

QUARTERLY REPORT FOR THE THIRD QUARTER OF 2002

I.M.A. INDUSTRIA MACCHINE AUTOMATICHE S.P.A. - HEAD OFFICE: OZZANO DELL'EMILIA (BOLOGNA)
CAPITAL STOCK EURO 18,772,000 FULLY PAID IN - REGISTERED WITH THE BOLOGNA COMPANIES REGISTER NO. 00307140376

GROUP COMPANIES BY BUSINESS ACTIVITY

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.
Senago - 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**
Vienna (Austria)

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

IMA UK Ltd
Wokingham (UK)

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

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

IMA North America Inc.
Bristol (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

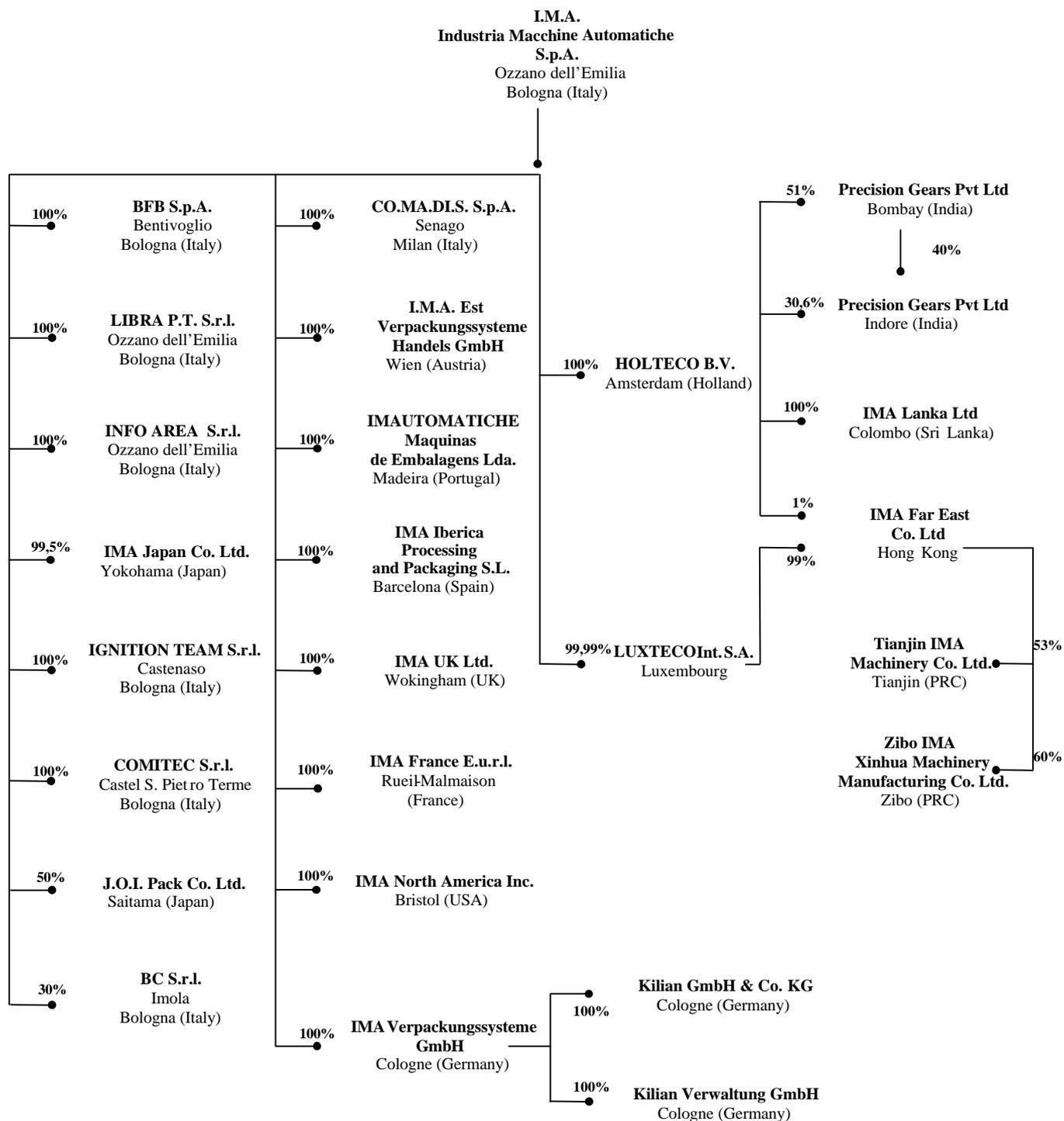


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INTRODUCTION

This report was approved by the Board of Directors on November 13, 2002.

It has been prepared in accordance with article 82 of CONSOB circular no. 11971 of May 14, 1999.

REPORT ON OPERATIONS
AS OF SEPTEMBER 30, 2002

COMPANY OFFICERS

(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 a maximum of Euro 5,164,569, except for the renewal of credit lines already granted to the Company that are freely renewable without 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 a maximum of Euro 5,164,569, except for the renewal of credit lines already granted to the Company that are freely renewable without limit. Delegation and appointment of special representatives for particular purposes.

DIRECTORS

Andrea Malagoli, Italo Giorgio Minguzzi, 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 or 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, Luca Poggi, Alberto Vacchi, Stefano Visentini.

BOARD OF STATUTORY AUDITORS

(IN OFFICE UNTIL 04/27/2004)

AUDITORS

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

ALTERNATE AUDITORS

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

REPORT ON OPERATIONS

GENERAL PERFORMANCE

During the third quarter of 2002, the pharmaceutical and tea industries, the main customers for the IMA Group's products, performed well the world over. This in turn had a positive impact on the overall demand for machinery used in production. More specifically, according to the latest data published by IMS Health, a leading industry observatory, the pharmaceutical industry increased its sales by 9% over the last 12 months (+14% in North America, +7% in Europe, +3% in Japan), whereas sales in Latin America decreased (-11%). This is an impressive rate of growth, although it is lower than in the previous year (+11% from October 2000 to September 2001). On the one hand, the demand for machinery by the pharmaceutical industry reflects the positive trend in drug sales; on the other, it reflects an accelerated pace of replacement of old machines which no longer comply with the new standards set by national health authorities.

