PRESENTATION TO INVESTORS

Innovative Automatic Machine System Solutions

IMA
INDUSTRIA MACCHINE AUTOMATICHE

London, October 14th 2005

The IMA Group

Today

- World leader in the manufacture of automatic machines for the production and packaging of drugs and of tea in filter bags

- Worldwide sales (91.7% outside Italy) with a wide-ranging, well-balanced product portfolio

- Complete and integrated solutions and not merely individual products are what IMA offers its customers, and it is the only supplier in the pharmaceutical sector worldwide to do so

- A widespread sales and after-sales assistance network with branches in all main countries

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IMA: a Leading Group

Some of IMA's major customers

Pharma

- MERCK
- gsk GlaxoSmithKline
- Boehringer Ingelheim
- Aventis
- Pfizer
- Roche
- Bristol-Myers Squibb Company
- NOVARTIS
- AstraZeneca

Tea

- Unilever
- Lipton
- TWININGS
- Sara Lee
- Tetley
- Laurens Spethmann Holding Aktiengesellschaft & Co.
- Del Monte Quality
- BIGELOW

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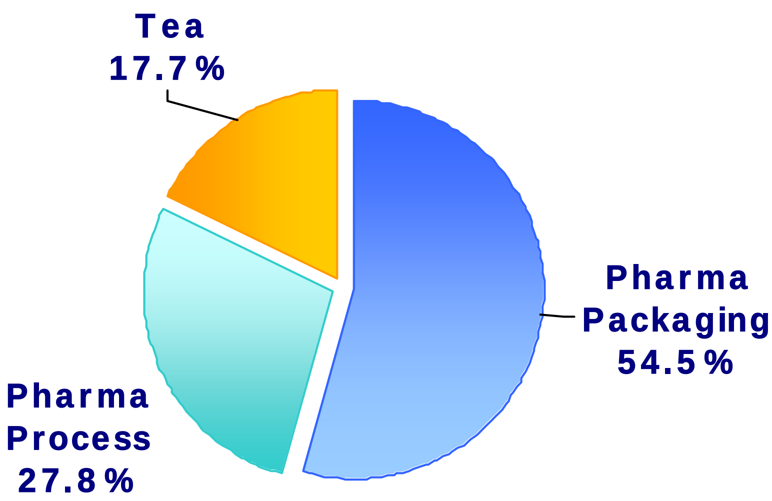
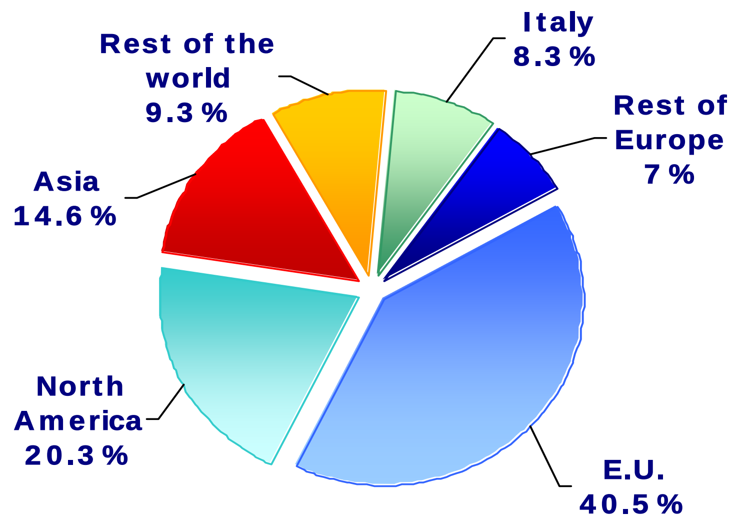
2004 Sales

