

UBM SMALL CAPS CONFERENCE

*Innovative Automatic Machine
System Solutions*



Milan, 18th November 2003



In the first nine months of 2003, the Tea sector of the IMA Group gained new orders for 55.0 mln. Euro, compared with 39.6 of the first nine months of 2002 (+38.9%), and 28.9 mln. Euro in 2001. In the last two years the orders gained have almost doubled (+94%), and this is due to:

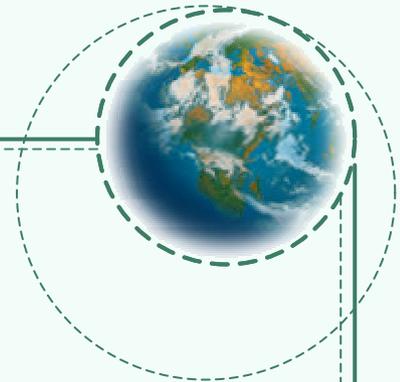
- Eastern European countries continuing to invest strongly in the Tea industry;
- The decision of several European multinationals to replace their installed machines with IMA new models;
- Thanks to innovative products IMA has been able to stimulate the request for the replacement of old machines, which otherwise would have decreased due to the economical crisis;
- Exclusive development and supply agreements for innovative solutions with multinational groups.

The nature of these relations, which are long term, allows us to forecast not only that 2003 and 2004 will show high growth rate, but also that the prospects for the years to come will definitely be positive.



In the first nine months of 2003, the Pharmaceutical sector of the IMA Group gained new orders for 197.1 mln. Euro, compared with 213.6 of the first nine months of 2002 (-7.7%), and this is due to:

- Slump in growth in the pharma industry starting from the Q2-02 (2001: +12%; 2002: +8%; 2003: +6/7%) due to the long lasting economic crisis in the OECD area;
- Sharp decline in sales in Latin America due to the even further deteriorated economic and monetary conditions;
- In the first half of the year, the SARS epidemic blocked negotiations in China and also had a negative influence on other South East Asian Countries;
- The war in IRAQ on the one end blocked the Middle Eastern markets, on the other end many UK and USA Companies postponed their purchasing decisions during the conflict;
- Drop of the US\$.

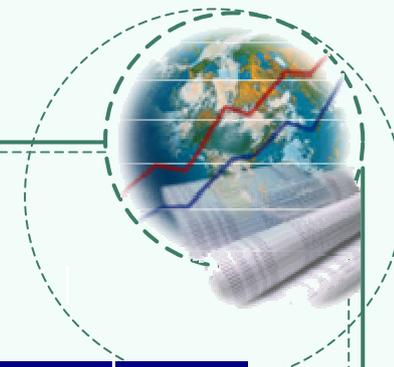


In Q3-03 IMA Group gained new orders for 72.6 mln. Euro, compared with 64.1 in Q3-02 (+13.5%):

- **In the last three months (starting from May 2003) drug sales growth rate has been recovering;**
- **The apparent recovery of orders from Brazil where the political stability has enabled the Real to regain strength with regard to the US\$;**
- **Strong increase of orders from Mexico;**
- **Orders from Middle East and Far East are now recovering considerably well;**
- **IMA has now completed the adjustment of the price lists in Dollars according to the new exchange rate.**

CONSOLIDATED PROFIT & LOSS STATEMENT

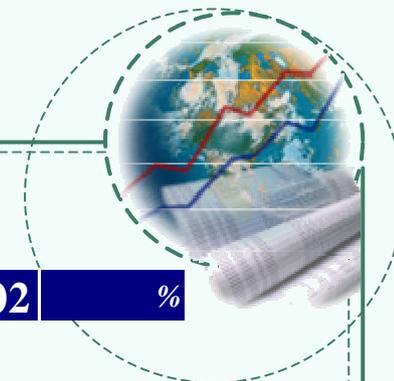
30/09/2003 y.t.d. vs. 30/09/2002 y.t.d.



