

PRESENTATION TO INVESTORS

STAR CONFERENCE 2006

*Innovative Automatic Machine
System Solutions*

London, September 28th 2006





The IMA Group

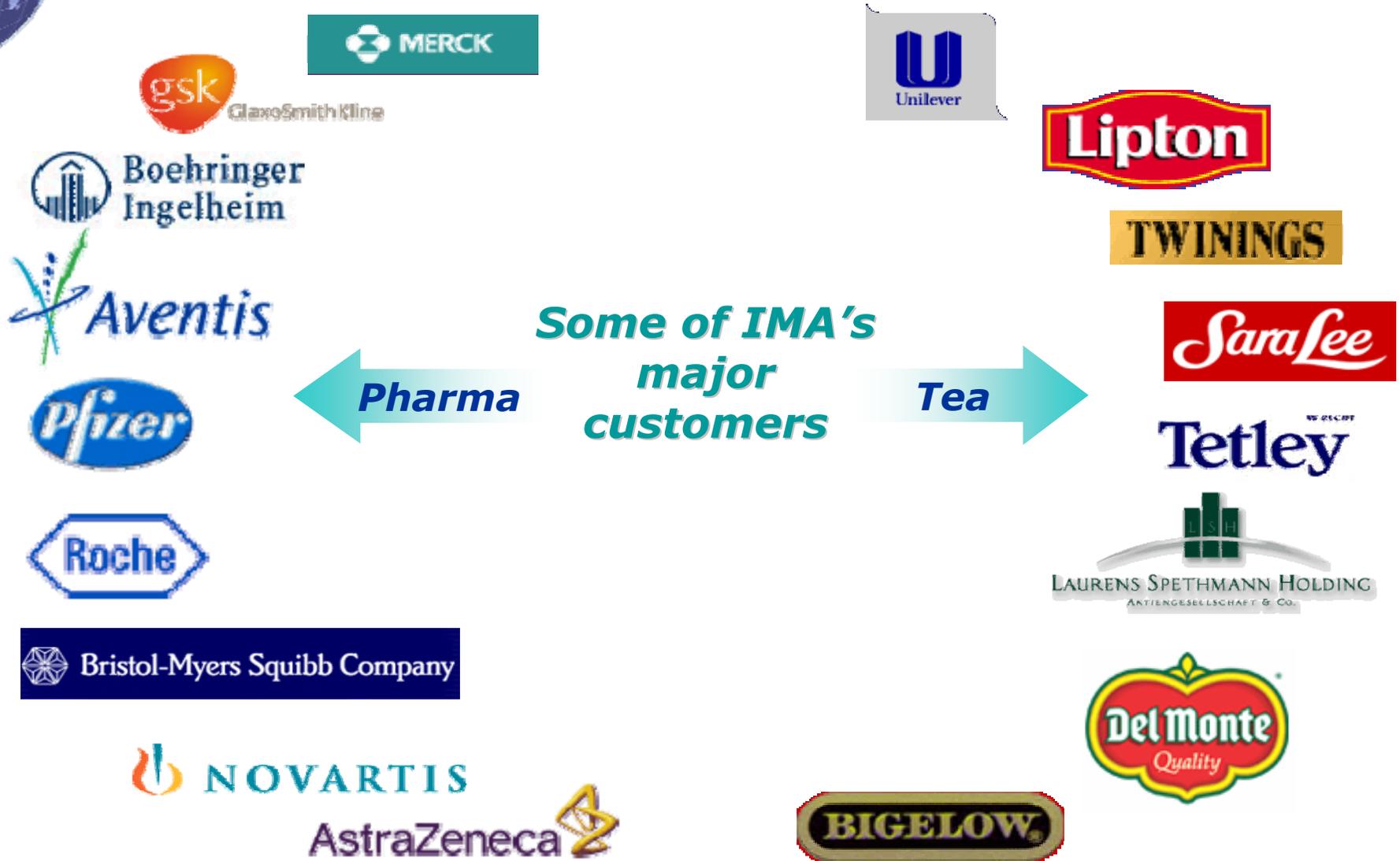
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Today

