million euros compares with a book value of 16.3 million euros. The transaction therefore generated a capital gain of 2.4 million euros, gross of the tax effect and expenses relating to the sale. At the same time, IMA S.p.A. signed a leaseback contract for this property with a duration of 18 years;
- sale of the industrial building in Via Emilia 428/442, Ozzano dell'Emilia, in October, in accordance with the Board resolution of 18 September 2009, to Nemo Investimenti S.r.l., a related company controlled by Lopam Fin S.p.A., the indirect parent company of IMA S.p.A.

At the same time, the parties signed a leaseback contract for this property with a duration of 18 years. The consideration amounted to 19.0 million euros and the agreed annual leasing charge is 1.5 million euros. An independent expert was appointed to appraise the value of the industrial complex. The price agreed between the parties was found to be fair with respect to the economic value of assets sold. The transaction generated a capital gain of about 1,1 million euros, gross of the tax effect and expenses relating to the sale;

- sale of the industrial building in Bentivoglio (BO) on 11 December 2009 to IRUAM S.p.A. The selling price of 7.9 million euros compares with a book value of 7.5 million euros. The transaction therefore generated a capital gain of 0.3 million euros, gross of the tax effect and expenses relating to the sale. At the same time, the parties signed a leaseback contract for this property for the next 18 years with an agreed annual leasing charge of 0.6 million euros.

### 3. INTANGIBLE ASSETS

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

	Development costs	Industrial patents right	Software licences, trademarks and similar	Goodwill	Assets under dev. and advances	Total
<b>Balances at 01.01.09</b>	<b>24.8</b>	<b>4.8</b>	<b>8.2</b>	<b>77.9</b>	<b>1.7</b>	<b>117.4</b>
Increases in the period	-	0.5	2.8	0.5	3.1	6.9
Acquisition of Pharmasiena S.r.l.	-	-	-	1.4	-	1.4
Change in the scope of consolidation	-	-	-	0.7	-	0.7
Amortization	(4.3)	(0.9)	(2.6)	-	-	(7.8)
Writedowns/Impairmen	(1.0)	-	-	-	-	(1.0)
Reduction in book value	-	-	-	(2.2)	-	(2.2)
<b>Balances at 31.12.09</b>	<b>19.5</b>	<b>4.4</b>	<b>8.4</b>	<b>78.3</b>	<b>4.8</b>	<b>115.4</b>

Development costs mainly include the costs incurred for new products that were not previously available and are targeted at new market segments. They relate principally to the know how involved in the freeze-drying plant for the pharmaceutical industry, which was recognised following the acquisition of the Edwards Group in 2008 and assigned a useful life of 7 years. It also includes the costs capitalized in connection with the packaging machine for CA1 filter-paper coffee pods, biotechnology compacts and the know how recognised following the acquisition of VIMA Impianti S.r.l., now called Zanchetta S.r.l., for the washing and powder handling systems used in the pharmaceuticals processing sector.

Based on the Product Development Plan for the pill counting machine, it was decided that the project no longer satisfied the requirements of marketability and profitability, which meant that the residual development costs of 1.0 million euros had to be written off entirely.

Software, licences, trademarks and other rights include the no-competition agreement entered into in 2008 by IMA Life S.r.l. in relation to the purchase of the equity interest in IMA Edwards Pharmaceutical Systems (Beijing) Co. Ltd. The cost of this agreement, 2.8 million euros, is amortizable over 4 years.

Goodwill comprises the following (in millions of euros):

	31.12.2009	31.12.2008
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	12.4	12.4
VIMA Impianti S.r.l.	4.3	4.3
Precision Gears Ltd.	4.0	4.0
Zanchetta S.r.l.	1.1	1.1
Edwards Group	23.0	25.2
MKCS Inc. business division	0.5	-
Pharmasiena Service S.r.l.	2.1	-
<b>Total</b>	<b>78.3</b>	<b>77.9</b>

See Note 21 for information about the goodwill recognized following the acquisition of the line of business from MKCS Inc and Pharmasiena Service S.r.l.

The reduction in the book value of the goodwill that arose on the acquisition of the Edwards Group relates to the recognition of deferred tax assets after completion of the initial accounting treatment.