IMA	30/09/03	%	30/09/02	%	change %	2002	%
<i>Million Euro</i>							
Net sales	217,80	100,0%	202,36	100,0%	7,6%	353,41	100,0%
Cost of sales	(129,07)	-59,3%	(111,17)	-54,9%	16,1%	(193,35)	-54,7%
Research & development expenses	(13,51)	-6,2%	(13,40)	-6,6%	0,8%	(18,38)	-5,2%
General & administrative expenses	(33,40)	-15,3%	(33,18)	-16,4%	0,7%	(45,12)	-12,8%
Selling expenses	(30,18)	-13,9%	(30,33)	-15,0%	-0,5%	(44,37)	-12,6%
EBITA	11,64	5,3%	14,29	7,1%	-18,5%	52,20	14,8%
Amortization of goodwill	(3,81)	-1,7%	(3,58)	-1,8%	6,4%	(5,08)	-1,4%
EBIT	7,83	3,6%	10,71	5,3%	-26,8%	47,12	13,3%
Net financial charges	(0,96)	-1,9%	0,04	0,0%	n.s.	(4,25)	-1,2%
Other	1,16	0,5%	(0,11)	-0,1%	n.s.	0,95	0,3%
Income Taxes						(18,98)	-5,4%
Minority interests	(0,28)	-0,1%	(0,16)	-0,1%	n.s.	(0,40)	-0,1%
EBT	7,75	3,6%	10,48	5,2%	n.s.	24,43	6,9%
EBITDA	19,16	8,8%	21,48	10,6%	-10,8%	62,16	17,6%

CONSOLIDATED BALANCE SHEET

30/09/2003 vs. 30/09/2002



IMA	30/09/03	%	30/09/02	%
<i>Million Euro</i>				
Trade receivables	60,44		61,80	
Inventories	139,27		139,32	
Trade payables	(84,59)		(86,71)	
Other, net	(15,21)		(17,97)	
Net working capital	99,91	51,7%	96,45	52,8%
Intangible fixed assets	43,85		50,15	
Tangible fixed assets, net	57,70		44,32	
Investments	7,38		6,68	
Total fixed assets	108,92	56,3%	101,16	55,4%
Severance indemnities & other	(15,42)		(15,00)	
Net employed capital	193,41	100,0%	182,60	100,0%
Net debt	91,42	47,3%	86,86	47,6%
Minority interests	2,26		2,18	
Group share of net equity	99,74	51,6%	93,56	51,2%
All sources	193,41	100,0%	182,60	100,0%

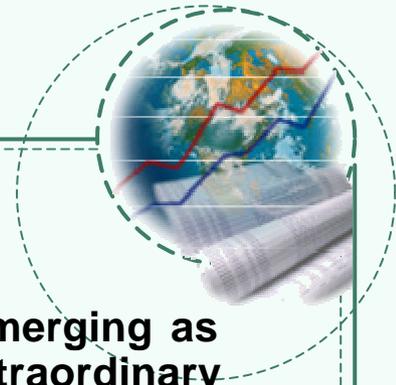


- Also in October and in the first half of November, the number of new orders gained has proved to be higher than in the corresponding period in 2002 (+20%);
- The turnover of 2003 is still conditioned by the minor orders gained in the first half of the year (-5.1%) and by the lower backlog at the beginning of the year (-3.2%);
- We estimate that the turnover at the end of the year will be around the same as that in 2002 (355,360 mln. Euro);
- The EBIT at the end of the year should be at around 11% of the sales (13.3% in 2002) as a result of the lower contribution margins caused by the wakening of the Dollar in spite to the fact that the fixed costs have been contained;
- The tax-rate is estimated as increasing by about 2% because of the no longer existing tax advantages of the “new investments law”;
- The net financial debt tied to ordinary operations should be slightly lower compared to the end of year (67.2 mln. Euro) in spite of the strong new investments.



