

Company results

Innovative Automatic Machine System Solutions

INVESTOR RELATIONS



Star Conference Milan, March 28th 2012

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
- About 3,400 employees, more than 1,500 of them based abroad (YTD)
- In 2011 € 669.2 millions worldwide sales, of which more than 91% outside Italy
- World-wide sales and service network
- More than 1,000 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

Tea, Food & Other:



Pharma:



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

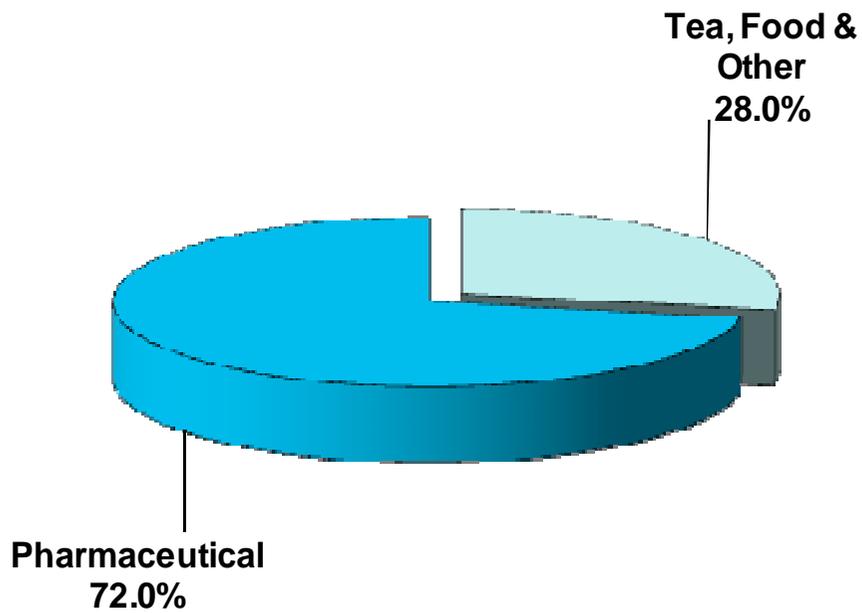
INVESTMENT PROFILE

- 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

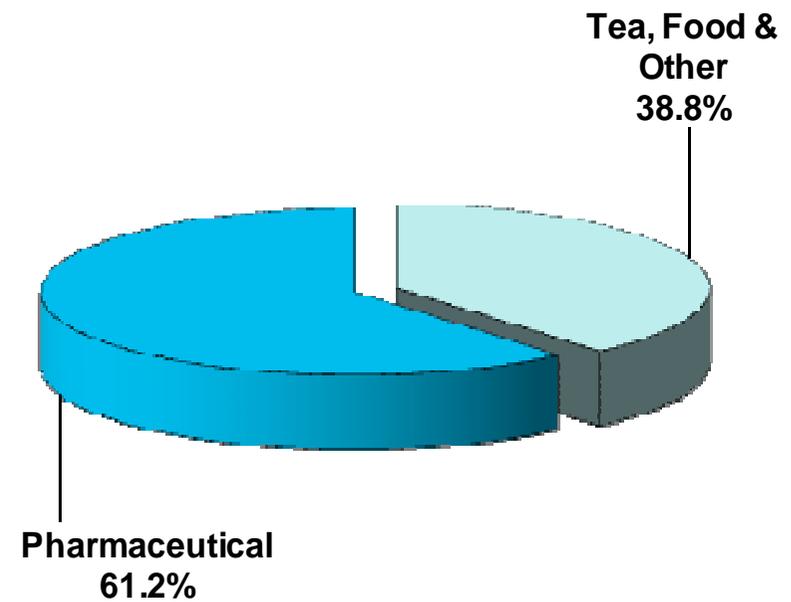
2010

Total sales: € 503.3 milion



2011

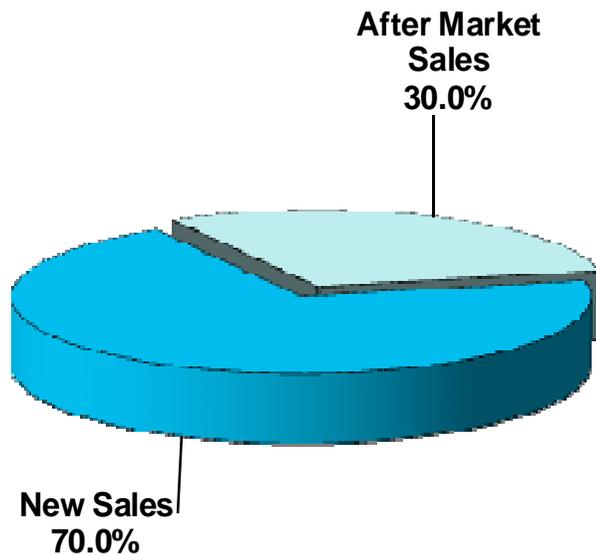
Total sales: € 669.2 milion



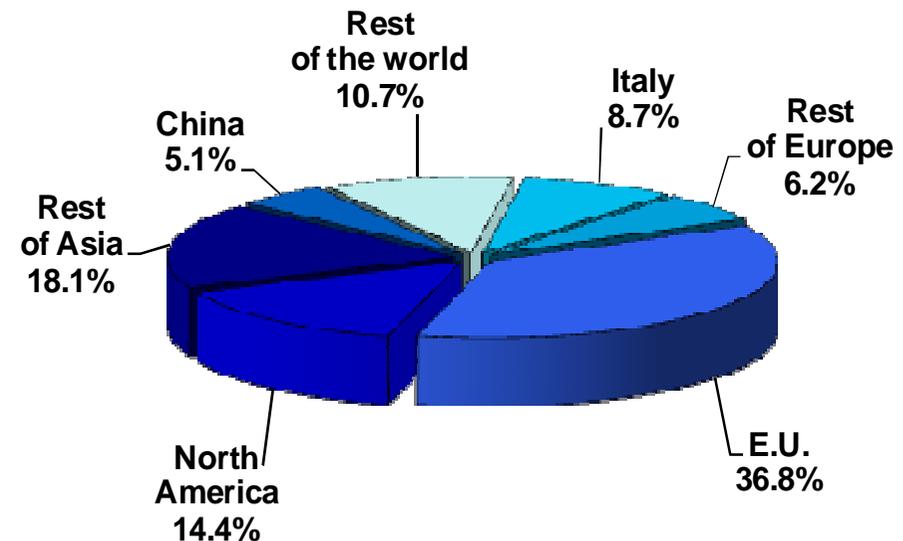
Revenue Sources

- 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
2011**



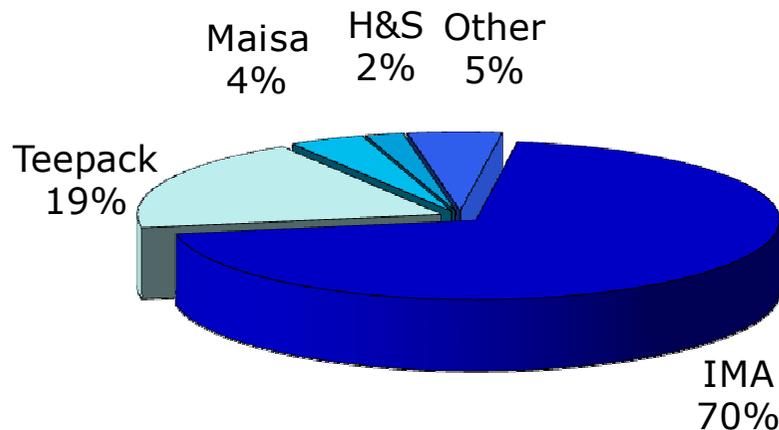
**Revenues by Geography
2011**



Machinery industry

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

