Company results

Innovative Automatic Machine System Solutions

INVESTOR RELATIONS

7th European Midcap Event – Frankfurt – 26th February 2014

Sharing Passions

IMA at a glance

- Founded in 1961, IMA is world leader in the manufacture of automatic machines for the processing and packaging of drugs, tea in filter bags and food
- Global pharmaceutical supplier with the widest range of state of the art processing and packaging systems
- More than 3,600 employees, more than 1,600 of whom based abroad (YTD)
- In 2013E € 760.9 millions worldwide sales, of which about 92% outside Italy
- World-wide sales and service network
- More than 1,200 patents worldwide
- Listed on the Milan Stock Exchange since 1995 and starting from 2001 at the STAR segment

IMA: a Leading Group

Some of IMA's major customers in the Pharma sector

Abbott
Bristol-Myers Squibb Company
novo nordisk®
AstraZeneca
gsk GlaxoSmithKline
AMGEN®
Johnson & Johnson
Pfizer
Roche
Boehringer Ingelheim
Lilly
BAYER
MERCK
SANOFI
TEVA

IMA: a Leading Group

Some of IMA's major customers in the Tea, Food & Other sector

LOTTE

BRITISH AMERICAN TOBACCO

Cadbury ADAMS

Lipton 100% Natural Tea

CooperVision A CLEARER VISION

Witor's

WRIGLEY

TWININGS OF LONDON

Nestlé

JVC

The Coca-Cola Company

P&G Procter & Gamble

Seaquist Closures

PHILIP MORRIS

Nypro

Unilever

TECHNICOLOR VIDEO • CD • DVD SERVICES

PERFETTI van Melle

Halter BONBONS

FABBRI 1905

Sara Lee

