



Press release

Bologna, 23 March 2007

## **IMA's Board of Directors approves the draft 2006 financial statements**

### **Consolidated results at 31 December 2006**

The **consolidated results** at 31 December 2006 are in line with the preliminary figures announced on 14 February 2007:

in millions of euro	<b>31.12.06</b>	<b>31.12.05</b>	<b>Δ% 06/05</b>
Revenues	425.2	398.8	6.6
Gross operating profit (EBITDA)	65.5	49.2	33.0
Operating profit (EBIT)	53.4	35.6	50.0
Profit before tax	46.5	28.0	66.1
Net profit for the period	24.8	13.0	90.8
<i>Group order book</i>	<i>192.0</i>	<i>164.0</i>	<i>17.1</i>
<i>Net financial position</i>	<i>(104.2)</i>	<i>(86.8)</i>	<i>20.0</i>

### **Shareholders' Meeting and proposed dividend**

At the **Ordinary Shareholders' Meeting** called for **27 April 2007** the Board will propose a **dividend of 0.65 euros per share** (0.40 in 2006)

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

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

### **Proposed authorisation for the purchase and sale of treasury shares**

### **Proposed appointment of PricewaterhouseCoopers as independent auditors**

### **Compliance with the new regulations applicable to the STAR segment**

The Board of Directors of IMA S.p.A., world leader in the production of automatic packaging machines for the pharmaceutical and tea industries, today approved the consolidated financial statements and reviewed the draft statutory financial statements as of 31 December 2006 for submission to the **Ordinary Shareholders' Meeting**, due to be held on **27 April 2007**, at first calling.

The Board of Directors will propose to the Shareholders' Meeting the distribution of a **dividend of 0.65 euros per share, an increase of 62%** compared with the previous year (0.40 euros per share), due for payment from May 24, 2007 (ex-coupon no. 13 on 21 May), allocating the balance to reserves.

### **IMA Group results**

The IMA Group closed 2006 with higher **net revenues** of 425.2 million Euro (398.8 million at 31 December 2005), +6.6% on the previous year. **Exports** accounted for 92.3%, with a good performance in the USA, one of the Group's principal markets representing 24.8% of the total.

**Gross operating profit** is up to 65.5 million euros (+33% compared with 49.2 million at 31 December 2005). There has also been strong growth in **operating profit (EBIT)**, which rose to 53.4 million euros (+50% compared with 35.6 million in 2005) with **profit before tax** up to 46.5 million euros (+66.1% compared with 28 million in 2005). **Net profit for the year** almost doubled to 24.8 million euros (13 million in 2005). These excellent results were achieved thanks to the very favourable trend in orders from the pharmaceutical industry and the recovery in profit margins in many areas of business.

The **consolidated order book** at 31 December 2006 reached 192 million euros (164 million at 31 December 2005), an increase of 17.1%.

**Net debt** at 31 December 2006 amounts to 104.2 million euros (86.8 million at 31 December 2005). The change is principally due to the outlays made to buy shareholdings in **VIMA Impianti, Packaging Systems Holdings and Precision Gears** (around 18.6 million euros in total), as well as the 4.2 million euros spent to buy treasury shares. IMA also distributed dividends of 13.8 million euros.

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

The Parent Company IMA S.p.A. closed 2006 with higher **net revenues** of 318.9 million euros (+4.7% compared with 304.5 million at 31 December 2005). **Operating profit (EBIT)** rose to 43.5 million euros (+ 35.9% compared with 32 million in 2005) with a **net profit for the year** of 24.3 million euros (+71.1% compared with 14.2 million in 2005). **Net debt** at the end of 2006 amounted to 87.4 million euros, versus 70.8 million at the end of 2005. The Parent Company IMA S.p.A. adopted IFSR from 1<sup>st</sup> January 2006 for its own statutory financial statements.

## IMA Group estimates for 2007

The high level of the order book at 31 December 2006 and the positive trend in new orders during the first few months of the current year (+14.2% at the end of February), enable us to confirm our forecasts of an even better 2007 for IMA, with a **further strengthening in machines for the processing and packaging of pharmaceutical products**. The new organizational structure, the steps taken to improve the Group's organizational efficiency and hold down fixed costs will all help to raise profitability, thereby boosting cash generation and the net financial position.

For 2007 we expect **revenues** to increase to around 450 million euros with a **gross operating profit** of around 71 million euros.

Commenting on the 2006 results, **Alberto Vacchi, IMA's Managing Director**, declared *“We are very satisfied with the results achieved by the Group during this past year. An excellent performance that involved above all the machines for the pharmaceutical industry, confirming the validity of our growth strategy designed to foster innovation and expand the range of products aimed at this sector. The latest acquisitions made a positive contribution to the Group's growth in 2006: in particular, IMA-Telstar and VIMA Impianti managed to integrate perfectly with our structure, going to complete the range of IMA's products, many of which are new models launched during the last two years. In the sector of machines for the packaging of tea, in 2006 we achieved a 70% share of the world market. For 2007, we are confident that the new organizational structure, which sees **Andrea Malagoli** as **CEO** with a team of highly motivated managers in charge of the main business areas, will make its mark on the Group, with a view to continuing its growth both organically and through acquisitions. The excellent prospects that we have outlined for the current year, together with our ability to generate cash again in 2006, have convinced us that we should reward the shareholders, proposing to the next Shareholders' Meeting **a dividend that is a good deal higher than last year's (+62%)”**.*

### Proposed authorisation for the purchase and sale of treasury shares

At the Shareholders' Meeting called for 27 April 2007, a proposal will be made to renew the authorisation to buy and sell up to a maximum of 3,610,000 treasury 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. IMA currently holds 2,041,235 of its own ordinary shares, which is 5.654% of the share capital.

## **Proposed appointment of PricewaterhouseCoopers as independent auditors**

Following the expiry of the audit engagement of PricewaterhouseCoopers S.p.A., the Board of Statutory Auditors has expressed the opinion that **PricewaterhouseCoopers** should be reappointed to audit the statutory and consolidated financial statements, as well as a limited audit on the half-year report, for the years 2007-2012. This proposal will be submitted for approval at the next Shareholders' Meeting.

## **Compliance with the new regulations applicable to the STAR segment**

Following the changes made to the regulations and instructions issued by Borsa Italiana for companies listed in the STAR segment, IMA has taken the steps necessary to comply.

Under the new rules, Italo Giorgio Minguzzi will no longer have the characteristics to be considered an Independent Director. A proposal will therefore be made at the next Shareholders' Meeting to appoint a **new Independent Director** to act alongside Gino Benedetti and Romano Volta, who still satisfy the independence requirements.

Lastly, a proposal will be made at the next Shareholders' Meeting to appoint a **new Board of Statutory Auditors**.

**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. 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 Pvt Ltd.**, **Swiftpack Automation Ltd.**

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