Machinery industry

GIMA SpA

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

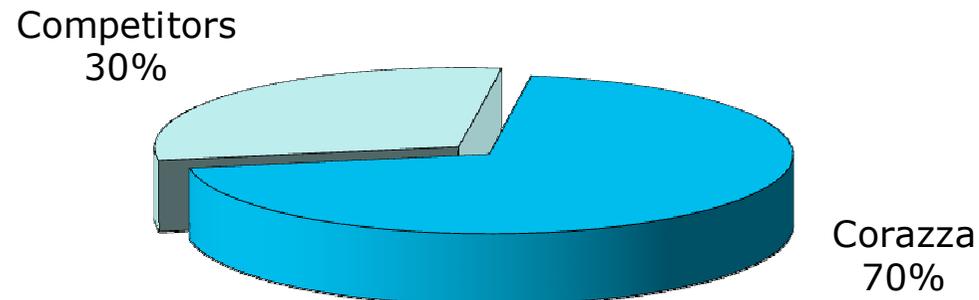
- Coffee single serve packaging machines for thermoformed or injected capsules
- Confectionary packaging solutions for medium and high speed lines for many types of packaging (sleeves, wallets, flip top cartons, push boxes, tin boxes, plastic bottles)
- Assembling technology designed to handle plastic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

Machinery industry

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

Machinery industry

Dairy and Convenience Food sector

- **Stephan Machinery GmbH** produces process machinery and engineering/ automation solutions for different fields of application, such as Dairy, Convenience Food, Meat and Confectionery.
 - Stephan export about 80% of our machines globally.
 - In the future we will focus on turnkey solutions to meet the high expectations of our customers in the food industry.
- The main competitors are GEA (Germany), ALFA LAVAL (Sweden) and several small companies in the world.