- **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 (90.3% 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 World Leader

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**

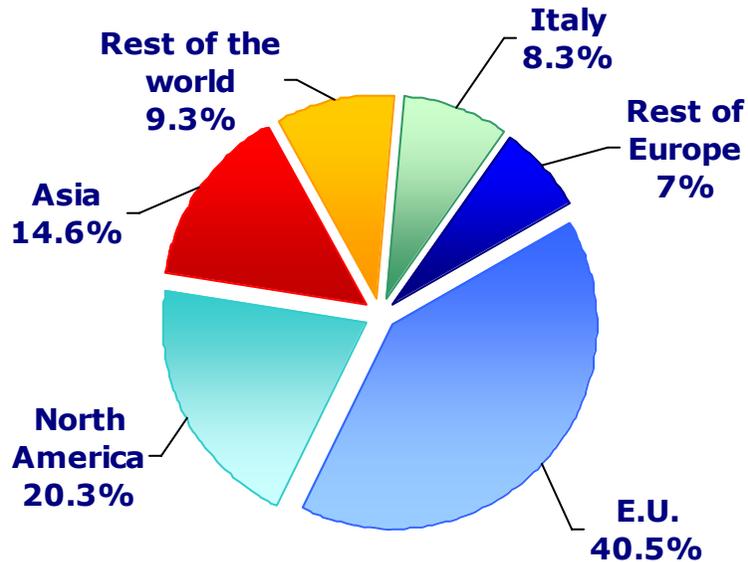
INVESTMENT PROFILE

- **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**

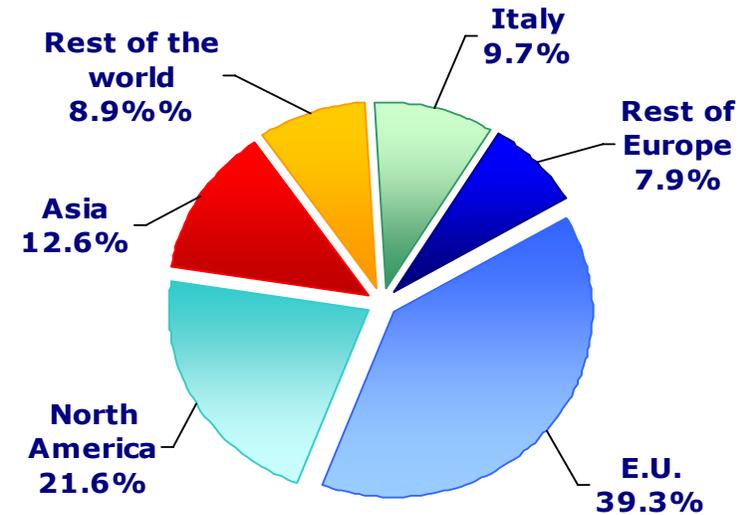


Balanced sales distribution

2004



2005



Sales in 2005: € 398.8 million
Exports: 90.3%

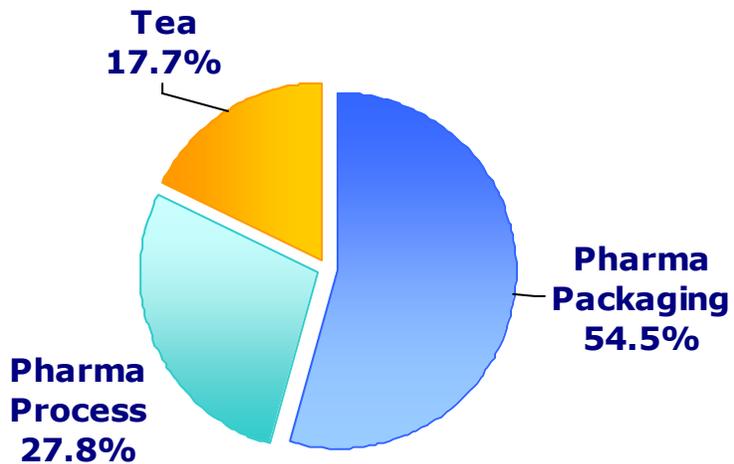




IMA's balanced offer

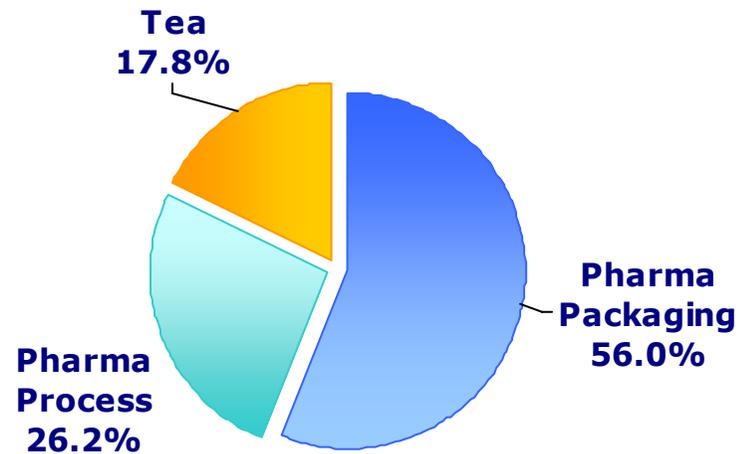
