

# COMPANY RESULTS



## Innovative Automatic Machine System Solutions



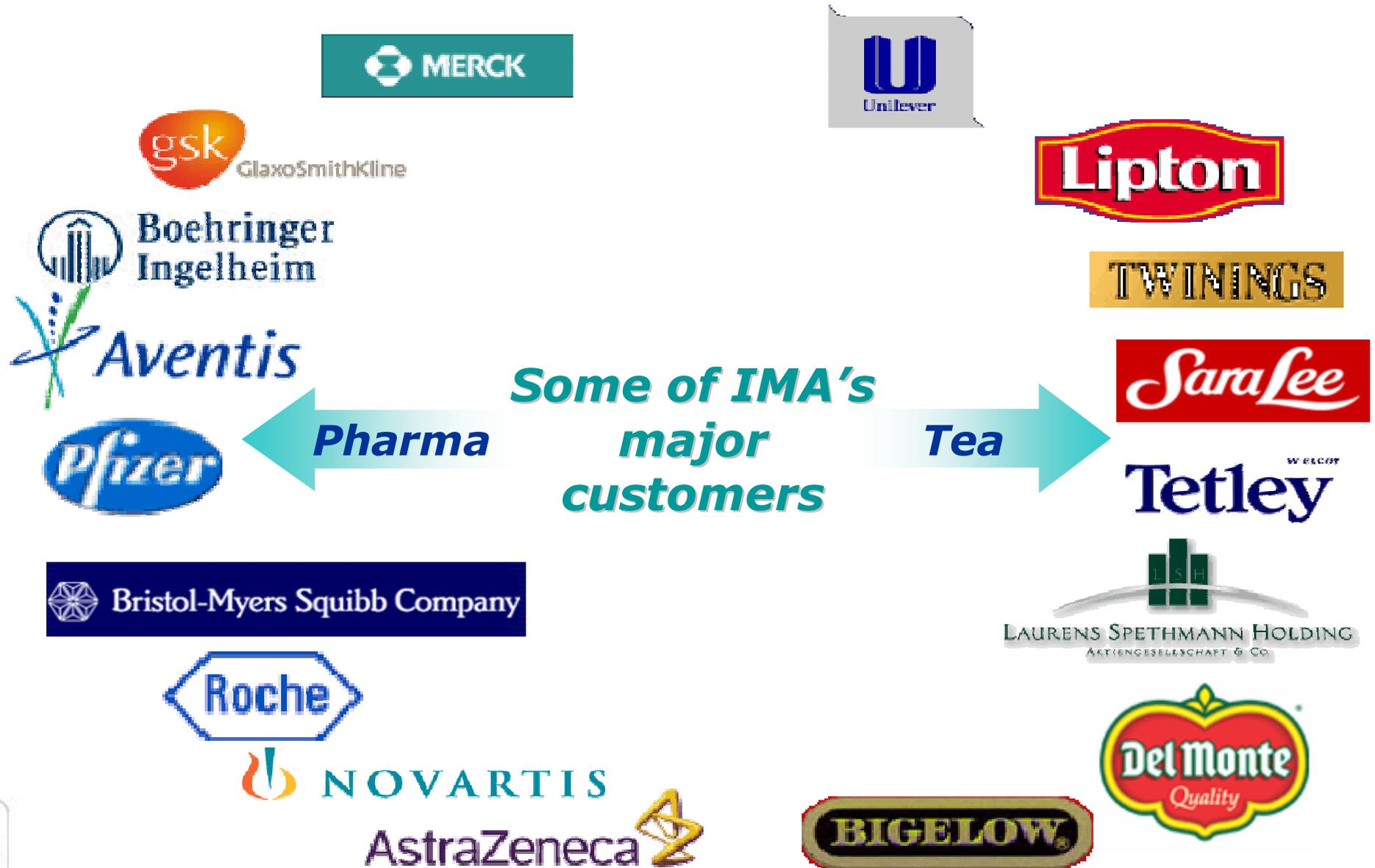
London, October 3rd 2007

# 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
- *System Integrator* in the pharmaceutical sector, also as *main contractor*
- Worldwide sales (92,3% outside Italy) with a wide-ranging, well-balanced product portfolio
- A widespread sales and after-sales assistance network with branches in all main countries