Tetra Pak

Chupa Chups

IMA: a Leading Group

Some of IMA's major customers in the Ilapak division

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

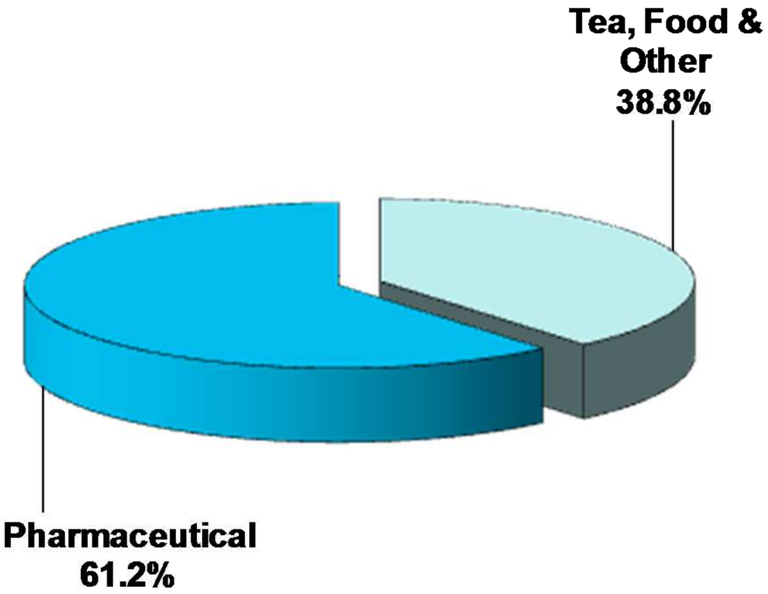
INVESTMENT PROFILE

- 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 Offer

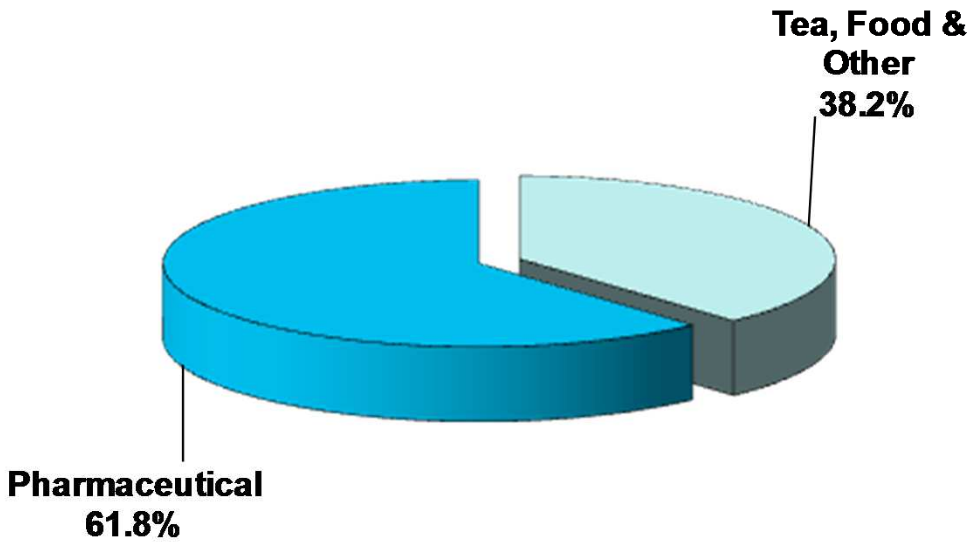
2011

Total sales: € 669.2 million



2012

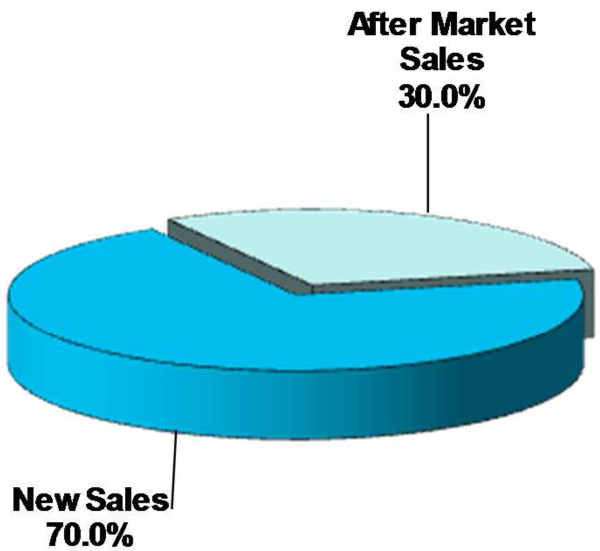
Total sales: € 734.3 million



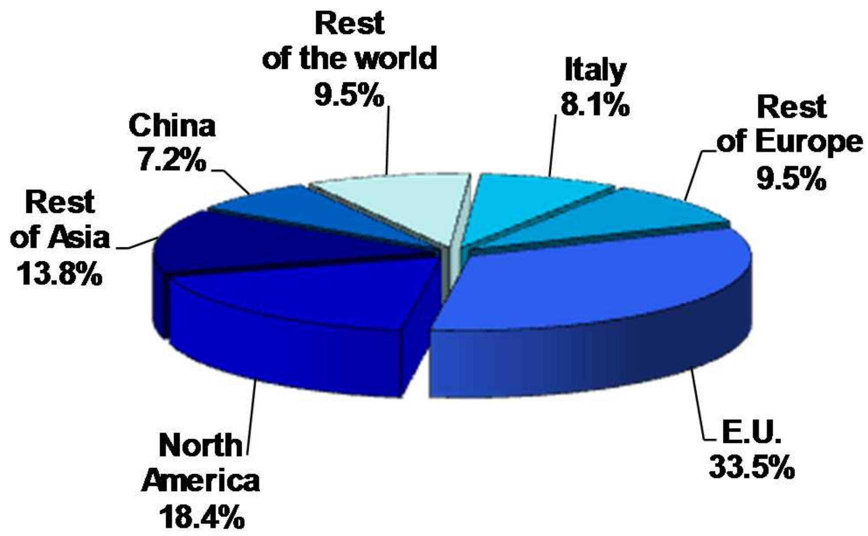
Revenue Sources

- Significant share of the Group's earnings generated by after-sale services, spare parts and equipment, which are higher-margin and recurring in nature (30% of overall revenues)
- Geographically well diversified revenue sources

Revenues by Nature 2013E

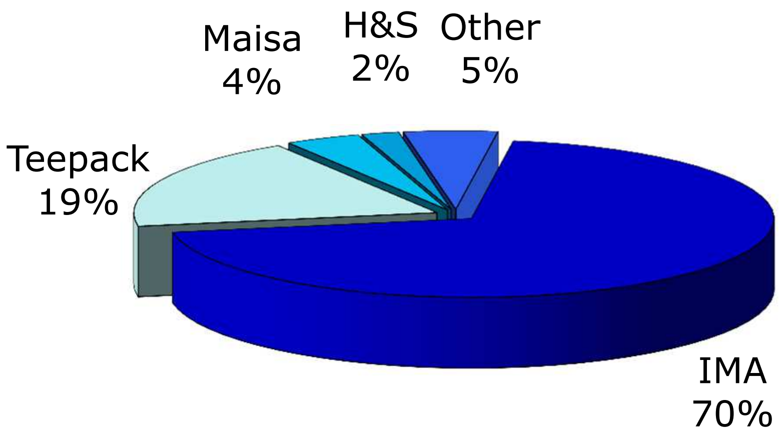


Revenues by Geography 2013E



Tea-bag machinery sector

- The world market for tea bag machinery is estimated at Euro 120 million
- Tea bag machinery sector is characterised by an high level of concentration with first two players covering about 90% of the market
- IMA has a leading position with a market share of more than 70%
- The second player Teepack belongs to a Group (Teekanne) that produces and sells teabags (brand name: Teekanne, Pompadour, etc.)



Company estimates

GIMA SpA

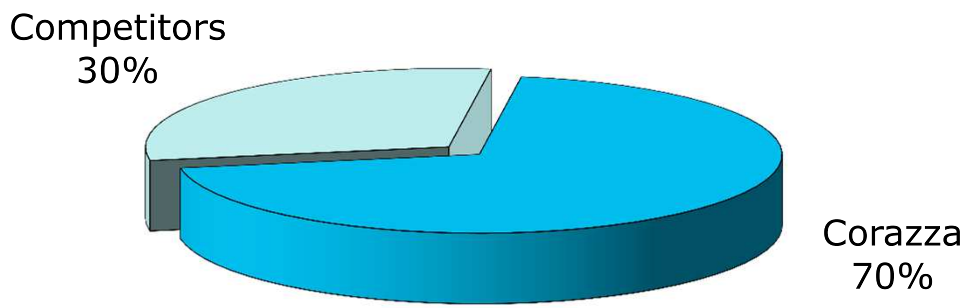
Long experience operating in food, confectionery, beverage, pharmaceutical and assembly packaging solutions.

