



**PRESS RELEASE**

**ANOTHER RECORD YEAR FOR INTERPUMP GROUP**

**NET INCOME: + 34% AT 42.9 BILLION**

**TOTAL DIVIDEND AT LIT 1,000 PER SHARE**

***Mr Giovanni Cavallini C.E.O. of the Group:***

***“1999 has been an extremely satisfactory year for Interpump Group.  
The distribution of dividends for a total of Lit 1,000 per share is the tangible proof of  
the increase in value generated by the strong growth of the Group”***

Sant’Ilario d’Enza, March 20, 2000 - The shareholders meeting of Interpump Group approved today the distribution of a **special dividend of Lire 850 per share**. The Board of Directors has approved the 1999 results and will propose to the next shareholders meeting, to be held on April 20, the distribution of an ordinary dividend of Lire 150 per share (Lire. 135 in 1998) payable from May 25, 2000.

The 1999 results are characterised once again by **high profitability** and **strong growth in Italy and abroad**. The growth is due both to the strengthening of Interpump Group on its reference markets and to the acquisitions of the year. The ordinary dividend of Lire 150 per share in addition to the special dividend of Lire 850 per share, is a confirmation of the high cash flow generation of the Group.

**Net consolidated sales** have increased 13% at Lire 618.2 billion (548.8 in 1998).

**Net income** for 1999 increased 34% to Lire 42.9 billion versus 32.1 billion in 1998.

**EPS** adjusted (calculated before goodwill amortization and on average number of shares outstanding) is lire 753 (Euro 0.389) equivalent to a 33% growth on 1998.

**EBIT** reached Lire 106.6 billion (**17.2% on sales**) with a 5% growth vs 101.4 billion in 1998 (18.5% on sales). The reduction in percentage is due mainly to the consolidation of the new companies acquired.

**ROE** (Return on Equity) in 1999 was 18.4% vs. 17.4% in 1998.

**Cash flow** increased 17% at Lire 87.0 billion, from 74.4 in 1998, while **net financial debt** increased from Lire 162.4 billion at the end of 1998, to 310.1 billion mainly as a result of acquisitions by Lire 173 billion, capex by Lire 22 billion and buy-back of shares by Lire 9 billion. **Consolidated shareholders equity**, as of December 31, 1999 was Lire 342.9 billion (304.3 as of December 31, 1998) equivalent to a debt – to – equity ratio of 0.9.

The main strategic objectives achieved in 1999 were:



- The world leadership in Power Take Offs (Hydraulic sector) with the acquisition of 85% of **Muncie Power Products Inc. (U.S.A.)**;
- the broadening of the product range in the Cleaning sector with the acquisition of :
  - o **IP Floor** (floor scrubbers);
  - o 51% of **Euromop** (leading player in the European service trolley market);
  - o increase of the control participation in **Soteco** (now at 97%) ;
  - o acquisition of the control of **Interclean Assistance SA** , French distributor for professional cleaning equipment (now at 66%).

The 1999 accounts consolidated the results of Interclean Assistance SA for 12 months, IP Floor for 8 months and Muncie Power Products Inc. for 3 months. The income statements of Euromop S.p.A., acquired in December, has not been consolidated.

The **Parent company** Interpump Group S.p.A. achieved in 1999 a net income of 29.1 billion vs 19.2 billion in 1998.

Giovanni Cavallini, Vice Chairman and CEO of Interpump Group, stated:

“The distribution of total Lire 1,000 dividend is a confirmation of the strong cash flow generation of the Group. For the current year we expect additional growth for the Group. 2000 results confirm our two main objectives for the future: net consolidated sales at Lit. 1,000 billion by year 2002 and doubling of company’s share value, in the next three to four years.”



