



Press release

Bologna, 14 May 2007

## **The Board of Directors of IMA approves the results for the first quarter 2007**

**The cancellation of 2 million treasury shares will be proposed  
at the next Extraordinary Shareholders' Meeting**

### **Consolidated results for the first quarter 2007**

in millions of euro	<b>31.03.07</b>	<b>31.03.06</b>	<b>Δ% 07/06</b>
Revenues	94.6	77.3	22.4
Operating profit (EBIT)	9.5	3.3	ns
Profit before tax	7.3	2.4	ns
<i>Group order book</i>	216.0	202.1	6.9
<i>Net financial position</i>	(105.7)	(110.6)	-4.4

### **IMA Group estimates for 2007**

- Revenues: around 450 million euros
- Gross operating profit: around 71 million euro

### **Calling of Extraordinary Shareholders' Meeting**

1. Cancellation of 2 million treasury shares
2. Proposal for amendments to the Articles of Association

### **Change in the composition of the Internal Control and Remuneration Committee**

## **Consolidated results for the first quarter 2007**

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 Group results at 31 March 2007.

The normal timing of deliveries in this sector traditionally sees a modest portion of revenues concentrated in the period January-March.

The IMA Group has closed 1st quarter 2007 with higher **consolidated revenues** of 94.6 million Euro (+22.4% on 77.3 million at 31 March 2006).

**EBIT** has tripled to 9.5 million Euro (3.3 million at 31 March 2006) as has the **profit before tax** to 7.3 million Euro (2.4 million at 31 March 2006). The excellent 1st quarter results are attributable above all to the very favourable trend in sales to the pharmaceutical industry, which accounts for around 83% of IMA's turnover, as well as to the measures taken by the new organisational structure to raise Group efficiency as much as possible.

The **consolidated order book** rose to 216 million Euro (+6.9% compared with 202.1 million at 31 March 2006). An excellent trend in orders from the tea industry also contributed towards this positive figure.

**Net debt** at 31 March 2007 fell to 105.7 million Euro (110.6 million at 31 March 2006) and is in line with the figure at 31 December 2006 (104.2 million), with cash generation in the quarter better than in the corresponding period of last year. This figure includes the outlay of 1.4 million Euro for the second tranche of the acquisition of 11% of the Indian subsidiary Precision Gears.

## **IMA Group estimates for 2007**

The very positive results for the 1st quarter and the high level of the order book at 31 March 2007 enable us to confirm our forecasts of strong growth in 2007.

We expect **revenues** to increase to around 450 million Euro with a **gross operating profit** of around 71 million Euro.

Commenting on the results at 31 March 2007 **Alberto Vacchi, IMA's Managing Director**, declared: *“The results for the first three months, which show strong growth, are the continuation of a very favourable trend that began at the end of 2005; this led to a excellent set of financial statements for 2006 and will continue during the current year. In the 1st quarter the Group managed to achieve a sharp increase in revenues (+22.4%) and margins, which tripled compared with the same period last year, thanks to a very positive trend in all of the pharmaceutical segments in which we operate, together with an excellent performance by the tea sector. For 2007 - continued Vacchi - we are looking for a strong rise in both sales and profitability in line with what we have already announced, also in light of the figures at 30 April, which show a 14.5% increase in the consolidated order book plus sales compared with the same period last year. After the recent acquisitions, the Group is ready to expand even more, both internally and externally, to further strengthen its leadership position in the pharmaceutical sector. Ongoing product innovation has always been a feature of IMA and it will be on show at the second edition of the Pharmintech trade fair due to take place in Bologna from 12 to 14 June. During this international exhibition, the Group will open its doors to pharmaceutical customers from all over the world”.*

As regards the decision to propose a voluntary reduction in share capital to the next Extraordinary Shareholders' Meeting, the **Managing Director** declared: *“This is an important operation which will bring further benefits to those Shareholders who have always believed in the Company's growth and development”.*

### **Calling of an Extraordinary Shareholders' Meeting**

The Board of Directors has called an Extraordinary Shareholders' Meeting on **19 June 2007** at 11.00 a.m., at first calling, at the Company's head office, and if necessary at second calling on 20 June 2007, to vote on two points on the agenda:

#### **1. Cancellation of 2 million treasury shares**

A proposal will be made to the next Extraordinary Shareholders' Meeting for a **voluntary reduction in share capital from 18,772,000 euros to 17,732,000 euros by cancelling 2 million of the 2,041,235 treasury shares currently held in portfolio**. The reason for this proposal is the optimisation of the Company's capital structure and the consequent return on Shareholders' funds.

**Cancellation of part of the treasury shares** will make it possible to improve earnings per share (EPS) in the long term and, compared with the alternative solution of selling treasury shares on the market, it will enable the Company, with the same pay-out, to distribute a higher dividend per share compared with the shares currently in circulation, as it would be split over a lower number of shares. The proposal has also been dictated by changes in the tax law on stock options, which has made it less cost-effective to use this instrument, which includes using treasury shares to service incentive plans.

Without changing the number of shares that they hold, **the reduction in share capital** will lead to an increase in the percentage interests held by the Shareholders at the date that the reduction is carried out.

## **2. Proposal of amendments to the Articles of Association**

The next Extraordinary Shareholders' Meeting will also decide on the **proposal to amend some of the Articles of Association**, bringing them into line with the new regulations and renumbering them as a result.

### **Change in the composition of the Internal Control and Remuneration Committee**

The Board also changed the composition of the **Internal Control and Remuneration Committee**, which will consist of **Giancarlo Folco**, the newly appointed Director who has replaced Italo Giorgio Minguzzi, **Maria Carla Schiavina** and **Romano Volta**. **Italo Giorgio Minguzzi** has resigned as the Committee's Chairman as he no longer satisfies the independence requirements under the new assessment criteria laid down in the Code of Conduct and in Stock Exchange regulations. The Internal Control Committee will remain in office until approval of the financial statements at 31 December 2008.

Lastly, the Board of Directors assessed the independence of the new Director **Giancarlo Folco** and reiterated the independence of **Gino Benedetti** and **Romano Volta**. Out of a total of 11 Directors, 3 are independent.

**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 about 2,700 employees, more than 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 9 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 2 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 2006 IMA acquired the entire share capital of **VIMA Impianti S.r.l.**, a company that manufactures machines for powder handling of pharmaceuticals. The Group recently acquired all of the shares of **Zanchetta S.r.l.**, a company that operates in the production of machines for the handling and granulation of pharmaceutical powders. 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**, **IMA Libra S.r.l.**, **Nova Packaging Systems Inc.**, **Precision Gears Pvt Ltd.**, **Swiftpack Automation Ltd.**

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