



Press release

Bologna, April 27, 2006

IMA's AGM approves the 2005 financial statements

Dividend of 0,40 euro per share

Financial statements as of December 31, 2005

in millions of euro	12.31.05	12.31.04	Δ% 05/04
Revenues	398.8*	372.0	7.2
Gross operating profit (EBITDA)	49.2	47.6	3.4
Operating profit (EBIT)	35.6	36.7	(3.0)
Pre-tax income	28.0	32.6	(14.1)
Net profit	13.0	17.1	(24.0)
<i>Group order book</i>	<i>164.0</i>	<i>150.7</i>	<i>8.8</i>
<i>Net financial position</i>	<i>86.8</i>	<i>74.0</i>	<i>17.3</i>

* of which 22,2 million euro relating to the **Nova Group** (6,6 million in 2004), which entered the scope of consolidation during the last quarter of 2004, and 4.1 million euro pertaining to the **IMA-Telstar** joint-venture, consolidated with effect from the second half of 2005.

Dividend for 2005

Approved a **dividend of 0,40 euro per share**, as in 2004.

Estimates of the IMA Group for the year 2006

Revenues: around 426 million euro

Gross operating profit: around 55 million euro

Operating profit: around 44 million euro

New plan for the purchase and sale of treasury stock

- Authorization: up to a maximum of 3,610,000 ordinary shares
- Validity period: 12 months from approval
- Purchase price: average stock price in the previous 5 days +/- 10%
- Selling price: average purchase cost

Appointment of the new Board of Directors of IMA S.p.A.

Appointment of the new Board of Directors with **10 Directors, 3 independent**

The annual general meeting of the stockholders of IMA S.p.A., world leader in the production of automatic packaging machines for the pharmaceutical and tea industries, met today under the chairmanship of **Marco Vacchi** and approved the financial statements as of December 31, 2005.

The meeting resolved to distribute a **dividend of 0,40 euro per share**, as in 2004, due to be paid from May 18, 2006 (going ex-coupon on May 15, 2006), allocating the balance to reserves.

IMA Group results

Net revenues of the IMA Group at December 31, 2005 came in at 398.8 million euro (372 million euro at December 31, 2004), of which 22,2 million euro pertaining to the **Nova Group** (6,6 million in 2004), consolidated since the last quarter of 2004, and 4.1 million euro to the **IMA-Telstar** joint-venture, consolidated with effect from the second half of 2005. **Exports** accounted for 90.3%.

The **gross operating profit** amounted to 49.2 million euro (47.6 million in 2004). **Operating profit** came to 35.6 million euro, in line with the figure at December 31, 2004 (36.7 million). The items that had a particular impact on this result were the writedown and amortization of goodwill for 3.5 million euro, non-recurring expenses involved in reorganising the Group for 2 million euro, a generally unfavourable dollar exchange rate compared with the previous year, and higher discounts on average due to a more aggressive approach on the part of competitors. **Pre-tax income** came to 28 million euro, down compared with 32.6 million in 2004, mainly due to exchange losses. **Net profit** came to 13 million euro (17.1 million in 2004).

The **Group order book** as of December 31, 2005 stands at 164 million euro (150.7 million as of December 31, 2004).

Net debt at December 31, 2005 came to 86.8 million euro (74 million at December 31, 2004) after capital expenditure of 10.8 million euro (12 million in 2004), dividends distributed of 14 million euro and a net outlay for the purchase of treasury shares of 14.4 million euro. The acquisition of 50% of **IMA-Telstar S.L.** had a 5.9 million euro impact on the net financial position at the end of the year.

Results of the Parent Company IMA S.p.A.

The Parent Company IMA S.p.A. closed 2005 with **net revenues** of 304.5 million euro, an increase on 298.1 million euro in 2004. **Operating profit** came to 29.6 million euro (23.5 million in 2004) whereas **net profit** amounted to 15.5 million euro versus 16.1 million in 2004. **Net debt** at the end of 2005 amounts to 68.6 million euro (50.9 million at the end of 2004).