Machinery industry

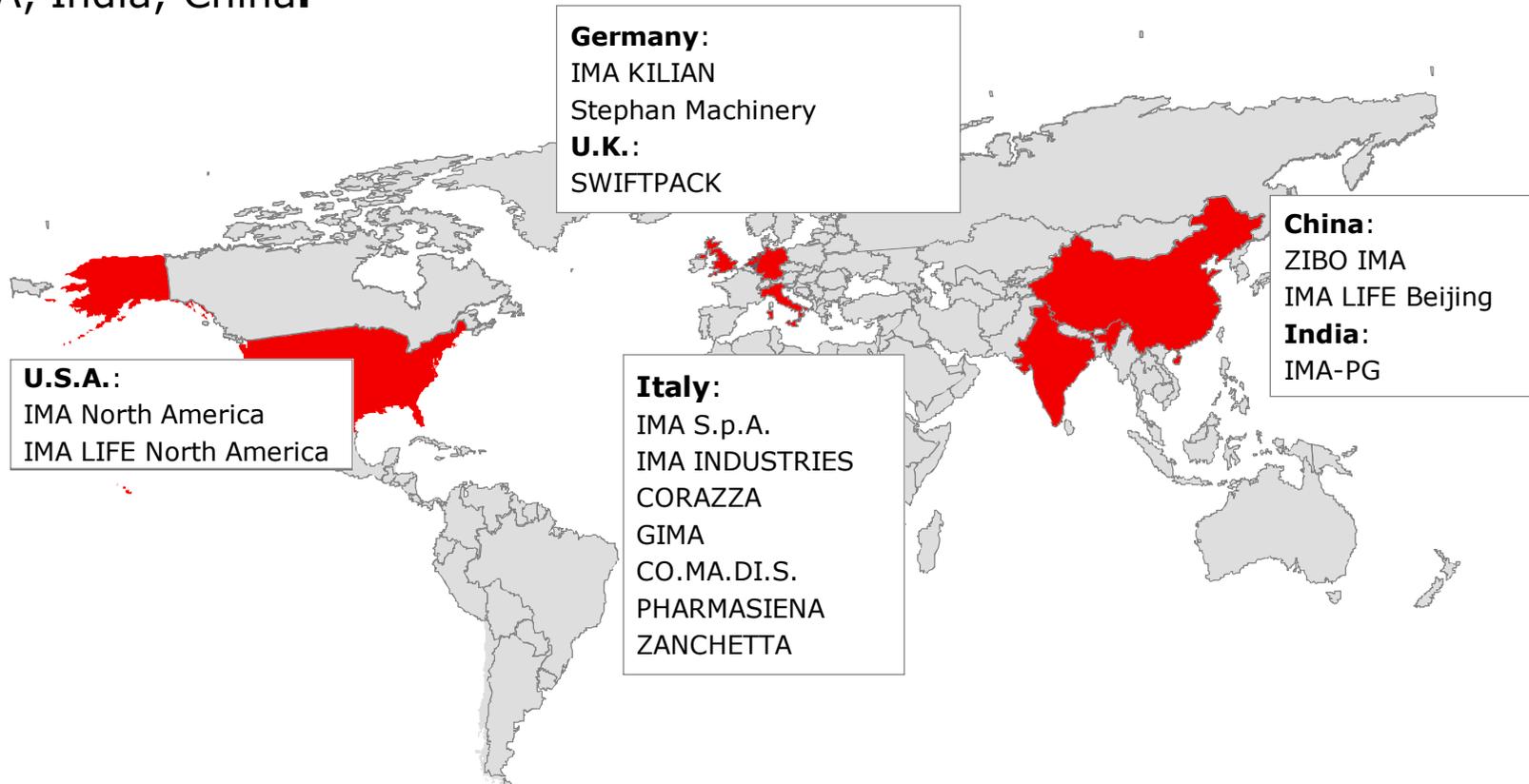
Pharmaceutical sector

- 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 synthesis of industrial experiences from all over the world