The situation in the tea industry is somewhat different. In the West the replacement of old machines has tended to slow down, whereas demand has grown in countries where the use of tea bags was previously limited and which are fast adopting this kind of packaging. In particular, we refer to Central and Eastern European countries, such as Russia and Poland, but also the Far East, where demand is growing steadily, albeit at a measured pace.

KEY FIGURES

In the three-month period July-September 2002, revenues from sales amounted to 66,217 thousand euro, +6.7% compared with the corresponding period in the previous year (62,053 thousand euro, net of changes in contract work in process). As a result, sales for the nine months ended September 30 (202,364 thousand euro) were 8.5% higher than in 2001 (186,467 thousand euro). New orders received during the quarter totalled 64,070 thousand euro, down 15,570 thousand euro with respect to the previous year (79,640 thousand euro). This figure is not a cause for concern since it refers to a period of the year when there is traditionally a dip in orders. Furthermore, there are several contracts at an advanced stage of negotiation which are likely to be signed before the end of the year. The order book at the end of September amounted to 207,311 thousand euro compared with 201,418 thousand euro as of September 30, 2001 (+3%).

As stated on various occasions, sales in this sector are not spread evenly over the year; in fact, more than 40% of total deliveries for the year are concentrated in the last quarter (45% in 2001), which means that interim figures are not particularly meaningful as an indication of how the whole financial year is likely to turn out, whereas comparisons with previous corresponding periods are more significant.

Net operating income at the end of September was 10,712 thousand euro, versus 6,428 thousand euro at the end of September 2001. Although margins on machinery sales have declined due to the introduction of new models, the improvement in net operating income is explained by a more favourable mix of revenues, with a higher proportion of sales of spare parts and customized items (which have offset the drop in machinery margins). Furthermore, R&D, marketing and general costs have increased at a lower pace (+2.5% in the nine months even though unit labour costs rose by over 5% on average).