# IMA: a Leading Group



# IMA: a Leading Group

## COMPETITIVE ADVANTAGES

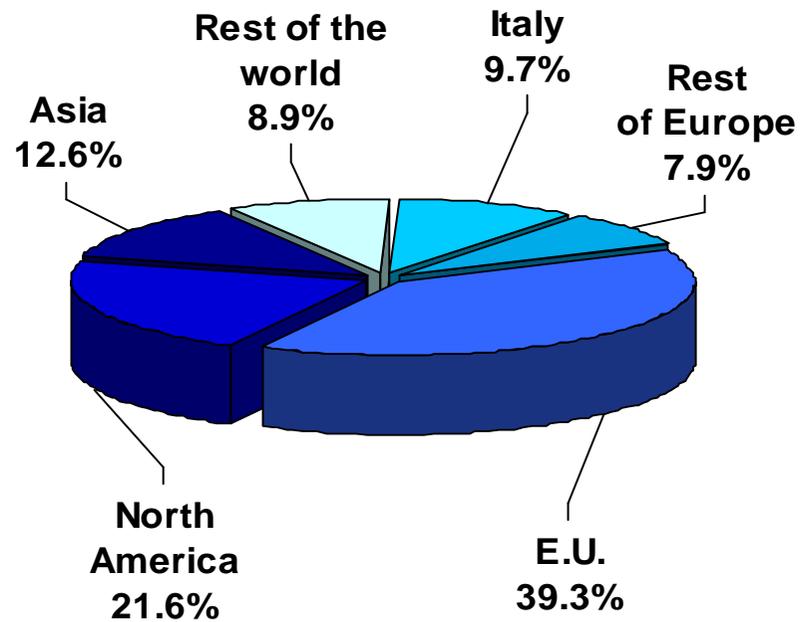
- Cutting-edge R&D laboratories
- Continuous product innovation
- A winning business model
- High customer loyalty
- Excellent positioning thanks to an extensive customer service network and a full product range to offer
- High barriers to market entry

## INVESTMENT PROFILE

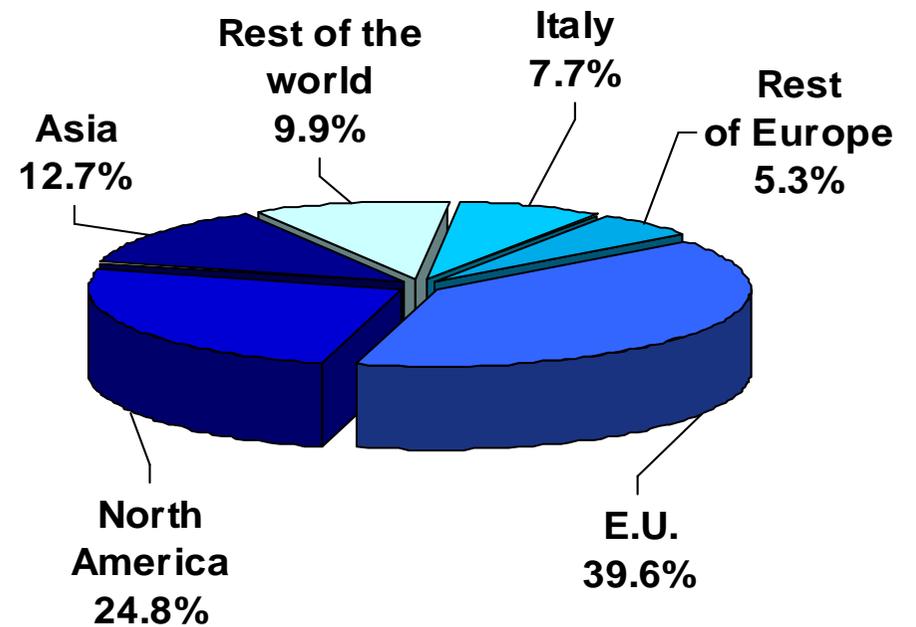
- Leading position in almost all of the segments in which the Group operates
- Low cyclical nature of demand
- High growth potential, both organic and through acquisitions
- Highly professional and strongly motivated management team
- Superior products commanding a premium price