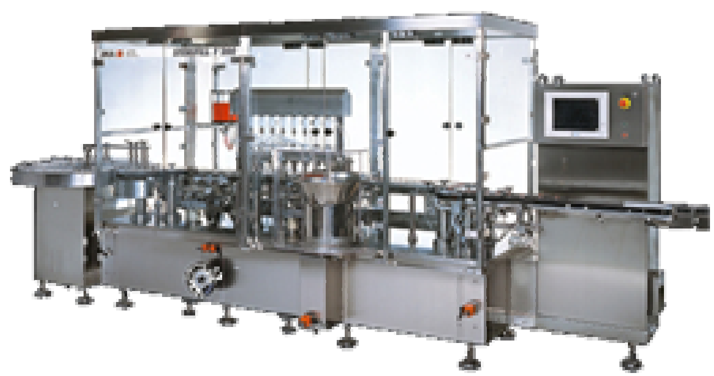
By Sector



By Region

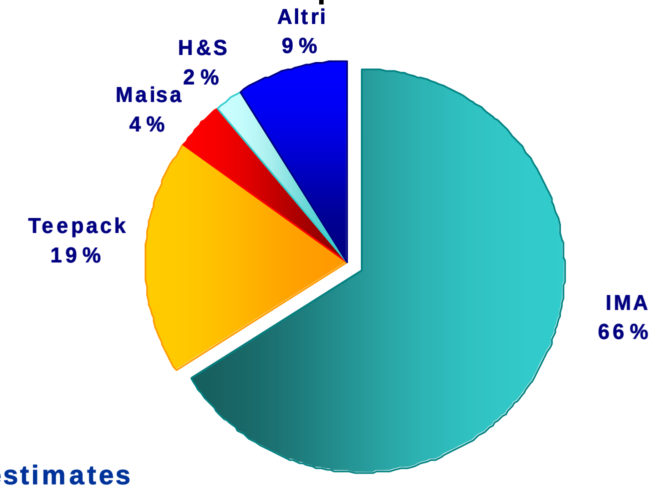


Sales in 2004: € 371.1 million
Exports: 91.7%



Tea-bag machinery industry and coffee business

- The world market for tea bag machinery is estimated at Euro 100 million
- Tea bag machinery sector is characterised by an high level of concentration with first two players covering more than 80% of the market
- IMA has a leading position with a market share in excess of 66%
- Over the last three years IMA's turnover has grown at a CAGR of 15%, gaining increasing shares of the market in the process
- Over the next few years the demand for coffee pod packing machines is expected to increase considerably, especially on the North American market
- The trade has shown great interest for a recently launched and highly innovative machine by IMA



