



PRESS RELEASE

*Interpump Group: consolidated results
for the quarter ended 30 September 2001*

INTERPUMP GROUP: PROFITS AND SALES STILL PUTTING IN FIRM GROWTH

Net profit for third quarter: +17.8% to 2.3 million Euros
Net revenues: +7.1% to 95.5 million Euros

Operating cashflow: +52% to 18 million Euros

Statement from the Managing Director, Giovanni Cavallini:

“As further evidence of the Group’s competitive strength and reflecting the high quality of the offer segmentation as well as its acyclical features, Group sales at the end of October were higher than those recorded in the same period of the year 2000, notwithstanding the macroeconomic uncertainties.”

Sant’Ilario d’Enza, 13 November 2001 – **The third quarter of 2001** saw the Interpump Group make further improvements to what had already been solid results in the two previous quarters of the current year. Especially worthy of mention is the progress made by profitability, which advanced in terms of both operating results and **net profit, which increased by 17.8%**. The Group’s considerable cashflow-generating ability was further reflected in firm growth undergone by its operating cashflow (+52.0% to 18.0 million Euros).

Growth was driven by the **Cleaning Sector** and **Oleodynamic Sector**. The Cleaning Sector, which accounts for 45% of consolidated net revenues, grew by 14.6% (+10.8% had the Group’s consolidation structure remained unchanged) to total 42.2 million Euros. This compared with 36.9 million Euros in the third quarter of 2000. The Group’s Oleodynamic Sector, which by generating 29% of the Group’s net revenues is its second area of activity, grew at a rate of 8.3% (+2.9% had the Group’s consolidation structure remained unchanged) to reach 30.6 million Euros against the 28.2 million Euros achieved in the third quarter of 2000. This increase was achieved despite the tough economic situation witnessed in the USA, where the Interpump Group enjoys strong competitive positions.

Consolidated net revenues advanced by 7.1% to total 95.5 million Euros against the 89.2 million Euros registered in third quarter 2000 (+3.8% had the Group’s consolidation structure remained unchanged between the two periods).

Gross operating profit (EBITDA) increased by 3.1% to 17.2 million Euros (against 16.7 million Euros in the third quarter of 2000), this being equal to 18% of net revenues.

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Operating profit (EBIT) advanced to 13.9 million Euros, up 1.7% on the 13.6 million Euros posted in the third quarter of 2000.

Consolidated net profit amounted to 2.3 million Euros, up 17.8% on the 1.9 million Euros posted in third quarter 2000.

The level of operating **cashflow** generated in the quarter was also notable, as it grew to 18.0 million Euros to represent a 52% increase on the 11.8 million Euros posted for the same period of 2000.

Net borrowing was down by 7 million Euros on the level as at 31 December 2000, to total 170.0 million Euros (145.0 million Euros if adjusted by the Group's own shares).

Net revenues for the first nine months of the year 2001 climbed by 4.2% to 326.4 million Euros. Had the Group's consolidation structure remained unchanged, then net revenues would instead have grown by 1.7% to 318.7 million Euros. Gross operating profit (EBITDA) was equal to 20.1% of net revenues, being such percentage substantially unchanged if compared to the one seen for the first nine months of the year 2000. Operating profit amounted to 55.3 million Euros, against 54.0 million Euros in the first nine months of the year 2000. Net profit increased by 7.4% to stand at 15.0 million Euros. **In the first nine months of the current year, adjusted net profit per share worked out to €0.287, up 6.7% on the value seen for the same period of the year 2000.**

Giovanni Cavallini, the Interpump Group's Managing Director said: "As further evidence of the Group's competitive strength and reflecting the high quality of the offer segmentation as well as its acyclical features, Group sales at the end of October were higher than those recorded in the same period of the year 2000, notwithstanding the macroeconomic uncertainties'. The more than positive performance seen in the third quarter of the year is helping to sustain our strategy for both internal and external growth, which will be achieved through targeted acquisitions in the Cleaning and Oleodynamic sectors."

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Financial statements

Reclassified consolidated income statements of the third quarter	<i>Third quarter 2001 €/000</i>	<i>%</i>	<i>Third quarter 2000 €/000</i>	<i>%</i>
Net revenues	95,524	100.0	89,179	100.0
Purchases, net of changes in inventories	<u>(43,263)</u>		<u>(38,627)</u>	
Gross industrial margin	52,261	54.7	50,552	56.7
Personnel expenses	(17,964)		(17,895)	
Other operating costs	<u>(17,067)</u>		<u>(15,942)</u>	
Gross operating profit	17,230	18.0	16,715	18.7
Operating depreciation and amortisation	<u>(3,359)</u>		<u>(3,070)</u>	
Operating profit	13,871	14.5	13,645	15.3
Amortisation of goodwill	(2,353)		(2,242)	
Amortisation of acquisition and listing cost	-		(433)	
Amortisation of the consolidation difference allocated to buildings	(52)		(52)	
Financial income (charges), net	(2,785)		(2,828)	
Financial discounts granted to clients	(344)		(498)	
Adjustment of value of investments according to the equity method	(168)		30	
Extraordinary income (charges), net	<u>72</u>		<u>189</u>	
Profit for the period before taxes and minority interests	8,241	8.6	7,811	8.8
Income taxes	<u>(4,996)</u>		<u>(4,918)</u>	
Net profit before minority interests	3,245		2,893	
Minority interests	<u>(932)</u>		<u>(930)</u>	
Net profit for the period	<u>2,313</u>	2.4	<u>1,963</u>	2.2