The impairment tests carried out in accordance with the procedures outlined in IAS 36 did not identify the need to record any loss of value.

Assets under development and advances mainly relate to the capitalization of development costs incurred by the Parent Company (1.4 million euros), IMA Life S.r.l. (2.2 million euros), IMA Safe S.r.l. (0.5 million euros) and IMA Flavour S.r.l. (0.7 million euros).

#### 4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This caption is analyzed as follows (in millions of euros):

	% holding	31.12.2009	31.12.2008
B.C. S.r.l.	30%	0.8	0.6
Bacciottini F.lli S.r.l.	30%	0.5	0.5
Brio Pharma Technologies Pvt. Ltd.	30%	0.4	n.a.
G.S. Divisione Verniciatura S.r.l.	30%	n.a.	0.7
I.E.M.A. S.r.l.	30%	0.5	0.4
L.A.CO. S.r.l.	30%	0.3	0.4
Scriba Nanotecnologie S.r.l.	49%	0.7	0.2
SIL.MAC. S.r.l.	30%	0.3	0.3
Sirio S.p.A. Revenue/cost-sharing agreement (*)		6.7	3.1
<b>Total</b>		<b>10.2</b>	<b>6.2</b>

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

For information about Brio Pharma Technologies Pvt. Ltd. please refer to the scope of consolidation section.

The investment in G.S. Divisione Verniciatura S.r.l. was sold to third parties in June 2009; this transaction generated a capital loss of 0.3 million euros.

In September 2009, IMA S.p.A. raised its interest in Scriba Nanotecnologie S.r.l. to 49% of the quota capital, following a capital increase and the purchase of additional quotas.

5. FINANCIAL ASSETS

Non-current financial assets, 8.8 million euros, include investments in other companies of 7.8 million euros (7.0 million euros at 31 December 2008) and financial receivables of 1.0 million euros (1.8 million euros at 31 December 2008).

in the interests of full disclosure, note that the balance at 31 December 2008 included 3.0 million euros of securities that consisted mainly of listed bond funds held to guarantee non-current loans received.

Investments in other companies include 3.7 million euros relating to the value of the investment held in Pierrel S.p.A. based on the official stock market price at 30 December 2009. This investment was written down by 4.6 million euros during 2009 and charged to financial expense. In the fourth quarter, IMA S.p.A. commenced arbitration proceedings to safeguard its rights under the contract signed with P. Farmaceutici S.r.l. on 30 July 2007 regarding the purchase of shares in Pierrel S.p.A.

The changes in investments in other companies during 2009 reflect the following transactions carried out by the Parent Company:

- sale to third parties of the 2.5 million euros investment in Infracom Consulting S.r.l.; this transaction generated a pre-tax gain of 0.2 million euros;
- subscription and payment of increases in capital of InterMedia Holding S.p.A. and InterMedia Finance S.p.A., amounting to 3.0 million euros and 1.0 million euros respectively; these investments should enable IMA to participate in certain important market initiatives that the InterMedia Group is planning to promote.

Current financial assets (0.9 million euros) include the Parent Company's investments in funds (0.9 million euros at 31 December 2008). At 31 December 2008 this item also included 0.2 million euros of financial receivables.

6. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments comprise (in millions of euros):

	Assets 31.12.2009	Liabilities 31.12.2009	Assets 31.12.2008	Liabilities 31.12.2008
Interest rate swaps (non-current) - cash flow hedges	-	0.6	0.1	-
Exchange rate hedging instruments (current) - cash flow hedges	-	-	2.1	0.2
<b>Total</b>	<b>-</b>	<b>0.6</b>	<b>2.2</b>	<b>0.2</b>

INTEREST RATE DERIVATIVES

The amount of 0.6 million euros represents the fair value of the option contracts expiring in 2011 and 2015. They were arranged with leading financial institutions to hedge the interest rate risk on certain medium-term borrowings.

CURRENCY DERIVATIVES

At 31 December 2009 there were no currency forward purchase or sale contracts stipulated by the Group to hedge exchange rate risk. At 31 December 2008 the figures of 2.1 million euros in assets and 0.2 million euros in liabilities represented the fair value of such hedging instruments versus notional values of 44.2 million US dollars and 4.7 million US dollars.