(*) Company estimates

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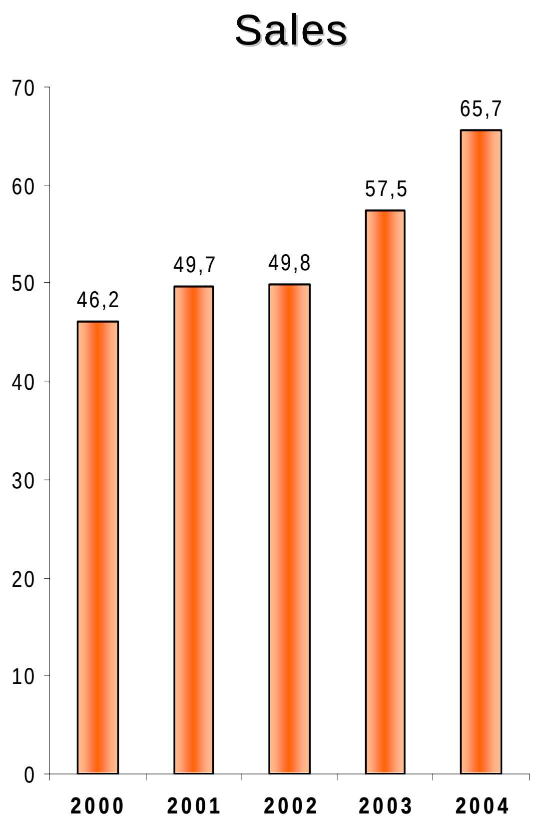
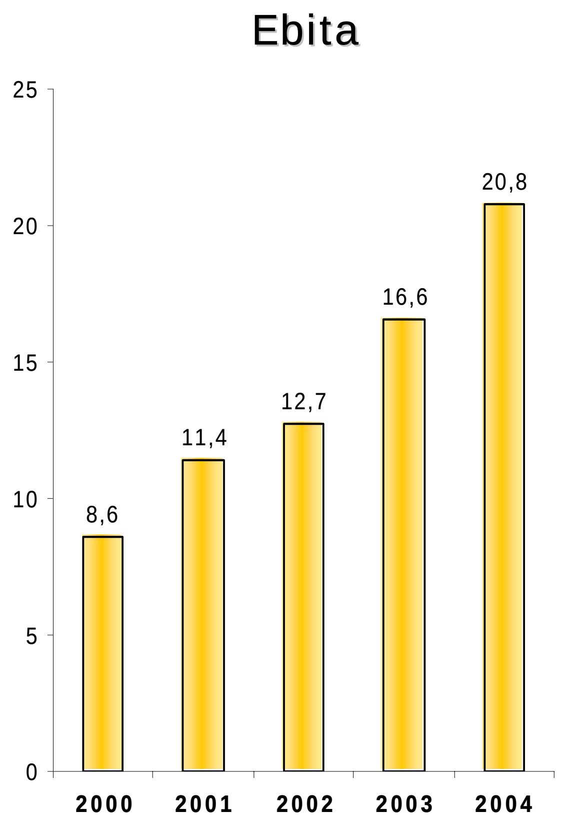
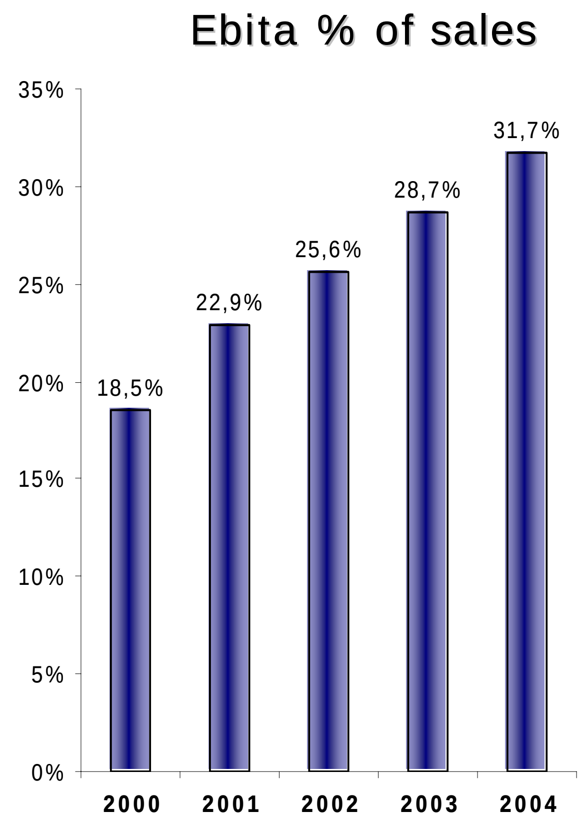
Sales and Ebita in the Tea Sector

Million Euro







Pharmaceutical machinery industry

- A sector that’s still fragmented and dominated by German and Italian firms.
- No North American firm
- Most firms are specialised in one product line
- Very much a “crafts-like” industry with a high degree of customisation
- Strong investments for innovation (R&D)
- Ever changing and increasingly severe regulatory agency standards
- Multinational customers call for an international presence.

IMA: a world leader

- IMA is the only company with a truly complete range of processing and packaging machines
- Thoroughly customised solutions to meet even the most demanding and stringent requirements o the customer are ensured by our over 400 engineer- and designer-strong R&D staff
- Global management of line problems fro complete solutions supplied by IMA
- Prompt and effective technical assistance throughout the entire life cycle of the machine
- Sales presence in over 70 countries controlled by a network of subsidiaries and offices in 18
- Production facilities in Italy (5), the U.K. (1), the U.S. (1), Germany (1), Spain (1), China (2), and India (2).