Net financial expenses came to -64 thousand euro compared with -4,328 thousand euro at the end of September 2001. This included interest on loans, exchange differences and tax credits on the dividends collected by Group companies (2,459 thousand euro in 2002 versus 831 thousand euro in 2001). These tax credits will be deducted from income taxes at year-end, as in 2001.

Extraordinary items reported a net negative balance of 107 thousand euro (-533 thousand euro at the end of September 2001). As a result, income before taxes totalled 10,475 thousand euro, up from 1,264 thousand euro as of September 30, 2001.

Net capital invested (182,600 thousand euro) increased by 20,205 thousand euro with respect to the end of June 2002 (162,395 thousand euro). This includes net working capital of 99,317 thousand euro, which increased by 21,853 thousand euro mainly due to a rise in inventories needed to cope with the large number of deliveries in the fourth quarter. The drop in amounts due to suppliers is also typical of this period of the year when most of the inventories are at an advanced stage of the production process.

Net debt as of September 30 (86,860 thousand euro) reported a modest increase relative to the start of the year (75,140 thousand euro) and a major decrease with respect to the end of September 2001 (105,836 thousand euro).

OUTLOOK FOR THE REST OF THE YEAR

The third-quarter results confirm the forecasts made in the half-year report. We are therefore estimating full-year revenues at 360 million euro, while, although we expect net operating income to be higher than in 2001, its increase will be limited due to the large number of deliveries of new products in the last quarter of the year. These products are proving very successful but their margins are still low as a typical hangover of their start-up costs. The full-year revenue mix will be broadly similar to that in 2001. Thanks to the success of our new products we feel optimistic about next year's performance.

CONSOLIDATED BALANCE SHEET AND STATEMENT OF INCOME
AS OF SEPTEMBER 30, 2002, SEPTEMBER 30, 2001 AND DECEMBER 31, 2001

CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2002, JUNE 30, 2002 AND DECEMBER 31, 2001 (IN THOUSANDS OF EURO)

	30/09/2002	30/06/2002	31/12/2001
- Trade receivables, net	55,605	72,070	101,952
- Other receivables	17,871	16,111	13,017
- Inventories	143,928	128,830	92,650
- Short-term non-financial payables	(118,087)	(139,547)	(120,033)
A) Working capital	99,317	77,464	87,586
- Receivables due beyond 12 months	6,825	6,840	7,565
- Equity investments and financial fixed assets	7,899	7,876	7,878
- Tangible fixed assets, net	44,323	43,865	44,374
- Intangible fixed assets	50,152	51,707	53,470
B) Fixed assets	109,199	110,288	113,287
C) Reserves and M/L-T non-financial payables	(25,916)	(25,357)	(26,216)
A + B - C = Net capital employed	182,600	162,395	174,657
FINANCED BY			
D) Net financial indebtedness	86,860	71,378	75,140
E) Minority interests	2,178	2,069	2,544
F) Stockholders' equity	93,562	88,948	96,973
D + E + F = Total financial payables and stockholders' equity	182,600	162,395	174,657

CONSOLIDATED STATEMENT OF INCOME

FOR THE THIRD QUARTER OF 2002 AND FOR THE NINE-MONTH PERIOD 01/01-09/30/2002 (IN THOUSANDS OF EURO)

