



PRESS RELEASE

Interpump Group: second quarter 2001 results

INTERPUMP GROUP MAINTAINS GROWTH IN 2001

The cleaning sector has driven the company's turnover and profitability performance

Second quarter net earnings: up 19%

Chief executive Mr. Giovanni Cavallini:

“The second quarter 2001 has further demonstrated that Interpump Group's geographical and business sector diversification strategy has continued to fuel growth in terms of both turnover and profitability, despite the economic slowdown in the industrialized economies.”

Sant'Ilario d'Enza, 10 August 2001 –

After reporting good results in the first quarter 2001, the Interpump Group's performance improved even further in the second quarter, despite the market slowdown in the overall economy. The increase in profitability was noticeable, both in terms of operating income and net earnings, up 18.9% year-on-year. Operating cash flow grew 12.7%, again demonstrating the Company's strong capacity to generate liquidity.

Net revenues rose 2.4% from €15.5 million in the second quarter 2000 to **€18.3 million** (a 0.4% increase on a comparable consolidation area basis).

The cleaning sector, which generated 45% of net consolidated revenues, recorded a 8.8% growth rate from €9.1 million in the second quarter 2000 to €3.4 million (a 4% increase on a comparable consolidation area basis), driving the Interpump Group's performance for the period.

Gross margin increased 3.7% to €63.1 million. Its ratio to net revenues rose 0.7 points from 52.7% in the second quarter 2000 to 53.4%.

Gross operating margin increased from €23.3 million in the second quarter 2000 to **€25.4 million**. The ratio to net revenues improved from 20.2% in the previous period to 21.5%.

Operating income increased from €20.5 million in the first quarter 2000 to **€21.8 million, equal to 18.4% of net revenues, 17.7% in the second quarter 2000.**

Consolidated net earnings grew around 19% from €6.1 million in the second quarter 2000 to **€7.3 million euro.**



Cash flow generation in the second quarter 2001 **amounted to €13.9 million**, an around 13% increase as compared to the year-ago period when cash flow reached €2.3 million. **Net financial indebtedness increased slightly** from €79.5 million at the end of the second quarter 2000 **to €181.1 million**. As at year-end 2000, financial indebtedness had stood at €77.1 million.

Net revenues for the entire first half of the year grew 3% from €24.1 in the first half 2000 to €30.9 million. On a comparable consolidation area basis the increase was 0.9% to €26.1 million. Operating income increased from €0.3 million in the first half 2000 to €1.4 million. Net earnings grew 5.7% from €2.0 million in the first half 2000 to €2.7 million.

Consolidated net equity as at 30 June 2001 stood at €170.9 million, up 12% from €152.6 million a year before.

Interpump Group has been admitted to the STAR segment of the Italian stock exchange, considering its improved corporate governance and transparency in terms of operations and communications policy.

Vice-Chairman and Chief Executive of Interpump Group Giovanni Cavallini stated:

“The second quarter 2001 has further demonstrated that Interpump Group’s geographical and business sector diversification strategy has continued to fuel growth in terms of both turnover and profitability, despite the economic slowdown in the industrialized economies.”

For information: Moccagatta Associati Tel. + 39 02/86451695

Financial statements

Reclassified consolidated income statements of the second quarter	<i>2nd quarter 2001 €/000</i>	<i>%</i>	<i>2nd quarter 2000 €/000</i>	<i>%</i>
Net revenues	118,288	100.0	115,537	100.0
Purchases, net of changes in inventories	<u>(55,165)</u>		<u>(54,663)</u>	
Gross industrial margin	63,123	53.4	60,874	52.7
Personnel expenses	(19,775)		(20,072)	
Other operating costs	<u>(17,959)</u>		<u>(17,450)</u>	
Gross operating profit	25,389	21.5	23,352	20.2
Operating depreciation and amortisation	<u>(3,627)</u>		<u>(2,877)</u>	
Operating profit	21,762	18.4	20,475	17.7
Amortisation of goodwill	(2,350)		(2,250)	
Amortisation of acquisition and listing cost	-		(411)	
Amortisation of the consolidation difference allocated to buildings	(52)		(52)	
Financial income (charges), net	(2,653)		(2,140)	
Financial discounts granted to clients	(532)		(737)	
Adjustment of value of investments according to the equity method	90		467	
Extraordinary income (charges), net	<u>422</u>		<u>(65)</u>	
Profit for the period before taxes and minority interests	16,687	14.1	15,287	13.2
Income taxes	<u>(7,902)</u>		<u>(7,536)</u>	
Net profit before minority interests	8,785		7,751	
Minorità interests	<u>(1,483)</u>		<u>(1,611)</u>	
Net profit for the period	<u>7,302</u>	6.2	<u>6,140</u>	5.3