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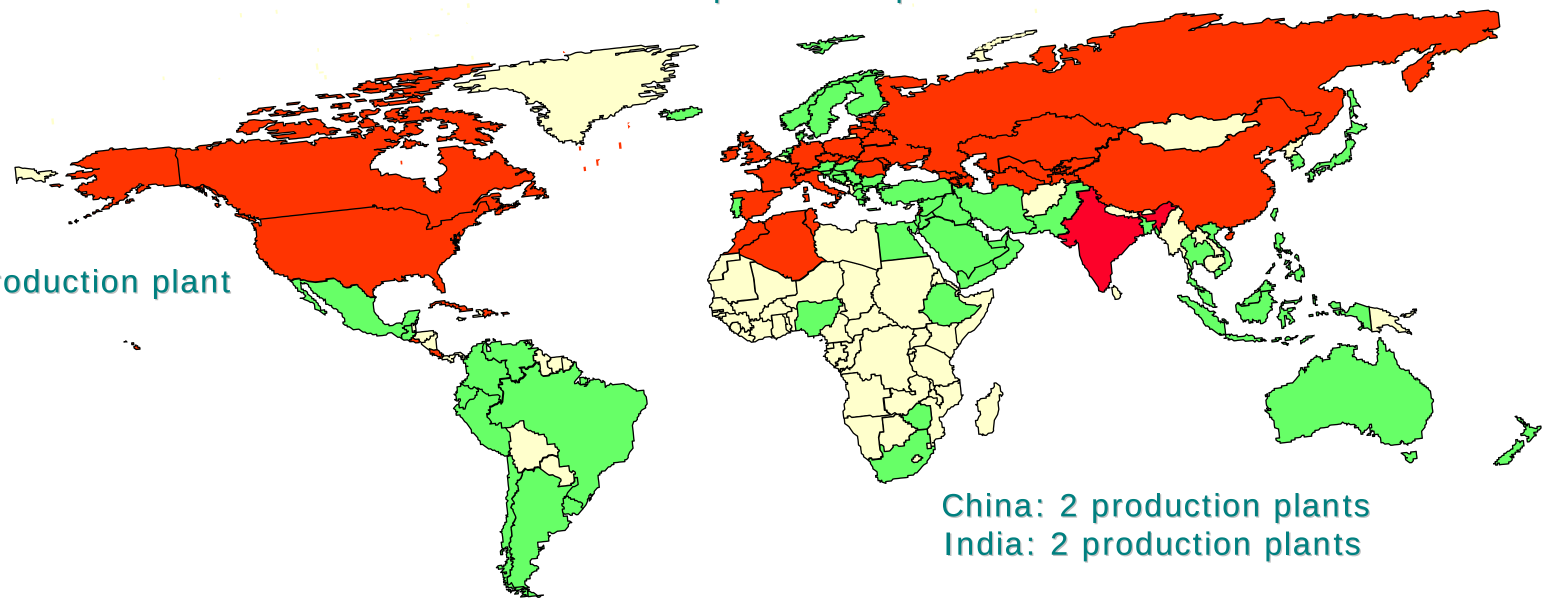
IMA in the world



Main pharmaceutical market competitors

	BLISTER	CAPSULE FILLING	TABLETING	COATING	GRANUL. POWDER P.	FILLING	CARTONING	END OF LINE	TUBE FILLING	COUNTERS
IMA	Leader	Leader	Leader	Leader	Player	Leader	Follower	Leader	Follower	Leader
ULHMANN	Leader									
BOSCH	Follower	Leader				Leader	Player			
KLOCKNER	Follower									
ROMACO	Player	Player			Follower	Player	Player		Follower	
CAM	Follower						Leader			
MARCHESINI	Player					Player	Leader	Player	Player	
MG2		Follower								
FETTE			Leader							
IWKA	Player		Player	Follower	Player		Player		Leader	
NIRO/GEA			Player		Leader					
KORSCH			Player							
GLATT				Leader	Leader					
DRIAM				Follower						
BOC										
NORDEN/KALIX							Follower		Leader	
BAUSCH & S.						Leader				
GROENINGER						Follower				
MAR						Player				
PESTER								Leader		
CREMER										Follower
AYLWARD										Follower