- Coffee single serve packaging machines for thermoformed or injected capsules
- Confectionary packaging solutions for medium and high speed lines for many types of packaging (sleeves, wallets, flip top cartons, push boxes, tin boxes, plastic bottles)
- Assembling technology designed to handle plastic products for all market sectors.

Dairy and Convenience Food sector

- **Corazza SpA** is world leading manufacturer of packaging machines for Soup Cubes, Processed Cheese, Butter, Margarine and Yeast.
- The main competitors are German companies: Bosch Sapal, Oystar Benhil.

Stock Cubes and Dairy Packaging market share



Company estimates

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

Flexible packaging machinery sector

- The world market for flexible packaging machinery is estimated at Euro 5 billion
- Flexible packaging machinery sector is characterised by a very fragmented profile with the first five players covering about 25% of the market
- Demand defined by stability in the developed countries consumers food markets and by increasing need for primary food packaging in the developing countries
- Multinational companies willing to pay a premium price for complete solutions and global footprint

Company estimates

Machinery industry

ILAPAK GROUP

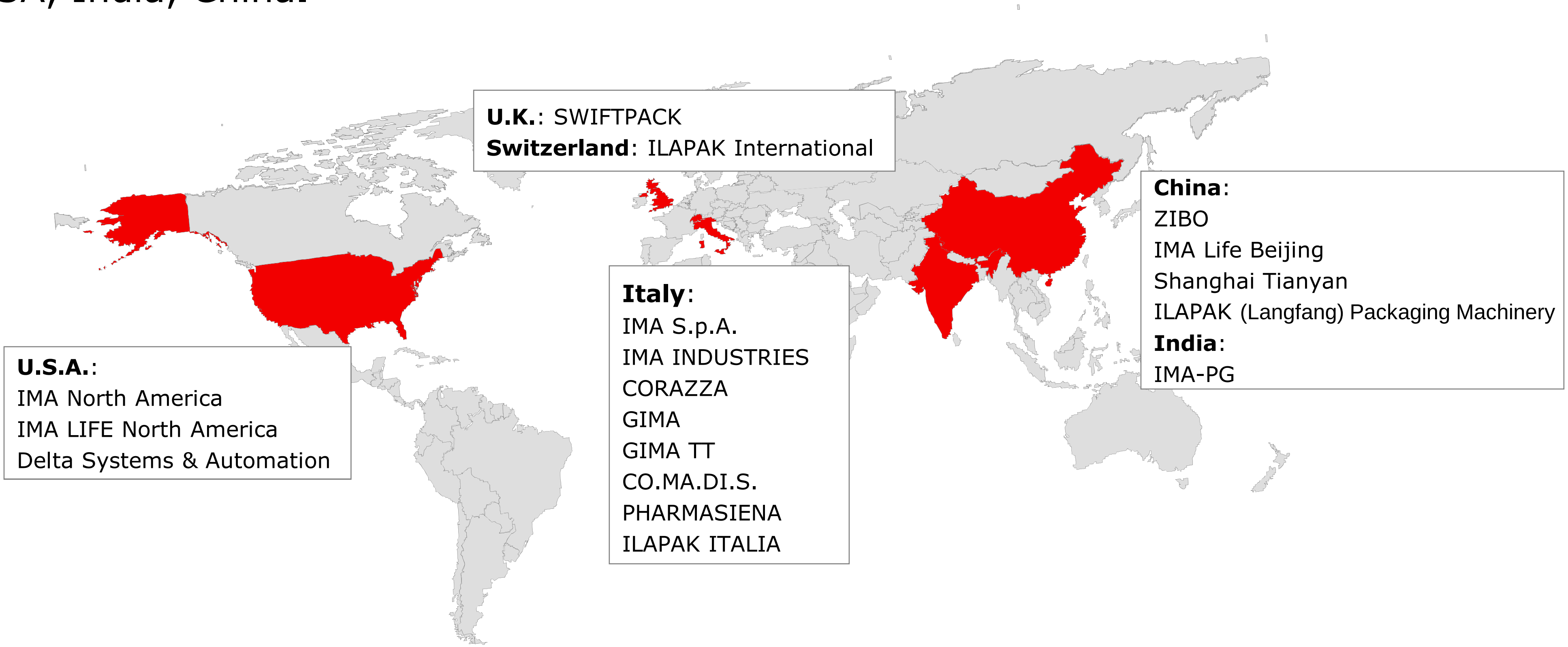
Long experience operating in food and non food flexible packaging solutions

- Wide Horizontal and Vertical Form Fill Seal product range covering the different segment of the market from complete packaging lines to entry level machines
- ILAPAK has a leading position in the bakery, produce, cheese, meat and wet wipe industries
- Unique international sales and service network providing highly perceived by the customers
- Main competitors are: ULMA, PFM, Bosch

