

**QUARTERLY REPORT FOR THE FIRST QUARTER OF 2002**

**I.M.A. INDUSTRIA MACCHINE AUTOMATICHE SPA** - HEAD OFFICE: OZZANO DELL'EMILIA  
(BOLOGNA)

CAPITAL STOCK EURO 18,772,000 FULLY PAID IN - BOLOGNA COMPANIES REGISTER NO° 00307140376

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## GROUP COMPANIES BY BUSINESS ACTIVITY

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### MANUFACTURING ACTIVITIES

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

**BFB S.p.A.**  
Bentivoglio  
Bologna (Italy)

**Libra s.r.l.**  
Ozzano dell'Emilia  
Bologna (Italy)

**CO.MA.DI.S. S.p.A.**  
Milan (Italy)

**B.C. s.r.l.**  
Imola  
Bologna (Italy)

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

**Precision Gears Pvt Ltd.**  
Bombay (India)

**Precision Gears Pvt Ltd.**  
Indore (India)

**Zibo IMA  
Xinhua Machinery  
Manufacturing Co. Ltd.**  
Zibo (PRC)

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

**J.O.I. PACK Co. Ltd.**  
Saitama (Japan)

### COMMERCIAL ACTIVITIES

**IMA  
Verpackungssysteme GmbH**  
Cologne (Germany)

**I.M.A. Est  
Verpackungssysteme  
Handels GmbH**  
Wien (Austria)

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

**IMA UK Ltd.**  
Wokingham (UK)

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

**IMA Iberica  
Processing and Packaging SL**  
Barcelona (Spain)

**IMA North America Inc.**  
Bristol (USA)

**Kilian & Co. Inc.**  
Horsham (USA)

**IMA Far East Co. Ltd.**  
Hong Kong

**IMA Japan Co. Ltd.**  
Yokohama (Japan)

**IMA Lanka Ltd.**  
Colombo (Sri-Lanka)

### OTHER ACTIVITIES

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

**IGNITION TEAM s.r.l.**  
Castenaso  
Bologna (Italy)

**COMITEC s.r.l.**  
Castel S. Pietro Terme  
Bologna (Italy)

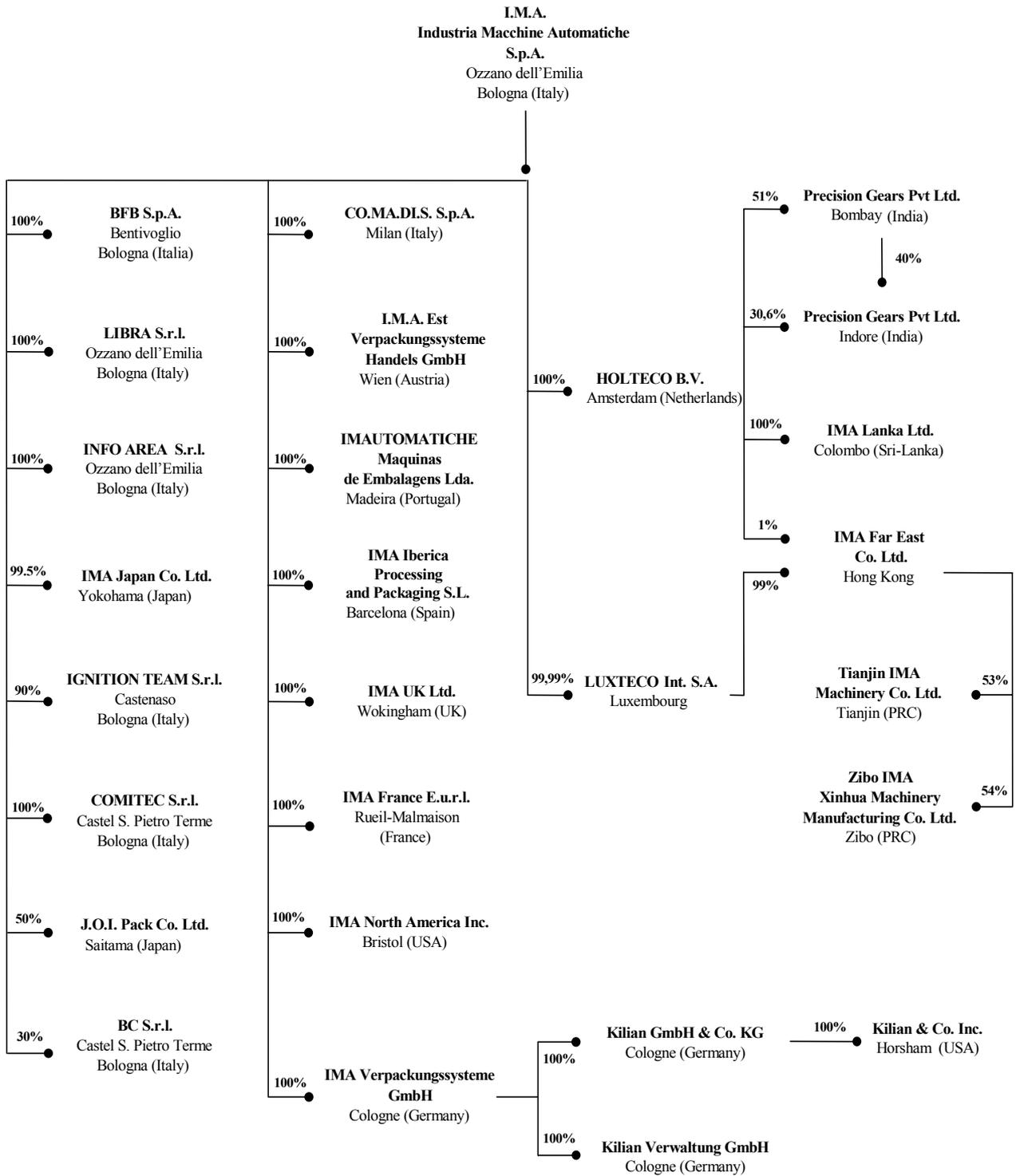
**Kilian Verwaltung GmbH**  
Cologne (Germany)