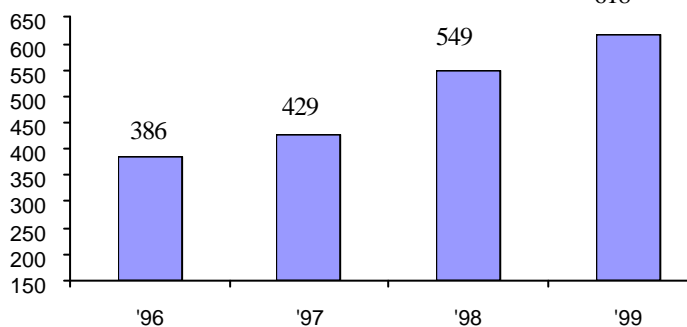
## Interpump Group (consolidated figures)

Highlights (Amounts expressed in billion of Italian lire)

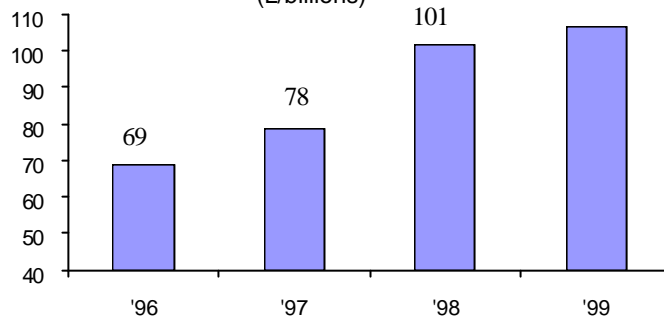
	1996	1997	Annual growth (%)	1998	Annual growth (%)	1999	Annual growth (%)	Growth 1996-1999
Net revenues	386	429	+11%	549	+28%	618	+13%	+ 60%
EBIT	69	78	+13%	101	+29%	107	+5%	+ 55%
Net profit	15	27	+80%	32	+20%	43	+34%	+187%
Cash flow	44	60	+36%	74	+23%	87	+17%	+98%
Dividend (in Italian lire)	60	110	+83%	135	+23%	150	+11%	+150%
Earning per share (€)	0,152	0,234	+54%	0,293	+25%	0,389	+33%	+156%

The 1999 amounts are yet unaudited

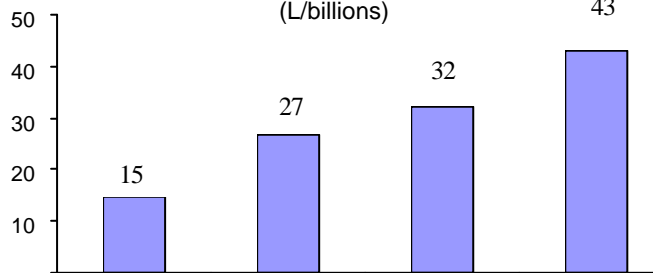
**Net revenues**  
(L/billions)



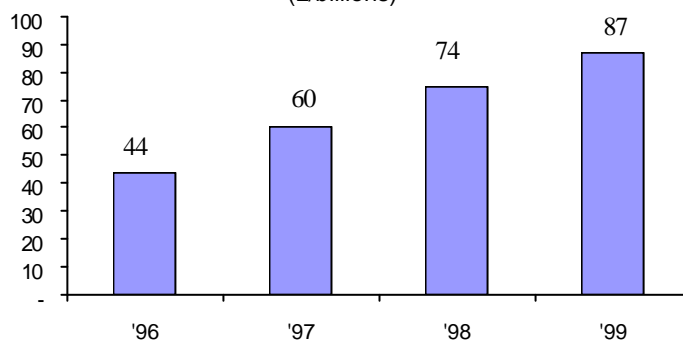
**EBIT**  
(L/billions)



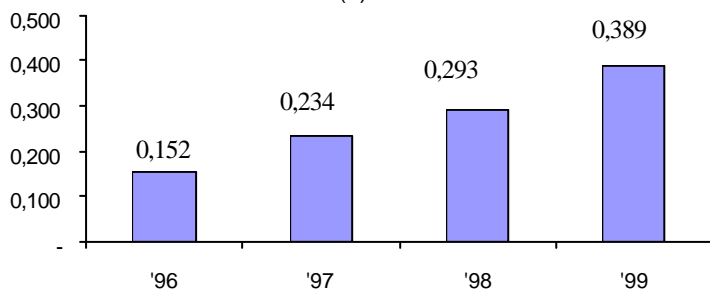
**Net profit**  
(L/billions)