Production Facilities

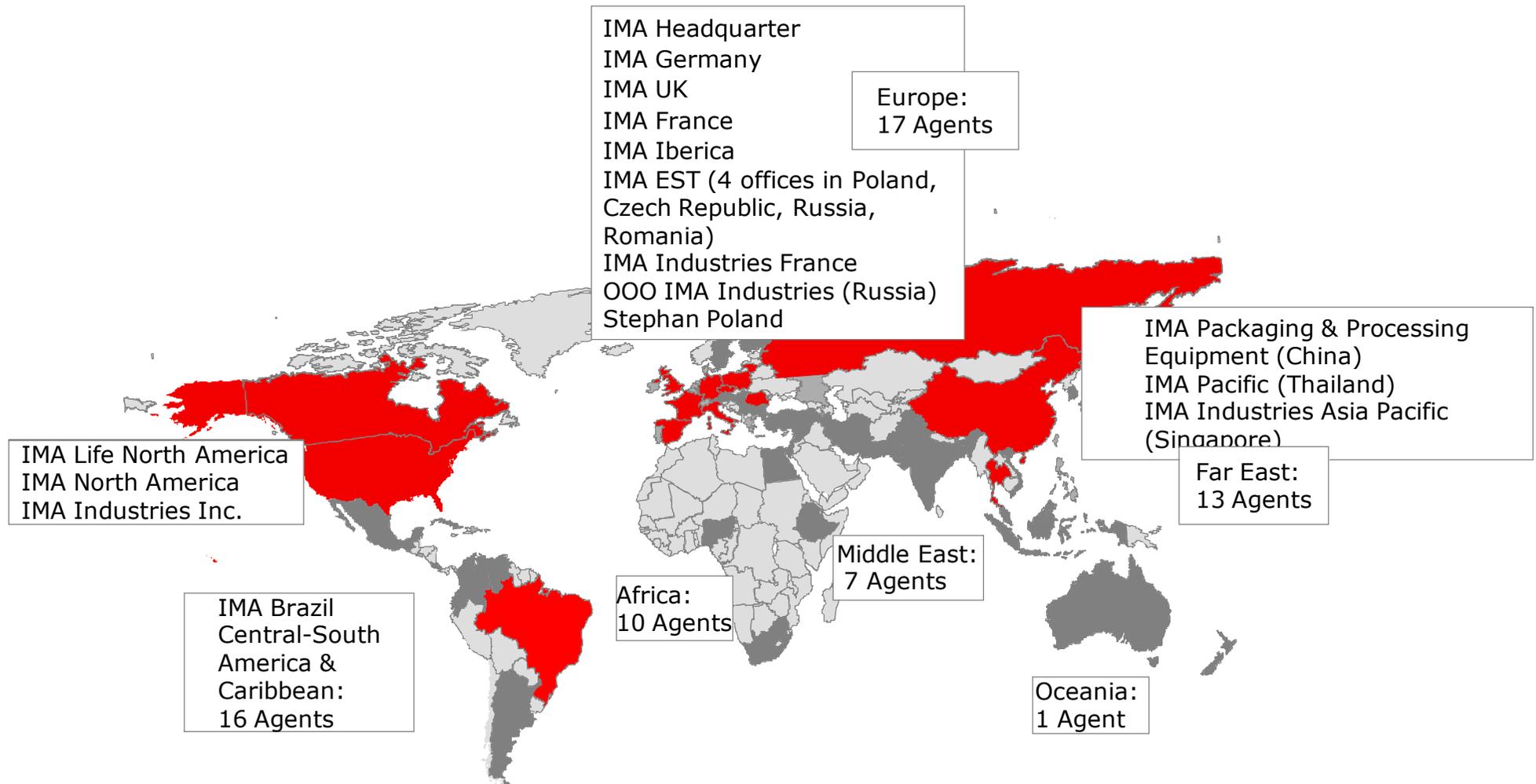
IMA manufactures equipment in 22 production facilities located in Italy, Germany, UK, USA, India, China.



IMA in the world

Sales Representatives

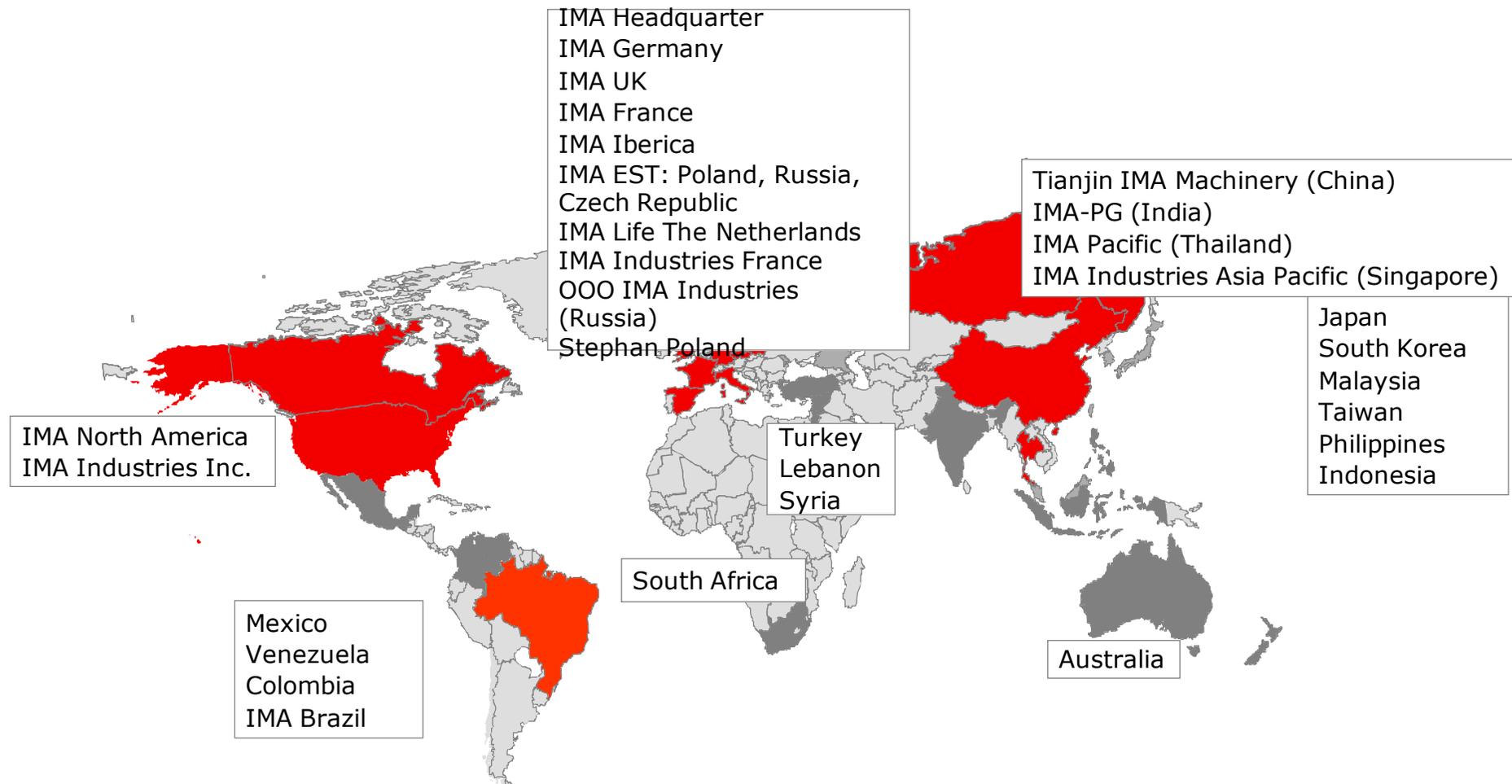
Presence in over 70 countries with headquarters in Italy, 16 branch offices in Europe, North America, South America and Asia, and more than 50 local agents.