### FINANCIAL ACTIVITIES

**Luxteco International S.A.**  
Luxembourg

**HOLTECO B.V.**  
Amsterdam (Holland)

## GROUP STRUCTURE



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## INTRODUCTION

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This report was approved by the Board of Directors on May 14, 2002.

The report was prepared in accordance with article 82 of CONSOB circular no. 11971 of May 14, 1999.

**REPORT ON OPERATIONS**  
AS OF MARCH 31, 2002

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## COMPANY OFFICERS

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(IN ACCORDANCE WITH CONSOB RECOMMENDATION NO. 97001574 OF FEBRUARY 20, 1997)

### BOARD OF DIRECTORS

(IN OFFICE UNTIL APPROVAL OF THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2002)

#### CHAIRMAN

Marco Vacchi

*Powers:* legal representation and signature powers in accordance with article 22 of the Articles of Association;

*Delegated powers:* ordinary administration of the Company, including banking operations up to and including a maximum of Euro 5,164,569, except for the renewal of credit lines already granted to the Company that are freely renewable without any limit. *Delegation and appointment of special representatives for particular purposes.*

#### MANAGING DIRECTOR

Alberto Vacchi

*Delegated powers:* ordinary administration of the Company, including banking operations up to and including a maximum of Euro 5,164,569, except for the renewal of credit lines already granted to the Company that are freely renewable without any limit. *Delegation and appointment of special representatives for particular purposes.*

#### DIRECTORS

Andrea Malagoli, Italo Giorgio Minguzzi, Paolo Opromolla, Luca Poggi, Maria Carla Schiavina, Gianluca Vacchi, Stefano Visentini, Romano Volta.

