



PRESS RELEASE

Interpump Group: results for the financial year 2000

**NET CONSOLIDATED REVENUES INCREASED 29%
REACHING 411.7 MILLION EURO (Lit 797.2 billion)**

CONSOLIDATED EBITDA UP 23% AT 79.8 MILLION EURO (Lit 154.5 billion)

CASH FLOW UP 62%, ROE UP AT 20.4% FROM 18.4%

PRE-TAX PROFITS WERE UP 17% AT 45 MILLION EURO (Lit 87.1 billion)

Dividend of 0.087 Euro (+13% on the ordinary dividend for 1999)

Admission to the STAR segment of Borsa Italiana (Italian Stock Exchange) requested

Mr Giovanni Cavallini, C.E.O of Interpump Group:

“As a public company, after another year of record results, we’ve set our sights on new and relevant opportunities to create value for our Shareholders”.

Milan, 21 March 2001 - the Board of Directors of Interpump Group convened today to approve the draft financial statements for the year 2000, which were once again characterised by extremely high profitability and strong expansion in Italy and abroad.

The relevant growth is the result of the Interpump Group’s strengthening in its traditional reference markets as well as of the effects of acquisitions carried out during the year, among which the acquisition of controlling stakes in **Pulex** (58%), a European leading company in the manufacturing of window cleaning equipment and in **Ready System** (51%), the company that produces professional cleaning trolleys.

Net consolidated revenues of Interpump Group as at 31 December 2000 **were up 29% at 411.7 million Euro** compared to 319.3 million Euro the previous year. Like for like (i.e. on a comparable consolidation basis) the Group’s growth was equal to 7.1%.

The gross operating margin (EBITDA) grew 23% reaching 79.8 million Euro compared to 64.8 million Euro in 1999.

Consolidated operating profits (EBIT) were up 22% at 67.2 million Euro compared to 55.1 million Euro recorded the previous year. The ratio of operating profits to sales is equal to 16.3% compared to 17.2% recorded the previous year. The decrease in percentage is mainly due to the inclusion of recently acquired companies in the consolidation basis and to the increased cost of raw materials.

Profits before taxes grew 17% reaching 45.0 million Euro compared to 38.5 million Euro last year.

Net consolidated profits stood at 19.0 million Euro down from 22.1 million Euro recorded in 1999. The decrease is due to the greater tax burden incurred in the year 2000.

Operating cash flow was up 62% at 59.3 million Euro compared to 36.5 million Euro the previous year.



Net financial debt went from 160.2 million Euro at the end of 1999 to 177.1 million Euro as at 31 December 2000 mainly because of the result of the distribution of extraordinary dividends, which led to a charge of 33.8 million Euro, and of the acquisitions of shareholdings carried out during the year (10.4 million Euro).

The **ROCE** (Return on Capital Employed) was up **21.3%** in 2000 against 17.4% the previous year.

The **ROE** (Return on Equity) in 2000 was equal to **20.4%** against 18.4% in 1999.

The **Parent company** Interpump Group S.p.A. closed the year 2000 with **net profits** of 6.7 million Euro against 15 million Euro in 1999. Net of extraordinary items and fiscal adjustments, profits are in line with the previous year.

On the occasion, the Board of Directors, made a proposal to be submitted to the ordinary shareholders' meeting to be held on April, 23rd, to distribute a dividend of 0.087 Euro (+13% compared to the ordinary dividend distributed in 1999) to be paid on 10 May 2001, with ex-coupon date 7 May.

Among the strategic objectives achieved in the year 2000 we would like to point out, besides the already mentioned acquisitions of Pulex and Ready System, the completion of the acquisition of **Hydrometal Srl**, a company active in the field of components for industrial vehicle bodies, of **Teknova**, a company active in the field of motor sweepers and of **IP Floor**, one of the main European producers of floor-washing and monobrush machines.

In the course of the year 2000 Interpump Group, with a stake of 35%, was the promoter of MecMarket.com a digital marketplace for mechanical sector companies. This undertaking, which recently collected 3 million Euro from financial institutions and industrial companies, represents a further opportunity to use and develop the competencies and the experience accumulated by the Group.

In addition, Interpump Group applied for admission to the STAR segment of *Borsa Italiana (Italian Stock Exchange)*, since it complies with all the necessary requirements (transparency, complete and timely communications to the market and evolved Corporate Governance solutions).

“A new phase, characterised by the search for significant growth opportunities, has dawned for Interpump Group. The guidelines for the Group’s future development have already been marked by the successful strategy pursued up to today” – stated Mr Cavallini, C.E.O. of Interpump Group – “the size, the financial strength the Group has reached, and, last but not least, its status as a Public Company drive us towards a single goal: the creation of value for the company and its Shareholders”.