**Cash Flow**  
(L/billions)



**EPS**  
(€)



## Interpump Group

### Reclassified consolidated income statements

	31/12/99 (Lire/millions)		31/12/98 (Lire/millions)	
<b>Net revenues</b>	<b>618.165</b>	<b>100,0%</b>	<b>548.797</b>	<b>100,0%</b>
Purchases, net of change in inventory	(278.458)		(246.559)	
<b>Gross industrial margin</b>	<b>339.707</b>	<b>55,0%</b>	<b>302.238</b>	<b>55,1%</b>
Payroll expenses	(111.389)		(94.148)	
Other operating costs	(102.696)		(89.747)	
<b>Gross operating profit</b>	<b>125.622</b>	<b>20,3%</b>	<b>118.343</b>	<b>21,6%</b>
Operating depreciation and amortization	(19.008)		(16.964)	
<b>Operating profit</b>	<b>106.614</b>	<b>17,2%</b>	<b>101.379</b>	<b>18,5%</b>
Amortization of goodwill	(15.116)		(12.598)	
Amortization of acquisition and listing cost	(3.226)		(3.226)	
Amortization of excess cost allocated to building	(402)		(402)	
Financial charges (income), net	(7.292)		(9.876)	
Cash discount to customers	(4.639)		(6.542)	
Adjustment to value of investments according to equity method	(530)		688	
Extraordinary income (expense), net	(807)		(1.122)	
<b>Profit before taxes and minority interests</b>	<b>74.602</b>	<b>12,1%</b>	<b>68.301</b>	<b>12,4%</b>
Income taxes	(26.611)		(26.363)	
<b>Net profit before minority interests</b>	<b>47.991</b>	<b>7,8%</b>	<b>41.938</b>	<b>7,6%</b>
Minority interests	(5.098)		(8.195)	
(Profit) loss before the acquisition of the control in consolidated companies	-		(1.638)	
<b>Net profit for the period</b>	<b>42.893</b>	<b>6,9%</b>	<b>32.105</b>	<b>5,9%</b>

## Interpump Group

### Reclassified consolidated balance sheets

	31/12/99 (Lire/millions)		31/12/98 (Lire/millions)	
<b>Current assets</b>				
Cash on hand	89.324		57.437	
Net trade receivables	156.304		110.592	
Inventories	161.946		117.625	
Other current assets	31.102		37.606	
<b>Total current assets</b>	<b>438.676</b>	<b>46,0%</b>	<b>323.260</b>	<b>45,1%</b>
<b>Non current assets</b>				
Net tangible fixed assets	138.078		117.434	
Goodwill	283.530		217.957	
Other net intangible assets	11.223		8.684	
Investments	18.183		16.081	
Treasury stock	40.427		31.015	
Other non current assets	23.047		2.502	
<b>Total non current assets</b>	<b>514.488</b>	<b>54,0%</b>	<b>393.673</b>	<b>54,9%</b>
<b>Total assets</b>	<b>953.164</b>	<b>100,0%</b>	<b>716.933</b>	<b>100,0%</b>
<b>Current liabilities</b>				
Amounts payable to banks	70.008		29.113	
Current portion of medium/ long term financings	40.235		18.232	
Trade payables	112.425		112.570	
Taxes payables	14.559		7.080	
Other current liabilities	24.379		39.046	
<b>Total current liabilities</b>	<b>261.606</b>	<b>27,4%</b>	<b>206.041</b>	<b>28,8%</b>
<b>Non current liabilities</b>				
Medium term financings, net of current portion	290.227		168.927	
Staff severance indemnities	20.819		17.716	
Deferred taxes	10.181		9.381	
Other non current liabilities	27.359		10.613	
<b>Total non current liabilities</b>	<b>348.636</b>	<b>36,6%</b>	<b>206.637</b>	<b>28,8%</b>
<b>Total liabilities</b>	<b>610.242</b>		<b>412.678</b>	
<b>Minority interests</b>	<b>25.830</b>		<b>23.087</b>	
<b>Shareholders' equity for the Group</b>				
Share Capital	81.950		81.400	
Reserves and retained earnings	192.249		167.663	
Net profit for the period	42.893		32.105	
<b>Total shareholders' equity for the Group</b>	<b>317.092</b>		<b>281.168</b>	
<b>Total consolidated shareholders' equity</b>	<b>342.922</b>	<b>36,0%</b>	<b>304.255</b>	<b>42,4%</b>
<b>Total liabilities and shareholders' equity</b>	<b>953.164</b>	<b>100,0%</b>	<b>716.933</b>	<b>100,0%</b>
<b>Net cash position</b>	<b>(310.134)</b>		<b>(162.432)</b>	