# Balanced sales distribution

**2005**



**2006**

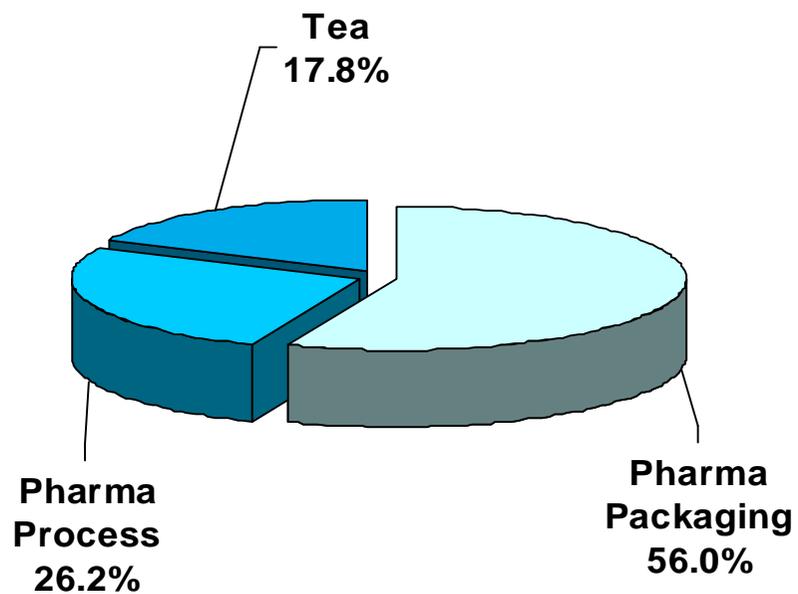


Sales in 2006: € 425.2 million  
Exports: 92.3%

# IMA's balanced offer

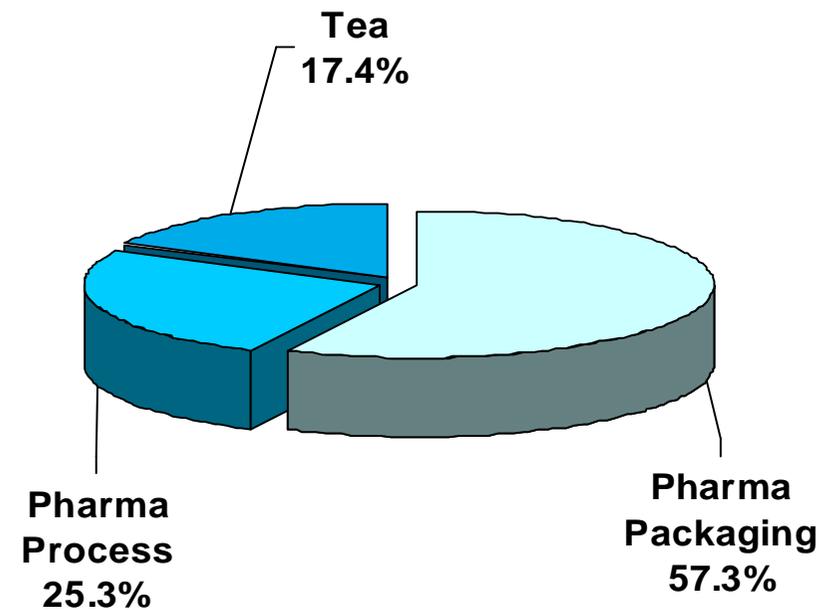
**2005**

total sales: € 398.8 million



**2006**

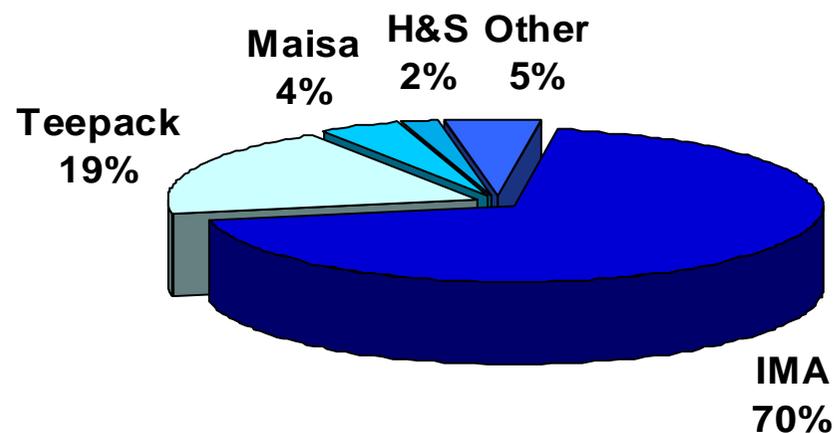
total sales: € 425.2 million



# Machinery industry

## Tea-bag machinery sector

- 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 of roughly 70%
- The second player Teepack belongs to a Group (Teekanne) that produces and sells teabags (brand name: Teekanne, Pompadour, etc.)