**7. DEFERRED TAX ASSETS  
AND LIABILITIES**

At 31 December 2009, deferred tax assets of 15.4 million euros (13.8 million euros at 31 December 2008) mainly relate to temporary differences deriving from provisions, as well as to the elimination of unrealized intercompany profits on the sale of finished products and the tax benefit of tax losses carried forward.

At 31 December 2009, deferred tax liabilities amount to 15.4 million euros (18.0 million euros at 31 December 2008) and relate mainly to temporary differences between the book values of certain tangible and intangible assets and their values recognised for tax purposes.

**8. INVENTORIES**

This caption is analyzed as follows (millions of euros):

	Gross value	Impairment provision	Net value at 31.12.2009	Net value at 31.12.2008
Raw, ancillary and consumable materials	25.8	(5.1)	20.7	22.4
Work in progress and semifinished goods	138.2	(19.4)	118.8	135.8
Finished products and goods for resale	2.3	(1.8)	0.5	2.0
<b>Total</b>	<b>166.3</b>	<b>(26.3)</b>	<b>140.0</b>	<b>160.2</b>

The decrease in inventories compared with 31 December 2008 is the result of Group management's policy of careful stock control and the trend in sales revenues.

**9. TRADE AND OTHER  
RECEIVABLES**

This caption is analyzed as follows (millions of euros):

	31.12.2009	31.12.2008
Trade receivables	100.9	110.0
Advances to suppliers	4.8	7.5
Tax receivables	5.1	9.2
Deferrals	1.5	2.1
Other receivables	2.4	2.9
<b>Total</b>	<b>114.7</b>	<b>131.7</b>

**TRADE RECEIVABLES**

Trade receivables include amounts due from customers of 66.4 million euros (64.9 million euros at 31 December 2008), amounts due on contract work in progress of 34.2 million euros (44.9 million euros at 31 December 2008) and receivables from associates of 0.3 million euros (0.2 million euros at 31 December 2008).

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

Trade receivables from customers are carried net of accumulated provisions amounting to 4.9 million euros (4.7 million euros at 31 December 2008).

The period to 31 December 2009 has seen the assignment without recourse of receivables with a total nominal value of around 30.2 million euros; assigned receivables not yet due at 31 December 2009 amounted to around 20.3 million euros, of which 15.7 million euros have been assigned to factoring companies and 4.6 million euros to other financial institutions.

ADVANCES TO SUPPLIERS

At 31 December 2009 these relate to advances for goods to be used in production and for services of respectively 3.7 million euros (5.2 million euros at 31 December 2008) and 1.1 million euros (2.3 million euros at 31 December 2008). This balance includes 1.2 million euros in advances to associated companies (0.7 million euros at 31 December 2008).

**10. CASH AND CASH EQUIVALENTS**

This item comprises (in millions of euros):

	31.12.2009	31.12.2008
Bank current accounts	94.7	73.0
Deposits	5.3	3.1
Cheques and cash	0.2	0.3
<b>Total</b>	<b>100.2</b>	<b>76.4</b>

For a better understanding of the changes in this balance, reference should be made to Note 13 on borrowings.

**11. SHARE CAPITAL AND TREASURY SHARES**

Share capital at 31 December 2009 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.

A total dividend of 30.5 million euros was paid in May 2009, equal to 0.90 euros gross per ordinary share in circulation (28.7 million euros, equal to 0.85 euros gross in May 2008). The Parent Company paid the dividend by using the entire net profit for the year ended 31 December 2008, 7.4 million euros, and by drawing on distributable reserves for the balance.

During 2009, the Parent Company carried out transactions in treasury shares by buying 57,508 own shares for a total of 0.7 million euros.

During 2008, IMA S.p.A. bought 108,250 treasury shares for a total of 1.5 million euros and sold 110,000 treasury shares for a total of 1.5 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	
<b>Balance at 01.01.2008</b>	33,901
Purchase of treasury shares	(108)
Sale of treasury shares	-
<b>Balance at 30.09.2008</b>	<b>33,793</b>
Purchase of treasury shares	-
Sale of treasury shares	110
<b>Balance at 31.12.2008</b>	<b>33,903</b>
Purchase of treasury shares	(58)
Sale of treasury shares	-
<b>Balance at 30.09.2009</b>	<b>33,845</b>
Purchase of treasury shares	-
Sale of treasury shares	-
<b>Balance at 31.12.2009</b>	<b>33,845</b>

15 January 2009 saw the start of a new share buy-back plan. On completion of this programme on 22 April 2009, the Parent Company had purchased a total of 11,000 shares for 0.1 million euros.