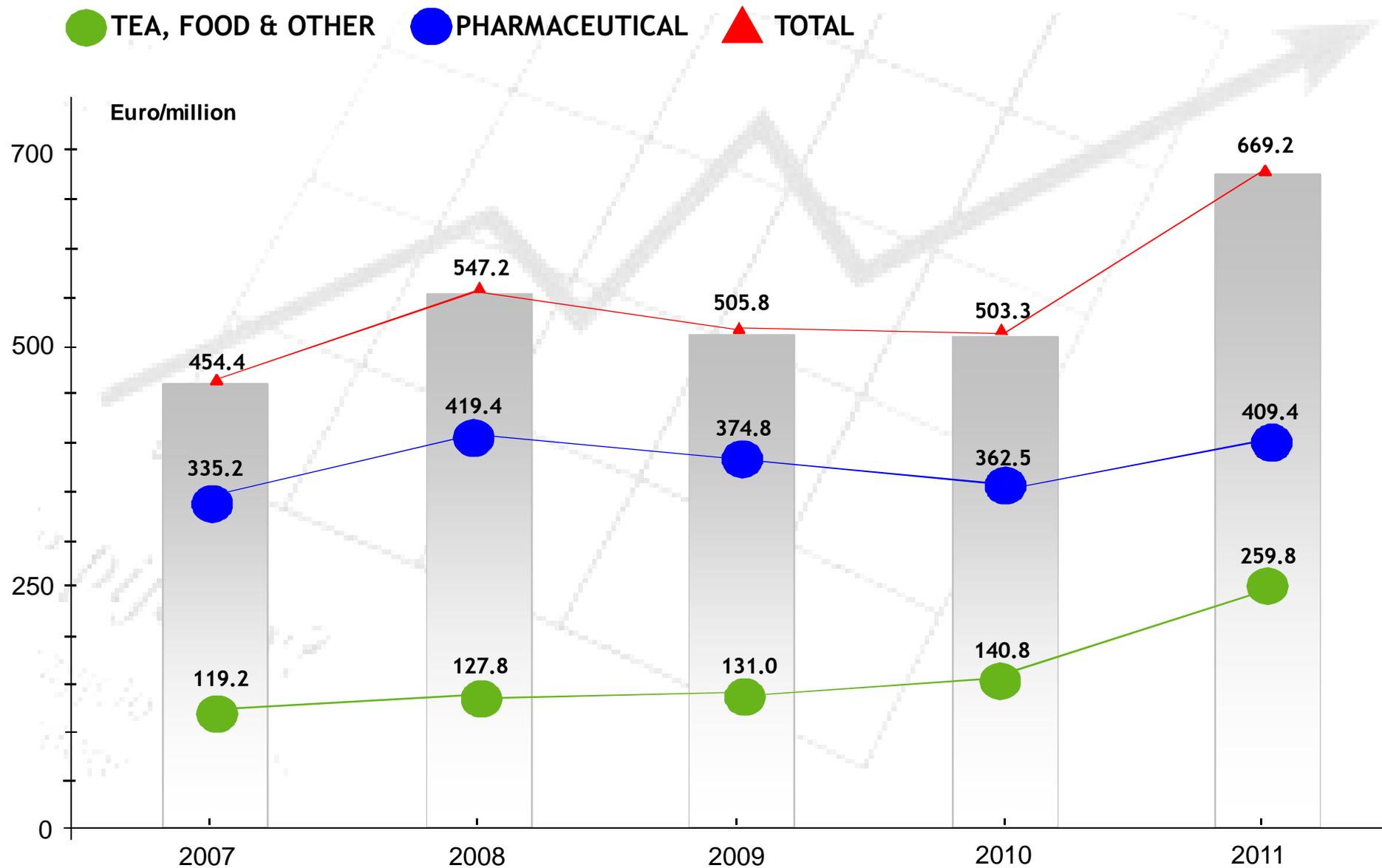
IMA in the world: a global network for high technology selling

