



Press release

Bologna, November 12, 2004

**IMA: revenues +5.1% for the first nine months
in line with estimates for the whole year**

Good prospects for 2005

The Board of Directors of IMA S.p.A., world leader in the production of automatic packaging machines for the pharmaceutical and tea industries, met today to review and approve the Group's results at September 30, 2004.

As explained on various occasions, sales in this sector are not spread evenly throughout the year; in fact, **more than 40% of total deliveries for the year are concentrated in the last quarter**, which means that interim figures are not particularly meaningful as an indication of how the whole financial year is likely to go.

The IMA Group has closed the **first nine months of 2004** with **consolidated revenues** of 228.9 million Euro, an increase of 5.1% on the corresponding period of the previous year (217.7 million). **Operating income** of 9.4 million Euro (7.8 million at the end of September 2003) reflects the increase in sales as well as the more favorable mix of deliveries, despite the decline in manufacturing margins on machines for the pharmaceutical industry. The **pre-tax result** amounts to 6.2 million Euro (7.8 million at September 30, 2003). The **consolidated order book** at September 30, 2004 comes to 180.8 million Euro versus 185.7 million at the end of September 2003.

Net debt at September 30, 2004 amounts to 100.2 million Euro compared with 87.5 million at June 30, 2004 and 91.4 million at September 30, 2003. The acquisition of the **American Packaging Systems Holding LLC. (Nova Group)**, involved an outlay of 9.2 million Euro in September. The difference, very similar to that of the previous year, is mainly due to the increase in working capital needed to handle deliveries programmed for the last quarter.

An analysis of the orders due for delivery in the last quarter of 2004 indicates an annualized rate of growth in revenues of around 5% (not taking into consideration the effect of the Nova Group), even if a slight contraction in industrial margins is expected. We are therefore of the opinion that operating income at the end of the year will remain at much the same level as in 2003.

Commenting on the results for the first nine months of 2004 **Alberto Vacchi, IMA's Managing Director**, declared: *“Like last year, 2004 is turning out to be another difficult year for the sector that produces machines for the pharmaceutical industry, even if for very different reasons. In 2003, as a result of extraordinary events, there was zero demand from whole areas such as the Middle East, China and South America. In 2004 a weak order book at the start of the year, together with slow decision-making on the part of customers, in turn conditioned by a scenario with distinctly cloudy prospects, led to a high level of nervousness on the part of sector companies, triggering off unusual concessions on selling prices. However, thanks to the acknowledged superiority of our products, which have been completely renewed in recent years - continued Vacchi - **we still expect to increase revenues by 5% during the current year (not taking into consideration the effect of the Nova Group)**. The high costs that are typical of the start-up phase of new products that have just been successfully launched on the market will not permit any significant improvement in operating income in 2004. **The elements at our disposal suggest that there will be a positive evolution in the Group's performance during 2005**, as many of the elements that are conditioning the current year should have disappeared by that stage. On the one hand, the high tension created on the price front seems to be gradually diminishing; while, on the other, we can see that margins on new products are improving with the launch of the new series. Moreover, positive signals are coming from the pharmaceutical industry as regards the trend in demand in coming months. In addition, we have reason to be satisfied with **our acquisition of the Nova Group**, which we expect to make a positive contribution in 2005, not only in terms of results, but also in terms of synergies. Lastly, the tea packaging machine sector is not showing any signs of slowing down - concluded Alberto Vacchi - with demand from the coffee industry growing as well; and this is a type of demand that should be boosted even more by the novelties that the Division is about to launch on the market”.*

The IMA Group closed the **third quarter of 2004** with **consolidated revenues** of 78.4 million Euro (74 million in third quarter 2003) and **operating income** of 5.2 million Euro (6.6 million in third quarter 2003).

The Board of Directors has also coopted **Paolo Braghieri, General Manager of Interbanca, as a non-executive director** (to replace Mauro Gambaro who has resigned). He will remain in office until the next Stockholders' Meeting. The total number of directors is 12, as approved by the Stockholders' Meeting on September 16, 2004.

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.

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