A new programme for the purchase of treasury shares, arranged with the Unicredit Group, commenced on 10 June 2009. Over the period of this plan, which will terminate on 27 April 2010, it is reasonable to expect that no more than 500,000 shares will be purchased, for a maximum of 7 million euros.

The purpose of both programmes is to stabilize the stock price, while complying with all current regulations.

At 31 December 2009, 255,243 shares were held in the portfolio, with a total value of 3.4 million euros.

## 12. FAIR VALUE RESERVE

The changes in the fair value reserve are analyzed as follows (in millions of euros):

<b>Balance at 01.01.2008</b>	-
<i>Available for sale</i>	
Valuation at fair value	(3.1)
<i>Cash flow hedges/hedging instruments</i>	
Valuation at fair value	2.1
Realization recognized in income - revenues	(0.6)
Realization recognized in income - financial income and expense	(0.2)
<b>Balance at 31.12.2008</b>	<b>(1.8)</b>
<i>Available for sale</i>	
Realization recognized in income - financial income and expense	3.9
<i>Cash flow hedges/hedging instruments</i>	
Valuation at fair value	(0.7)
Realization recognized in income - revenues	(1.3)
Realization recognized in income - financial income and expense	(0.5)
<b>Balance at 31.12.2009</b>	<b>(0.4)</b>

The increase in the period mainly reflects recognition of the lower value of the investment in shares classified as available for sale.

## 13. BORROWINGS

These include payables to banks of 212.8 million euros (212.8 million euros at 31 December 2008), and payables to other lenders of 2.7 million euros (4.3 million euros at 31 December 2008).

### PAYABLES TO BANKS

#### *Applied research and technological innovation loans*

Repayments for a total of 5.1 million euros were made by the Parent Company as they fell due during the period; no new loans were received.

#### *Other loans*

The principal changes in other loans comprise the new loans obtained by the Parent Company, 20.0 million euros, IMA Life S.r.l., 15.0 million euro, IMA Kilian GmbH & Co. KG, 5.0 million euros, and PSH MKCS Inc., 0.7 million US dollars, and the repayments made by IMA S.p.A., 26.6 million euros, IMA Life S.r.l., 3.9 million euros and IMA Kilian GmbH & Co KG, 1.9 million euros, in accordance with the related contract terms.

### PAYABLES TO OTHER LENDERS

At 31 December 2009 this item mainly includes the liability for the finance lease on the Calenzano plant for 2.4 million euros (3.4 million euros at 31 December 2008). The non-current portion comprises payables due between 1 and 5 years totalling 1.3 million euros (2.4 million euros at 31 December 2008).

### NET DEBT

The analysis of net debt takes account of the considerations contained in Consob Communication DEM/6064293 dated 28 July 2006 and CESR Recommendation 05-054/B dated 10 February 2005. Non-current financial assets are represented by investments in securities and financial receivables. The figure differs from that reported in the balance sheet since it does not include equity interests in other companies. For further information on the composition of net debt, see Notes 5 and 10.

Net debt at 31 December 2009 amounts to 113.4 million euros and is made up as follows:

in millions of euros	31.12.2009	30.09.2009	31.12.2008
A. Cash and cash equivalents	(100.2)	(45.3)	(76.4)
B. Other cash equivalents	-	-	-
C. Investments in securities	(0.9)	(4.0)	(0.9)
<b>D. Liquidity (A)+(B)+(C)</b>	<b>(101.1)</b>	<b>(49.3)</b>	<b>(77.3)</b>
<b>E. Current financial receivables</b>	<b>-</b>	<b>(1.0)</b>	<b>(0.2)</b>
F. Current payables to banks	88.7	122.0	85.3
G. Current portion of non-current bank payables	34.5	35.2	36.1
H. Other current financial payables	1.4	1.1	1.9
<b>I. Current financial debt (F) + (G) + (H)</b>	<b>124.6</b>	<b>158.3</b>	<b>123.3</b>
<b>J. Net current financial debt (D)+(E)+(I)</b>	<b>23.5</b>	<b>108.0</b>	<b>45.8</b>
K. Non-current portion of non-current bank payables	89.6	67.4	91.4
L. Non-current financial assets	(1.0)	(1.0)	(4.8)
M. Other non-current financial payables	1.3	1.6	2.4
<b>N. Net non-current financial debt (K)+(L)+(M)</b>	<b>89.9</b>	<b>68.0</b>	<b>89.0</b>
<b>O. Net financial debt (J) + (N)</b>	<b>113.4</b>	<b>176.0</b>	<b>134.8</b>