Company estimates

# Machinery industry

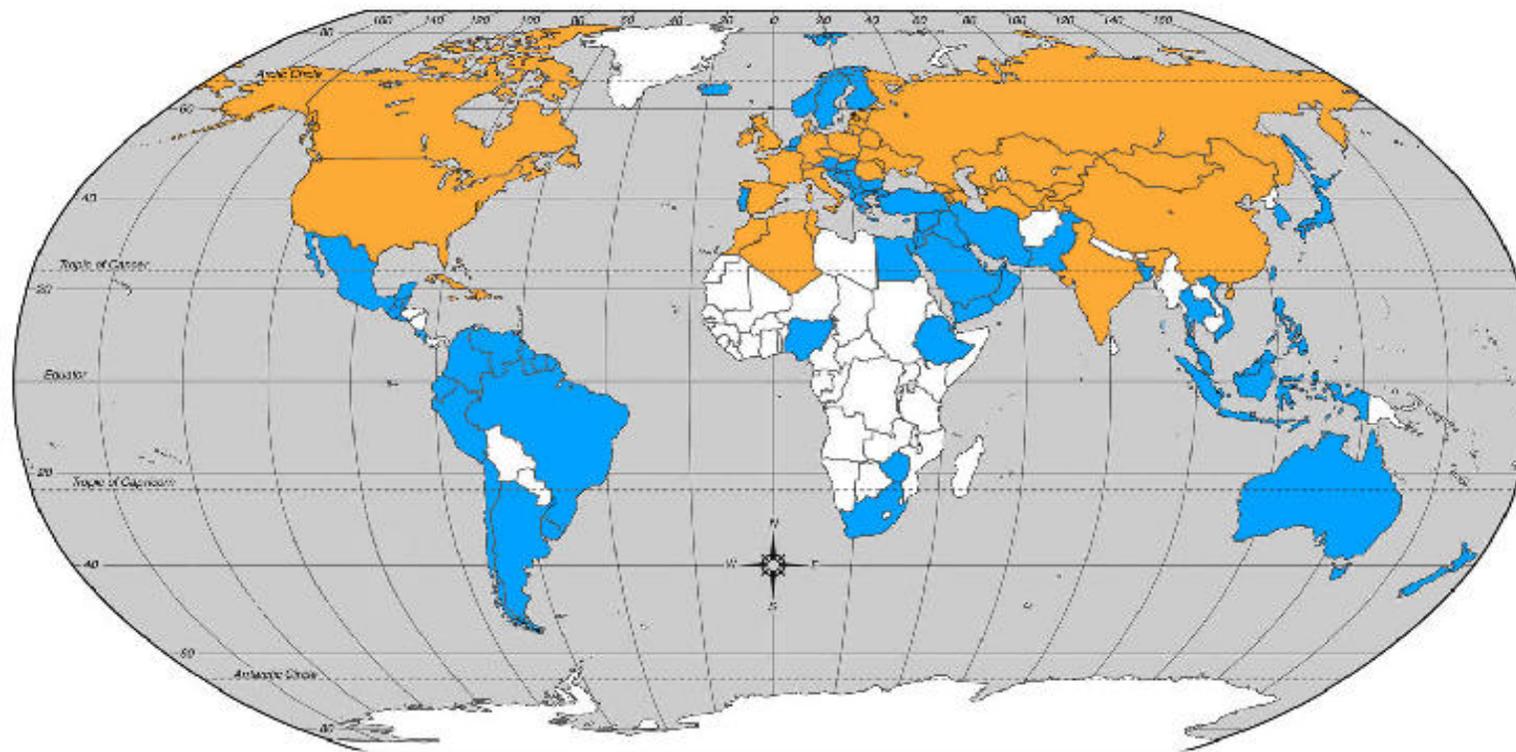
## Pharmaceutical sector

- A sector that's still fragmented and dominated by German and Italian firms.
- 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
- More than 400 engineers and project developers are employed in IMA's R&D shops totalling approximately 600,000 work hours
- Over 600 registered patents
- More than 30 new products launched in the last five years
- Sales presence in over 70 countries controlled by a network of subsidiaries and offices in 18
- Production facilities in Italy (7), the U.K. (1), the U.S. (1), Germany (1), Spain (1) China (3), and India (2)