Estimates of the IMA Group for the year 2006

The high level of the order book in the **tea-bagging machine sector** and the increase in sales to the **pharmaceutical industry** (a sector that according to authoritative sources is expected to grow by 7% in 2006, compared with 5% in 2005) make it possible to foresee an improvement in the Group's results in 2006. The reinforcement of the US dollar and the steps taken to improve the Group's organisational efficiency, as well as a containment of fixed costs, should raise profit margins, with cash flow and the net financial position benefiting as a result.

In 2006, we expect to see **revenues** of around 426 million euro, a **gross operating profit** of around 55 million euro and an **operating profit** of around 44 million euro.

Commenting on the 2005 results and the outlook for the current year, **Alberto Vacchi, IMA's Managing Director**, declared: *"The size of the order book at December 31, 2005 (+8.8% on last year) and the order trend as of today confirm our forecasts for a further reinforcement in 2006 of the Group's position in the tea sector, which continues to be very favourable, and the pharmaceutical sector, which shows an increase in sales from the last quarter of 2005. The recent acquisition of VIMA Impianti, a company that manufactures machines for dosing pharmaceutical products, confirms our confidence in the growth prospects of this sector which represents about 83% of Group sales. Most of the research and development expenditure in 2005 (6% of revenues) was devoted to designing new machines for the pharmaceutical industry: ongoing product innovation has allowed the Group to consolidate its leadership position in this highly competitive sector. IMA will be exhibiting some new solutions for the processing and packaging of pharmaceutical products at Achema, an important trade fair for the pharmaceutical sector due to take place in Frankfurt from May 15-19, 2006. The positive forecasts for the current year and the Group's ability to continue generating cash in 2005 allows us to reward the shareholders, proposing a dividend of the same amount as last year"*, concluded Alberto Vacchi.

New plan for purchase and sale of treasury stock

The AGM approved the **new plan for purchase and sale of treasury stock** up to a maximum of 3,610,000 own shares, corresponding to 10% of the capital share. The proposed purchase price is equal to the average stock price during the previous five days plus or minus 10%, while the proposed selling price will be at least the shares' average purchase cost. The reasons behind this request for authorisation to buy and sell treasury shares for a period of 12 months are principally the need to stabilise the stock and the opportunity it would provide to implement stock option plans in favour of key individuals working for the Company and its subsidiaries. IMA currently holds 1,591,235 of its own shares, which is 4.4% of the share capital.

Appointment of the new Board of Directors of IMA S.p.A.

The AGM also appointed the new Board of Directors of IMA S.p.A., confirming ten Directors from the twelve of the previous Board. It will remain in office until the approval of the financial statements as of December 31, 2008. The new Board of Directors consists of: **Benedetti Gino, Malagoli Andrea, Minguzzi Italo Giorgio, Poggi Luca, Schiavina Maria Carla, Vacchi Alberto, Vacchi Marco, Vacchi Gianluca, Visentini Stefano, Volta Romano**. Of the various Directors, Benedetti Gino, Minguzzi Italo Giorgio and Volta Romano have the requisite to be considered **independent** from the Company.

Established in 1961, IMA is the world leader in the design and manufacture of automatic machines for the packaging of pharmaceutical products and of tea in filter bags. The Group has more than 2,700 employees, about 1,100 of whom overseas, and can count on 15 production plants in Italy, Germany, the United Kingdom, Spain, the United States, India and China. IMA has an extensive sales network comprising nine branches which provide sales and service in France, the United Kingdom, Germany, Austria, Spain, Portugal, the United States, 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 3 joint-ventures in China for production and service. In 2005 IMA concluded a joint-venture agreement with the **Telstar** Group (Spain) in the field of freeze-drying machinery for the pharmaceutical industry. In March 2006 IMA acquired the entire share capital of **VIMA Impianti S.r.l.**, a company that manufactures machines for dosing pharmaceutical products. 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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