



Press release

Bologna, May 13, 2005

## **IMA's Board of Directors approves the first quarter 2005 results**

### **Consolidated results for first quarter 2005**

The figures for the periods 2004 and 2005 have been prepared using the international accounting standards IAS/IFRS

in millions of euro	<b>03.31.05</b>	<b>03.31.04</b>	<b>% 05/04</b>
Revenues	64.9*	58.8	10.4
Operating income (EBIT)	-4.6	-3.6	27.8
Pre-tax income	-5.9	-5.0	18.0
<i>Group order book</i>	170.1	174.7	(2.6)
<i>Net financial position</i>	103.5**	89.2	16.0

\* including 5.4 million euro relating to the **Nova Group** which entered the scope of consolidation in the last quarter of 2004

\*\* including 13.3 million for the purchase of treasury stock

### **Outlook for the IMA Group in 2005**

- Net revenues: around 400 million euro
- Gross operating profit: around 57 million euro

### **Consolidated results for first quarter 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, approved the Group's results as of March 31, 2005.

The timing of deliveries, typical of the sector, traditionally sees a relatively low proportion of the year's sales in the period January - March; **this period's results are therefore of limited relevance in terms of their extrapolation over the full year.**

The IMA Group closed the first quarter of 2005 with **consolidated net revenues** of 64.9 million euro (58.8 million at March 31, 2004) and an **order book** of 170.1 million (174.7 million at the end of March 2004).

As a result of the low sales volumes, the **operating result** of the period comes to -4.6 million euro (-3.6 million at March 31, 2004) and the **pre-tax result** to -5.9 million (-5 million at March 31, 2004). The first quarter results reflect a less favorable delivery mix as well as the costs involved in transferring Kilian's operations to the new plant in Cologne, all of which have been expensed during the period.

**Net debt** at March 31, 2005 amounted to 103.5 million euro (74 million euro at December 31, 2004 and 89.2 million euro at March 31, 2004). This figure is affected by outlays of 13.3 million euro for the purchase of treasury stock and higher inventories to cope with upcoming deliveries. It should also be borne in mind that the scope of consolidation is wider than in the first quarter of 2004 following the acquisition of the **Nova Group**.

### **First-time adoption of International Financial Reporting Standards (IFRS)**

Under EC Regulation 1606/2002 of the European Parliament and Council, all companies with securities listed on a regulated market in Member States of the European Union are required to adopt International Financial Reporting Standards starting with the 2005 consolidated financial statements.

The quarterly report as of March 31, 2005 has been prepared using IFRS valuation and measurement criteria and the same criteria have been adopted in preparing the comparative figures for the balance sheet and statement of income.

In accordance with the instructions contained in CONSOB resolution 14990 of April 14, 2005, the quarterly report contains the information requested by attachment 3D of the Issuers Regulation (CONSOB Resolution 11971 of May 14, 1999 and subsequent amendments). The provisions of IAS 34 on "Interim Financial Statements" have therefore not been applied. The reconciliations envisaged by paragraphs 39 and 40 of IFRS 1, together with explanatory notes, are included in the quarterly report as of March 31, 2005. PricewaterhouseCoopers S.p.A. is currently auditing the figures shown in these reconciliations.

The document "IFRS 1 Reconciliations: First-time Adoption of International Financial Reporting Standards" is available on the Company's website [www.ima.it](http://www.ima.it) and on the Stock Exchange's Network Information System (NIS).

### **Outlook for the IMA Group in 2005**

No elements have emerged during first quarter 2005 to alter the forecasts made at the end of 2004. We therefore believe that **net revenues** for the entire year will come to around 400 million euro, with a **gross operating profit** of around 57 million euro, an increase of 18% on 2004's actual figure.

In commenting on the Group's performance in first quarter 2005 **Alberto Vacchi, IMA's Managing Director**, declared *“Detailed analysis of the first quarter figures enable us to confirm the increase in revenues and better margins forecast at the end of 2004, even if the scenario is still difficult. The fact that the order book is lower than this time last year does not reflect the headline trend in demand, especially given the brevity of the period under consideration. Indeed, the gap has already been filled in April. Competitive tension in the markets is still very high, which puts a lot of pressure on selling prices; however, there are definite signs of an upswing in demand. We believe that IMA can take advantage of this recovery - more so than our main competitors - thanks to the superiority of what we have to offer. Confirmation of this came from the huge interest shown in our new product lines when they were presented recently at the Interpack exhibition in Düsseldorf. As regards the Group's ability to generate cash, this year we are repeating the excellent results achieved in 2004. Indeed, we are convinced - concluded Alberto Vacchi - that we can do a lot better thanks to the emphasis being put at all levels on the management of working capital and better operating results for the year”*.

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** of that have risen to 371.1 million euro and will distribute a **dividend** of 0.40 euro per share, as in 2003, due to be paid from May 19, 2005. 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 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., Kilian GmbH & Co. KG, Nova Packaging Systems LLC, Precision Gears Ltd., Swiftpack Ltd.**

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