IMA: a synthesis of industrial experiences from all over the world

Production Plants

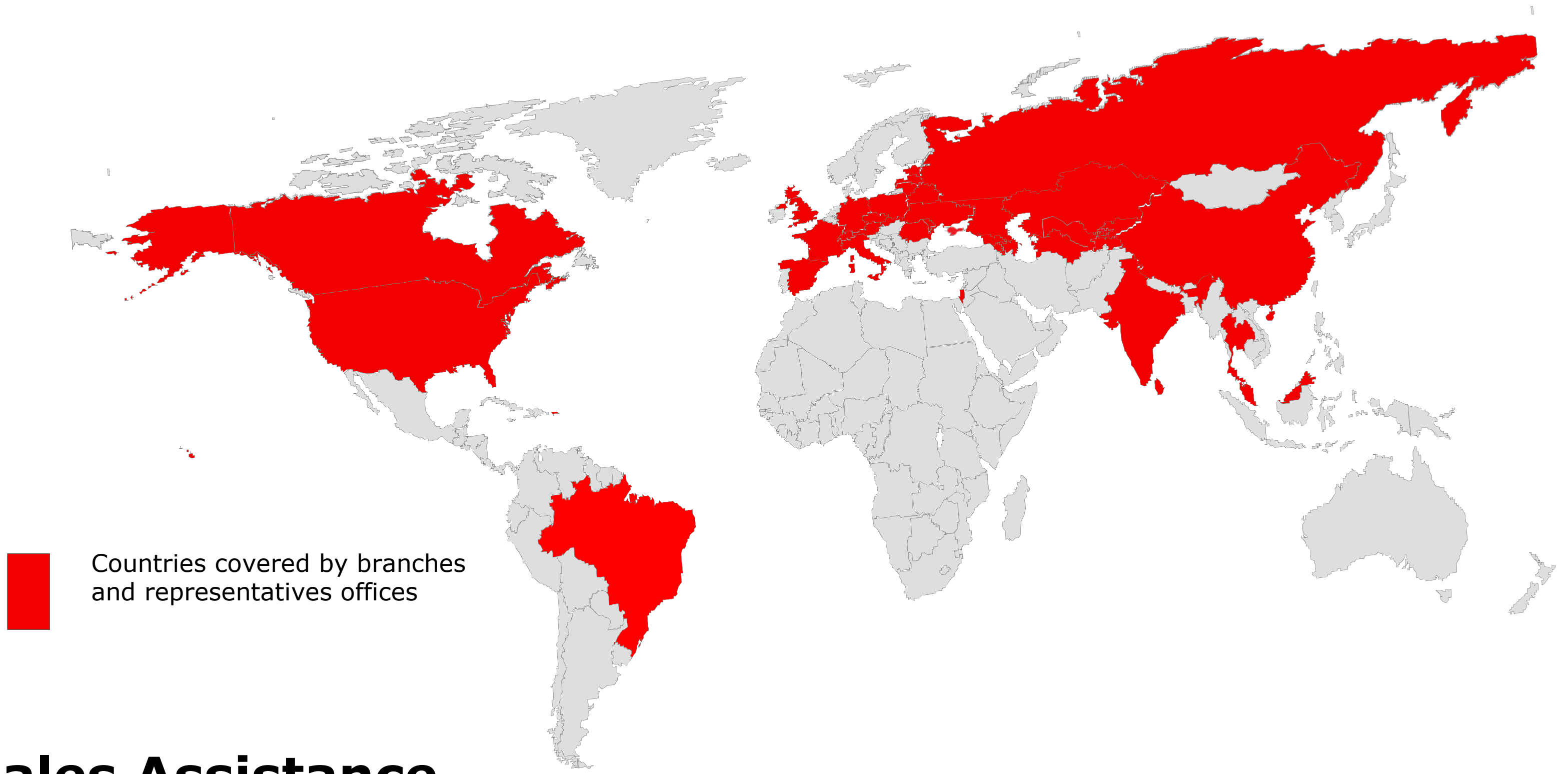
IMA manufactures equipment in 25 production plants located in Italy, Switzerland, UK, USA, India, China.