Leader Follower Player

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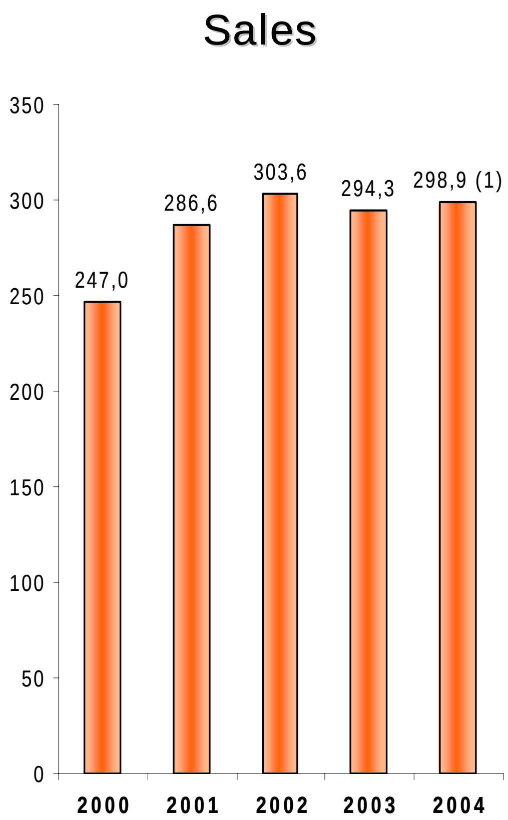
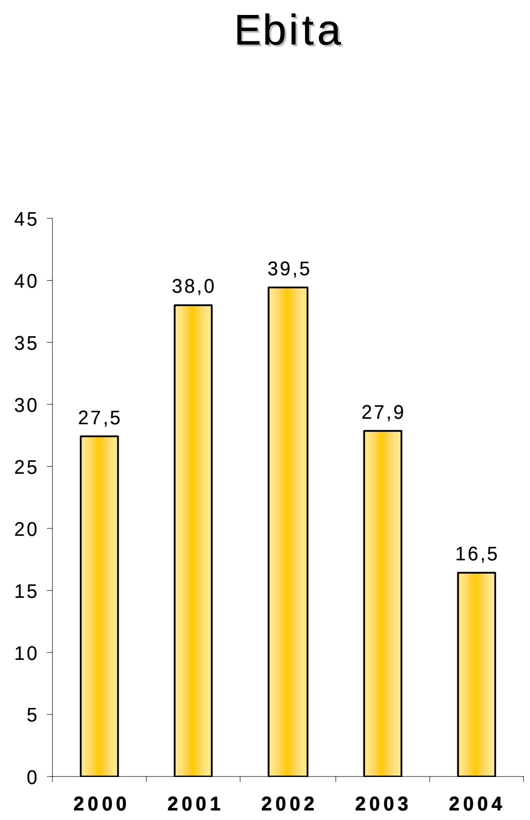
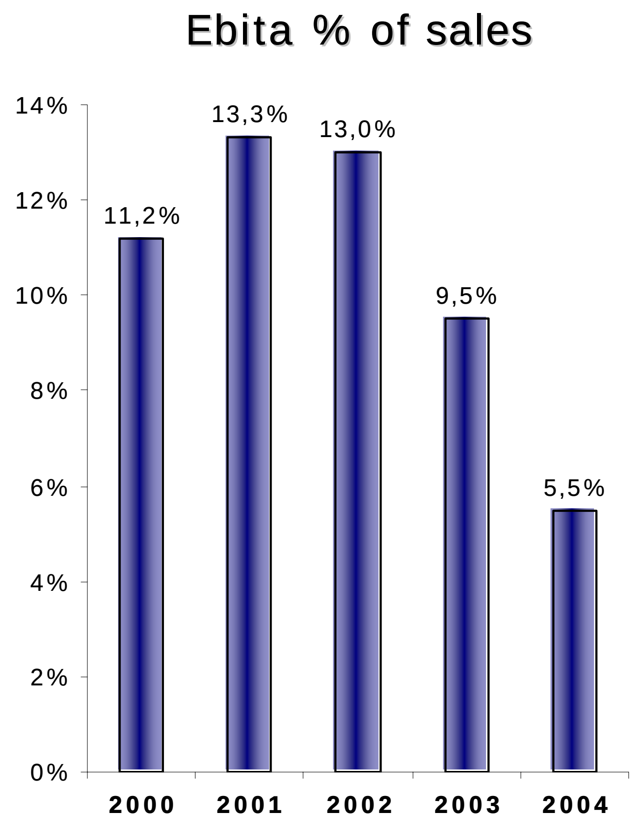
Sales and Ebita in the Pharma Sector