2004

2004 total sales: € 372.0 mil.



2005

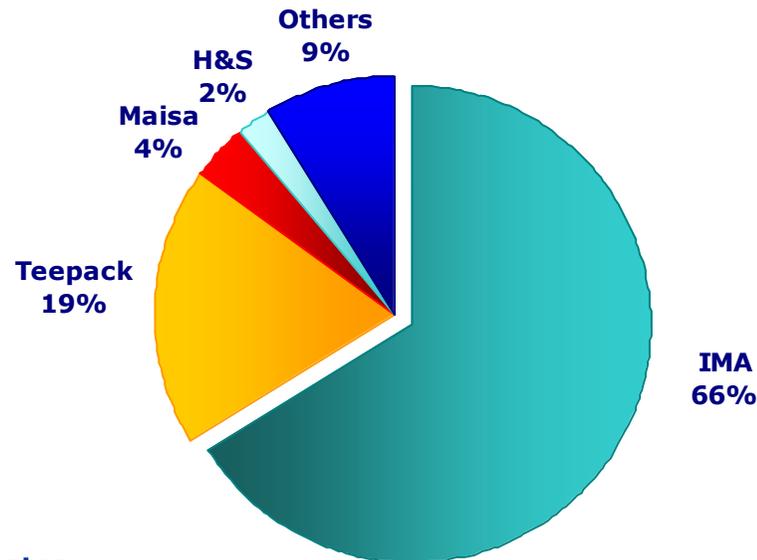
2005 total sales: € 398.8 mil.





Tea-bag machinery industry

- 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 66%
- The second player Teepack belongs to a Group (Teekanne) that produces and sells teabags (brand name: Teekanne, Pompadour, etc.)



(*) Company estimates





Pharmaceutical machinery industry

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- **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

