



Press release

Bologna, September 29, 2005

IMA's Board of Directors approves the first half 2005 results

Consolidated results for first half 2005

The 2004 and 2005 figures have been prepared according to IFRS.

in millions of euro	30.06.05	30.06.04	Δ% 05/04
Revenues	156.5*	163.8	(4.5)
Operating income (EBIT)	1.3	9.3	(86.0)
Result before income taxes	-1.9	7.1	n.s.
<i>Group order book</i>	195.0	165.9	17.5
<i>Net financial position</i>	101.8**	91.4	11.4

* including 9.1 million euro relating to the **Nova Group** which entered the scope of consolidation in the last quarter of 2004.

** including 10.6 million for the purchase of treasury shares, net of sales made during the period.

Outlook for the IMA Group in 2005

- Revenues: around 400 million euro
- Operating income: better than in 2004 (in absolute terms)

Consolidated results for first half 2005

The Board of Directors of IMA S.p.A., world leader in the production of automatic packaging machines for the pharmaceutical and tea industries, has approved the Group's results as of June 30, 2005.

The IMA Group has closed 1st half 2005 with **consolidated revenues** of 156.5 million euro, 4.5% down on June 30, 2004. This contraction is principally due to lost output when the subsidiary IMA Kilian transferred to its new Cologne plant, as well as the longer-than-expected throughput time for certain large, highly personalized orders that will be delivered in the second half of the year.

The size of the **order book** at the end of June, 29.1 million euro higher than at June 30, 2004, is partly due to the delays mentioned above and partly to the contribution of 7.5 million euro made by the **Nova Group** since its consolidation.

The significantly lower figure for **operating income** (1.3 million euro versus 9.3 at June 30, 2004) and for the **result before income taxes** (-1.9 million euro versus +7.1 at June 30, 2004) is justified by a combination of lower revenues and the charges resulting from the transfer of IMA Kilian, including the inefficiencies that it generated, as well as a higher level of discounts.

Net debt at June 30, 2005 amounted to 101.8 million euro (74 million at December 31, 2004 and 91.4 million at June 30, 2004). The change during 1st half 2005 is the same as in the same period last year, net of the 10.6 million euro outlay for the purchase of treasury shares. This result is mainly thanks to better control over working capital. Compared with June 30, 2004, excluding extraordinary events such as the acquisition of the **Nova Group** and the purchase of treasury shares, the residual generation of cash (after distributing dividends of 14 million euro) amounted to 12.5 million euro.

Outlook for the IMA Group in 2005

The elements that have emerged in the second quarter of 2005 confirm what we communicated at the end of July; we are therefore of the opinion that total revenues for the entire year should come to around 400 million euro with higher operating income in absolute terms compared with 2004.

Commenting on the results for the 1st half of 2005 **Alberto Vacchi**, IMA's **Managing Director**, declared *“The 1st half results confirm the healthy state of the **tea-bagging machinery sector**, which has seen a considerable inflow of new orders thanks to demand that is still strong; demand that gives preference to the state-of-the-art technology and first-rate assistance that IMA can offer. Thanks to the visibility that we are provided by our customers, we are convinced that this trend will continue in 2006 as well, while there is growing interest for the new products that IMA has to offer in the field of **coffee pod equipment**. The sector that makes **machines for the pharmaceutical industry**, on the other hand, is still suffering from weak demand and strong pressure on prices for the third year running. IMA, as market leader, has managed to reinforce its positions in recent years. It has succeeded in defending its level of sales volumes, even if this has meant further sacrifices in terms of prices. This is why this year we cannot confirm that improvement in industrial margins that we had foreseen and which was the result of the non-recurrence of charges that emerged in the second half of 2004. Despite all of the uncertainty that is inherent in the current scenario, which offers little visibility on how demand is likely to evolve, we believe that it is reasonable to look forward with cautious optimism: partly because the continuing growth in the sale of pharmaceuticals, even if at lower rates than in the past, is not going to allow the pharmaceutical industry to put off investing in new production capacity*

any longer; and partly because 2006 will already feel the benefits of the steps taken this year to reduce costs. A stronger dollar will also help produce better margins.”

In compliance with article 3.2 of the Code of Conduct, the Board of Directors considers Gino Benedetti, Italo Giorgio Minguzzi and Romano Volta as independent directors as they have the prerequisites laid down in the Code.

Established in 1961, IMA is today the world leader in the design and manufacture of automatic machines for the packaging of pharmaceutical products and of tea in filter bags. The IMA Group closed 2004 with net revenues that have risen to 371.1 million Euro, of which 91% was realized on international markets. The Group has more than 2,600 employees, about 1,000 of whom overseas, and can count on 12 production plants: 5 are in Italy, one in Germany, one in England, one in the United States, two in India and two in China. IMA has an extensive sales network comprising nine branches which provide sales and service in France, UK, Germany, Austria, Spain, Portugal, USA, China and Thailand, 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 three joint ventures in China for production and service. **IMA recently concluded a joint venture agreement with the Telstar Group (Spain) in the field of freeze-drying machinery for the pharmaceutical industry.** IMA S.p.A. 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. S.p.A., IMA Kilian GmbH & Co. KG, Nova Packaging Systems Inc., Precision Gears Ltd., Swiftpack Automation Ltd.**

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