Million Euro







(1): not including NOVA

Trend in the Pharmaceuticals Market

- Poorer results have been recorded in the pharmaceuticals sector over the last two years (EBITA/sales from 13% ⇨ 5.5%)

- Improvements in the trade are not to be expected, given the bleak scenario in the drugs sector (poor demand and price undercutting) for 2005

A structural change or a slump?

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Trend in the Pharmaceuticals Market

A **slump** caused by:

- A poor demand
- A jittery competitive scenario
- A shaky dollar

Trend in the Pharmaceuticals Market

A poor demand, but…

- Continued growth has been recorded for the pharmaceutical industry (+6% in the first six months of 2005), even if at a far lower rate than in the past (+12% in 2002)
- Growth in volumes has been even greater, thanks to the growing availability of generic drugs
- An increased sale of drugs may be expected in the United States following on the public health scheme, “Medicare”, undertaken in 2006
- Bio-tech offers new opportunities
- Developing countries are pushing investments in the pharmaceuticals industry
- Increasing barriers to market entry

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Trend in the Pharmaceuticals Market

A jittery competitive scenario, but…

- Increased regulatory focus on pharma manufacturing practices has become a strong risk factor for drug manufacturers
- Small and R&D-investment thrifty manufacturers have been penalised by heightened supplier selectivity
- Developing countries have been hit hardest by the weak dollar

- Strong **discounts** have been granted by less flexible (i.e. vertically integrated) manufacturers to corner new orders
- Manufacturers with poor innovation propensity have **lowered prices** in an attempt to hold on their market share

Trend in the Pharmaceuticals Market

A jittery competitive scenario, but…

- A price war is unlikely to last long
- Several weaker firms are being progressively pushed out of the market, thus making for a process of sector consolidation
- Demand may safely be expected to pick up in view of the continuous growth in the pharmaceuticals industry
- Poor innovators may expect their market share to whittle down
- Once the present slump is over, the sector may be expected to settle down on new grounds

Trend in the Pharmaceuticals Market

A shaky dollar, but…

- Beginning from 2002 IMA has consistently increased USD list prices to make up for the unfavorable exchange rate with this currency

- Sales in North America have not been appreciably affected by increases in the dollar quoted price lists

- Over the last 24 months IMA has failed to make up fluctuations in the exchange rate of the USD, given the approx. 12-months business gap for making good any price hike

- Ongoing fluctuations in the exchange rate of the USD have constantly retarded margin recovery

- Once the value of the dollar stops dropping, an upside potential may be expected in EBITA

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Trend in the Pharmaceuticals Market

A shaky dollar, but...

An exercise:

	2002	2003	2004	2005	2006
Sales $ (base 2004)	69,0	70,4	(1) **80,7**	90,4	101,4
Exchange rate (hedging)	0,93	1,066	1,19	1,30	1,30
Sales €	74,2	66,0	67,8	69,5	78,0

(1): 2004 sales (actual) have been actualised to 2002, 2003, 2005 and 2006 dollar price list values.