The decrease in net debt compared with 31 December 2008 is mainly due to the property disposals, partly reduced by the rise in working capital and by the purchase of minority interests in certain companies.

In addition, IMA S.p.A. paid dividends of 30.5 million euros in May (28.7 million euros in May 2008).

With respect to 30 September, the financial situation has benefited from the sale of properties for 26.5 million euros and the fourth quarter's traditional positive net cash flow.

## 14. PROVISIONS FOR RISKS AND CHARGES

These provisions are analyzed as follows (millions of euros):

	Balance at 31.12.2008	Increases	Decreases	Exchange differences	Balance at 31.12.2009
Non-current:					
Agency termination indemnities	1.8	0.2	(0.4)	-	1.6
Legal disputes	0.1	-	(0.1)	-	-
	<b>1.9</b>	<b>0.2</b>	<b>(0.5)</b>	<b>-</b>	<b>1.6</b>
Current:					
Product warranty provision	11.7	3.4	(2.9)	(0.1)	12.1
Other provisions	0.3	3.8	(0.2)	(0.1)	3.8
	<b>12.0</b>	<b>7.2</b>	<b>(3.1)</b>	<b>(0.2)</b>	<b>15.9</b>
<b>Total</b>	<b>13.9</b>	<b>7.4</b>	<b>(3.6)</b>	<b>(0.2)</b>	<b>17.5</b>

The product guarantee provision was established on the basis of estimated expenses for work to be performed under guarantee after 31 December 2009.

During the course of fourth quarter 2009, 3.8 million euros were set aside to other provisions for restructuring costs, namely personnel costs that certain Group companies will incur in 2010. The aim is to rationalise structures and limit operating costs.

## 15. TRADE AND OTHER PAYABLES

This caption is analyzed as follows (millions of euros):

	31.12.2009	31.12.2008
Trade payables	73.2	109.9
Advances from customers	24.0	53.3
Social security payables	6.0	5.5
Tax payables	4.1	4.0
Due to employees	14.8	17.2
Payables in respect of acquisitions	2.0	1.3
Other payables	3.8	5.0
<b>Total</b>	<b>127.9</b>	<b>196.2</b>

### TRADE PAYABLES

This item includes trade payables of 62.6 million euros (97.0 million euros at 31 December 2008), payables to agents of 6.6 million euros (7.3 million euros at 31 December 2008) and trade payables to associates of 4.0 million euros (5.6 million euros at 31 December 2008).

### ADVANCES FROM CUSTOMERS

The decrease in advances from customers for future supplies since 31 December 2008 reflects the lower level of the order book at 31 December 2009.

### TAX PAYABLES

Tax payables mainly consist of income tax withheld from employees' wages and salaries.

### DUE TO EMPLOYEES

The decrease in this item compared with 31 December 2008 mainly reflects the lower liability for holiday entitlement still to be taken in 2010.

### PAYABLES IN RESPECT OF ACQUISITIONS

This item includes:

- the estimated liability of 1.4 million euros for the purchase of the residual 10% interest in Precision Gears Ltd., India, in relation to which, at the time of closing, the parties agreed reciprocal put&call options which were exercised in January 2010;
- the residual amount due, 0.3 million US dollars, on acquisition of the line of business from MKCS Inc. This amount is payable in April 2012;
- the estimated liability of 0.4 million euros for the purchase of an additional 19% interest in Pharmasiena Service S.r.l. The put option granted is exercisable in April 2013 or in April 2016.