IMA in the world: a global network for high technology selling

Sales Representatives

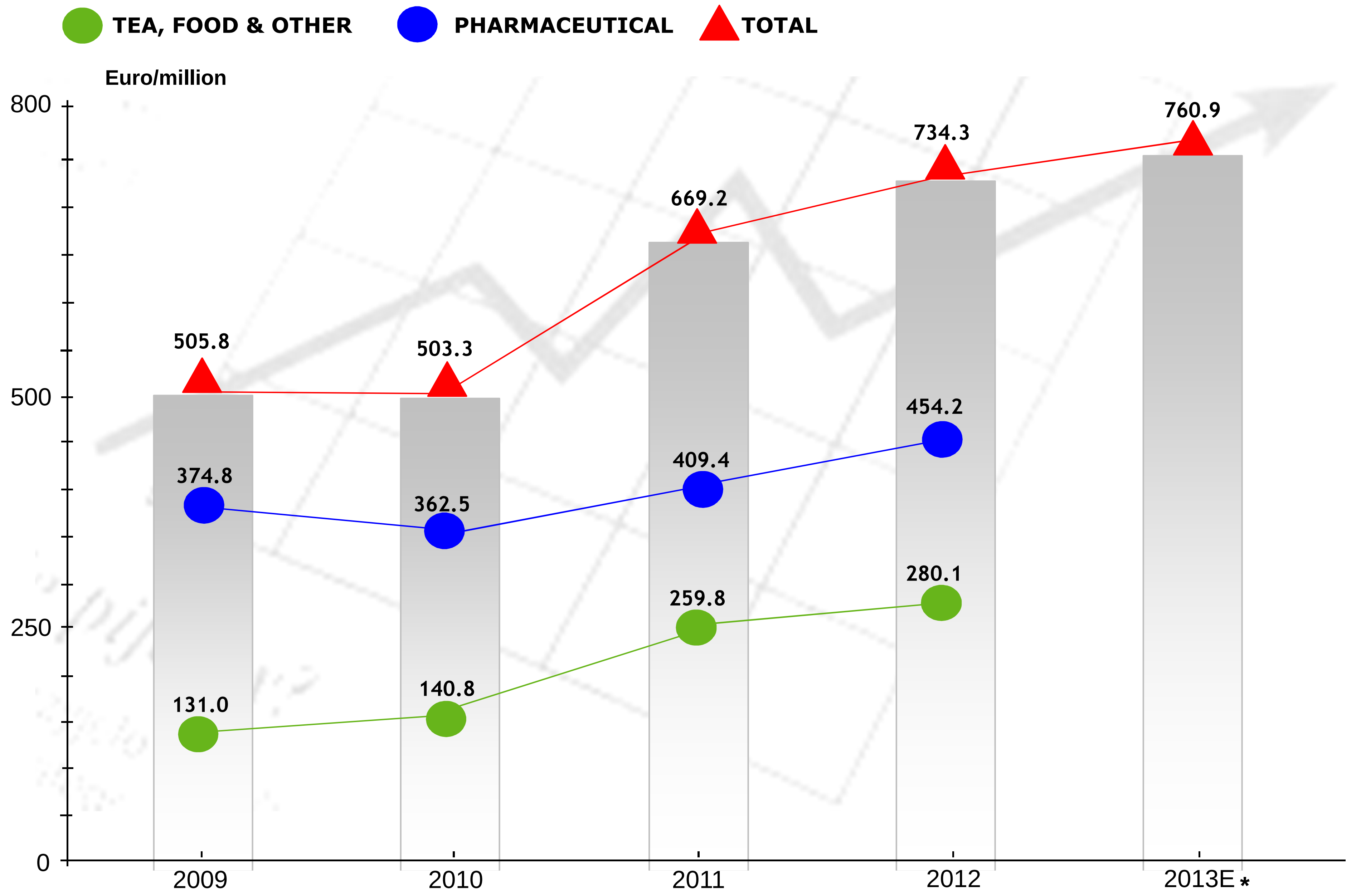
Presence in over 70 countries with headquarters in Italy, branches in Europe, Middle East, North America, South America, Asia and representative offices in Central and East Europe and more than 50 local agents.



After Sales Assistance

IMA provides world-wide technical assistance through its headquarters in Italy, branch and local agents.

