



Press release

Bologna, 27 March 2000

1999 profit for the IMA Group up 31% to ITL 30.2 billion

Excellent outlook for 2000

Proposed dividend of ITL 380 per share (330 in 1998)

The Board of Directors of IMA S.p.A. has examined and approved the draft financial statements for the year ended 31 December 1999 which will be submitted to the Annual General Meeting on 27 April 2000.

The Board will propose a dividend of 380 lire per share, 15% more than the 1998 dividend of ITL 330, payable as from 25 May (ex-coupon date 22 May).

Group performance

Although progress of the economy was less favourable than in 1998, the IMA Group's main indicators were on the rise, with sales up 5% to ITL 453.2 billion (432 billion in 1998), the operating profit up 8.5% to ITL 61.1 billion (56.3 billion in 1998), and the net profit up 31% to ITL 30.2 billion (23.1 billion in 1998).

Demand was very sluggish during the first half of the year but took off in June. As a result, the orders as of 31 December 1999 amounted to ITL 228.5 billion, compared with ITL 214.5 billion at the end of 1998 (+ 6.5%).

Net debt was ITL 80.7 billion at year end (65.5 billion in 1998) because of the high concentration of deliveries during the last two months of the year. Debt is being absorbed during the first quarter of 2000.

The results for 1999 are even more impressive in light of the steep upturn in costs for new product development (+ 17.8%) and for replacement of the old computer system with a more modern and more powerful one.

Performance of the parent company IMA S.p.A.

The parent company IMA S.p.A. closed the year with sales of ITL 320.9 billion (329.3 billion in 1998), an operating profit of ITL 37.7 billion (44.4 billion in 1998) and a net profit of ITL 18.9 billion (20.7 billion in 1998). Net debt at the end of the year was ITL 88.4 billion (56.8 billion as of 31 December 1998).

"Consolidated results are significant for two reasons - explained IMA's Managing Director Alberto Vacchi. They top the considerable improvement between 1997 and 1998, and they were achieved under far less favourable conditions. Comparison with previous figures confirm the growth and renewed profitability that we promised at the end of 1997, when we announced a targeted operating profit of 15 to 20% of sales. The superb growth in orders - Vacchi continued - which have nearly doubled during the first quarter of 2000 compared with the same period in 1999, gives us an excellent outlook for the current year. Meanwhile, since our January acquisition of the German company Kilian GmbH, which is also doing very well with orders thanks partly to integration with IMA's sales network, we are looking into new buying opportunities that we should soon be able to finalize. These moves will strengthen IMA's position as world leader in its sector."

IMA S.p.A.'s Board of Directors has also called an extraordinary Annual General Meeting for 31 May (first calling, with a second calling on 5 June).

Ordinary AGM:

Power to buy the Company's own shares (as per Art. 2357 ter of the Italian Civil Code); Approval of the regulations governing shareholders' meetings.

Extraordinary AGM:

Proposed merger of the wholly-owned subsidiaries Dima S.r.l. (coffee packaging machines) and Soteco Italia S.r.l. (branch office for the Italian market) into the parent company IMA S.p.A.

IMA's top management will be meeting the financial community at a presentation sponsored by AIAF (the Italian Financial Analysts' Association). The presentation will be held on 17 April at 5:30 p.m. at Borsa Italiana S.p.A., Piazza degli Affari 6, Milan. On the same day at 11:30 a.m., there will be a meeting with the economic and financial press at the Four Seasons Hotel, Via Gesù, Milan.