Reclassified consolidated income statements (nine months)	<i>30/09/2001</i> €/000 <i>(nine months)</i>	<i>%</i>	<i>30/09/2000</i> €/000 <i>(nine months)</i>	<i>%</i>
Net revenues	326,423	100.0	313,319	100.0
Purchases, net of changes in inventories	<u>(148,662)</u>		<u>(143,242)</u>	
Gross industrial margin	177,761	54.5	170,077	54.3
Personnel expenses	(57,606)		(56,637)	
Other operating costs	<u>(54,667)</u>		<u>(50,557)</u>	
Gross operating profit	65,488	20.1	62,883	20.1
Operating depreciation and amortisation	(10,211)		(8,915)	
Operating profit	55,277	16.9	53,968	17.2
Amortisation of goodwill	(7,000)		(6,681)	
Amortisation of acquisition and listing cost	-		(1,266)	
Amortisation of the consolidation difference allocated to buildings	(156)		(156)	
Financial income (charges), net	(8,231)		(6,816)	
Financial discounts granted to clients	(1,304)		(1,886)	
Adjustment of value of investments according to the equity method	176		437	
Extraordinary income (charges), net	276		247	
Profit for the period before taxes and minority interests	39,038	12.0	37,847	12.1
Income taxes	<u>(20,092)</u>		<u>(19,837)</u>	
Net profit before minority interests	18,946		18,010	
Minority interests	<u>(3,919)</u>		<u>(4,020)</u>	
Net profit for the period	<u>15,027</u>	4.6	<u>13,990</u>	4.5

Reclassified consolidated balance sheets

	30/09/2001	%	30/06/2001	%	31/12/2000	%
	€000		€000		€000	
Trade receivables	86,123		104,213		87,606	
Inventories	88,248		92,966		87,483	
Prepayment and accrued income within one year	2,986		3,850		2,327	
Other receivables, net of deferred tax assets	9,671		7,844		4,359	
Trade payables	(61,327)		(76,645)		(66,551)	
Tax payables due within one year	(17,278)		(14,907)		(10,505)	
Other current liabilities, net of payables for acquisition of equity investments	(11,509)		(13,778)		(10,497)	
Accrued expenses, net of interest charges	(906)		(647)		(907)	
Opening net operating working capital	96,008	27.9	102,896	29.2	93,315	27.5
Tangible fixed assets	79,524		78,303		76,719	
Goodwill	142,614		143,885		146,565	
Treasury stock	25,071		24,129		23,866	
Other financial fixed assets	11,038		11,956		10,653	
Other non current assets	16,471		17,963		18,604	
Provisions	(7,365)		(7,956)		(8,263)	
Staff severance indemnities	(13,106)		(12,676)		(12,156)	
Payables for acquisition of equity investments	(1,523)		(1,523)		(3,038)	
Other non current liabilities	(4,905)		(4,957)		(7,171)	
Total net fixed assets	247,819	72.1	249,124	70.8	245,779	72.5
Total capital employed	343,827	100.0	352,020	100.0	339,094	100.0
Financed by:						
Share Capital	42,777		42,703		42,630	
Retained earnings	95,105		96,185		82,351	
Profit for the period	<u>15,027</u>		<u>12,714</u>		<u>19,016</u>	
Total shareholders' equity for the Group	152,909		151,602		143,997	
Minority interests	<u>20,883</u>		<u>19,305</u>		<u>18,010</u>	
Total consolidated shareholders' equity	<u>173,792</u>	50.5	<u>170,907</u>	48.6	<u>162,007</u>	47.8
Cash on hand	(47,059)		(44,084)		(48,773)	
Payables to banks within one year	18,767		29,872		29,693	
Current portion of medium/long term financing	78,474		79,644		70,810	
Accrued interests	<u>3,135</u>		<u>1,178</u>		<u>1,197</u>	
Total short term indebtedness	53,317		66,610		52,927	
Medium/long-term financing	<u>116,718</u>		<u>114,503</u>		124,160	
Total net indebtedness	<u>170,035</u>	49.5	<u>181,113</u>	51.4	<u>177,087</u>	52.2
Total sources of financing	<u>343,827</u>	100.0	<u>352,020</u>	100.0	<u>339,094</u>	100.0