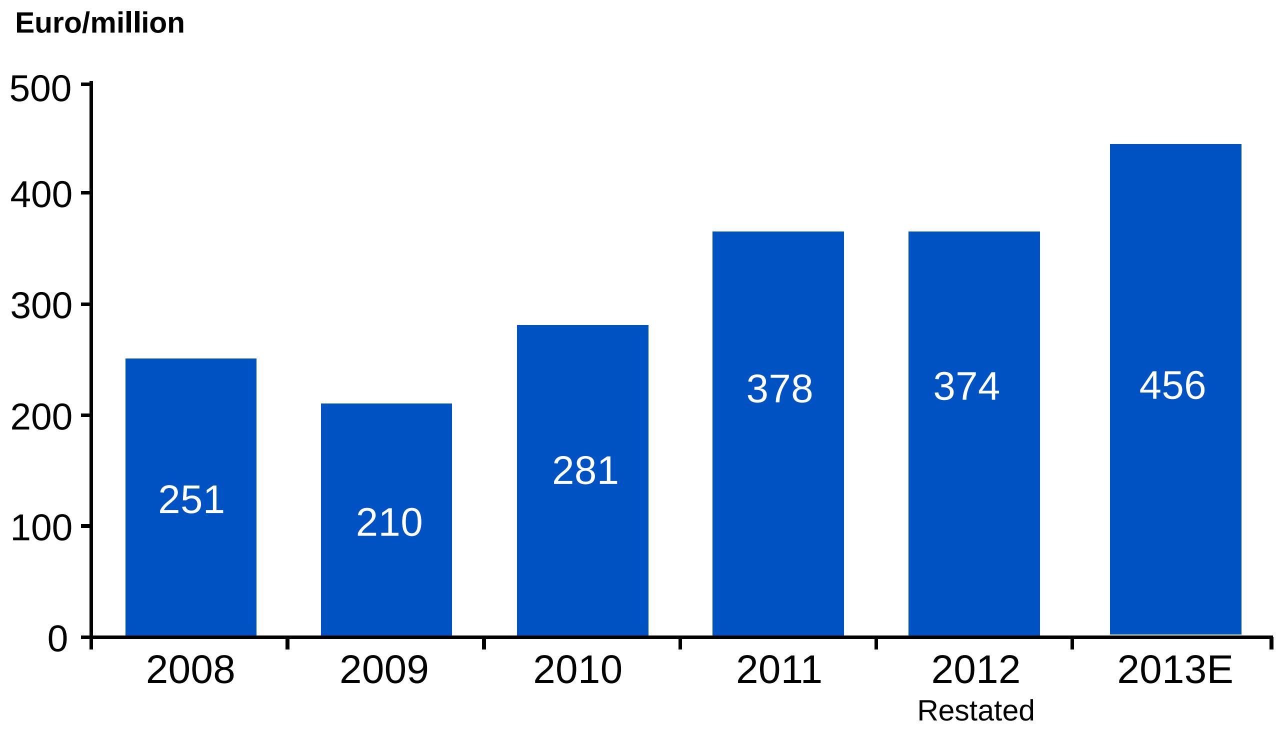
Trend of the sales



* Segment information not yet available

Historical Order Book

- Strong trend of order acquisition during 2013, in both pharmaceuticals and food, with a considerable number of negotiations currently underway
- The order book at December 31, 2013E is at € 456 million that compares to € 374 million at December 31, 2012 (restated), for a 22% increase



2013 Disposals

Stephan Machinery GmbH & Co. KG

- *Announcement date: March,* 22nd 2013
- *Description:* The management of Stephan Machinery GmbH & Co. KG, the Germany based company engaged in the designs and manufacturing of processing lines, machines and plants for food production and processing applications, has acquired the company in a management buyout transaction, backed by Deutsche Beteiligungs AG (listed Germany based private equity firm) from Corazza S.p.A. (IMA Group)
- *Deal value:* € 40.4 mln
- *Target financials:*
  - Revenues: € 42.9 mln (2012); Exit multiples: 0.9x
  - EBITDA: € 6.1 mln (2012); Exit multiples: 6.6x
- Impact on the IMA's balance sheet
  - Deal value € 40.4 mln

IMA Kilian GmbH & Co. KG

- *Announcement date: July,1*st 2013
- *Description:* The Romaco Pharmatechnik GmbH (Germany based manufacturer of machines and lines for packaging and processing applications held by the private equity firm Deutsche Beteiligungs AG) signed an agreement to acquire IMA Kilian GmbH & Co. KG from IMA S.p.A.
- *Deal value:* € 21 mln (Enterprise Value:€ 20.93 mln)
- *Target financials:*
  - Revenues: € 45 mln (2012); Exit multiples: 0.5x
  - EBITDA: € 4.5 mln (2012); Exit multiples: 4.7x
  - NFP: € 9.2 mln (2012)
- Impact on the Group's balance sheet
  - Deal value € 21 mln + NFP decrease for € 9.2 mln

2013 Disposals

Zibo IMA Xinhua Pharmatech Co. Ltd.

- *Announcement date: November,14th* 2013
- *Description:* IMA has finalised the agreement for the sale of the 80% interest in Zibo IMA Xinhua Pharmatech Co. Ltd., based in Zibo, China, which specialises in the production of components and automatic machines for processing pharmaceutical products, to a number of Chinese investors and managers of the company.
- *Deal value:* Rmb 50 mln (about 5.8 million euros). Rmb 15 million has already been paid and the residual amount will be settled at the closing date, expected within firs half of 2014

2013 Acquisition

ILAPAK Group

- *Announcement date: February,* 28th 2013
- *Description:* Acquisition of a 40% stake in ILAPAK Group, which makes primary packaging machines for the food sector, with an option to increase the investment up to 51% by converting a convertible bond. IMA would then be granted an option to purchase additional shares to reach 80%, having the current other shareholder the possibility to ask IMA to extend its option to the entire share capital.
- *Announcement date: December, 4*th 2013
- *Description:* Exercised option to convert the bond rising the investment to 51%.
- *Deal value:* approximately € 9 mln
- Impact expected on the 2013 IMA's Profit and loss (5 months):
  - Revenues: approximately € 40 mln
  - EBITDA: around € 4 mln
- Impact expected on the 2013 IMA's Balance sheet
  - Additional debt: approximately € 10 mln

2013 PRELIMINARY RESULTS

Figures for 2012 have been restated for the sale of the Stephan and Kilian business

2013 Preliminary Results

Euro/Million	2013E	2012 Restated	▲ %
Revenues	**760.9**	**656.8**	**15.8%**
EBITDA *% on revenues*	**112.0** *14.7%*	**90.4** *13.8%*	**23.9%**
Net Debt	**130.4**	**131.5**	**-0.8%**
Order Backlog	**456.3**	**373.6**	**22.1%**

Figures for 2012 have been restated for the sale of the Stephan and Kilian business

The contribution of ILAPAK Group for 2013 was:
41.6 million euros on Revenues
3.7 million euros on EBITDA
20.8 million euros on Net Debt
22.0 million euros on Order Backlog