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1st Semester 2005

Sales

Million Euro	1st Semester 2005	1st Semester 2004	Var.	%
Tea, Coffee and Herbal Tea Packaging Sector	34,3	36,8	(2,5)	(6,8)
Pharmaceutical Packaging Sector	92,2 *	86,6	5,6	6,5
Pharmaceutical Processing Sector	30,0	40,4	(10,4)	(25,7)
Total Sales	**156,5**	**163,8**	**(7,3)**	(4,5)

* Of which 9,1 mil. from Nova Group

The reduction in earnings recorded in the first semester for an equal amount of orders may be ascribed to:

- A drop in production following on Kilian’s move to new facilities
- Orders for highly customized lines that take longer to process

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1^{st} Semester 2005

Order trends

Million Euro	1st Semester 2005	1st Semester 2004	Var.	%
Tea, Coffee and Herbal Tea	39,1	26,8	12,3	45,9
Pharmaceutical Packaging	111,3 *	103,3	8,0	7,7
Pharmaceutical Processing	50,4	55,2	(4,8)	(8,7)
Total Backlog	**200,8**	**185,3**	**15,5**	**8,4%**

* Of which 12,1 mil. from Nova Group

- A strong increase in orders for tea packaging lines
- An increase in the pharmaceuticals packaging sector, ascribable, however, to the acquisition of the Nova Group, as when the same perimeter is considered, orders are down 4%
- Diminished orders in the pharmaceutical sector, both for processing and packaging, a reflection of poor demand, despite the promising growth in demand recorded for the period of comparison (1^{st} semester 2004)
- Price undercutting has been stronger than in 2004
- Demand for drugs has grown in South America, the Middle East and Eastern Europe, while it has kept steady in North America and weakened in Europe and the Far East

1st Semester 2005

EBIT

Results for the period show:

- Diminished industrial margins owing to:
  - Price related effects
  - Inefficiency caused by Kilian's move to new premises
  - Expenses for Kilian's reorganization

- An increase of only 1.8 million Euro in fixed costs for R&D, marketing and overheads, despite costs borne by Nova to an amount of 2.5 million Euro

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Consolidated profit & loss statement

Half Year 2005 vs 2004

IMA	1st H 2005	%	1st H 2004	%	change %
Million Euro					
Net sales	**156,55**	*100,0%*	**163,76**	*100,0%*	*-4,4%*
Cost of sales	(97,56)		(98,71)		
GROSS MARGIN	**58,99**	*40,9%*	**65,05**	*39,7%*	*-9,3%*
Research & Development expenses	(9,27)		(9,23)		
General & administrative expenses	(24,59)		(24,63)		
Selling expenses	(23,78)		(21,87)		
EBITA	**1,35**	*0,9%*	**9,31**	*5,7%*	*-85,5%*
Amortization of goodwill	0,00		0,00		
EBIT	**1,35**	*0,9%*	**9,31**	*5,7%*	*-85,5%*
Net financial charges	(3,26)		(2,31)		
Other	0,02		0,10		
Income taxes	0,87		(3,50)		
Minority interests	(0,09)		(0,08)		
NET INCOME	**(1,11)**	*-0,7%*	**3,52**	*2,2%*	*-131,5%*
EBITDA	**6,37**	*4,1%*	**14,49**	*8,9%*	*-56,0%*

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Consolidated balance sheet

Half Year 2005 vs 2004

IMA	30/06/2005	%	31/12/2004	%	30/06/2004	%
Million Euro						
Trade receivables	78,23		88,09		89,44	
Inventories	134,31		109,66		118,15	
Trade payables	(112,65)		(100,42)		(92,26)	
Other, net	(17,29)		(14,03)		(19,53)	
Net working capital	**82,61**	***44,9%***	**83,30**	***45,4%***	**95,80**	***50,9%***
Intangible fixed assets	59,08		57,32		42,33	
Tangible fixed assets, net	71,89		72,97		72,14	
Investments	1,07		0,51		0,61	
Total fixed assets	**132,04**	***71,7%***	**130,80**	***71,3%***	**115,08**	***61,1%***
Severance indemnities & other	(30,48)		(30,67)		(22,54)	
Net employed capital	**184,16**	***100,0%***	**183,43**	***100,0%***	**188,34**	***100,0%***
Net debt	101,84	***55,3%***	73,98	***40,3%***	91,47	***48,6%***
Minority interests	2,47		2,29		2,18	
Group share of net equity	79,85	***43,4%***	107,15	***58,4%***	94,68	***50,3%***
All sources	**184,16**	***100,0%***	**183,43**	***100,0%***	**188,34**	***100,0%***

