



Press release

Bologna, February 14, 2006

## **The Board of Directors of IMA approves the fourth quarter results and reviews the preliminary results for the whole of 2005**

### **2006 budget approved**

### **Consolidated results for fourth quarter 2005**

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

in millions of euro	<b>4th quarter 2005</b>	<b>4th quarter 2004</b>	<b>Δ% 05/04</b>
Revenues	160.1*	130.5	22.7
Operating profit (EBIT)	29.5	19.9	48.2
Gross operating profit	35.4	23.5	50.6
Profit before taxes	26.7	18.3	45.9
<i>Net financial position</i>	86.8	74.0	17.3

\* of which 4.1 million Euro relating to the **IMA-Telstar** joint-venture, consolidated during the last quarter of 2005.

### **Preliminary figures for the IMA Group as of December 31, 2005**

in millions of euro	<b>12.31.05</b>	<b>12.31.04</b>	<b>Δ % 05/04</b>
Revenues	398.8*	372.0	7.2
Operating profit (EBIT)	35.6	36.7	(3.0)
Gross operating profit	49.2	47.6	3.4
Profit before taxes	28.0	32.6	(14.1)
Net result for the period	13.0	17.1	(24.0)
Group order book	164.0	150.7	8.8

\* of which 15.6 million Euro relating to the **Nova Group**, 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 during the last quarter of 2005.

## Estimates of the IMA Group for the year 2006

- **Revenues: around 426 million euro**
- **Gross operating profit: around 55 million euro**

The Board of Directors of IMA S.p.A., world leader in the production of automatic packaging machines for the pharmaceutical and tea industries, approved the fourth quarter 2005 results and reviewed the preliminary consolidated results for the entire year. The Board of Directors also approved the budget for 2006.

## Consolidated results for fourth quarter 2005

The IMA Group closed fourth quarter 2005 with **revenues** rising to 160.1 million Euro (130.5 million in fourth quarter 2004), of which 4.1 million pertaining to the joint-venture with **Telstar**.

The **operating profit** grew to 29.5 million Euro (19.9 million in fourth quarter 2004), while the **gross operating profit** came to 35.4 million Euro (23.5 million in fourth quarter 2004). The **result before tax** also rose to 26.7 million Euro compared with 18.3 million in fourth quarter 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.

## Preliminary figures for the IMA Group as of December 31, 2005

**Revenues** of the IMA Group at December 31, 2005 came in at 398.8 million Euro, of which 15.6 million Euro pertaining to the **Nova Group**, consolidated since the last quarter of 2004, and 4.1 million Euro to the **IMA-Telstar** joint-venture, consolidated during the last quarter of 2005 (372 million at December 31, 2004).

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 about 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. The **result before tax** totals 28 million Euro (32.6 million in 2004). The **net result** for the period came in at 13 million Euro (17.1 million in 2004).

The consolidated **order book** at December 31, 2005 amounted to 164 million Euro (150.7 million at December 31, 2004).

### **Forecasts for 2006**

The Board of Directors also approved the **Group budget for 2006**, a year that will continue to see good results in the tea sector, as well as a strengthening of IMA's position in the coffee market. The current year should achieve better sales of machines for the pharmaceutical industry, a sector that according to authoritative sources is expected to grow by 7% compared with 5% in 2005. The reinforcement of the US dollar and the steps taken to improve the Group's organisational efficiency, as well as a containment of costs, should raise profit margins - indeed, the initial effects were already felt in the last quarter of 2005 - with the net financial position benefiting as a result.

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

Commenting on the 2005 results, **Alberto Vacchi, IMA's Managing Director**, declared *"The fourth quarter figures have helped the results for the entire year considerably, as well as giving a healthy boost to cash flow. In particular, the order book at the end of year showed a + 8.8% compared with the previous year, new orders for the pharmaceutical industry + 14% in the last quarter, which leaves us optimistic about the Group's performance during the current year. In 2006 - continued Vacchi - we have planned a series of measures designed to reinforce the Group's position in the pharmaceutical industry to win over new customers and market areas, strengthen new products and continue in the reorganisation of internal processes and in cost containment; well aware, as we are, that competition in our sector will continue to be fierce, even if the pressure on prices we have been feeling for the last two years is expected to let up a bit. This makes counteraction even more necessary, while we also have to strengthen our positions of direct control over the main developing areas of the world, especially as the current state of the economy, both nationally and internationally, continues to feature elements of considerable instability and uncertainty. On these bases - concluded Vacchi - we are confident that we can achieve the targets that we have indicated, while continuing to generate the substantial amounts of cash flow that we have seen in these not exactly favourable years. This has allowed us to finance our ordinary and strategic investments, as well as remunerate our shareholders."*

**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 2,600 employees, about 1,000 of whom overseas, and can count on 13 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 three 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.** 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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