3RD QUARTER 2013 RESULTS

Figures for the 3rd quarter of 2012 have been restated for:

. the adoption of the revised version of IAS 19 – Employee Benefits

. the sale of the Stephan business

. the sale of Kilian

Consolidated income statement

30.09.2013 vs. 30.09.2012 Restated

IMA	3rd Quarter 2013	%	3rd Quarter 2012 Restated	%
Euro/million				
Revenues	**497.30**	***100.0%***	**440.30**	***100.0%***
Cost of sales	(295.30)	*-59.4%*	(259.20)	*-58.9%*
Gross industrial income	**202.00**	***40.6%***	**181.10**	***41.1%***
R&D costs	(25.90)	*-5.2%*	(22.00)	*-5.0%*
Sales costs	(57.20)	*-11.5%*	(54.40)	*-12.4%*
General and administrative costs	(64.80)	*-13.0%*	(63.60)	*-14.4%*
EBIT	**54.10**	***10.9%***	**41.10**	***9.3%***
Net financial income (expense)	(6.10)	*-1.2%*	(7.10)	*-1.6%*
Profit (loss) from investments accounted for using the equity method	0.80	*0.2%*	0.60	*0.1%*
Taxes	(19.40)	*-3.9%*	(14.10)	*-3.2%*
Net profit from discontinued operations / disposal groups	7.80	*1.6%*	2.90	*0.7%*
Profit (loss) pertaining to minority interests	(2.00)	*-0.4%*	(0.60)	*-0.1%*
GROUP PROFIT	**35.20**	***7.1%***	**22.80**	***5.2%***
EBITDA	**67.00**	***13.5%***	**53.50**	***12.2%***

Consolidated balance sheet

30.09.2013 vs. 30.09.2012

IMA	30/09/2013	%	30/09/2012	%	31/12/2012	%
Euro/Million						
Trade receivables	133.30		146.90		129.20	
Inventories	211.00		237.00		206.40	
Trade payables	(216.10)		(187.50)		(212.90)	
Other, net	(66.10)		(58.00)		(63.30)	
Working capital	**62.10**	***20.0%***	**138.40**	***38.5%***	**59.40**	***20.5%***
Property, plant and equipment	34.30		32.60		32.20	
Intangible assets	145.10		183.50		182.50	
Investments	39.00		25.50		25.50	
Non-current assets	**218.40**	***70.4%***	**241.60**	***67.2%***	**240.20**	***82.8%***
Provision for severance indemnities and other provisions	(0.40)		(20.40)		(9.60)	
Net capital employed	**280.10**	***90.3%***	**359.60**	***100.0%***	**290.00**	***100.0%***
Non-financial assets (liabilities) held for sale	30.20		0.00		0.00	
Total net capital employed	**310.30**	***100.0%***	**359.60**	***100.0%***	**290.00**	***100.0%***
Net debt	156.10	***50.3%***	225.60	***62.7%***	131.50	***45.3%***
Minority interests	5.80		4.20		5.50	
Group equity	148.40	***47.8%***	129.80	***36.1%***	153.00	***52.8%***
Total sources of financing	**310.30**	***100.0%***	**359.60**	***100.0%***	**290.00**	***100.0%***

3rd Quarter 2013

Revenues

Euro/Million	3rd Quarter 2013	3rd Quarter 2012 Restated	Change	%
Tea, Food & Other	176.5	152.2	24.3	*16.0%*
Pharmaceutical	320.8	288.1	32.7	*11.4%*
Total Revenues	**497.3**	**440.3**	**57.0**	***12.9%***

Order trends

Euro/Million	3rd Quarter 2013	3rd Quarter 2012 Restated	Change	%
Tea, Food & Other	226.8	178.2	48.6	*27.3%*
Pharmaceutical	362.1	313.6	48.5	*15.5%*
Total Order trends	**588.9**	**491.8**	**97.1**	***19.7%***

3rd Quarter 2013

EBIT

Euro/Million	3rd Quarter 2013	3rd Quarter 2012 Restated	Change	%
Tea, Food & Other	20.3	16.9	3.4	*20.1%*
Pharmaceutical	33.8	24.2	9.6	*39.7%*
Total EBIT	**54.1**	**41.1**	**13.0**	***31.6%***

Appendix

2012 RESULTS

Figures for 2011 have been restated for the adoption of the revised version of IAS 19 – Employee Benefits