## Interpump Group

### Consolidated cash flow statements

	31/12/99 (Lire/millions)	31/12/98 (Lire/millions)
Net income for the period	42.893	32.105
Minority interests	5.098	8.195
(Profit) loss before the acquisition of the control in consolidated companies	-	1.638
Non cash items :		
Amortization of tangible and intangible fixed assets	37.752	33.190
Change in staff severance indemnities	3.103	3.047
Adjustment:		
Opening staff severance indemnities in companies not consolidated in the previous period	(1.327)	(1.970)
Deferred taxes	(1.133)	(881)
Adjustment:		
Opening deferred taxes in companies not consolidated in the previous period	(1.182)	-
Net (profit) loss from non consolidated investments	530	(688)
Change in other provision	3.706	402
Adjustment :		
Opening other provision in companies not consolidated in the previous period	(2.431)	(612)
<b>Cash flow from operations</b>	<b>87.009</b>	<b>74.426</b>
Cash flow obtained (used) through (in) net operating working capital	(71.078)	(19.810)
Adjustment :		
Opening operating working capital in companies not consolidated in the previous period	54.712	28.535
Change in net operating working capital of the period	(16.366)	8.725
<b>Operating cash flow</b>	<b>70.643</b>	<b>83.151</b>
<i>Investing activities</i>		
Increase in tangible fixed assets	(38.571)	(33.784)
Increase in intangible fixed assets	(7.158)	(1.254)
Adjustments :		
Opening fixed assets in companies not consolidated in the previous period	23.712	15.880
Net increase in tangible and intangible fixed assets of the period	(22.017)	(19.158)
Acquisition of investments	(131.384)	(60.892)
Change in payables related to the acquisition of investments	(19.950)	(6.475)
Acquisition of treasury stock	(9.412)	(31.015)
Other change	2.636	(1.844)
<b>Total cash flow used in investing activities</b>	<b>(180.127)</b>	<b>(119.384)</b>

<i>Financing activities</i>	<b>31/12/99</b> (Lire/millions)	<b>31/12/98</b> (Lire/millions)
Financings received from pool of banks	120.000	60.000
Increase (repayment) in other medium-term financings	5.982	8.460
Repayment of shareholders' financing	(129)	(10.289)
Collection (increase) of (in) medium/long term financial Receivable	(1.630)	(928)
Collection (increase) of (in) other non-current liabilities	(296)	118
Increase in share capital	2.750	-
Dividends paid	(17.198)	(11.884)
<b>Total cash flow obtained (used) through (in) financing activities</b>	<b><u>109.479</u></b>	<b><u>45.477</u></b>
 <i>Total cash flow generated (used)</i>	 <b><u>(5)</u></b>	 <b><u>9.244</u></b>
 Net cash and cash equivalents at the beginning of the period	 25.409	 26.660
Adjustments :		
Net cash and cash equivalents (debt) at the beginning of the period of the companies not consolidated in the previous period	(9.357)	(10.495)
Net cash and cash equivalents at the beginning of the period	<u>16.052</u>	<u>16.165</u>
 Net cash and cash equivalents at the end of the period	 <u>16.047</u>	 <u>25.409</u>
 Net cash and cash equivalents can be broken down as follows :		
Cash and hand	89.324	57.437
Payables to banks within one year	(104.564)	(44.195)
Adjustments : current portion of medium term financings	33.765	15.082
Interest prepayments	(2.478)	(2.915)
<b>Net cash and cash equivalents</b>	<b><u>16.047</u></b>	<b><u>25.409</u></b>
 The net cash position as follows :		
Cash on hand	89.324	57.437
Payables to banks within one year	(104.564)	(44.195)
Interest prepayments	(2.478)	(2.915)
Payables to banks after one year	(284.561)	(162.378)
Payables to other financial institutions net of payables due to holders of minority interests	(7.855)	(10.381)
<b>Net cash position</b>	<b><u>(310.134)</u></b>	<b><u>(162.432)</u></b>