# IMA in the world



IMA Subsidiaries

IMA sole Agencies (Export Pharma agencies & Export Solid Dose Dpts)

Italy: 7 production plants – UK: 1 production plant

USA: 1 production plant - Germany: 1 production plant

Spain: 1 production plant - China: 3 production plants

India: 2 production plants

# Main pharmaceutical market competitors

	Blister	Capsule Filling	Tableting	Coating	Granul. Powder P.	Filling	Cartoning	End of Line	Tube Filling	Counters	Freeze Dryers
<b>IMA</b>	Leader	Leader	Leader	Leader	Player	Leader	Follower	Leader	Follower	Leader	Follower
<b>Uhlmann</b>	Leader										
<b>Bosch</b>	Follower	Leader				Leader	Player				
<b>Klockner</b>	Follower										
<b>Romaco</b>	Player	Player			Follower	Player	Player		Follower		
<b>CAM</b>	Follower						Leader				
<b>Marchesini</b>	Player					Player	Leader	Player	Player		
<b>MG2</b>		Follower									
<b>Fette</b>			Leader								
<b>IWKA</b>	Player		Player	Follower	Player		Player		Leader		
<b>Niro/Gea</b>			Player		Leader						
<b>Korsch</b>			Player								
<b>Glatt</b>				Leader	Leader						
<b>Driam</b>				Follower							
<b>Boc</b>											Leader
<b>Norden/Kalix</b>							Follower		Leader		
<b>Bausch &amp; S.</b>						Leader					
<b>Groeninger</b>						Follower					
<b>Mar</b>						Player					
<b>Pester</b>								Leader			
<b>Cremer</b>										Follower	
<b>Aylward</b>										Follower	

■ Leader     
 ■ Follower     
 ■ Player



# IMA's market share

In the individual sectors that IMA serves, it has the following market shares (\*):

MARKET	MKT SHARE
<b>Blister</b>	28%
<b>Sterile Filling</b>	20%
<b>Non-Sterile Filling</b>	14%
<b>Tube Filling</b>	10%
<b>Cartoning</b>	12%
<b>End of Line</b>	20%
<b>Capsule Filling</b>	33%
<b>Tableting</b>	25%
<b>Coating</b>	17%
<b>Counting</b>	30%
<b>Freeze Dryers</b>	10%

(\*) Company estimates

# Consolidated profit & loss statement

31.12.2006 vs. 31.12.2005

IMA	2006	%	2005	%	change %
<i>Euro million</i>					
<b>NET SALES</b>	<b>425,20</b>	<b>100,0%</b>	<b>398,79</b>	<b>100,0%</b>	<b>6,6%</b>
Cost of Good Sold	(247,61)	-58,2%	(242,40)	-60,8%	2,1%
<b>GROSS MARGIN</b>	<b>177,59</b>	<b>41,8%</b>	<b>156,39</b>	<b>39,2%</b>	<b>13,6%</b>
Research and development exp.	(19,61)	-4,6%	(18,27)	-4,6%	7,3%
General and administrative exp.	(50,47)	-11,9%	(49,62)	-12,4%	1,7%
Sales and commercial exp.	(53,30)	-12,5%	(49,44)	-12,4%	7,8%
<b>EBITA</b>	<b>54,21</b>	<b>12,7%</b>	<b>39,06</b>	<b>9,8%</b>	<b>38,8%</b>
Amortization of goodwill	(0,76)	-0,2%	(3,48)	-0,9%	-78,2%
<b>EBIT</b>	<b>53,45</b>	<b>12,6%</b>	<b>35,58</b>	<b>8,9%</b>	<b>50,2%</b>
Net financial charges	(6,96)	-1,6%	(7,54)	-1,9%	-7,7%
Other	0,04	0,0%	(0,05)	0,0%	-180,0%
Taxes	(21,67)	-5,1%	(15,01)	-3,8%	44,4%
Minority	(0,02)	0,0%	(0,52)	-0,1%	-96,2%
<b>NET INCOME</b>	<b>24,84</b>	<b>5,8%</b>	<b>12,46</b>	<b>3,1%</b>	<b>99,4%</b>
<b>EBITDA</b>	<b>65,47</b>	<b>15,4%</b>	<b>49,18</b>	<b>12,3%</b>	<b>33,1%</b>