**16. PERSONNEL COSTS**

Personnel costs comprise (in millions of euros):

	year 2009	year 2008	Change
Wages and salaries	113.5	109.8	3.7
Social security contributions	27.2	26.8	0.4
Remuneration of directors	2.6	2.6	–
Pensions - defined-benefit plans	1.7	0.6	1.1
Pensions - defined-contribution plans	6.8	6.4	0.4
Restructuring costs	3.8	–	3.8
Other personnel costs	8.8	8.9	(0.1)
<b>Total</b>	<b>164.4</b>	<b>155.1</b>	<b>9.3</b>

**17. DEPRECIATION,  
AMORTIZATION AND  
WRITEDOWNS**

This item includes depreciation of property, plant and equipment of 6.0 million euros (7.3 million euros in 2008), amortization of intangible assets of 7.8 million euros (7.1 million euros in 2008), writedowns/impairment adjustments of development costs of 1.0 million euros (1.4 million euros in 2008) and writedowns of receivables of 0.4 million euros (1.6 million euros in 2008).

**18. FINANCIAL INCOME**

This item comprises (in millions of euros):

	year 2009	year 2008	Change
Interest income from banks	0.5	1.6	(1.1)
Interest income on amounts due from customers	0.3	0.2	0.1
Income on investments available for sale	0.5	–	0.5
Income from derivative financial instruments	0.4	0.4	–
Exchange rate gains	9.9	8.1	1.8
<b>Total</b>	<b>11.6</b>	<b>10.3</b>	<b>1.3</b>

**19. FINANCIAL EXPENSE**

This item comprises (in millions of euros):

	year 2009	year 2008	Change
Interest expense on bank payables	6.4	10.9	(4.5)
Interest expense on discounting	0.1	0.2	(0.1)
Interest expense on finance leases	0.1	0.3	(0.2)
Writedown of non-current assets available for sale	4.6	–	4.6
Expense from derivative financial instruments	0.1	0.2	(0.1)
Other interest and financial expense	0.7	0.7	–
Exchange rate losses	9.7	9.3	0.4
<b>Total</b>	<b>21.7</b>	<b>21.6</b>	<b>0.1</b>

The decrease in bank interest expense was mainly due to the reduction in interest rates and the lower level of debt during the period.

Exchange gains and losses for the period to 31 December 2009 include unrealized gains of 1.6 million euros and unrealized losses of 1.7 million euros (2.2 million euros and 4.3 million euros in the previous year).

**20. INCOME TAXES FOR THE PERIOD**

Income taxes for 2009 are calculated using the best estimate of the weighted average tax rate for the full year, as envisaged by IAS 34. The annual and quarterly schedules for 2008 show the definitive figures for tax.

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. elected to establish a domestic tax group for the three-year period 2007-2009 with SO.FI.MA. S.p.A. acting as its head. During 2008, IMA Safe S.r.l. and IMA Flavour S.r.l. also elected to join this domestic tax group.

## 21. BUSINESS COMBINATIONS

Packaging Systems Holdings Inc. purchased a line of business comprising the provision of technical assistance for freeze-dryers from MKCS Inc. on 1 April 2009. This acquisition was made via a new wholly-owned subsidiary, PSH MKCS Inc. with Head office in Winterville, North Carolina (USA).

The main provisional values for assets and liabilities at 1 April 2009 were as follows (in millions of euros):

	Total book values	Fair value
Trade and other receivables	0.3	0.3
Cash and cash equivalents	0.2	0.2
Trade and other payables	(0.1)	(0.1)
<b>Total</b>	<b>0.4</b>	<b>0.4</b>
Purchase cost		0.9
<b>Goodwill</b>		<b>0.5</b>

PSH MKCS Inc. has been consolidated for nine months of 2009, contributing 1.2 million euros in revenues and 0.2 million euros in operating profit to the IMA Group's results.

On 2 July 2009, IMA Life S.r.l. completed the purchase of a 51% interest in Pharmasiena Service S.r.l., which designs and manufactures systems for filling vials and syringes under sterile conditions. IMA Life S.r.l. also granted the sellers a put option for the sale of a further 19% of the company's quota capital.

