



Press release

Bologna, February 14, 2005

IMA's Board of Directors
approves the results for the fourth quarter
and reviews the preliminary figures for 2004

**The Board approves the 2005 budget
and calls a stockholders' meeting
to approve the purchase and sale of treasury stock**

Consolidated results for fourth quarter 2004

- Net revenues: 142.2 million Euro (133.5 million in fourth quarter 2003)*
- Gross operating profit: 27.2 million Euro (35.6 million)
- Operating income: 22.6 million Euro (31.4 million)
- Net debt: 71.6 million Euro (68.5 million)

Preliminary Group figures as of December 31, 2004

- Net revenues: 371.1 million Euro (351.3 million in 2003)
- Operating income: 32 million Euro (39.2 million)
- Income before taxes: 27.9 million Euro (36.2 million)
- Group order book: 158.6 million Euro (151.4 million)

Group forecasts for 2005

- Net revenues: around 400.1 million Euro
- Gross operating profit: around 57 million Euro

Proposal 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

* including 6.6 million Euro relating to the Nova Group which entered the scope of consolidation in the last quarter of 2004

The Board of Directors of IMA S.p.A., world leader in the production of automatic packaging machines for the pharmaceutical and tea industries, has approved the fourth quarter 2004 results and reviewed the preliminary consolidated results for the entire year. They also approved the budget for 2005.

Consolidated results for fourth quarter 2004

The IMA Group closed fourth quarter 2004 with **net revenues** of 142.2 million Euro (133.5 million in fourth quarter 2003), including a 6.6 million contribution from the newly acquired **Nova Group**.

In fourth quarter 2004 the Group saw a drop in industrial margins as a percentage of sales, mainly due to non-recurring charges. This, together with an increase in fixed selling and general costs, has led to a contraction in the Group's **gross operating profit** (27.2 million Euro versus 35.6 in fourth quarter 2003) as a percentage of net sales, from 26.7% in the fourth quarter 2003 to 19.7% now, based on the same scope of consolidation.

Operating income came to 22.6 million Euro (31.4 million in fourth quarter 2003).

Net debt as of December 31, 2004 amounts to 71.6 million Euro (68.5 million as of December 31, 2003) after making capital expenditure of some 12 million Euro (20.8 million in 2003) and paying dividends of 14.4 million Euro. The recent acquisition of the **Nova Group** had a 12.5 million Euro impact on the net financial position at the end of the year.

Preliminary figures for the IMA Group as of December 31, 2004

Net revenues rise to 371.1 million Euro, including 6.6 million Euro from the **Nova Group**, which has been consolidated from the last quarter of the year (351.3 million as of December 31, 2003).

Operating income comes to 32 million Euro (39.2 million in 2003). The decrease is attributable mainly to the charges incurred during the fourth quarter, as mentioned above, and to the strong pressure on prices that was a feature of the entire year.

The consolidated results at the end of 2004 are lower than forecast, as operating income was expected to be in line with 2003. This variance was caused essentially by lower revenues - given the same scope of consolidation - of around 7 million Euro and unexpected, non-recurring expenses of around 5 million Euro.

Income before taxes amounts to 27.9 million Euro (36.2 million in 2003).

The Group **order book** as of December 31, 2004 stands at 158.6 million Euro (151.4 million as of December 31, 2003), including 4.5 million of the **Nova Group**.

Forecasts for 2005

The Board then approved the Group budget for 2005: with markets likely to be better but still not at their full potential, **net revenues** are expected to be around 400 million Euro with a **gross operating profit** of around 57 million Euro, higher than the 18% achieved in 2004. The underlying assumptions take account of limited growth in the pharmaceutical sector (+3%) and substantial stability in tea and coffee. The \$USA/Euro exchange rate used in the forecasts is 1.30 \$USA for 1 Euro, which reflects the Group's outstanding currency hedges. With profitability recovering and working capital still being kept under tight control, we expect net debt to fall even more.