## Interpump Group S.p.A. Statutory Reclassified Income Statements

	31/12/1999 (Lire/millions)		31/12/1998 (Lire/millions)	
Net revenues	129.371	<b>100,0%</b>	119.684	<b>100,0%</b>
Purchases net of changes in inventory	<u>(45.513)</u>		<u>(42.117)</u>	
<b>Gross industrial margin</b>	<b>83.858</b>	<b>64,8%</b>	<b>77.567</b>	<b>64,8%</b>
Payroll expenses	(23.722)		(22.320)	
Other operating costs	<u>(17.363)</u>		<u>(16.667)</u>	
<b>Gross operating profit</b>	<b>42.773</b>	<b>33,1%</b>	<b>38.580</b>	<b>32,2%</b>
Operating amortization and depreciation	<u>(3.401)</u>		<u>(3.310)</u>	
<b>Operating profit</b>	<b>39.372</b>	<b>30,4%</b>	<b>35.270</b>	<b>29,5%</b>
Amortization of goodwill	(5.006)		(5.006)	
Amortization of acquisition and listing costs	(3.226)		(3.226)	
Effect of accelerated depreciation	(240)		(610)	
Dividends and tax credits	14.597		6.720	
Other financial income and charges, net	(6.159)		(8.458)	
Write down of investments	(24.064)		(2.189)	
Extraordinary charges, net	<u>46.949</u>		<u>(16)</u>	
<b>Profit for the period before taxes</b>	<b>62.223</b>		<b>22.485</b>	
Income taxes	<u>(33.144)</u>		<u>(3.316)</u>	
<b>Net profit for the period</b>	<b><u>29.079</u></b>		<b><u>19.169</u></b>	



## Interpump Group S.p.A.

### Statutory Reclassified balance sheets

	31/12/1999 (Lire/millions)		31/12/1998 (Lire/millions)	
<b>Current assets</b>				
Cash and cash equivalents	49.086		20.592	
Net trade receivables	16.372		17.909	
Inventories	32.157		28.443	
Other current assets	31.288		74.050	
	<u>128.903</u>		<u>140.994</u>	
<b>Total current assets</b>	<b>128.903</b>	<b>24,3%</b>	<b>140.994</b>	<b>29,8%</b>
<b>Non current assets</b>				
Net tangible fixed assets	22.937		23.543	
Goodwill	82.966		87.973	
Other net intangible assets	4.186		7.185	
Investments	149.120		181.147	
Treasury stock	40.427		31.015	
Other non current assets	102.522		559	
	<u>402.158</u>		<u>331.422</u>	
<b>Total non current assets</b>	<b>402.158</b>	<b>75,7%</b>	<b>331.422</b>	<b>70,2%</b>
<b>Total assets</b>	<b>531.061</b>	<b>100,0%</b>	<b>472.416</b>	<b>100,0%</b>
	<u><u>531.061</u></u>		<u><u>472.416</u></u>	<u><u>100,0%</u></u>
<b>Current liabilities</b>				
Trade payables	14.930		20.954	
Taxes payables	6.518		980	
Other current liabilities	9.815		25.187	
Current portion of medium/ long term financing	99		191	
	<u>31.362</u>		<u>47.312</u>	
<b>Total current liabilities</b>	<b>31.362</b>	<b>5,9%</b>	<b>47.312</b>	<b>10,0%</b>
<b>Non current liabilities</b>				
Medium term financings, net of current portion	180.528		140.626	
Staff severance indemnities	5.914		5.304	
Deferred taxes and other provisions	-		1.818	
Other non current liabilities	21.338		6.825	
	<u>207.780</u>		<u>154.573</u>	
<b>Total non current liabilities</b>	<b>207.780</b>	<b>39,1%</b>	<b>154.573</b>	<b>32,7%</b>
<b>Total liabilities</b>	<b>239.142</b>		<b>201.885</b>	
	<u>239.142</u>		<u>201.885</u>	
<b>Shareholders' equity</b>				
Share capital	81.950		81.400	
Reserves and retained earnings	180.890		169.962	
Net profit for the period	29.079		19.169	
	<u>291.919</u>		<u>270.531</u>	
<b>Total shareholders' equity</b>	<b>291.919</b>	<b>55,0%</b>	<b>270.531</b>	<b>57,3%</b>
<b>Total liabilities and shareholders' equity</b>	<b>531.061</b>	<b>100,0%</b>	<b>472.416</b>	<b>100,0%</b>
	<u><u>531.061</u></u>		<u><u>472.416</u></u>	<u><u>100,0%</u></u>