STATEMENT OF INCOME	Third Quarter 2002	Third Quarter 2001	01/01/2002 - 09/30/2002	01/01/2001 - 09/30/2001
A. VALUE OF PRODUCTION				
- Revenues from the sale of goods and services	66,217	62,537	202,364	190,871
- Change in work in progress, <i>semi-finished and finished products</i>	13,658	11,432	49,813	38,003
- Change in contract work in progress	-	(484)	-	(4,404)
- Increase in fixed assets for internal work	10	33	86	177
- Other revenues and income	172	322	943	1,386
TOTAL VALUE OF PRODUCTION (A)	80,057	73,840	253,206	226,033
B. PRODUCTION COSTS				
- Raw, ancillary and consumable materials	30,349	28,004	102,717	87,522
- Services	15,924	15,305	50,889	48,588
- Expenses related to the use of third party assets	1,234	1,147	3,664	3,321
- Personnel	23,182	20,883	72,795	66,476
- Depreciation, amortization and write-downs amortization of intangible fixed assets	1,988	1,849	5,933	5,174
depreciation of tangible fixed assets	1,471	1,648	4,844	5,038
write-down of receivables included in current assets	231	28	405	353
<i>Total depreciation, amortization and write-downs</i>	3,690	3,525	11,182	10,565
- Change in inventory of raw, <i>ancillary and consumable materials and goods for resale</i>	(265)	211	(1,281)	(729)
- Provisions for risks and other	68	129	164	275
- Other operating expenses	658	1,416	2,364	3,587
TOTAL PRODUCTION COSTS (B)	74,840	70,620	242,494	219,605
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION (A-B)	5,217	3,220	10,712	6,428
C. FINANCIAL INCOME AND EXPENSES				
- Financial income				
Exchange gains	1,258	884	4,216	4,329
Other financial income	593	683	4,725	3,112
<i>Total financial income</i>	1,851	1,567	8,941	7,441
- Financial expenses				
Exchange losses	1,089	744	3,779	4,456
Other financial expenses	1,730	2,121	5,226	7,313
<i>Total financial expenses</i>	2,819	2,865	9,005	11,769
TOTAL FINANCIAL INCOME AND EXPENSES (C)	(968)	(1,298)	(64)	(4,328)
D. ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	-	61	95	55
E. EXTRAORDINARY INCOME AND EXPENSES				
- Income	254	-	254	-
- Expenses	27	120	361	533
TOTAL EXTRAORDINARY INCOME AND EXPENSES (E)	227	(120)	(107)	(533)
(INCOME) LOSS PERTAINING TO MINORITY INTERESTS	(81)	(268)	(161)	(358)
INCOME BEFORE TAXES	4,395	1,595	10,475	1,264

A) ACCOUNTING POLICIES

The more significant accounting policies adopted in the preparation of the quarterly consolidated financial statements as of September 30, 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 statement of income in the period they are incurred.

TANGIBLE FIXED ASSETS

Tangible fixed assets are booked at purchase or production cost, or at appraisal value in the case of conferrals. 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%
- Industrial and commercial equipment 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 0.52 thousand euro are depreciated in full in the year of purchase.

TANGIBLE FIXED 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 fixed 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 treated 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 permanent losses in value if the companies have incurred losses and are not expected to generate sufficient earnings in the near future to absorb these losses.

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, ancillary and consumable materials and semi finished products, while other inventories are stated at actual cost.

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 full in the period when they become known.

RECEIVABLES

Accounts receivable 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 accruals basis of accounting.

RESERVES FOR RISKS AND CHARGES

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

Potential risks are described in the report on operations but no provision is made for them.

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 under 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 booked, 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 statement of income.

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

B) CONSOLIDATION PRINCIPLES

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 aggregating 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 arising on consolidation" as part of intangible fixed assets.
- Significant transactions between consolidated companies are eliminated, as are the receivables and payables and any unrealized income resulting from intercompany transactions.
- 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 acquired.

C) CONSOLIDATION AREA

The quarterly report as of September 30, 2002 includes the statements of income and balance sheets of I.M.A. - Industria Macchine Automatiche S.p.A. (the Parent Company) and all the companies in which it directly or indirectly holds a controlling interest, as per art. 2359 of the Italian Civil Code, except for IMA Lanka Ltd and Kilian Verwaltung GmbH, as they are not material for giving a true and fair view of the consolidated results.