### EXECUTIVE COMMITTEE

(IN OFFICE UNTIL APPROVAL OF THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2002)

The Executive Committee has powers of extraordinary administration provided they are not reserved to the Board of Directors by law and by the board resolution of October 13, 2000.

This resolution states that the Board of Directors has exclusive authority:

- to approve 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 Euro 5,164,569, except for the renewal of credit lines already granted to the Company, which can be delegated;
- to approve the Company's strategic, business and financial plans and any decision relating to the Group structure;
- to approve any related party transactions.

*The Executive Committee can delegate and appoint special representatives for particular purposes.*

#### CHAIRMAN

Marco Vacchi

#### MEMBERS

Andrea Malagoli, Paolo Opromolla, Luca Poggi, Alberto Vacchi, Stefano Visentini.

### BOARD OF STATUTORY AUDITORS

(IN OFFICE UNTIL APRIL 27, 2004)

#### AUDITORS

Giorgio Comini *Chairman - Auditor*, Amedeo Cazzola - *Auditor*, Piero Aicardi - *Auditor*

#### ALTERNATE AUDITORS

Luigi Ghermandi - *Auditor*, Emanuele Gnugnoli - *Auditor*

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## REPORT ON OPERATIONS

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### GENERAL PERFORMANCE

The first quarter continued to reflect the positive trend in demand from the pharmaceutical industry for machinery and equipment, driven by ongoing steady growth in the industry which, according to the most recent figures published by IMS Health, saw an increase in sales of 12% during the period under review compared with +10% in the corresponding period in 2001. The blister and sterile lines have shown especially positive flows of new orders, where we have reason to believe that our Group will further increase its market share, thanks to several new items introduced during the past year.

The demand for tea bagging machines is finally on the upswing, after a lengthy period marked by declining demand. Some major orders have come in from the North American and Russian markets, while several other deals are currently being negotiated.

### KEY FIGURES

The typically skewed sales structure that characterises our sector leads to a concentration of deliveries in the second half of the year. This makes the first quarter financial statement indicators relatively meaningless in terms of annual Group performance when measured on periods of less than 12 months, as we have mentioned on several other occasions. For instance, deliveries in the last quarter of 2001 represented 44.5% of total annual sales. Moreover, this type of concentration at the end of one year inevitably leads to relatively empty production lines at the beginning of the next; this reflects on the results for these first three months, when production has been focused mainly on building up work in progress on machines for delivery during 2002, as can be seen from the significant increase in this balance sheet figure.

Specifically, in the quarter from January to March 2002, sales revenues totalled Euro 44.7 million, remaining at the same level of the previous period, including changes in contract work in progress. In the meantime, the order book at the end of March totalled Euro 198.76 million against Euro 180.14 million at the end of March 2001, an increase of 10.34%. The order book for machinery and equipment for the pharmaceutical industry has increased by 19.7% (from Euro 139.9 million to Euro 167.5 million), whereas, the orders for tea bagging machines stand at Euro 31.2 million, against a value of Euro 40.2 million at March 31, 2001. However, as mentioned earlier, the outlook is bright.

As a result of the low sales volumes, operating income in the period is negative, showing a loss of Euro 4.79 million against one of 5.12 million in first quarter 2001. The lower level of operating loss, coupled with a simultaneous rise in personnel costs and use of outsourcing, has allowed for an improvement in industrial margins and kept down the fixed element of R&D, general and selling expenses. We are confident that this positive trend will continue in the coming months.

Net financial charges in the period come to Euro 0.84 million against Euro 1.58 million in January - March 2001. This decrease is due to a lower average level of debt and more favourable interest rates. Therefore, income before taxes shows a loss of Euro 5.70 million against a loss of Euro 6.77 million at March 31, 2001.

Net financial indebtedness as of March 31 amounted to Euro 73.06 million, falling by Euro 2.08 million compared with the end of December 2001 (Euro 75.14 million). The result is very encouraging, especially for a period of the year marked by greatly increased inventories to cope with the deliveries scheduled over the coming months. It also reflects the decisive action management has taken to keep a cap on working capital.

