



Press release

Bologna, November 14, 2005

## **The Board of Directors of IMA** **approves the results as of September 30, 2005**

### **Consolidated results for the period January-September 2005**

The 2004 and 2005 figures have been prepared in accordance with IFRS

in millions of euro	<b>09.30.05</b>	<b>09.30.04</b>	<b>Δ% 05/04</b>
Revenues	238.7*	241.5	(1.2)
Operating income (EBIT)	6.1	16.8	(63.7)
Profit before taxes	1.3	14.3	(90.9)
<i>Group order book</i>	194.2	161.0	20.6
<i>Net financial position</i>	128.9**	103.8	24.2

\* including 13.7 million euro relating to the **Nova Group**, which entered the scope of consolidation in the last quarter of 2004

\*\* including 5.6 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: in line with 2004 (in absolute terms)

### **Consolidated results at September 30, 2005**

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

In the first nine months of 2005, the IMA Group achieved **consolidated revenues** of 238.7 million euro, 1.2% down on the figure at September 30, 2004. In particular, during the quarter from July to September, consolidated revenues increased with respect to 2004 (+5.8%), in line with the expectations that there would be a high concentration of deliveries in the second half of the year.

The size of the **order book** at the end of September, 33.2 million euro higher than at September 30, 2004, confirms the positive flow of new orders, despite the fact that the market situation is still difficult.

The significantly lower figure for **operating income** (6.1 million euro versus 16.8 at September 30, 2004) and **profit before taxes** (1.3 million euro versus 14.3 at September 30, 2004) is justified by a combination of lower revenues, despite the contribution made by Nova Group, 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 September 30, 2005 amounts to 128.9 million euro (74 million as of December 31, 2004 and 103.8 million at September 30, 2004). The change in 2005 is essentially due to the outlay of 5.6 million euro for the purchase of treasury shares and the payment of 10.5 million euro for the purchase of 50% of IMA-Telstar S.L., on the one hand, and the high level of inventories needed to meet the high volume of deliveries at the end of year and limited free cash flow during the period, on the other. Compared with September 30, 2004, the variance reflects these extraordinary transactions as well as the increase in net working capital, which is mainly due to postponement of deliveries in comparison with the previous year.

### **Group outlook for the rest of 2005**

Our forecasts, updated to take account of the elements that emerged during the third quarter of 2005, allow us to confirm the figure of **revenues** for the entire year at around 400 million euro, while **operating income** is expected to be more or less the same, in absolute terms, as in 2004. Net debt is expected to improve thanks to the trend in operating results during the latter part of the year, as in previous years.

Commenting on the results for the first nine months of 2005 **Alberto Vacchi, IMA's Managing Director**, declared *“The sector that makes plant for the pharmaceutical industry did not turn in the improvement in industrial margins that we were looking for in the period from July to September. The policy of competitive discounting that hit the sector over the last two years has in fact neutralized all of the measures that were meant to lead to higher margins. An analysis of the figures at the end of September, including the orders for delivery in the last quarter, encourage us to confirm our forecast for consolidated revenues at around 400 million euro with operating income much the same as in 2004. In this difficult context which continues to offer low visibility for future developments, the Group management is making every effort to improve overall efficiency and reduce costs, above all cost of sales. The initial benefits of the steps that we are taking will already be visible from the beginning of 2006. In the meantime, the latest figures published by authoritative observers foresee 7% growth in 2006 on the part of the **pharmaceutical industry** compared with 5% in 2005, so it is reasonable to expect the demand for machinery to receive a new boost, while the reinforcement of the US dollar will help improve margins. All of this allows us to look forward with confidence –*

concluded Alberto Vacchi - *convinced as we are that, once the supply side has returned to a state of equilibrium, the sector that makes machinery for the pharmaceutical industry ought to be able to guarantee once again levels of profitability no lower than what they were before the sector was hit by the current trough in the cycle*".

**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 13 production plants: 5 are in Italy, one in Germany, one in England, one in Spain, 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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