The main provisional values for assets and liabilities at 2 July 2009 were as follows (in millions of euros):

	Total book values	Fair value
Intangible assets - Goodwill (a)	0.7	0.7
Inventories	0.7	0.7
Trade and other receivables	0.4	0.4
Financial payables	(0.7)	(0.7)
Trade and other payables	(0.7)	(0.7)
<b>Total</b>	<b>0.4</b>	<b>0.4</b>
Purchase cost		1.8
<b>Goodwill (b)</b>		<b>1.4</b>
<b>Total goodwill (a) + (b)</b>		<b>2.1</b>

Pharmasiena Service S.r.l. has been consolidated for six months of 2009, contributing revenues of 0.9 million euros to the IMA Group's results.

The initial accounting for these business combinations has been determined on a provisional basis, because the fair value of the assets, liabilities or contingent liabilities and the cost of the combinations have not yet been finalized. As required by IFRS 3, any adjustments will be made within twelve months of the acquisition date.

**22. GUARANTEES GRANTED**

At 31 December 2009, the Group has granted sureties and other bank guarantees to customers for 10.0 million euros for the proper operation of machinery, bid bonds and advances not yet received, sureties in favour of the municipality of Ozzano dell'Emilia (Bologna) for 0.2 million euros to secure the performance of contracts, a surety to the tax authorities for VAT rebates of 11.1 million euros and sureties to others for 5.2 million euros, mainly to guarantee leasing contracts.

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 201.6 million euros.

Sureties given against advances received from customers amount to about 25.9 million euros (25.0 million euros at 31 December 2008).

**23. COMMITMENTS**

At 31 December 2009 commitments to purchase property, plant and equipment came to 0.1 million euros.

The Group also has commitments in respect of minimum lease payments for non-cancellable operating leases for a total of 1.6 million euros (1.7 million euros at 31 December 2008) and rent commitments for a total of 69.6 million euros (31.7 million euros at 31 December 2008).

Note that as part of the sale of the plants located in Ozzano dell'Emilia (BO) in Via Emilia 428/442 and Via 1 Maggio and in Bentivoglio (BO), three lease contracts have been stipulated on these buildings with a duration of 18 years and annual lease instalments for a total of 3.6 million euros.

There are also other commitments in favour of third parties for 2.5 million euros, consisting mainly of the Parent Company's commitment to buy further units of the Mandarin Capital Partners S.C.A. private equity fund for 1.4 million euros.

**24. RELATED-PARTY  
TRANSACTIONS**

At 31 December 2009 the Group holding company is IMA Industria Macchine Automatiche S.p.A., 71.517% owned by SO.FI.MA. S.p.A., which is in turn a subsidiary of Lopam Fin S.p.A.

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

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

Receivables, payables, costs and revenues attributable to related parties do not represent a significant proportion of the totals reported in the financial statements. Related-party transactions are carried out on an arm's-length basis.

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

	Receivables at 31.12.2009	Receivables at 31.12.2008	Payables at 31.12.2009	Payables at 31.12.2008
Associates:				
B.C. S.r.l.	-	-	0.6	0.8
Bacciottini F.lli S.r.l.	-	-	1.1	1.0
I.E.M.A. S.r.l.	-	-	0.9	1.0
LA.CO. S.r.l.	1.3	0.7	0.8	1.6
Masterpiece S.r.l.	-	-	0.2	-
Powertransmission.it S.r.l.	-	n.a.	0.1	n.a.
Scriba Nanotec. S.r.l.	-	-	-	0.1
SIL.MAC S.r.l.	0.2	0.2	0.3	1.1
	<b>1.5</b>	<b>0.9</b>	<b>4.0</b>	<b>5.6</b>
Other related parties:				
Datasensor S.p.A.	-	-	-	0.1
Felsinea Ristorazioni S.r.l.	-	-	0.4	0.4
Naturapack S.r.l.	0.7	1.0	0.1	-
Viaggi Nuova Era S.r.l.	-	-	1.4	1.7
	<b>0.7</b>	<b>1.0</b>	<b>1.9</b>	<b>2.2</b>
<b>Total</b>	<b>2.2</b>	<b>1.9</b>	<b>5.9</b>	<b>7.8</b>