### OUTLOOK FOR THE REST OF THE YEAR

In April, our Group attended two important trade fairs, Interphex in New York and Interpack in Duesseldorf. At Interpack we exhibited 20 new products involving all of our main lines of production. This was an extraordinary event that none of our competitors at the fair could match, reflecting the enormous effort that our Group has made in recent years in terms of R&D. All of the new items sparked great interest and admiration on the part of visitors and confirmed the IMA's innovative capacity and its position as the undisputed market leader.

Healthy demand in the sector which was further revived after the trade fairs mentioned above, combined with the high level of the order book at March 31, 2001, make it possible to foresee very good growth on an annualised basis in both sales and profitability compared with the figures at the end of 2001.

## **SIGNIFICANT EVENTS AFTER THE END OF THE FIRST QUARTER**

The following changes in the Group structure also took place after the end of the period:

- On May 6, IMA S.p.A. acquired the remaining 10% stake in Ignition Team S.r.l., thereby obtaining full control of the company. No goodwill was generated by this transaction.
- On April 3, IMA S.p.A. acquired 100% of Kilian & Co Inc. from Kilian GmbH & Co., as part of the Company's investment reorganization plan. In April, this investment was transferred to IMA North America Inc. and was absorbed by it in May.

**CONSOLIDATED BALANCE SHEET AND STATEMENT OF INCOME**  
**AT MARCH 31, 2002, MARCH 31, 2001 AND DECEMBER 31, 2001**

## CONSOLIDATED BALANCE SHEET

AT MARCH 31, 2002 AND DECEMBER 31, 2001 (IN THOUSANDS OF EURO)

	31/03/2002	31/12/2001
- Trade receivables, net	63,348	101,952
- Other receivables	15,172	13,017
- Inventories	122,382	92,650
- Short-term non-financial payables	(121,023)	(120,033)
<b>A) Working capital</b>	<b>79,879</b>	<b>87,586</b>
- Receivables due beyond 12 months	7,012	7,565
- Investments and financial fixed assets	7,899	7,878
- Tangible fixed assets, net	44,803	44,374
- Intangible fixed assets	52,190	53,470
<b>B) Fixed assets</b>	<b>111,904</b>	<b>113,287</b>
<b>C) Reserves and m/l-t non-financial payables</b>	<b>(24,860)</b>	<b>(26,216)</b>
<b>A + B – C = Net capital invested</b>	<b>166,923</b>	<b>174,657</b>
<b>FINANCED BY</b>		
<b>D) Net financial indebtedness</b>	<b>73,062</b>	<b>75,140</b>
<b>E) Minority interests</b>	<b>2,553</b>	<b>2,544</b>
<b>F) Stockholders' equity</b>	<b>91,308</b>	<b>96,973</b>
<b>D + E + F = Total financial payables and stockholders' equity</b>	<b>166,923</b>	<b>174,657</b>

## CONSOLIDATED STATEMENT OF INCOME

FOR THE FIRST QUARTER 2002 AND COMPARISON WITH THE FIRST QUARTER 2001 (IN THOUSANDS OF EURO)