Consolidated cash flow

Half Year 2005 vs 2004

IMA - CASH FLOW	30/06/2005
Million Euro	
EBIT	**1,35**
Depreciation and amortization	5,03
Amortization of goodwill	0,00
Capital expenditure	(4,61)
Change in working capital	0,69
Change in other assets/liabilities	(0,19)
Operating cash flow	**2,26**
Net financial charges	(3,26)
Extraordinary items	0,00
Income taxes	0,87
Cash flow from operations	**(0,12)**
Acquisitions	(1,63)
Cash flow from extraordinary operations	**(1,63)**
Dividends	(13,96)
Other changes in net equity	(12,14) (*)
Change in net financial position	**(27,86)**
Opening net financial position	73,98
Closing net financial position	101,84

(*) of which (10,6) as Tresury shares

Outlook for 2005

2005 Pre-closing data (results relating to IMA-Telstar consolidation starting 1st July not taken into account) record:

- Sales for 400 million Euro (in 2004: 372 mil. Euro) *
- Improved EBIT compared to last year
- First semester net debt in line with that of corresponding period in 2004 with improvement expected towards the end of year (without considering extraordinary operations)

* 2004 figures are reclassified according to IAS standards

Outlook for 2006

- Increased earnings may be expected in the "Tea & Coffee" sector thanks to increased demand for tea packaging machines and the start in sales of the new coffee pod packing machine
- Despite uncertainty in the drugs sector and hence a hazy future, it may be expected that:
  - Demand will not drop below that of 2005 and may indeed increase
  - Growth in the industry will oblige manufacturers to stop putting off the purchase of new machinery
  - Price undercutting will continue more or less at the same rate as 2005, but not more
- IMA expects to reap improved margins in the pharma sector thanks to:
  - Strengthening of the US dollar
  - Costs savings on the products undertaken in 2005
  - Strong fixed costs savings

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Joint Venture IMA-Telstar

Telstar Industrial (Freeze Dryers) profile in a nutshell

- Leading world freeze-dryer manufacturer with over 300 production plants and 2500 laboratories set up in over 40 years of activity
- Its freeze-dryers are ideal for sterile environment product dehydration, the mostly widely adopted preservation method for pharmaceuticals and the one which ensures longer product life
- The company has been successfully operating on international markets since the early 90s. Key factors to its success have been:
  - Offer of complete systems at excellent value for money
  - Appreciable tech and performance levels, highly competitive with other players
  - OUT-OF-CHINA operations

– The company is based at Terrassa, near Barcelona in Spain

Joint Venture IMA-Telstar

Operation structure and cost

- 50% acquisition of stock of the company originating from spin-off of Telstar Industrial assets relating to the freeze-dryer business by an increase in reserve capital
- The value set for increase in capital equals that of assets and amounts to 11 million euro
- The net financial situation upon capital increase being equal to zero, the joint-venture will have funds available to the amount of said capital increase to undertake its plans for growth and development
- In 2004 the freeze-dryer business thus acquired turned in sales for about 16 million euro with an EBITDA margin of 17.5%
- The joint-venture holds 55% of Telstar Huadong, a Shanghai-based company operating in the same sector

Joint Venture IMA-Telstar

Strategies

Thanks to this joint-venture agreement IMA:

- Widens its product and service range even further, qualifying itself more than ever as a global supplier
- Comes to be present on the market with a complete range of fully operative and successful automatic in- and out-feed freeze-dryers
- Enters as a lead-player in a pharmaceutical segment which promises the greatest growth potential (at least 90% of all biotechnological products are developed in the freeze-dry state)
- Combines Telstar's techno know-how in the sector with its own engineering expertise required for developing fully integrated systems and the extensive coverage of the market of its own sales organisation
- Sets out to become the current market leader's (BOC Edwards) number one competitor over the next 3-4 years

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ALWAYS
A STEP AHEAD