Consolidated income statement

31.12.2012 vs. 31.12.2011 Restated

IMA	2012	%	2011 Restated	%	*change %*
Euro/million					
Revenues	**734.31**	***100.0%***	**669.21**	***100.0%***	***9.7%***
Cost of sales	(429.93)	*-58.5%*	(398.50)	*-59.5%*	*7.9%*
Industrial gross profit	**304.38**	***41.5%***	**270.71**	***40.5%***	***12.4%***
R&D costs	(33.69)	*-4.6%*	(29.07)	*-4.3%*	*15.9%*
Sales costs	(88.93)	*-12.1%*	(80.12)	*-12.0%*	*11.0%*
General and administrative costs	(99.37)	*-13.5%*	(86.95)	*-13.0%*	*14.3%*
EBITA	**82.39**	***11.2%***	**74.57**	***11.1%***	***10.5%***
Writdowns/impairment of goodwill	(1.78)	*-0.2%*	(0.43)	*-0.1%*	*314.0%*
Non-recurring items	0.00	*0.0%*	(6.26)	*-0.9%*	*-100.0%*
EBIT	**80.61**	***11.0%***	**67.88**	***10.1%***	***18.8%***
Net financial income (expense)	(9.71)	*-1.3%*	(12.01)	*-1.8%*	*-19.2%*
Profit (loss) from investments accounted for using the equity method	0.61	*0.1%*	0.38	*0.1%*	*60.5%*
Income tax for the year	(20.91)	*-2.8%*	(24.19)	*-3.6%*	*-13.6%*
Prior year taxes	(1.17)	*-0.2%*	(2.70)	*-0.4%*	*-56.7%*
Profit (loss) pertaining to minority interests	(1.73)	*-0.2%*	(1.14)	*-0.2%*	*51.8%*
GROUP PROFIT	**47.70**	***6.5%***	**28.22**	***4.2%***	***69.0%***
EBITDA BEFORE NON RECURRING CHARGES	**101.42**	***13.8%***	**93.01**	***13.9%***	***9.0%***
EBITDA	**101.42**	***13.8%***	**86.75**	***13.0%***	***16.9%***

Consolidated balance sheet

31.12.2012 vs. 31.12.2011

IMA	2012	%	2011	%
Euro/Million				
Trade receivables	129.23		145.68	
Inventories	206.36		201.80	
Trade payables	(212.86)		(209.85)	
Other, net	(63.37)		(54.98)	
Working capital	**59.36**	***20.5%***	**82.65**	***27.0%***
Property, plant and equipment	32.25		31.11	
Intangible assets	182.54		189.56	
Investments	25.47		23.40	
Non-current assets	**240.26**	***82.9%***	**244.07**	***79.7%***
Provision for severance indemnities and other provisions	(9.69)		(20.30)	
Net capital employed	**289.93**	***100.0%***	**306.42**	***100.0%***
Net debt	131.47	***45.3%***	157.50	***51.4%***
Minority interests	5.54		3.86	
Group equity	152.92	***52.7%***	145.06	***47.3%***
Total sources of financing	**289.93**	***100.0%***	**306.42**	***100.0%***

Consolidated Net Working Capital

IMA	2012	%	2011	%
Euro/Million		*on sales*		*on sales*
Trade receivables	129.23	*17.6%*	145.68	*21.8%*
Inventories	206.36	*28.1%*	201.80	*30.2%*
Trade payables	(127.80)	*(17.4%)*	(141.13)	*(21.1%)*
Advances from customers	(85.06)	*(11.6%)*	(68.73)	*(10.3%)*
N.O.W.C.	**122.73**	***16.7%***	**137.62**	***20.6%***

Despite the strong growth in revenues, the Net Working Capital has decreased.

The increase of Inventories and Advances from customers is linked to the increased year-end order backlog and to different timing of order intake.

Consolidated Cash Flow

31.12.2012 vs. 31.12.2011

IMA - CASH FLOW	2012	2011
Euro/Million		
EBIT	80.61	66.51
Depreciation and amortization	20.82	18.87
Capital expenditure	(15.01)	(14.13)
Change in working capital	14.89	(17.96)
Change in other assets/liabilities	(2.20)	5.20
Operating cash flow	**99.11**	**58.49**
Net financial charges	(9.11)	(10.56)
Income taxes	(22.07)	(26.81)
Cash flow from operations	**67.93**	**21.12**
Acquisitions	(2.00)	(58.10)
Cash flow from extraordinary operations	**(2.00)**	**(58.10)**
Dividends	(36.77)	(33.15)
Other changes in net equity	(2.72)	1.18
Change in scope of consolidation	0.00	(10.90)
Treasury Shares	(0.41)	(0.30)
Capital increase	0.00	36.16
Change in net financial position	**26.03**	**(43.99)**
Opening net financial position	157.50	113.51
Closing net financial position	131.47	157.50

Financial Highlights by segment

Euro/Million	Tea, Food & Other		Pharmaceutical		Unallocated		Total	
	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated
Sales	280.1	259.8	454.2	409.4			**734.3**	**669.2**
EBITDA before non-recurring charges	47.5	46.2	53.9	46.8			**101.4**	**93.0**
% on sales	17.0%	17.8%	11.9%	11.4%			13.8%	13.9%
Ebit	39.9	36.9	40.7	31.0			**80.6**	**67.9**
% on sales	14.2%	14.2%	9.0%	7.6%			11.0%	10.1%
Net Invested capital (*)	105.0	105.3	165.9	189.4	19.0	11.7	**289.9**	**306.4**
Order Backlog	140.9	131.2	264.0	246.9			**404.9**	**378.1**
Orders	289.8	276.5	471.3	458.5			**761.1**	**735.0**

(*) Unallocated assets and liabilities are mainly related to investments which cannot be allocated accurately to the above divisions.

Disclaimers

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For further details on IMA Group reference should be made to publicly available information, including the Annual Report and the Semi-Annual and Quarterly Reports.

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