STATEMENT OF INCOME	First quarter 2002		First quarter 2001	
	Partial	Total	Partial	Total
<b>A. VALUE OF PRODUCTION</b>				
- Revenue from the sale of goods and services		44,695		44,112
- Change in work in progress, semifinished and finished goods		27,557		20,338
- Change in contract work in progress		-		626
- Increase in fixed assets for internal work		47		24
- Other revenues and income		296		371
TOTAL VALUE OF PRODUCTION (A)		72,595		65,471
<b>B. PRODUCTION COSTS</b>				
- Raw, ancillary and consumable materials		32,654		28,201
- Services		15,410		14,344
- Expenses related to the use of third party assets		1,200		1,094
- Personnel		24,243		22,629
- Depreciation, amortization and write-downs				
amortization of intangible fixed assets	1,955		1,670	
depreciation of tangible fixed assets	1,631		1,938	
write-down of receivables included in current assets	78		149	
Total depreciation, amortization and write-downs		3,664		3,757
- Change in inventory of raw, ancillary and consumable materials and goods for resale		(1,065)		(609)
- Provision for risks and other		67		200
- Other operating expenses		1,216		975
TOTAL PRODUCTION COSTS (B)		77,389		70,591
<b>DIFFERENCE BETWEEN THE VALUE AND COST OF PRODUCTION (A-B)</b>		(4,794)		(5,120)
<b>C. FINANCIAL INCOME AND EXPENSES</b>				
- Financial income				
Exchange gains	822		1,448	
Other financial income	898		806	
Total financial income		1,720		2,254
- Financial expenses				
Exchange losses	988		1,382	
Other financial expenses	1,575		2,457	
Total financial expenses		2,563		3,839
TOTAL FINANCIAL INCOME AND EXPENSES (C)		(843)		(1,585)
<b>D. ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS</b>				
		-		(3)
<b>E. EXTRAORDINARY INCOME AND EXPENSES</b>				
- Income		-		-
- Expenses		-		-
TOTAL EXTRAORDINARY ITEMS (E)		-		-
INCOME PERTINING TO MINORITY INTERESTS		63		59
<b>INCOME BEFORE TAXES</b>		(5,700)		(6,767)

**EXPLANATORY NOTES**  
**AS OF MARCH 31, 2002**

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## A) ACCOUNTING POLICIES

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The more significant accounting policies adopted in the preparation of the quarterly consolidated financial statements as of March 31, 2002, are consistent with those used in the previous quarterly and annual reports.

### INTANGIBLE FIXED ASSETS

Intangible fixed assets are booked at purchase cost, including accessory expenses, and are systematically amortized over the period of their estimated useful life.

Periods of amortization for intangible fixed assets are described below:

- Incorporation costs and subsequent expenses 5 years
- R&D costs 5 years
- Industrial patents and intellectual property rights 3-5 years
- Concessions, licenses and similar rights 3-5 years
- Trademarks 10 years
- Goodwill 10 years
- Differences arising on consolidation and goodwill 5-10-15 years
- Other 3-5 years/duration of the contract

Advertising and research and development costs are usually charged to the income statement in the period they are sustained.

### TANGIBLE FIXED ASSETS

Tangible fixed assets are booked at purchase or production cost, or at appraisal value in the case of contribution. Certain assets have been revalued in accordance with specific laws or pursuant to mergers carried out in previous accounting periods. Cost includes related charges and a reasonable allocation of direct and indirect expenses.

Tangible fixed assets are depreciated on a straight-line basis at the following annual rates that reflect the estimated useful life of the assets:

- Property 3%
- Plant and machinery 10% - 15.5%
- Manufacturing and marketing companies 25%
- Other assets
  - Electronic office machinery 20%
  - Office fixtures and furniture 12%
  - Vehicles 20% - 25%

Depreciation is reduced by 50% in the period that the assets are purchased.

In the event of a permanent impairment of value, the asset is written down accordingly, regardless of how much depreciation has already been charged.

Ordinary maintenance costs are expensed as incurred. Maintenance costs which enhance the value of assets are allocated to such assets and depreciated over their residual useful lives.

Assets worth less than Euro 0,52 thousand are depreciated in full in the year of purchase.

## **TANGIBLE ASSETS HELD UNDER FINANCIAL LEASE**

Leasing investments are accounted for on the basis of document no. 17 issued by the International Accounting Standards Committee (I.A.S.C.).

It provides that:

- the cost is attributed to tangible assets and depreciated on a straight-line basis over the useful life of the assets;
- lease payments are booked in such a way as to separate the financial element from the capital component, which is considered as a liability to the lessor.