For 2004 we forecast:

- **Further growth in the tea sector which already today has an orders backlog for 2004 higher than that at the beginning of 2003;**
- **Strong recovery of sales in the pharmaceutical sector (+5 , 10% compared to 2003);**
- **Contribution margins of sales in Dollars strongly improving already at the beginning of the year and starting from the Q2-04, the margins should again be the same as those prior to the devaluation of the Dollar;**
- **Containment of fixed R&D, commercial and general-administrative costs;**
- **As a result EBIT, as a percentage of sales, should once again be at the same level as that in 2002 (13.3%);**
- **A very positive cash flow, thanks to a sharp reduction of investments and to a decrease in the working capital.**

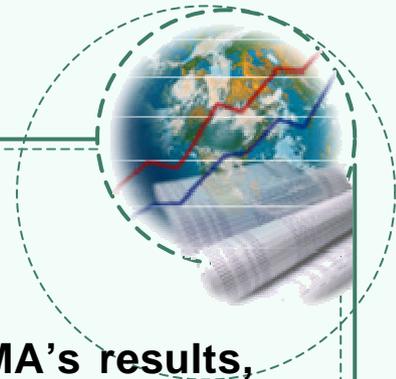


From a geo-political and geo-economical point of view, 2003 is emerging as one of the most disastrous years in recent history, due to the extraordinary sequence of negative events that have marked it:

- **war in Iraq**
- **SARS**
- **world economic crisis**
- **instability of exchange rates (slump of the Dollar)**

What has made the effects and consequences of the above mentioned events even more dramatic is the fact that they have happened after a period of two years that was dominated by events just as much if not even more dramatic:

- **collapse of financial markets (financial bubble)**
- **world economic recession (USA, Europe, Japan)**
- **destruction of the Twin Towers**
- **South American crisis with Argentina default**
- **war in Afghanistan**

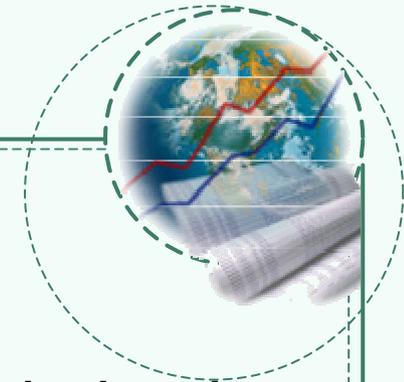


This extremely negative scenario has also had an influence on IMA's results, which for 2003 are forecasted to be lower than those of 2002 and with the lowest ratios of the last 5 years.

However, IMA forecasts that the turnover will be the same as in 2002 (or slightly higher) and that both the operative and net profit will still be very positive with a good cash-flow, in spite of the strong investments undertaken.

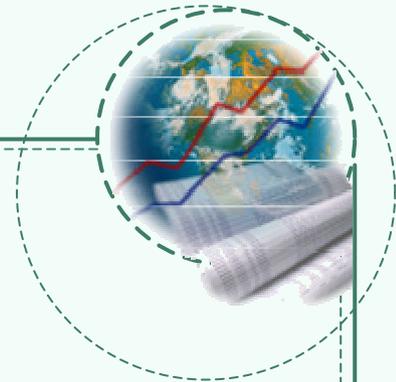


All this confirms the strongly “defensive” nature of our business.



During 2003 IMA has:

- **Increased the price lists in Dollars, bringing the gross margins back to the level of 2002;**
- **Gained new market share in all the sectors in which it operates;**
- **Reduced the costs of sales thanks to the progress of the “learning curve” on the new products;**
- **Concluded the investments cycle with a forecast of halving the investments in the next three years (2004-2006);**
- **Control over the “fixed” costs (R&D, commercial and general/administrative) which will not increase in 2003 (in absolute value) and which will grow in a very measured way in the next three years;**
- **Completed the commercial organization reinforcement investments.**



After these three “difficult” years IMA is now stronger and prepared to grasp the opportunities offered by a market that is expected to grow rapidly.

The targets which we believe we can reach in the next two years are:

- **An organic growth of sales around 8% annually**
- **An EBITDA exceeding 20% of sales**
- **A strong cash flow before extraordinary operations (acquisitions)**

The strong belief of being able to reach the above mentioned targets, together with the cash flow obtained from the selling of the Company’s non-strategic stock holdings, has brought the Board of Directors to decide to submit for approval to the stockholder’s meeting, the distribution of an extraordinary dividend.



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