Interpump Group (consolidated data)

Summary table (amounts listed in Euro millions)

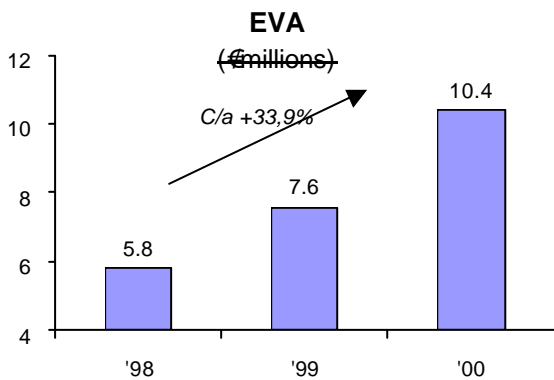
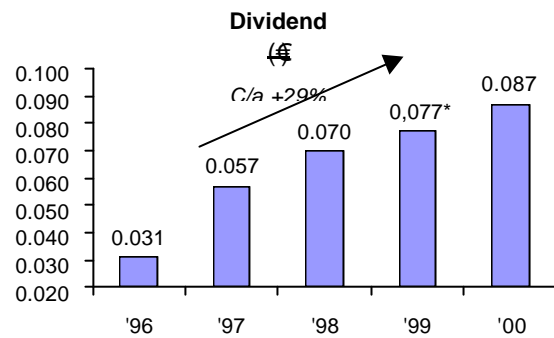
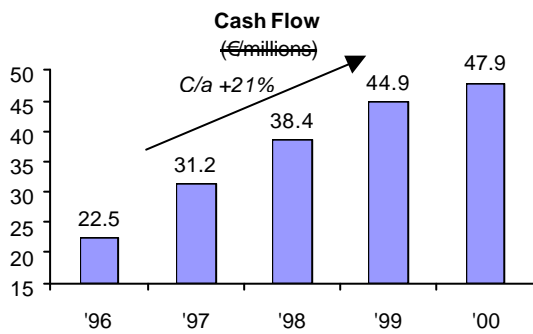
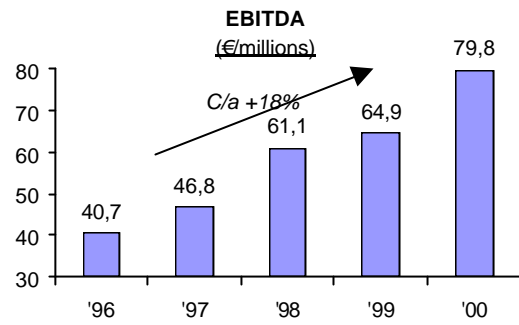
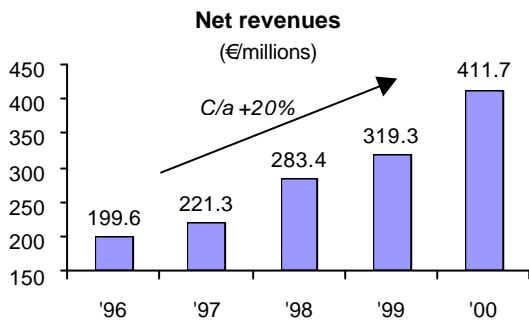
	1996	1997	1998	1999	2000	Average annual growth %	Growth 2000-1996
Net sales	199.6	221.3	283.4	319.3	411.7	+20%	+106%
EBITDA	40.7	46.8	61.1	64.9	79.8	+18%	+96%
Net profit	7.6	13.8	16.6	22.1	19.0	+26%	+150%
Cash flow	22.5	31.2	38.4	44.9	47.9	+21%	+113%
Dividend per share (€)	0.031	0.057	0.070	0.516*	0.087	+29%**	+181%
Earnings per share (€)	0.152	0.234	0.293	0.389	0.366	+25%	+141%

Dividends relate to the year in which the distributed profits were formed.