Reclassified consolidated income statements of the first half year	First half year (six months) 2001 €/000	%	First half year (six months) 2000 €/000	%
Net revenues	230,899	100.0	224,140	100.0
Purchases, net of changes in inventories	<u>(105,399)</u>		<u>(104,615)</u>	
Gross industrial margin	125,500	54.4	119,525	53.3
Personnel expenses	(39,642)		(38,742)	
Other operating costs	<u>(37,600)</u>		<u>(34,615)</u>	
Gross operating profit	48,258	20.9	46,168	20.6
Operating depreciation and amortisation	<u>(6,852)</u>		<u>(5,845)</u>	
Operating profit	41,406	17.9	40,323	18.0
Amortisation of goodwill	(4,647)		(4,439)	
Amortisation of acquisition and listing cost	-		(833)	
Amortisation of the consolidation difference allocated to buildings	(104)		(104)	
Financial income (charges), net	(5,446)		(3,988)	
Financial discounts granted to clients	(960)		(1,388)	
Adjustment of value of investments according to the equity method	344		408	
Extraordinary income (charges), net	<u>204</u>		<u>57</u>	
Profit for the period before taxes and minority interests	30,797	13.3	30,036	13.4
Income taxes	<u>(15,096)</u>		<u>(14,919)</u>	
Net profit before minority interests	15,701	6.8	15,117	6.7
Minorità interests	<u>(2,987)</u>		<u>(3,090)</u>	
Net profit for the period	<u>12,714</u>	5.5	<u>12,027</u>	5.4

Reclassified consolidated balance sheets

	30/06/2001	%	30/06/2000	%	31/12/2000	%
	€000		€000		€000	
Trade receivables	104,213		98,287		87,606	
Inventories	92,966		86,753		87,483	
Prepayment and accrued income within one year	3,850		2,814		2,327	
Other receivables, net of deferred tax assets	7,844		7,609		4,359	
Trade payables	(76,645)		(78,239)		(66,551)	
Tax payables due within one year	(14,907)		(13,757)		(10,505)	
Other current liabilities, net of payables for acquisition of equity investments	(13,778)		(12,963)		(10,497)	
Accrued expenses, net of interest charges	(647)		(478)		(907)	
Opening net operating working capital	102,896	29.2	90,026	27.1	93,315	27.5
Tangible fixed assets	78,303		74,025		76,719	
Goodwill	143,885		144,922		146,595	
Treasury stock	24,129		23,495		23,866	
Other financial fixed assets	11,956		11,589		10,653	
Other non current assets	17,963		16,081		18,604	
Provisions	(7,956)		(7,810)		(8,263)	
Staff severance indemnities	(12,676)		(11,172)		(12,156)	
Payables for acquisition of equity investments	(1,523)		(1,498)		(3,038)	
Other non current liabilities	(4,957)		(7,541)		(7,171)	
Total net fixed assets	249,124	70.8	242,091	72.9	245,779	72.5
Total capital employed	352,020	100.0	332,117	100.0	339,094	100.0
Financed by:						
Share Capital	42,703		42,339		42,630	
Retained earnings	96,185		82,316		82,351	
Profit for the period	<u>12,714</u>		<u>12,027</u>		<u>19,016</u>	
Total shareholders' equity for the Group	151,602		136,682		143,997	
Minority interests	<u>19,305</u>		<u>15,899</u>		18,010	
Total consolidated shareholders' equity	170,907	48.6	152,581	45.9	162,007	47.8
Cash on hand	(44,084)		(44,906)		(48,703)	
Payables to banks within one year	29,872		30,031		29,693	
Current portion of medium/long term financing	79,644		20,823		70,810	
Accrued interests	<u>1,178</u>		=		<u>1,197</u>	
Total short term indebtedness	66,610		5,948		52,927	
Medium/long-term financing	114,503		173,588		124,160	
Total net indebtedness	181,113	51.4	179,536	54.1	177,087	52.2
Total sources of financing	352,020	100.0	332,117	100.0	339,094	100.0