# Consolidated balance sheet

31.12.2006 vs. 31.12.2005

<b>IMA</b>	<b>2006</b>	<b>%</b>	<b>2005</b>	<b>%</b>
<i>Million Euro</i>				
Trade receivables	101,40		98,79	
Inventories	122,20		122,11	
Trade payables	(102,91)		(115,39)	
Other, net	(29,16)		(28,11)	
<b>Net working capital</b>	<b>91,53</b>	<b>45,0%</b>	<b>77,40</b>	<b>42,6%</b>
Intangible fixed assets	69,87		59,31	
Tangible fixed assets, net	72,73		73,25	
Investments	1,76		1,01	
<b>Total fixed assets</b>	<b>144,36</b>	<b>71,0%</b>	<b>133,57</b>	<b>73,4%</b>
Severance indemnities & other	(32,66)		(29,07)	
<b>Net employed capital</b>	<b>203,23</b>	<b>100,0%</b>	<b>181,90</b>	<b>100,0%</b>
Net debt	104,20	<b>51,3%</b>	86,84	<b>47,7%</b>
Minority interests	0,99		3,58	
Group share of net equity	98,04	<b>48,2%</b>	91,48	<b>50,3%</b>
<b>All sources</b>	<b>203,23</b>	<b>100,0%</b>	<b>181,90</b>	<b>100,0%</b>

# Consolidated Cash Flow

31.12.2006 vs. 31.12.2005

<b>IMA - CASH FLOW</b>	<b>2006</b>	<b>2005</b>
<i>Million Euro</i>		
EBIT	53,40	35,58
Depreciation and amortization	11,26	10,26
Amortization of goodwill	0,76	3,34
Capital expenditure	(12,90)	(11,50)
Change in working capital	(14,13)	5,89
Change in other assets/liabilities	3,56	(0,49)
<b>Operating cash flow</b>	<b>41,95</b>	<b>43,09</b>
Net financial charges	(6,88)	(7,54)
Extraordinary items		
Income taxes	(21,70)	(15,01)
<b>Cash flow from operations</b>	<b>13,38</b>	<b>20,54</b>
Acquisitions	(9,90)	(6,04)
<b>Cash flow from extraordinary operations</b>	<b>(9,90)</b>	<b>(6,04)</b>
Dividends	(13,80)	(13,96)
Other changes in net equity	(2,92)	1,30
Treasury Shares	(4,19)	(14,70)
<b>Change in net financial position</b>	<b>(17,43)</b>	<b>(12,86)</b>
Opening net financial position	86,84	73,98
Closing net financial position	104,20	86,84

# 1st Half 2007

## Sales

Million Euro	1st Half 2007	1st Half 2006	Change	%
Tea, Coffee and Herbal Tea Packaging Sector	36,4	38,0	(1,6)	-4,2%
Pharmaceutical Packaging Sector	122,4	104,6	17,8	17,0%
Pharmaceutical Processing Sector	50,8	38,1	12,7	33,3%
<b>Total Sales</b>	<b>209,6</b>	<b>180,7</b>	<b>28,9</b>	<b>16,0%</b>

The growth in sales compared to the same period of 2006 is due to the very good performance of the pharmaceutical market for both Packaging and Processing sectors.

# 1st Half 2007

## Order trends

Million Euro	1st Half 2007	1st Half 2006	Var.	%
Tea, Coffee and Herbal Tea Packaging Sector	47,4	27,4	20,0	73,0%
Pharmaceutical Packaging Sector	138,6	133,2	5,4	4,1%
Pharmaceutical Processing Sector	63,1	59,1	4,0	6,8%
<b>Total Order trends</b>	<b>249,1</b>	<b>219,7</b>	<b>29,4</b>	<b>13,4%</b>

- The strong increase in orders for Tea market is linked to strong demand from Est Europe.
- Pharmaceutical Packaging and Processing are confirming the good results of new products and the good level of demand on the market.