	Revenues year 2009	Revenues year 2008	Costs year 2009	Costs year 2008
Associates:				
B.C. S.r.l.	-	-	3.1	3.7
Bacciottini F.lli S.r.l.	-	-	2.6	2.1
G.S. S.r.l.	-	-	0.1	0.3
I.E.M.A. S.r.l.	-	-	1.9	2.1
LA.CO. S.r.l.	0.5	0.7	2.1	2.2
Masterpiece S.r.l.	-	n.a.	0.4	n.a.
Powertransmission.it S.r.l.	-	n.a.	0.2	n.a.
SIL.MAC S.r.l.	-	-	1.5	2.5
	<b>0.5</b>	<b>0.7</b>	<b>11.9</b>	<b>12.9</b>
Other related parties:				
Datasensor S.p.A.	-	-	0.1	0.2
Felsinea Ristorazione S.r.l.	-	-	1.1	1.1
Italbe S.r.l.	-	-	0.2	0.2
Lopam S.r.l.	-	-	0.5	0.5
Morosina S.p.A.	-	-	0.2	0.1
Naturapack S.r.l.	1.4	1.9	0.2	0.5
Nemo Investimenti S.r.l.	-	n.a.	0.3	n.a.
Poggi Luca	-	-	0.4	0.4
Sporting Club Gira S.r.l.	-	-	0.3	0.3
Viaggi Nuova Era S.r.l.	-	-	3.9	4.4
	<b>1.4</b>	<b>1.9</b>	<b>7.2</b>	<b>7.7</b>
<b>Total</b>	<b>1.9</b>	<b>2.6</b>	<b>19.1</b>	<b>20.6</b>

The above transactions relate primarily to the Italian companies.

There are also dealings with SO.FI.MA. S.p.A., the parent company, as a result of setting up the domestic tax group, as mentioned in Note 20.

Lastly, see Note 2 for information on the sale of real estate to Nemo Investimenti S.r.l., a related party, in October 2009.

**25. SIGNIFICANT NON-RECURRING  
TRANSACTIONS AND EVENTS**

The following non-recurring items are included in the operating profit for the period and are classified under other revenues and personnel costs (in millions of euros):

	year 2009	year 2008
Gain on sale of property complex in Ozzano Emilia, Via 1 Maggio	2.4	-
Gain on sale of property complex in Ozzano Emilia, Via Emilia	1.1	-
Gain on sale of property complex in Bentivoglio, Via Romagnoli	0.3	-
Gain on investment by minority quotaholders in IMA Life S.r.l./IMA Flavour S.r.l.	-	2.5
Tax credits on R&D costs incurred	0.5	0.6
Restructuring costs	(3.8)	-
<b>Total</b>	<b>0.5</b>	<b>3.1</b>

See note 2 for further information on the sale of the property complexes in Ozzano dell'Emilia and Bentivoglio (BO).

The tax credits have been recognised by the Parent Company, IMA Life S.r.l., IMA Safe S.r.l. and IMA Flavour S.r.l. in relation to the R&D costs incurred in 2008, pursuant to art. 1 of Law 296 dated 27 December 2006 and subsequent amendments.

During the course of fourth quarter 2009, 3.8 million euros were set aside to other provisions for risks and charges for restructuring costs, namely personnel costs that certain Group companies will incur in 2010. The aim is to rationalise structures and limit operating costs.

**26. POSITIONS OR OPERATIONS  
DERIVING FROM ATYPICAL AND/OR  
UNUSUAL TRANSACTIONS**

No positions or operations deriving from atypical and/or unusual transactions arose during 2009.

**27. SIGNIFICANT EVENTS AFTER THE  
END OF THE FOURTH QUARTER**

The principal events taking place after the end of the fourth quarter were as follows:

- in January 2010 IMA Safe S.r.l. purchased the residual 10% of Precision Gears Ltd., an Indian company, for 1.4 million euros;
- on 28 January 2010 the Shareholders' Meeting of IMA S.p.A. approved an increase in the number of board members from 11 to 12 and appointed Enrico Ricotta, founding partner of Mandarin Capital Partner, as a director;
- on 28 January 2010 the Parent Company completed the acquisition of 32% di Logimatic S.r.l., a company based in Ozzano dell'Emilia (BO) that operates in the marketing, distribution and testing of automatic machines, for 0.2 million euros. This investment enables the Group to take a stake in a supplier that is considered important for its own operations.

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