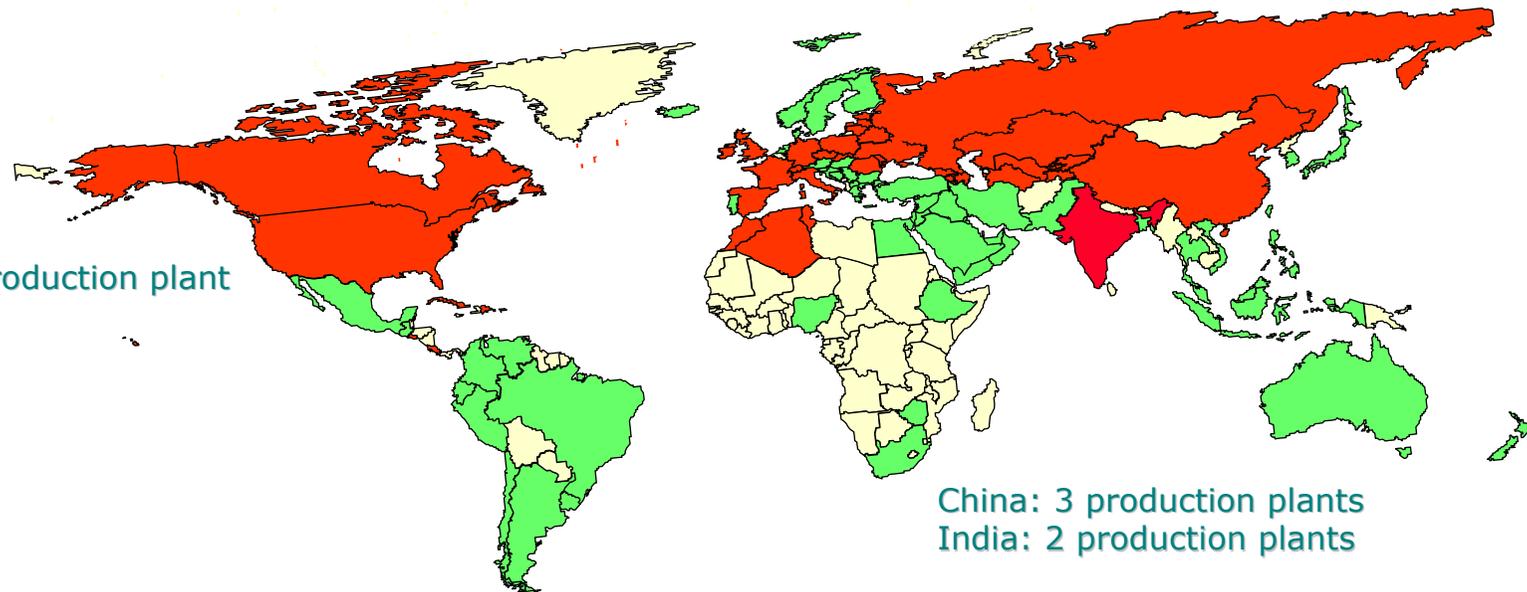
- **IMA is the only company with a truly complete range of processing and packaging machines**
- **More than 400 engineers and project developers are employed in IMA's R&D shops totalling approximately 600,000 work hours**
- **Over 600 registered patents**
- **More than 30 new products launched in the last three years**
- **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 (3), and India (2)**



IMA in the world

Italy: 5 production plants
Germany: 1 production plant
UK: 1 production plant
Spain: 1 production plant

USA: 1 production plant



China: 3 production plants
India: 2 production plants

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





Main pharmaceutical market competitors

	BLISTER	CAPSULE FILLING	TABLETING	COATING	GRANUL. POWDER P.	FILLING	CARTONING	END OF LINE	TUBE FILLING	COUNTERS	FREEZE DRYERS
IMA	Leader	Leader	Leader	Leader	Player	Leader	Follower	Leader	Follower	Leader	Follower
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											Leader
NORDEN/KALIX							Follower		Leader		
BAUSCH & S.						Leader					
GROENINGER						Follower					
MAR						Player					
PESTER								Leader			
CREMER										Follower	
AYLWARD										Follower	