# 1st Half 2007

## EBIT

Million Euro	1st Half 2007	1st Half 2006	Change	%
Tea, Coffee and Herbal Tea Packaging Sector	12,8	13,2	(0,4)	-3,0%
Pharmaceutical Packaging Sector	12,1	4,5	7,6	168,9%
Pharmaceutical Processing Sector	(0,6)	(1,7)	1,1	-64,7%
<b>Total Ebit</b>	<b>24,3</b>	<b>16,0</b>	<b>8,30</b>	<b>51,9%</b>

- The improvement has been achieved thanks to the performance of the Pharmaceutical Packaging sector that is still growing following the actions of the prior year.

# Consolidated profit & loss statement

Half Year 2007 vs 2006

<b>IMA</b>	<b>1st H 2007</b>	<b>%</b>	<b>1st H 2006</b>	<b>%</b>	<b>change %</b>
<i>Million Euro</i>					
<b>Net sales</b>	<b>209,60</b>	<b>100,0%</b>	<b>180,70</b>	<b>100,0%</b>	<b>16,0%</b>
Cost of sales	(122,50)		(102,40)		
<b>GROSS MARGIN</b>	<b>87,10</b>	<b>41,6%</b>	<b>78,30</b>	<b>43,3%</b>	<b>11,2%</b>
Research & Development expenses	(11,20)		(10,20)		
General & administrative expenses	(25,00)		(26,50)		
Selling expenses	(26,60)		(25,60)		
<b>EBITA</b>	<b>24,30</b>	<b>11,6%</b>	<b>16,00</b>	<b>8,9%</b>	<b>51,9%</b>
Amortization of goodwill	0,00		0,00		
<b>EBIT</b>	<b>24,30</b>	<b>11,6%</b>	<b>16,00</b>	<b>8,9%</b>	<b>51,9%</b>
Net financial charges	(3,70)		(2,60)		
Other	0,00		0,10		
Income taxes	(9,20)		(6,70)		
Minority interests	(0,10)		0,10		
<b>NET INCOME</b>	<b>11,30</b>	<b>5,4%</b>	<b>6,90</b>	<b>3,8%</b>	<b>63,8%</b>
<b>EBITDA</b>	<b>29,60</b>	<b>14,1%</b>	<b>22,20</b>	<b>12,3%</b>	<b>33,3%</b>

# Consolidated balance sheet

Half Year 2007 vs 2006

IMA	30/06/2007	%	31/12/2006	%	30/06/2006	%
<i>Million Euro</i>						
Trade receivables	105,10		101,40		91,70	
Inventories	147,80		122,20		144,60	
Trade payables	(135,20)		(102,90)		(115,70)	
Other, net	(36,60)		(29,20)		(29,20)	
<b>Net working capital</b>	<b>81,10</b>	<b>41,3%</b>	<b>91,50</b>	<b>45,0%</b>	<b>91,40</b>	<b>44,4%</b>
Intangible fixed assets	71,70		69,90		65,80	
Tangible fixed assets, net	71,80		72,70		74,10	
Investments	1,40		1,80		1,90	
<b>Total fixed assets</b>	<b>144,90</b>	<b>73,7%</b>	<b>144,40</b>	<b>71,1%</b>	<b>141,80</b>	<b>68,9%</b>
Severance indemnities & other	(29,50)		(32,70)		(27,30)	
<b>Net invested capital</b>	<b>196,50</b>	<b>100,0%</b>	<b>203,20</b>	<b>100,0%</b>	<b>205,90</b>	<b>100,0%</b>
Net debt	109,00	<b>55,5%</b>	104,20	<b>51,3%</b>	118,40	<b>57,5%</b>
Minority interests	1,30		1,00		2,90	
Group share of net equity	86,20	<b>43,9%</b>	98,00	<b>48,2%</b>	84,60	<b>41,1%</b>
<b>Total sources</b>	<b>196,50</b>	<b>100,0%</b>	<b>203,20</b>	<b>100,0%</b>	<b>205,90</b>	<b>100,0%</b>

# Outlook for 2007

The recovery registered in the pharmaceutical sector in the first half of the year is expected to strengthen and make it possible to revise the estimates for the entire year as follows:

- Sales for 460 million Euro (up 8%)
- Improved EBIT compared to last year (approximately 64 mil. Euro)
- Improved net Financial Position in the light of cash generated in the first half of this year.