*= of which 0.439 of extraordinary dividends **= net of extraordinary dividends

Interpump Group (consolidated data)

	1996	1997	1998	1999	2000
ROCE Operating profits / (Consolidated net equity + Financial debt – Own shares)	20.2%	22.2%	23.3%	17.4%	21.3%
ROE (Net profits + amortisation of goodwill + Minority interests)/Consolidated net equity	11.4%	16.8%	17.9%	18.4%	20.4%



RECLASSIFIED CONSOLIDATED BALANCE SHEETS

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2000</i>		<i>31/12/1999</i>	
Trade receivables	87,606		80,764	
Inventories	87,483		83,638	
Prepayment and accrued income within one year	2,327		2,255	
Other receivables, net of deferred tax assets	4,359		12,421	
Trade payables	(66,551)		(58,113)	
Tax payables within one year	(10,505)		(8,166)	
Other current liabilities, net of payables for acquisition of investments	(10,497)		(8,445)	
Accrued expenses, net of interest charges	(907)		(438)	
<i>Net operating working capital</i>	<u>93,315</u>	27.5%	<u>103,916</u>	30.6%
Tangible fixed assets	76,719		71,305	
Goodwill	146,565		146,430	
Treasury stock	23,866		20,878	
Financial fixed assets	10,653		11,433	
Other non current assets	18,604		17,772	
Provisions	(8,263)		(8,367)	
Staff leaving indemnities	(12,156)		(10,753)	
Payables for acquisition of investments	(3,038)		(3,783)	
Other non current liabilities	(7,171)		(9,552)	
<i>Total net fixed assets</i>	<u>245,779</u>	72.5%	<u>235,363</u>	69.4%
<i>Total capital employed</i>		100.0%	339,279	100.0%
	<u>339,094</u>			
<i>Financed by:</i>				
Share capital	42,630		42,324	
Retained earnings	82,351		99,288	
Net profit for the period	19,016		22,151	
Total Group's net equity	143,997		163,763	
Minority interests	18,010		13,342	
<i>Total consolidated net equity</i>	<u>162,007</u>	47.8%	<u>177,105</u>	52.2%
Cash and cash equivalents	(48,773)		(46,132)	
Payables to banks within one year	29,693		36,568	
Current portion of long term financing	70,810		20,366	
Accrued interests	1,197		1,451	
Total short term indebtedness	52,927		12,253	
Long term financing, net of current portion	124,160		149,921	
<i>Total net indebtedness</i>	<u>177,087</u>	52.2%	<u>162,174</u>	47.8%
<i>Total sources of financing</i>		100.0%	339,279	100.0%
	<u>339,094</u>			

RECLASSIFIED CONSOLIDATED INCOME STATEMENTS

<i>(amounts expressed in thousands of euro)</i>	<u>31/12/2000</u>		<u>31/12/1999</u>	
Net revenues	411,673	100.0%	319,256	100.0%
Purchases, net of changes in inventories	<u>(189,091)</u>		<u>(143,811)</u>	
<i>Gross industrial margin</i>	<u>222,582</u>	54.1%	<u>175,445</u>	55.0%
Personnel expenses	(74,845)		(57,528)	
Other operating costs	<u>(67,926)</u>		<u>(53,038)</u>	
<i>Gross operating profit</i>	<u>79,811</u>	19.4%	<u>64,879</u>	20.3%
Operating amortisation and depreciation	<u>(12,655)</u>		<u>(9,817)</u>	
<i>Operating profit</i>	<u>67,156</u>	16.3%	<u>55,062</u>	17.1%
Amortisation of goodwill	(9,046)		(7,807)	
Amortisation of acquisition and listing costs	(1,666)		(1,666)	
Amortization of excess cost allocated to buildings	(208)		(208)	
Financial income (charges)	(9,077)		(3,766)	
Financial discounts granted to customers	(2,266)		(2,396)	
Adjustments of the value of investments to the equity method	291		(274)	
Extraordinary income (charges)	<u>(192)</u>		<u>(417)</u>	
<i>Profit before taxes and minority interests</i>	<u>44,992</u>		<u>38,528</u>	
Income taxes	<u>(20,941)</u>		<u>(13,743)</u>	
<i>Net profit before minority interests</i>	<u>24,051</u>		<u>24,785</u>	
Minority interests	<u>(5,035)</u>		<u>(2,633)</u>	
<i>Net profit for the period</i>	<u><u>19,016</u></u>		<u><u>22,152</u></u>	