■ Leader
 ■ Follower
 ■ Player





IMA's market share

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

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

(*) Company estimates



Consolidated profit & loss statement

31.12.2005 vs. 31.12.2004

IMA	2005	%	2004	%	var. %
<i>Euro million</i>					
NET SALES	398,79	100,0%	371,98	100,0%	7,2%
Cost of Good Sold	(242,40)	-60,8%	(222,84)	-59,9%	8,8%
GROSS MARGIN	156,39	39,2%	149,14	40,1%	4,9%
Research and development exp.	(18,27)	-4,6%	(17,59)	-4,7%	3,9%
General and administrative exp.	(49,62)	-12,4%	(48,79)	-13,1%	1,7%
Sales and commercial exp.	(49,43)	-12,4%	(46,02)	-12,4%	7,4%
EBITA	39,06	9,8%	36,74	9,9%	6,3%
Amortization of goodwill	(3,48)	-0,9%		0,0%	0,0%
EBIT	35,58	8,9%	36,74	9,9%	-3,2%
Net financial charges	(7,54)	-1,9%	(4,14)	-1,1%	82,2%
Other	(0,05)	0,0%	0,10	0,0%	-152,0%
Taxes	(15,01)	-3,8%	(15,56)	-4,2%	-3,5%
Minority	(0,52)	-0,1%	(0,36)	-0,1%	42,7%
NET INCOME	12,46	3,1%	16,79	4,5%	-25,8%
EBITDA	49,18	12,3%	47,63	12,8%	3,2%



Consolidated balance sheet

31.12.2005 vs. 31.12.2004

IMA	2005	%	2004	%
<i>Million Euro</i>				
Trade receivables	98,79		88,09	
Inventories	122,11		109,66	
Trade payables	(115,39)		(100,42)	
Other, net	(28,11)		(14,03)	
Net working capital	77,40	42,6%	83,30	45,4%
Intangible fixed assets	59,31		57,32	
Tangible fixed assets, net	73,25		72,97	
Investments	1,01		0,51	
Total fixed assets	133,57	73,4%	130,80	71,3%
Severance indemnities & other	(29,07)		(30,67)	
Net employed capital	181,90	100,0%	183,43	100,0%
Net debt	86,84	47,7%	73,98	40,3%
Minority interests	3,58		2,29	
Group share of net equity	91,48	50,3%	107,15	58,4%
All sources	181,90	100,0%	183,43	100,0%



Consolidated cash flow

31.12.2005 vs. 31.12.2004

IMA - CASH FLOW	2005	2004
<i>Million Euro</i>		
EBIT	35,58	36,74
Depreciation and amortization	10,26	10,88
Amortization of goodwill	3,34	0,00
Capital expenditure	(11,50)	(13,22)
Change in working capital	5,89	5,91
Change in other assets/liabilities	(0,49)	2,67
Operating cash flow	43,09	42,98
Net financial charges	(7,54)	(4,14)
Extraordinary items		0,00
Income taxes	(15,01)	(15,56)
Cash flow from operations	20,54	23,29
Acquisitions	(6,04)	(7,51)
Cash flow from extraordinary operations	(6,04)	(7,51)
Dividends	(13,96)	(14,44)
Other changes in net equity	1,30	(1,88)
Treasury Shares	(14,70)	
Change in net financial position	(12,86)	(0,54)
Opening net financial position	73,98	73,44
Closing net financial position	86,84	73,98



1st Half 2006

Sales

Million Euro	1st Half 2006	1st Half 2005	Change	%
Tea, Coffee and Herbal Tea Packaging Sector	38	34,3	3,7	10,8%
Pharmaceutical Packaging Sector	104,6	92,2	12,4	13,4%
Pharmaceutical Processing Sector	38,1	30,0	8,1	27,0%
Total Sales	180,7	156,5	24,2	15,5%

The growth in sales compared to the same period of 2005 is due to the very good performance of the pharmaceutical market (for both packaging and processing) since the last quarter of 2005 mainly in E.U. and North America.