After Sales Assistance

IMA provides world-wide technical assistance through its headquarters in Italy, branch offices in Europe, North America, South America and Asia and 15 local agents.

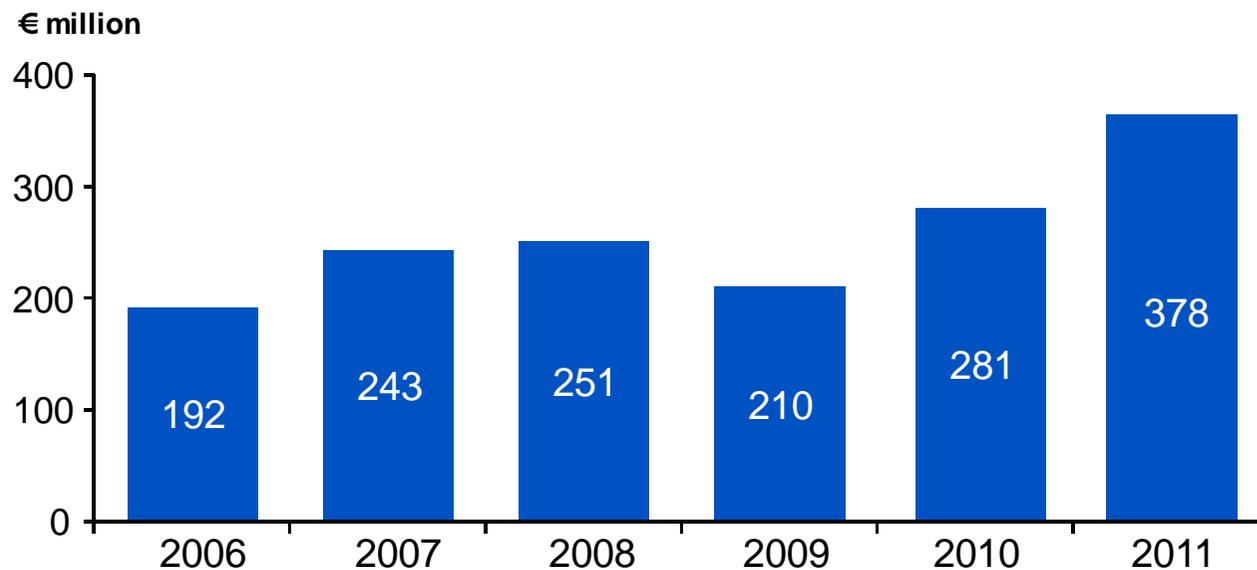


Trend of the sales



Historical Order Book

- Strong trend of order acquisition during the whole 2011 in both pharmaceuticals and food, with a considerable number of negotiations currently underway
- The order book at December 31, 2011 is at € 378 million that compares to € 281 million at December 31, 2010, for a 34.7% increase



