



Press release

Bologna, 30 September 2004

**IMA Group: the acquisition of Nova Packaging
and the Kalish, King, Lakso, Merrill, Swiftpack brands significantly
strengthens IMA's presence in the USA**

IMA S.p.A. has signed late in the evening the definitive contract to acquire 90,68% of the shares in Packaging Systems Holding LLC, based in Delaware, USA. This company owns 100% of the industrial group **Nova Packaging Systems LLC**, world leader in the manufacture of **automatic machines for the bottling of capsules and tablets (counting machines)** sold under the **Kalish, King, Lakso, Merrill and Swiftpack** brands. IMA's consultants who handled the acquisition were the Law Office Skadden Arps, together with Studio Poggi of Bologna, Italy.

The price of 14,6 million dollars (of which 11,3 million has been paid at the time of closing, by the opening of an ad hoc credit line) was agreed in the presence of net borrowing of 2,7 million dollars at the end of August. For the remainder, a deferred payment at 20 months is foreseen. The remaining shares in this US company are held by management with whom IMA has signed an agreement which, inter alia, grants them a put option over such shares in exchange for a call option. Both these options expire in 2009 and can be exercised at a price linked to the EBITDA achieved in the intervening period by the Nova Group. If these options are exercised, the total cost of the shares held by management will range from a minimum of 2 million to an expected maximum of about 8,5 million dollars. The consolidated sales of the **Nova Group** are forecast to be around 35 million dollars in 2004, with an EBITDA in excess of 10% of net revenues.

The consolidation of the last quarter of 2004 of the neo-acquired company will bring no significant variation to the growth of the consolidated revenues of the IMA Group for the end of the year, estimated between 5 and 8%.

*“By purchasing Nova Packaging - commented **Alberto Vacchi**, Managing Director of IMA - our Group achieves at least three major objectives that strengthen our world leadership in the manufacture of production and packaging machines for the pharmaceutical industry. In the first place, **IMA further expands its range of machines for the packaging of capsules and tablets since, alongside our existing blister lines, we now offer bottle filling lines.** This form of packaging is preferred in certain nations, such as the United States, as well as in certain key sectors, such as healthfood. Furthermore, given that the two ways of packaging solid products,*

*blisters and bottles, generally co-exist within the same client, the major commercial synergies released by this acquisition are strikingly obvious. Secondly, sales of the counting machines manufactured by Nova Packaging will give major impetus to the sales of other products in IMA's current range, such as capping, sealing, labelling, cartoning and end-of-line machines. These machines are generally part of bottle filling lines which, in the past, Nova acquired from third parties, assuming they not purchased directly by the end customer. Lastly, the acquisition of Nova Packaging means that the IMA Group now has also manufacturing facilities in the United States, a market that alone accounts for more than 50% of pharmaceuticals production worldwide and which demands ever closer ties with equipment suppliers. We have been pursuing this objective for many years, without much success given both the absence of suitable acquisition companies and the high costs and risks associated with a "green field" start-up of production controlled from Italy. In view of their strong strategic value, these three factors would, alone, have fully justified the decision to proceed with this acquisition. In addition, - concluded **Alberto Vacchi** - the valuation of the Nova Group in strictly economic/financial terms does not dilute IMA's principal multiples, even after exercising the option, and therefore provides considerable scope for the creation of additional value for our Shareholders".*

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 **the first half of 2004** with **consolidated revenues** of 150.5 million euro (+4,7%), **net operating income** of 6.7 million euro (3.8 million euro) and **pre-tax result** of 1.8 million euro (0.5 million euro).

The Group has 2,400 employees, 800 of whom overseas, and can count on five production plants in Italy, one in Germany and two in India. 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, Precision Gears Ltd.

For further information, visit our website: **www.ima.it** (Investor Relations section).