## Interpump Group S.p.A.

### Cash flow statements

	31/12/1999 (Lire/millions)	31/12/1998 (Lire/millions)
Net profit for the period	29.079	19.169
Non-cash items :		
Depreciation and amortization of tangible and intangible fixed assets	11.873	12.152
Change in staff severance indemnities	610	440
Change in deferred taxes	(1.602)	(1.300)
Change in other provisions	(518)	518
(Capital gains) net capital losses on disposal of tangible and intangible assets	11	(14)
Devaluation of investments	24.064	2.189
Reduction in value of investments for distribution of profits obtained before the acquisition	14.072	2.262
Dividends received from subsidiaries and associates	(17.572)	(5.145)
Capital gains on disposal of investment	(45.017)	-
Tax on capital gain on disposal of investments	23.048	-
<b>Cash flow from operations</b>	<b>38.048</b>	<b>30.271</b>
Cash flow obtained (used) from (in) net operating working capital	8.467	8.272
<b>Operating cash flow generated</b>	<b>46.515</b>	<b>38.543</b>
<b>Investing activities</b>		
Increase in tangible fixed assets	(2.875)	(4.502)
Deferred costs incurred in the period	(407)	(488)
Cash received from the disposal of tangible and intangible assets	11	89
Acquisition of investments	(81.795)	(53.552)
Changes in payables related to the acquisition of investment	(19.450)	(7.475)
Disposal of investments	120.700	23.584
Purchase of treasury stock	(9.412)	(31.015)
Other changes	-	(48)
<b>Total cash flow used for investing activities</b>	<b>6.772</b>	<b>(73.407)</b>
<b>Financial activities</b>		
Financing received from pool of banks	40.000	60.000
Increase in (repayment of) financial receivables	61	63
Dividends paid	(10.441)	(8.671)
Dividends received from subsidiaries and associates	17.572	5.145
Loans to subsidiaries net of amount repaid	(74.593)	(32.337)
Increase of share capital	2.750	-
Repayment of other financings	(191)	(281)
<b>Total cash flow obtained (used) through (in) financing activities</b>	<b>(24.842)</b>	<b>23.919</b>
<b>Total cash flow generated (used)</b>	<b>28.445</b>	<b>(10.945)</b>
Net cash and cash equivalents at the beginning of the period	18.163	29.108
Net cash and cash equivalents at the end of the period	46.608	18.163
The net cash position is as follows:		
Cash and hand	49.086	20.592
Payables to banks within one year	(99)	(191)
Accrued interest	(2.478)	(2.429)
Payables to bank after one year	(180.528)	(140.626)
<b>Net cash position</b>	<b>(134.019)</b>	<b>(122.654)</b>
<b>Net cash position at net of loans granted to subsidiaries</b>	<b>(6.833)</b>	<b>(70.065)</b>