2011 RESULTS

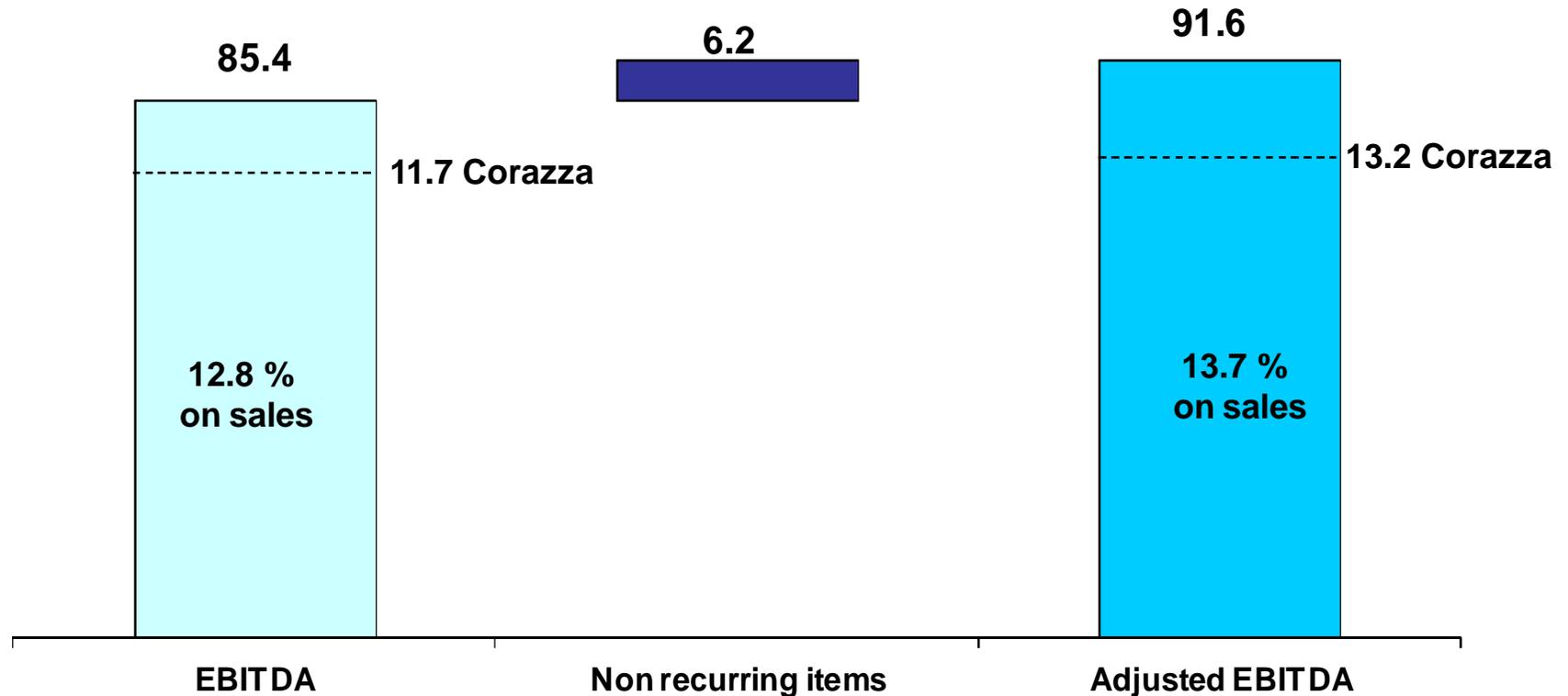
Consolidated income statement

31.12.2011 vs. 31.12.2010

| IMA | 2011 | % | 2010 | % | change % |
|--|---------------|---------------|---------------|---------------|--------------|
| <i>Euro/million</i> | | | | | |
| Revenues | 669.21 | 100.0% | 503.27 | 100.0% | 33.0% |
| Cost of sales | (399.10) | -59.6% | (301.03) | -59.8% | 32.6% |
| Industrial gross profit | 270.11 | 40.4% | 202.24 | 40.2% | 33.6% |
| R&D costs | (29.07) | -4.3% | (26.42) | -5.2% | 10.0% |
| Selling costs | (80.32) | -12.0% | (62.52) | -12.4% | 28.5% |
| General and administrative costs | (87.53) | -13.1% | (64.62) | -12.8% | 35.5% |
| EBITA | 73.19 | 10.9% | 48.68 | 9.7% | 50.3% |
| Writedowns/impairment of goodwill | (0.43) | -0.1% | (2.79) | -0.6% | -84.6% |
| Non-recurring items | (6.26) | -0.9% | (2.69) | -0.5% | 132.7% |
| EBIT | 66.50 | 9.9% | 43.20 | 8.6% | 53.9% |
| Net financial income (expense) | (10.94) | -1.6% | (7.13) | -1.4% | 53.4% |
| Profit (loss) from investments accounted for using the equity method | 0.38 | 0.1% | 0.23 | 0.0% | 65.2% |
| Income tax for the year | (24.11) | -3.6% | (17.38) | -3.5% | 38.7% |
| Prior year taxes | (2.70) | -0.4% | (1.48) | -0.3% | 82.4% |
| Profit pertaining to minority interests | (1.14) | -0.2% | (0.44) | -0.1% | 159.1% |
| GROUP PROFIT | 27.99 | 4.2% | 17.00 | 3.4% | 64.6% |
| EBITDA BEFORE NON RECURRING CHARGES | 91.63 | 13.7% | 62.31 | 12.4% | 47.1% |
| EBITDA | 85.37 | 12.8% | 59.62 | 11.8% | 43.2% |

2011 Ebitda

Sales: € 669.2 million (€ 90 million Corazza)



Non recurring items are mainly related to restructuring charges for the subsidiaries Zanchetta, IMA France and IMA Kilian and costs of acquisition of the Corazza Group