1st Half 2006

Order trends

Million Euro	1st Half 2006	1st Half 2005	Var.	%
Tea, Coffee and Herbal Tea Packaging Sector	27,4	39,1	(11,7)	-29,9%
Pharmaceutical Packaging Sector	133,2	111,3	21,9	19,7%
Pharmaceutical Processing Sector	59,1	50,4	8,7	17,3%
Total Backlog	219,7	200,8	18,9	9,4%

- **A strong increase in orders for pharmaceutical market is linked to both stronger demand and good result of new products.**
- **The decrease of the Tea business is due to the delay in the order intake that will be mainly offset in the second half of the year.**
- **The pharmaceutical processing sector, after two years of weaker demand, is now recovering and the outlook for the future is good.**
- **Price pressure is decreasing since the beginning of the year improving the profitability of the orders.**



1st Half 2006

EBIT

Million Euro	1st Half 2006	1st Half 2005	Change
Tea, Coffee and Herbal Tea Packaging Sector	13,2	11,2	2,00
Pharmaceutical Packaging Sector	4,5	(2,6)	7,05
Pharmaceutical Processing Sector	-1,7	(7,4)	5,70
Total Ebit	16,0	1,3	14,75

The improvement has been achieved thanks to:

- **Absence of inefficiency caused by Kilian's move and reorganization**
- **More favorable sales mix between equipments and after sales (spare parts and change parts);**
- **Technical problems in some business segment has been solved;**
- **Lower price related effects**
- **Benefits coming from the reorganization of the operation**



Consolidated profit & loss statement

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Half Year 2006 vs 2005

IMA	1st H 2006	%	1st H 2005	%	change %
<i>Million Euro</i>					
Net sales	180,70	100,0%	156,5	100,0%	15,4%
Cost of sales	(102,40)		(97,6)		
GROSS MARGIN	78,30	43,3%	59,0	37,7%	32,7%
Research & Development expenses	(10,20)		(9,3)		
General & administrative expenses	(25,60)		(24,6)		
Selling expenses	(26,50)		(23,8)		
EBITA	16,00	8,9%	1,3	0,9%	n.s.
Amortization of goodwill	0,00		0,0		
EBIT	16,00	8,9%	1,3	0,9%	n.s.
Net financial charges	(2,60)		(3,3)		
Other	0,10		0,0		
Income taxes	(6,70)		0,9		
Minority interests	0,10		(0,1)		
NET INCOME	6,90	3,8%	(1,1)	-0,7%	n.s.
EBITDA	21,50	11,9%	6,4	4,1%	n.s.



Consolidated balance sheet

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Half Year 2006 vs 2005

IMA	30/06/2006	%	31/12/2005	%	30/06/2005	%
<i>Million Euro</i>						
Trade receivables	91,7		98,8		78,2	
Inventories	144,6		122,1		134,3	
Trade payables	(115,7)		(115,4)		(112,6)	
Other, net	(29,2)		(28,1)		(17,3)	
Net working capital	91,4	44,4%	77,4	42,6%	82,6	44,9%
Intangible fixed assets	74,1		73,3		59,1	
Tangible fixed assets, net	65,8		59,3		71,9	
Investments	1,9		1,0		1,1	
Total fixed assets	141,8	68,9%	133,6	73,4%	132,0	71,7%
Severance indemnities & other	(27,3)		(29,1)		(30,5)	
Net invested capital	205,9	100,0%	181,9	100,0%	184,2	100,0%
Net debt	118,4	57,5%	86,8	47,7%	101,8	55,3%
Minority interests	2,9		3,6		2,5	
Group share of net equity	84,6	41,1%	91,5	50,3%	79,9	43,4%
Total sources	205,9	100,0%	181,9	100,0%	184,2	100,0%



Outlook for 2006

The positive elements that have emerged during the second quarter of 2006, together with the high level of the order book at June 30, 2006, make it possible to revise the estimates for the entire year as follows:

- **Sales for 425-430 million Euro**
- **Improved EBIT compared to last year (approximately 47 mil. Euro)**
- **Improved net Financial Position in the light of cash generated in the first half of this year.**



ALWAYS
A STEP AHEAD

INDUSTRIA
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