## **INVESTMENTS AND SECURITIES CLASSIFIED UNDER FIXED ASSETS**

Investments in non-consolidated subsidiaries and associated companies are valued at cost. Equity investments in other companies are valued at the purchase or subscription cost. The cost is reduced for durable losses of value if the held companies have incurred losses and profits large enough to cover the losses are not expected to be earned in the near future.

Fixed income securities included in fixed assets are booked at purchase cost, after taking account of the accrued portion of any issue premium or discount. The cost is written down in case of a permanent impairment of value.

## **INVENTORIES**

Inventories are stated at the lower of purchase or production cost and market or estimated realizable value.

Cost is calculated using the LIFO method for raw materials, ancillary and consumer goods, and semi finished products and the actual cost for other inventory items.

Estimated realizable value is calculated taking into account any production costs still to be incurred and direct selling expenses.

Obsolete and slow-moving inventories are written down according to the likelihood of them being used and sold, based on the average length of the production cycle.

Contract work-in-progress refers to medium/long-term contracts accounted for on the basis of payments accrued with reasonable certainty, according to the method of percentage of completion. Any losses on contracts that can be estimated with reasonable accuracy are recognized in their entirety in the period when they become known.

## **RECEIVABLES**

Account receivables are stated at their estimated realizable value.

## **ACCRUALS AND PREPAYMENTS**

Accruals and prepayments include the portion of revenues and expenses affecting two or more periods, in accordance with the accrual basis of accounting.

## **RESERVES FOR RISKS AND CHARGES**

Reserves for risks and charges are provided to known or probable losses or liabilities whose amount and effective date cannot be determined at the end of the period. Provisions reflect the best estimate of losses to be incurred based on the information available.

Risks for which a liability may occur are indicated in the explanatory notes but no provision is provided.

## **RESERVE FOR EMPLOYEE TERMINATION INDEMNITIES**

The reserve for employee termination indemnities is provided to cover the full liability due to employees in accordance with current legislation, national labour contracts and additional indemnities agreed at company level. This liability is subject to revaluation using officially-established indices.

## **PAYABLES**

Accounts payable are stated at their nominal value.

## **TAXES**

The Group has taken advantage of its right as per appendix 3D, art. 82 of CONSOB resolution no. 11971 of May 14, 1999 to report income for the period before tax: as a result, it has not accounted for deferred tax assets and liabilities arising from application of the accounting principle on the treatment of income taxes.

## **CAPITAL AND OPERATING GRANTS**

Capital grants are accounted for, when the amounts become certain, to a special heading under accrued liabilities and deferred income and credited to the statement of income over the residual useful lives of the fixed assets to which they refer.

Operating grants are booked to income when the amounts become certain.

## **REVENUE RECOGNITION**

Revenue relating to the sale of products is recognized at the moment title passes, which generally coincides with shipping. The only exception to this is long-term contract work in progress, as explained above.

## **TRANSLATION OF FOREIGN CURRENCY BALANCES**

Receivables and payables denominated in foreign currency are translated into Euro at the exchange rates on the date of the original transaction. Exchange differences realized upon the collection of receivables or the settlement of payables denominated in foreign currencies are charged to the income statement.

Differences arising on the translation of foreign currency receivables and payables at year-end exchange rates are booked to the statement of income as financial income or expense.

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## **B) CONSOLIDATION PRINCIPLES**

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Consolidation is carried out on a line-by-line basis. The main criteria used in applying this method are as follows:

- The book value of consolidated investments held by the Parent Company or by other consolidated companies is eliminated against the Group share of their equity, while booking their assets and liabilities.
- The difference between the acquisition cost of investments and the related share of stockholders' equity at the time of acquisition is allocated, where possible, to assets to reflect their current value, while the unallocated portion is booked as "Differences on consolidation" as part of intangible assets.
- Significant transactions between consolidated companies are eliminated as are the receivables and payables and any unrealized income resulting from intercompany transactions, net of any tax effects.
- Minority interests in equity and net income are shown as separate items in the consolidated financial statements;
- Companies acquired during the period are consolidated as of the date when a majority interest was reached.