Consolidated balance sheet

31.12.2011 vs. 31.12.2010

| IMA | 2011 | % | 2010 | % |
|--|---------------|---------------|---------------|---------------|
| <i>Euro/Million</i> | | | | |
| Trade receivables | 145.68 | | 115.57 | |
| Inventories | 201.80 | | 157.79 | |
| Trade payables | (209.85) | | (158.69) | |
| Other, net | (54.98) | | (40.60) | |
| Working capital | 82.65 | 27.0% | 74.07 | 32.3% |
| Property, plant and equipment | 31.11 | | 26.71 | |
| Intangible assets | 189.56 | | 122.78 | |
| Investments | 23.40 | | 17.42 | |
| Non-current assets | 244.07 | 79.7% | 166.91 | 72.8% |
| Provision for severance indemnities and other provisions | (20.30) | | (11.59) | |
| Net capital employed | 306.42 | 100.0% | 229.39 | 100.0% |
| Net debt | 157.50 | 51.4% | 113.51 | 49.5% |
| Minority interests | 3.86 | | 2.56 | |
| Group equity | 145.06 | 47.3% | 113.32 | 49.4% |
| Total sources of financing | 306.42 | 100.0% | 229.39 | 100.0% |

Consolidated Net Working Capital

| IMA | 2011 | % | 2010 | % |
|-------------------------|---------------|-----------------|---------------|-----------------|
| <i>Euro/Million</i> | | <i>on sales</i> | | <i>on sales</i> |
| Trade receivables | 145.68 | 21.8% | 115.57 | 23.0% |
| Inventories | 201.80 | 30.2% | 157.79 | 31.4% |
| Trade payables | (141.13) | (21.1%) | (107.27) | (21.3%) |
| Advances from customers | (68.73) | (10.3%) | (51.43) | (10.2%) |
| N.O.W.C. | 137.62 | 20.6% | 114.66 | 22.8% |

The increase of Trade receivables and Inventories is due to the different timing of the revenues, the higher order backlog and the consolidation of Corazza Group.

The increase in Trade payables is related to higher inventory as consequence of the order backlog and to the consolidation of Corazza Group.

Advances from customers are linked to the increased year-end backlog, to different timing of order intake and to the consolidation of Corazza Group.

Consolidated Cash Flow

31.12.2011 vs. 31.12.2010

| IMA - CASH FLOW | 2011 | 2010 |
|--|----------------|----------------|
| <i>Euro/Million</i> | | |
| EBIT | 66.51 | 43.20 |
| Depreciation and amortization | 18.87 | 13.92 |
| Impairment of goodwill | 0.00 | 2.50 |
| Capital expenditure | (14.13) | (9.99) |
| Change in working capital | (17.96) | 33.72 |
| Change in other assets/liabilities | 5.20 | (13.98) |
| Operating cash flow | 58.49 | 69.37 |
| Net financial charges | (10.56) | (6.92) |
| Income taxes | (26.81) | (18.86) |
| Cash flow from operations | 21.12 | 43.59 |
| Acquisitions | (58.10) | (11.93) |
| Cash flow from extraordinary operations | (58.10) | (11.93) |
| Dividends | (33.15) | (30.69) |
| Other changes in net equity | 1.18 | (4.60) |
| Change in scope of consolidation | (10.90) | 0.00 |
| Treasury Shares | (0.30) | 3.55 |
| Capital increase | 36.16 | 0.00 |
| Change in net financial position | (43.99) | (0.08) |
| Opening net financial position | 113.51 | 113.43 |
| Closing net financial position | 157.50 | 113.51 |

Financial Highlights by segment

| <i>Euro/Million</i> | <i>Tea, Food & Other</i> | | <i>Pharmaceutical</i> | | <i>Unallocated</i> | | <i>Total</i> | |
|--|------------------------------|--------------|-----------------------|-------------|--------------------|-------------|--------------|--------------|
| | <i>2011</i> | <i>2010</i> | <i>2011</i> | <i>2010</i> | <i>2011</i> | <i>2010</i> | <i>2011</i> | <i>2010</i> |
| Sales | 259.8 | 140.8 | 409.4 | 362.5 | | | 669.2 | 503.3 |
| EBITDA before non-recurring charges | 45.5 | 31.3 | 46.1 | 31.0 | | | 91.6 | 62.3 |
| <i>% on sales</i> | <i>17.5%</i> | <i>22.2%</i> | <i>11.3%</i> | <i>8.6%</i> | | | <i>13.7%</i> | <i>12.4%</i> |
| Ebit | 36.2 | 28.6 | 30.3 | 14.6 | | | 66.5 | 43.2 |
| <i>% on sales</i> | <i>13.9%</i> | <i>20.3%</i> | <i>7.4%</i> | <i>4.0%</i> | | | <i>9.9%</i> | <i>8.6%</i> |
| Net Invested capital (*) | 105.3 | 20.2 | 189.4 | 194.3 | 11.7 | 14.9 | 306.4 | 229.4 |
| Order Backlog | 131.2 | 82.9 | 246.9 | 197.7 | | | 378.1 | 280.6 |
| Orders | 276.5 | 133.6 | 458.5 | 419.4 | | | 735.0 | 553.0 |

(*) *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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