Commenting on the results for the year 2004 **Alberto Vacchi, IMA's Managing Director**, declared: *Even though IMA improved its position in the pharmaceutical sector, with strong growth in new orders (+8%) and an increase, albeit limited, in revenues (+1.5% excluding any contribution from the Nova Group), the market for plant and machinery for the pharmaceutical industry generally suffered weak demand and considerable tension on prices, which in turn put industrial margins under pressure. Even leaving aside these non-recurring charges which hit the 2004 result and which are mainly relevant to the setting-up of new product lines (their overall validity is confirmed by the excellent welcome they received from customers in general), the 2004 result, as in 2003, is not at all a real reflection of the sector in which we operate, nor of our position within it. The ongoing weakness of the US currency and an extremely competitive environment - continued Vacchi - have delayed a return to the stability that the pharmaceutical industry could intrinsically guarantee our sector. On the other hand, given this unfavorable situation, the Group's ability to generate cash is extremely positive. In fact, net debt at the end of the year amounts to 71.6 million Euro, including 12.5 as a consequence of buying the Nova Group, compared with 68.5 million at the end of 2003. This is a very significant indicator of the Group's excellent state of health.*

Given that there are no definite signals regarding the future evolution of the competitive scenario - concluded Alberto Vacchi - we have to be extremely cautious when making forecasts for the current year and the budget figures reflect this. Completion in 2004 of the capital investment cycle initiated in 2002, together with the steps taken to improve management of net working capital, should facilitate cash flow generation, thereby further improving the Group's financial position".

The Board of Directors of IMA S.p.A. has also called **an ordinary stockholders' meeting for April 27, 2005**, at first calling, to approve the statutory financial statements as of December 31, 2004, to appoint a director following the expiry of **Paolo Braghieri's** term of office and to propose the purchase and sale of treasury stock up to a maximum of 3,610,000 own shares. 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 authorization to buy and sell treasury stock for a period of 12 months are principally the need to foster the stock's liquidity to protect small stockholders 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 1,349,121 of its own shares, which is 3.74% of capital stock.

Attachment: consolidated net financial position and statement of income

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 Group has more than 2,600 employees, about 1,000 of whom overseas, and can count on five production plants in Italy, one in Germany, one in England, one in the United States 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, Nova Packaging Systems LLC, Precision Gears Ltd., Swiftpack Ltd.**

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CONSOLIDATED NET FINANCIAL POSITION

(IN THOUSANDS OF EURO)

	12.31.2004	09.30.2004	12.31.2003	09.30.2003
Net debt	71,580	100,205	68,494	91,416
including:				
• cash, banks and current financial assets	(51,023)	(22,966)	(55,294)	(28,719)
• other long-term securities	(3,199)	(3,588)	(3,641)	(3,774)
• short-term financial payables	71,413	79,724	75,865	70,182
• medium/long-term financial payables	54,389	47,035	51,564	53,727

CONSOLIDATED STATEMENT OF INCOME

(IN THOUSANDS OF EURO)

INCOME ITEMS	4th quarter 2004	4th quarter 2003	from 01/01/2004 to 31/12/2004	from 01/01/2003 to 31/12/2003
A. VALUE OF PRODUCTION				
<i>Revenues</i>	138,722	131,374	363,399	345,633
<i>Change in inventories of work in progress, semi-finished and finished goods</i>	(23,606)	(23,709)	121	(818)
<i>Change in contract work in progress</i>	3,463	1,229	7,706	4,679
<i>Increase in internal construction work</i>	594	1,400	2,059	1,608
<i>Other income</i>	879	2,204	2,695	3,653
TOTAL VALUE OF PRODUCTION (A)	120,052	112,498	375,980	354,755
B. PRODUCTION COSTS				
<i>Raw, ancillary and consumable materials and goods</i>	34,858	28,777	128,034	116,197
<i>Services</i>	24,015	21,197	78,789	71,497
<i>Rents and leases</i>	1,758	1,394	5,790	5,429
<i>Persomel</i>	28,692	25,897	108,537	103,245
<i>Depreciation, amortization and writedowns</i>				
- amortization of intangible fixed assets	2,554	2,369	8,712	8,833
- depreciation of tangible fixed assets	1,949	1,848	7,151	6,818
- writedown of current receivables	259	73	390	382
<i>Total depreciation, amortization and writedowns</i>	4,762	4,290	16,253	16,033
<i>Change in inventories of raw, ancillary, and consumable materials and goods</i>	1,591	(1,414)	1,968	(493)
<i>Provision for risks and other provisions</i>	909	186	1,299	1,043
<i>Other operating charges</i>	810	755	3,306	2,555
TOTAL PRODUCTION COSTS (B)	97,395	81,082	343,976	315,506
DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS (A-B)	22,657	31,416	32,004	39,249
C. FINANCIAL INCOME AND EXPENSES	(1,147)	(125)	(4,183)	(4,009)
D. ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	-	-	100	13
E. EXTRAORDINARY INCOME AND EXPENSES	-	(235)	-	931
RESULT BEFORE INCOME TAXES AND MINORITY INTERESTS	21,510	31,056	27,921	36,184