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## **C) CONSOLIDATION AREA**

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The quarterly report as of March 31, 2002 includes the income statement and balance sheet figures of I.M.A. - Industria Macchine Automatiche S.p.A. (the Parent Company) and all the companies in which it directly or indirectly holds a controlling interest, as per art. 2359 of the Italian Civil Code, except for IMA Lanka Ltd and Kilian Verwaltung GmbH, as they are not significant to give a true and fair view of the consolidated figures.

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

COMPANIES CONSOLIDATED USING THE LINE-BY-LINE METHOD

	Head office	Capital stock	Direct investments	Indirect investments
<b>Italian companies</b>				
• IMA S.p.A.	Ozzano E. (BO)	EUR 18,772,000	Parent Company	
• Co.Ma.Di.S. S.p.A.	Senago (MI)	EUR 1,540,000	100%	–
• Libra P.T. S.r.l.	Ozzano E. (BO)	EUR 1,040,000	100%	–
• BFB S.p.A.	Bentivoglio (BO)	EUR 1,560,000	100%	–
• Ignition Team S.r.l.	Castenaso (BO)	EUR 78,000	90%	–
• Info area S.r.l.	Ozzano E. (BO)	EUR 98,800	100%	–
• Comitec S.r.l.	Castel S. Pietro T. (BO)	EUR 52,000	100%	–
<b>Foreign companies</b>				
• Luxteco International SA	Luxembourg	EUR 6,600,000	99.99%	–
• Holteco B.V.	Amsterdam (NL)	EUR 920,000	100%	–
• IMA UK Ltd.	Wokingham (GB)	LST 50,000	100%	–
• IMA North America Inc.	Bristol (USA)	USD 2,500	100%	–
• I.M.A. Est Verp. Handels GmbH	Wien (A)	EUR 280,000	100%	–
• IMA Verp. GmbH	Cologne (D)	EUR 90,000	100%	–
• IMA France E.u.r.l.	Rueil-Malmaison (F)	EUR 45,735	100%	–
• IMA Iberica Processing and Packaging SL	Barcelona (E)	EUR 590,000	100%	–
• IMA Japan Co. Ltd.	Yokohama (J)	YEN 160,000,000	99.50%	–
• Precision Gears Pvt. Ltd.	Bombay (India)	RS 5,633,000	–	51% (1)
• Precision Gears (Indore) Pvt. Ltd.	Indore (India)	RS 10,550,000	–	51% (2)
• IMA Far East Co Ltd	Hong Kong	USD 5,572,969	–	100% (4)
• Zibo IMA Xihu Machinery Manufacturing Co. Ltd	Zibo (PRC)	USD 800,000	–	54% (3)
• Tianjin IMA Machinery Co. Ltd	Tianjin (PRC)	USD 200,000	–	53% (3)
• Imautomatiche Lda	Madeira (P)	EUR 5,000	100%	–
• Kilian GmbH & Co. KG	Cologne (D)	EUR 3,600,000	–	100% (5)
• Kilian & Co.Inc.	Horsham (USA)	USD 500	–	100% (6)

COMPANIES VALUED USING THE EQUITY METHOD

	Head office	Capital stock	Direct investments	Indirect investments
• J.O.I. Pack Company Ltd.	Saitama (Japan)	YEN 25,000,000	50%	–
• B.C. S.r.l.	Imola (BO)	EUR 36,400	30%	–

Notes (list of indirect equity investments): (1) Held by Holteco B.V. – (2) 30.6% held by Holteco B.V. and for the rest by Precision Gears Pvt. Ltd. - (3) Held by IMA Far East Co. Ltd - (4) Held by Luxteco Int. S.A. (99%) and Holteco B.V. (1%) - (5) Held by IMA Verpackungssysteme GmbH - (6) Held by Kilian GmbH & Co. KG

The most important change in the consolidation area that took place during the period was the sale of Value Machinery Inc. The company was wholly-owned by IMA's subsidiary, IMA North America Inc., which finalised the sale on March 8, 2002, with legal effect as of January 1, 2002.