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

	Registered offices	Capital stock	Directly held	Indirectly held
Italian companies				
• 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	100%	–
• 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%	–
Foreign companies				
• Luxteco International S.A	Luxembourg	EUR 7,500,000	99.99%	–
• Holteco B.V.	Amsterdam (Holland)	EUR 920,000	100%	–
• IMA UK Ltd.	Wokingham (UK)	GBP 50,000	100%	–
• IMA North America Inc.	Bristol (USA)	USD 2,500	100%	–
• I.M.A. Est Verp. Handels GmbH	Wien (Austria)	EUR 280,000	100%	–
• IMA Verp. GmbH	Cologne (Germany)	EUR 90,000	100%	–
• IMA France E.u.r.l.	Rueil-Malmaison (France)	EUR 45,735	100%	–
• IMA Iberica Processing and Packaging SL	Barcelona (Spain)	EUR 590,000	100%	–
• IMA Japan Co. Ltd.	Yokohama (Japan)	YEN 160,000,000	99.50%	–
• Precision Gears Pvt. Ltd.	Bombay (India)	RS 5,633,000	–	51% (1)
• Precision Gears 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 Xinuha Machinery Manufacturing Co. Ltd	Zibo (PRC)	USD 800,000	–	60% (3)
• Tianjin IMA Machinery Co. Ltd	Tianjin (PRC)	USD 200,000	–	53% (3)
• Imautomatiche Lda.	Madeira (Portugal)	EUR 5,000	100%	–
• Kilian GmbH & Co. KG	Cologne (Germany)	EUR 3,600,000	–	100% (5)

COMPANIES VALUED USING THE EQUITY METHOD

	Registered offices	Capital stock	Equity investments direct	Equity investments indirect
• 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 -

The following changes in the Group structure also took place during 2002:

- On March 8, 2002, the subsidiary IMA North America Inc, which owned 100% of Value Machinery Inc., sold its interest to the former general manager: this transaction did not generate any economic impact on the consolidated financial statements.
- On April 3, 2002, as part of the reorganization of its equity investments, IMA S.p.A. purchased 100% of Kilian & Co. Inc. from Kilian GmbH & Co. for 2,845 thousand euro, on the basis of a third-party appraisal. In April, this investment was transferred at the same purchase price to IMA North America Inc., which then absorbed it on May 1, 2002.
- On May 6, 2002, IMA S.p.A. acquired the remaining 10% interest in Ignition Team S.r.l., thereby obtaining full control of the company. The purchase price corresponded to the value of equity purchased (149 thousand euro).
- During the third quarter of 2002, IMA Far East purchased a further 6% interest in Zibo Xihu Machinery Manufacturing Co. Ltd, increasing its stake from 54% to 60%. The purchase price corresponded to the value of equity purchased.

In 2002 the Boards of Directors of the various Group companies also approved the following extraordinary operations, which will take place in the coming months:

- Absorption of BFB S.p.A. by IMA S.p.A., with effect from January 1, 2003;
- Spin-off into a new company, at net book values, of the real estate holdings of Libra P.T. S.r.l.

During November 2002, IMA S.p.A. acquired the remaining 0.50% interest in IMA Japan Co. Ltd., thereby obtaining full control of the company.

D) INFORMATION ON THE CONSOLIDATED BALANCE SHEET

All the information on operating performance included in this report is shown in thousands of euro.

NET CAPITAL INVESTED

WORKING CAPITAL

Trade receivables, net

	09.30.2002	12.31.2001
Trade receivables, net	55,605	101,952

The decrease of 46,347 thousand euro is due to the collection of trade receivables during the period and to the Group's careful management of its trade receivables.

Other receivables

	09.30.2002	12.31.2001
Other receivables	17,871	13,017

The increase of 4,854 thousand euro mainly refers to higher IRPEG and IRAP credits for advance payments made during the period, higher VAT credits to be reimbursed and tax credits on dividends.

Inventories

	09.30.2002	12.31.2001
Inventories	143,928	92,650

The increase of 51,278 thousand euro is the result of completing machinery that will be delivered to customers during the fourth quarter of the year. This reflects the concentration of deliveries around year-end typifying the sector in which the Group operates.

