



Press release

Bologna, February 13, 2004

IMA Group:
fourth quarter recovery in profitability
with a substantial reduction in debt

Sales in 2003 on the same level as last year

The Board of Directors of IMA S.p.A., world leader in the production of automatic packaging machines for the pharmaceutical and tea industries, approved the fourth quarter 2003 results and reviewed the preliminary consolidated results for the entire year.

In **fourth quarter 2003**, the IMA Group achieved a significant improvement in its industrial margins as a percentage of sales, mainly thanks to higher list prices in dollars and successful efforts to contain fixed costs. This made it possible to achieve, at Group level, a **gross operating profit** of 26.7% of net sales (35.6 million Euro), compared with 26.9% in the same period of 2002 (40.7 million), despite the fact that revenues for the period were lower (133.5 million Euro compared with 151 in fourth quarter 2002).

Group sales revenues for the **entire year** came to 351.3 million Euro, substantially the same as in 2002 (353.4 million Euro).

Net operating income for 2003 came to 39.2 million Euro (47.1 million Euro in 2002). This decline is mainly attributable to the sudden drop in the US dollar.

Income before taxes for 2003 came to 36.2 million Euro compared with 43.8 million Euro in the previous year.

The consolidated **order book** at December 31, 2003 amounted to 151.5 million Euro, the same as at the end of 2002, despite a reduction of around 6 million Euro due to the dollar/euro exchange rate.

Net debt at December 31, 2003 amounted to 68.5 million Euro (67.2 million Euro at December 31, 2002) with capital expenditure of 20.8 million Euro (17.8 million in 2002) and dividends of 28.6 million Euro (12.9 million in 2002).

For **Alberto Vacchi, Managing Director of IMA**, *“The consolidated results at the end of 2003 are in line with the forecasts made by the Company during the year, reflecting the impact of a distinctly unfavorable geo-economic scenario. The extraordinary, negative events which dominated 2003 and which follow after a series of equally negative events that began in 2001, made last year one of the trickiest in recent years for European industry in general. But despite such an unfavorable context, the IMA Group still managed to keep sales at the same level as the previous year, gaining new market shares. The estimates that we have developed suggest that **Group net income** at the end of 2003 should come close to 19 million euro. This not only confirms the defensive nature of our business - concluded Vacchi - but also IMA's excellent positioning in the markets where it operates, as well as the effectiveness of the steps that we have taken in recent years to rationalize and control costs. In fourth quarter 2003 we achieved a considerable improvement in our industrial margins and a significant upswing in orders from the pharmaceutical industry; this has also been confirmed by the trend in orders received in January and at the beginning of February, which shows an increase of about 15%. This suggests that in 2004 we should be able to continue that growth trend in sales and earnings that we managed to achieve in recent years”.*

The Board of Directors of IMA S.p.A. has also called **an ordinary stockholders' meeting for April 26, 2004** to approve the statutory financial statements as of December 31, 2003, to propose the purchase and sale of own shares, to renew the Board of Statutory Auditors and to appoint an independent director in accordance with the new Stock Exchange rules. The Auditors' proposal for the years 2004-2006 will also be presented during the stockholders' meeting.

Attachment: consolidated net financial position and consolidated statement of income

Established in **1961**, IMA is today the world leader in the manufacture of automatic machines for the packaging of pharmaceutical products and of tea in filter bags. The Group has about 2,400 employees, 800 of whom overseas, and can count on five production plants in Italy, one in Germany and two in India. IMA has an extensive sales network comprising eight branches which provide sales and service in France, UK, Germany, Austria, Spain, Portugal, USA and China, representative offices in Central and East European countries and over 50 agencies covering a total of more than 70 countries. IMA is also participating in two joint ventures in China for production and service. IMA SpA has been listed on the Milan Stock Exchange since 1995 and in 2001 joined the **STAR** segment. The following companies in the pharmaceutical and cosmetics sectors are part of the IMA Group: Co.ma.di.s. SpA, Kilian & Co. GmbH, Precision Gears. Visit our website: **www.ima.it** (**Investor Relations** section).

CONSOLIDATED NET FINANCIAL POSITION

AT DECEMBER 31, 2003, SEPTEMBER 30, 2003, DECEMBER 31, 2002 AND SEPTEMBER 30, 2002 (IN THOUSANDS OF EURO)

	12.31.2003	09.30.2003	12.31.2002	09.30.2002
Net debt	68,494	91,416	67,249	86,860
including:				
• cash, banks and current financial assets	(55,294)	(28,719)	(48,725)	(37,315)
• other long-term securities	(3,641)	(3,774)	(3,621)	(3,781)
• short-term financial payables	75,865	70,182	68,347	66,805
• M/L-T financial payables	51,564	53,727	51,248	61,151

CONSOLIDATED STATEMENT OF INCOME

FOR 4TH QUARTER 2003 AND FOR THE PERIOD 01/01-12/31/2003 (IN THOUSANDS OF EURO)

STATEMENT OF INCOME	4th quarter 2003	4th quarter 2002	from 01/01/2003 to 12/31/2003	from 01/01/2002 to 12/31/2003
A. VALUE OF PRODUCTION				
<i>Revenues from the sale of goods and services</i>	131.374	149.116	345.633	351.480
<i>Change in work in progress, fini: semifinished and finished goods</i>	(23.709)	(22.155)	(818)	27.658
<i>Change in contract work-in-progress</i>	1.229	1.926	4.679	1.926
<i>Increase in fixed assets for internal work</i>	1.400	650	1.608	736
<i>Other revenues and income</i>	2.204	1.372	3.653	2.315
TOTAL VALUE OF PRODUCTION (A)	112.498	130.909	354.755	384.115
B. PRODUCTION COSTS				
<i>Raw materials, ancillary materials and consumables</i>	28.777	33.312	116.197	136.029
<i>Service costs</i>	21.197	23.969	71.497	74.858
<i>Expenses relating to the use of third party assets</i>	1.394	2.008	5.429	5.672
<i>Personnel</i>	25.897	25.782	103.245	98.577
<i>Depreciations and write-downs</i>				
- amortization of intangible fixed assets	2.369	2.440	8.833	8.373
- depreciation of tangible fixed assets	1.848	1.826	6.818	6.670
- write-downs of receivables	73	229	382	634
Total depreciation and write-downs	4.290	4.495	16.033	15.677
<i>Change in raw materials, ancillary materials, consumables and goods for resale</i>	(1.414)	3.643	(493)	2.362
<i>Provision for risks and other</i>	186	530	1.043	694
<i>Other operating expenses</i>	755	765	2.555	3.129
TOTAL PRODUCTION COSTS (B)	81.082	94.504	315.506	336.998
DIFFERENCE BETWEEN THE VALUE OF PRODUCTION AND PROD. COSTS (A-B)	31.416	36.405	39.249	47.117
C. FINANCIAL INCOME AND EXPENSE	(3.033)	(773)	(4.009)	(3.296)
D. ADJUSTMENTS TO FINANCIAL ASSETS	-	(2)	13	93
E. EXTRAORDINARY INCOME AND EXPENSE	(235)	7	931	(100)
RESULT BEFORE INCOME TAXES AND MINORITY INTERESTS	28.148	35.637	36.184	43.814