## **D) INFORMATION ON THE CONSOLIDATED BALANCE SHEET**

### **NET CAPITAL INVESTED**

#### **WORKING CAPITAL**

##### **Receivables, net**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Receivables, net	63,348	101,952

The reduction Euro 38,604 thousand is due to collection of trade receivables for deliveries made in the last two months of the previous year. We remind the number of receivables at year end is unusually high due to the concentration of deliveries made in the latter part of the year.

##### **Other receivables**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Other receivables	15,172	13,017

The increase of Euro 2,155 thousand refers mainly to amounts due from social security institutions, from personnel for advances made on expense accounts, and prepaid insurance premiums.

##### **Inventories**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Inventories	122,382	92,650

The increase of Euro 29,732 thousand is the result of preparing machinery that will be delivered to customers later in the year.

##### **Short-term non-financial payables**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Short-term non-financial payables	121,023	120,033

Compared with December 31, 2001, this caption remained unchanged thanks to advances paid by customers.

#### **FIXED ASSETS**

##### **Receivables due beyond 12 months**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Receivables due beyond 12 months	7,012	7,565

The decrease is due to the reclassification of customer balances due within the next 12 months to short-term receivables.

##### **Equity investments and financial fixed assets**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Equity investments and financial fixed assets	7,899	7,878

The increase is largely due to movements in security deposits.

### **Tangible fixed assets, net**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Tangible fixed assets, net	44,803	44,374

The change in this item reflects increases during the period, net of depreciation and disposals. Included in assets under construction and advances there is a figure of Euro 930 thousand referring to the maxi-installment paid by Libra P.T. S.r.l. under a lease contract signed on March 6, 2002. This contract refers to the lease of a plot of land and an industrial building that is due to be built on the property. The lease contract will last eight years and gives Libra an option to purchase the building at the end of the lease.

### **Intangible fixed assets**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Intangible fixed assets	52,190	53,470

The decrease is due mostly to the amortization charged for the period.

### **RESERVES AND M/L-T NON-FINANCIAL PAYABLES**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Reserves and M/L-T non-financial payables	24,860	26,216

The decrease is largely due to the reduction in the agents' leaving indemnity reserve at the Parent Company and reclassification of the short term trade payables that fall due during the next 12 months.

## **TOTAL SOURCES OF FINANCE**

### **NET DEBT**

	<b>03.31.2002</b>	<b>12.31.2001</b>
Net debt	73,062	75,140
including:		
• liquid assets	(47,296)	(75,441)
• short-term financial payables	57,908	84,422
• M/L-T financial payables	62,450	66,159

The decrease in debt owes exclusively to the substantial improvement in working capital and, above all, the decrease in net receivables that have more than offset the rise in inventories. Inventories are up so that the Company can cope with the numerous deliveries scheduled for the coming quarters. Better management of working capital has also helped compensate for the low level of cash flow generated during the period.

### **STOCKHOLDERS' EQUITY PERTAINING TO THE GROUP**

Changes in stockholders' equity are due exclusively to the result for the period and translation differences.

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## E) INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

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### REMARKS ON KEY COMPONENTS OF THE STATEMENT OF INCOME

#### VALUE OF PRODUCTION

##### Revenues from sales and services

Revenues from sales and services earned as of March 31, 2002 by the IMA Group can be broken down by geographic area as follows (in thousands of Euro):

	1st quarter 2002	1st quarter 2001
• E.U. (excluding Italy)	18,407	14,472
• Other European countries	4,468	3,148
• North America	10,959	8,879
• Asia	4,730	6,431
• Other countries	3,870	7,164
Total exports	42,434	40,094
• Italy	2,261	4,018
<b>Total</b>	<b>44,695</b>	<b>44,112</b>

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## F) INFORMATION ON THE PARENT COMPANY

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No significant events have occurred that might require additional disclosure with respect to the information already provided at a consolidated level.