Short-term non-financial payables

	09.30.2002	12.31.2001
Short-term non-financial payables	118,087	120,033

The change in this balance mainly reflects the increase in advance payments made by customers and the decrease in amounts due to tax authorities and due to suppliers.

FIXED ASSETS

Receivables due beyond 12 months

	09.30.2002	12.31.2001
Receivables due beyond 12 months	6,825	7,565

The decrease is due to the reclassification of trade receivables due within the next 12 months to current receivables.

Equity investments and financial fixed assets

	09.30.2002	12.31.2001
Equity investments and financial fixed assets	7,899	7,878

This balance, unchanged with respect to December 31, 2001, includes 6,052 thousand euro relating to the equity investment in Medinvest International S.C.A., held by the Group company Luxteco International S.A.

Tangible fixed assets, net

	09.30.2002	12.31.2001
Tangible fixed assets, net	44,323	44,374

The change in this balance reflects increases during the period, net of depreciation (4,844 thousand euro) and disposals (538 thousand euro). Investments amount to 5,655 thousand euro. Included in assets under construction and advances there is a figure of 983 thousand euro referring to the advance paid by Libra P.T. S.r.l. under a lease contract. 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.

During the period, IMA Verpackungssysteme GmbH sold a property located in Viersen (Germany), with a net book value of 269 thousand euro. This sale produced a gain of 254 thousand euro.

Intangible fixed assets

	09.30.2002	12.31.2001
Intangible fixed assets	50,152	53,470

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

RESERVES AND M/L-T NON-FINANCIAL PAYABLES

	09.30.2002	12.31.2001
Reserves and M/L-T non-financial payables	25,916	26,216

The decrease is mainly due to the utilisation of the reserve for agents' severance indemnities, arising from the crystallization of liabilities in 2002, whose estimated charges had already provided in prior year consolidated financial statements. This decrease was also due to the reclassification of amounts due to suppliers within 12 months to current payables.

TOTAL SOURCES OF FINANCE

NET DEBT

	09.30.2002	12.31.2001
Net debt	86,860	75,140
Including:		
• liquid assets	(41,096)	(75,441)
• short-term financial payables	66,805	84,422
• M/L-T financial payables	61,151	66,159

The negative change with reference to December 31, 2001 is mostly attributable to dividends paid during the first six months and the higher value of inventories needed to cope with the many deliveries later in the year.

Net debt decreased by 18,976 thousand euro compared with the corresponding period in the previous year.

Net debt as at September 30, 2002 benefited from 749 thousand euro in exchange gains as a result of converting balances in non-euro currencies at period-end exchange rates.

We expect the Group's financial situation to improve in the fourth quarter due to an increase in cash flow generated from ordinary operations and a decrease in working capital.

STOCKHOLDERS' EQUITY PERTAINING TO THE GROUP

The change in stockholders' equity is due to dividends paid (12,919 thousand euro), to the result for the period and translation differences.

E) INFORMATION ON THE CONSOLIDATED STATEMENT OF INCOME

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 September 30, 2002 by the IMA Group can be broken down by geographic area as follows (in thousands of euro):

	from 01/01/2002 to 09/30/2002	from 01/01/2001 to 09/30/2001
• E.U. (excluding Italy)	82,953	86,149
• Other European countries	17,289	15,908
• North America	45,681	43,949
• Asia	23,252	22,959
• Other countries	14,929	12,387
Total exports	184,104	181,352
• Italy	18,260	9,519
Total	202,364	190,871

FINANCIAL INCOME AND EXPENSES

Financial income

Other financial income includes 2,459 thousand euro in tax credits on dividends collected by Group companies (831 thousand euro in 2001), as mentioned earlier in the Report on operations. These tax credits will be deducted from income taxes at year-end, as in 2001.

F) INFORMATION ON THE PARENT COMPANY

The Parent Company reports a net income for the period of 14,789 thousand euro and stockholders' equity of 78,716 thousand euro.

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