CONSOLIDATED CASH FLOW STATEMENTS

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2000</i>	<i>31/12/1999</i>
Net profit for the period	19,016	22,152
Minority interests	5,035	2,633
Non-cash items :		
Depreciation and amortisation	23,575	19,497
Changes in staff severance indemnities	1,042	918
Changes in provision for deferred taxation, net of deferred tax asset	355	(1,195)
Losses (profits) of non-consolidated investments	(291)	274
Losses (gains) from sales of fixed assets	(230)	-
Changes in other provisions	(626)	658
<i>Cash flow from operations</i>	<i>47,876</i>	<i>44,937</i>
Changes in net operating working capital	11,413	(8,453)
<i>Operating cash flow generated</i>	<i>59,289</i>	<i>36,484</i>
<i>Investing activities</i>		
Increase in tangible fixed assets	(15,762)	(8,381)
Increase in intangible fixed assets	(2,952)	(2,990)
Acquisition of investments, net	(11,445)	(67,854)
Changes in payables relating to acquisition of investments	(745)	(10,303)
Purchase of treasury stock	(2,988)	(4,861)
Proceeds from sales of fixed assets	548	-
Other changes	(1,082)	1,361
<i>Total cash flow used in investing activities</i>	<i>(34,426)</i>	<i>(93,028)</i>
<i>Financing activities</i>		
Increase in (repayment of) long term borrowings	25,234	65,065
Repayment of shareholders' financing	(1,453)	(67)
Collection of (increase in) non current financial receivables	(116)	(842)
Payment of (increase in) other non current liabilities	-	(153)
Increase in share capital	77	1,420
Dividends collected from investments valued at equity method	255	-
Dividends paid	(40,222)	(8,882)
<i>Total cash flow obtained through (used in) financing activities</i>	<i>(16,225)</i>	<i>56,541</i>
Total cash flow generated (used)	<i>8,638</i>	<i>(3)</i>

CONSOLIDATED CASH FLOW STATEMENTS

(amounts expressed in thousands of euro) 31/12/2000 31/12/1999

Net cash and cash equivalents at the beginning of the year	8,288	13,123
Adjustments:		
Net cash and cash equivalents (payables) at beginning of the year of companies not consolidated in prior period	1,801	(4,832)
Net cash and cash equivalents at the beginning of the year	10,089	8,291
Cash flow generated (used)	8,638	(3)
Exchange differences	(844)	-
<i>Net cash and cash equivalents at the end of the year</i>	<i>17,883</i>	<i>8,288</i>

Cash and cash equivalents can be broken down as follows:

Cash on hand and securities	48,773	46,132
Payables to banks within one year	(99,351)	(54,003)
Adjustments: current portion of long term borrowings	69,658	17,438
Accrued interests	(1,197)	(1,279)
<i>Net cash and cash equivalents</i>	<i>17,883</i>	<i>8,288</i>

**RECLASSIFIED BALANCE SHEETS OF THE PARENT COMPANY
INTERPUMP GROUP S.p.A.**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2000</i>		<i>31/12/1999</i>	
Trade receivables	9,647		8,455	
Inventories	14,146		16,608	
Prepayment and accrued income within one year	22		18	
Other receivables, net of deferred tax assets	109		2,858	
Trade payables	(9,761)		(7,712)	
Tax payables within one year	(5,416)		(3,366)	
Other current liabilities, net of payables for acquisition of investments	(2,126)		(1,761)	
Accrued expenses, net of interest charges	<u>(1)</u>		<u>(1)</u>	
<i>Net operating working capital</i>	<u>6,620</u>	<i>3.1%</i>	<u>15,099</u>	<i>6.9%</i>
Tangible fixed assets	12,228		11,846	
Goodwill	40,263		42,848	
Treasury stock	23,866		20,878	
Financial fixed assets	144,450		143,090	
Other non current assets	1,923		2,319	
Provisions	(224)		-	
Staff leaving indemnities	(3,269)		(3,055)	
Payables for acquisition of investments	(3,038)		(3,525)	
Other non current liabilities	<u>(7,142)</u>		<u>(9,522)</u>	
<i>Total net fixed assets</i>	<u>209,057</u>	<i>96.9%</i>	<u>204,879</u>	<i>93.1%</i>
<i>Total capital employed</i>	<u>215,677</u>	<i>100.0%</i>	<u>219,978</u>	<i>100.0%</i>
<i>Financed by:</i>				
Share capital	42,630		42,324	
Retained earnings	68,513		93,421	
Net profit for the period	<u>6,691</u>		<u>15,018</u>	
<i>Total net equity</i>	<u>117,834</u>	<i>54.7%</i>	<u>150,763</u>	<i>68.5%</i>
Cash and cash equivalents	(22,156)		(25,351)	
Current portion of long term financing	49,977		51	
Accrued interests	994		1,280	
Total short term indebtedness	<u>28,815</u>		<u>(24,020)</u>	
Long term financing, net of current portion	<u>69,028</u>		<u>93,235</u>	
<i>Total net indebtedness</i>	<u>97,843</u>	<i>45.3%</i>	<u>69,215</u>	<i>31.5%</i>
<i>Total sources of financing</i>	<u>215,677</u>	<i>100.0%</i>	<u>219,978</u>	<i>100.0%</i>

**RECLASSIFIED INCOME STATEMENTS OF THE PARENT COMPANY
INTERPUMP GROUP S.p.A.**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2000</i>		<i>31/12/1999</i>	
Net revenues	66,270	100.0%	66,815	100.0%
Purchases, net of changes in inventories	<u>(23,123)</u>		<u>(23,506)</u>	
<i>Gross industrial margin</i>	<u>43,147</u>	<i>65.1%</i>	<u>43,309</u>	<i>64.8%</i>
Personnel expenses	(12,285)		(12,252)	
Other operating costs	<u>(9,918)</u>		<u>(8,967)</u>	
<i>Gross operating profit</i>	<u>20,944</u>	<i>31.6</i>	<u>22,090</u>	<i>33.1%</i>
Operating amortisation and depreciation	<u>(2,050)</u>		<u>(1,756)</u>	
<i>Operating profit</i>	<u>18,894</u>	<i>28.5%</i>	<u>20,334</u>	<i>30.4%</i>
Amortisation of goodwill	(2,585)		(2,585)	
Amortisation of acquisition and listing costs	(1,666)		(1,666)	
Accelerated depreciation	(123)		(124)	
Dividends and relating tax credits	8,908		7,539	
Financial income (charges), net	(1,879)		(1,469)	
Financial discounts granted to customers	(1,427)		(1,712)	
Write-downs of investments	(5,660)		(12,428)	
Extraordinary income (charges), net	<u>(225)</u>		<u>24,247</u>	
<i>Profit before taxes</i>	<u>14,237</u>		<u>32,136</u>	
Income taxes	<u>(7,546)</u>		<u>(17,118)</u>	
<i>Net profit for the period</i>	<u><u>6,691</u></u>		<u><u>15,018</u></u>	

**CASH FLOW STATEMENTS OF THE PARENT COMPANY
INTERPUMP GROUP S.p.A.**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2000</i>	<i>31/12/1999</i>
Net profit for the period	6,691	15,018
Non-cash items :		
Depreciation and amortisation	6,424	6,132
Changes in staff severance indemnities	214	315
Change in provision for deferred taxation, net of deferred tax asset	(93)	(827)
Changes in other provisions	224	(268)
Write-downs of investments	5,660	12,428
Reduction in value of investments for distribution of profits obtained before the acquisition	828	7,268
Exchange gains on loan granted in foreign currency	(707)	
Losses (gains) from sales of fixed assets	(16)	6
Dividends received from subsidiaries	(6,134)	(9,075)
Capital gain from sales of investments	-	(23,249)
Substitute tax on capital gain	-	11,903
<i>Cash flow from operations</i>	<u>13,091</u>	<u>19,651</u>
Changes in net operating working capital	5,771	4,373
<i>Operating cash flow generated</i>	<u>18,862</u>	<u>24,024</u>
<i>Investing activities</i>		
Increase in tangible fixed assets	(2,252)	(1,485)
Increase in intangible fixed assets	(1,152)	(210)
Acquisition of investments, net	(10,429)	(42,244)
Changes in payables relating to acquisition of investments	(487)	(10,045)
Proceeds from sales of investments in subsidiaries	-	62,336
Purchase of treasury stock	(2,988)	(4,861)
Proceeds from sales of fixed assets	49	6
<i>Total cash flow used in investing activities</i>	<u>(17,259)</u>	<u>3,497</u>
<i>Financing activities</i>		
Increase in (repayment of) long term borrowings	25,721	20,560
Collection (increase) of long term financial receivables	3,255	(38,493)
Payment of (increase in) other non current liabilities		
Increase in share capital	77	1,420
Dividends received from subsidiaries	6,134	9,075
Dividends paid	(39,699)	(5,392)
<i>Total cash flow obtained through (used in) financing activities</i>	<u>(4,512)</u>	<u>(12,830)</u>
Total cash flow generated (used)	<u>(2,909)</u>	<u>14,691</u>

**CASH FLOW STATEMENTS OF THE PARENT COMPANY
INTERPUMP GROUP S.p.A.**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2000</i>	<i>31/12/1999</i>
Net cash and cash equivalents at the beginning of the year	24,071	9,380
Cash flow generated (used)	(2,909)	14,691
Net cash and cash equivalents at the end of the year	<u>21,162</u>	<u>24,071</u>

Cash and cash equivalents can be broken down as follows: :

Cash on hand and securities	22,156	25,351
Interests accrued	(994)	(1,280)
<i>Cash and cash equivalents</i>	<u>21,162</u>	<u>24,071</u>