



PRESS RELEASE

Interpump Group: results as at June 30, 2002

NET SALES: +16.8% TO 269.6 MILLION EUROS

NET PROFIT: +12.5% TO 14.3 MILLION EUROS

OPERATING CASH FLOW AT 32.8 MILLION EUROS, ALMOST DOUBLE (+90.3%) COMPARED WITH THE FIRST HALF OF 2001

Chief executive, Mr. Giovanni Cavallini, said: "The strong rise in net sales focused primarily on the Cleaning sector's consumer segment once again proves the strength of the geographic and business diversification strategy of Interpump Group."

Milan, September 17, 2002 – Interpump Group's results for the first half of 2002, approved by the Board of Directors which met in Milan today, confirm the high growth rate, the high profitability and the company's ability to generate cash.

Interpump Group ended the first half of 2002 with a sharp **increase in net sales (+16.8%) to 269.6 million euros** (230.9 million euros as at June 30, 2001); this increase is mainly a consequence of the growth of the Cleaning sector. Like for like, the increase would have been of 12.9% to 260.8 million euros.

Interpump Group estimates for the **full year 2002 sales** of around **485 million euros**.

Net sales of the Cleaning sector grew by 34.9%, to 141.7 million euros (30.1% like for like), compared with 105.0 million euros in the first half of 2001; the **hydraulic sector grew by 2.6%** to 67.7 million euros (a slight fall of 3% like for like), compared with 66.0 million euros in the same period of 2001; the **industrial sector grew by 1.1%** to 58.6 million euros, compared with 58.0 million euros in the first half of 2001.

In the first half of 2002, Interpump acquired IP Gansow GmbH, a leading European producer of floor scrubbers and professional floor sweepers; on the basis of previous contractual agreements it also bought a 30% stake in General Pump and 14% of Interclean Assistance.

Gross operating margin (EBITDA) was 48.9 million euros, up 0.7% compared with the first half of 2002 (48.2 million euros).

Operating margin (EBIT) in the first half totaled **41.5 million euros (+0.3%)**, in line with 41.4 million euros posted in the first half of 2001.

Consolidated net profit rose **12.5% to 14.3 million euros** compared with 12.7 million euros of the first half of 2001.

Cash Flow rose by **11.5% to 29.4 million euros**, compared with 26.3 million euros as at June 30, 2001.

After the changes in working capital, the **operating cash flow almost doubled (+90.3%)** compared with the first half of 2001, reaching **32.8 million euros** (17.2 million euros as at June 30, 2001).

Net financial debt decreased to 170.2 million euros, compared with the 181.1 million euros posted in the first half of 2001. As at December 31, 2001 the net financial debt was of 176.4 million euros.

ROE (Return on Equity) in the first half of 2002 was of 11.9%, steady from that of the first half of 2001. The return on capital employed (**ROCE: Return on Capital Employed**) of the first half of 2002 **was of 12.6%**, the same as in the first half of 2001.

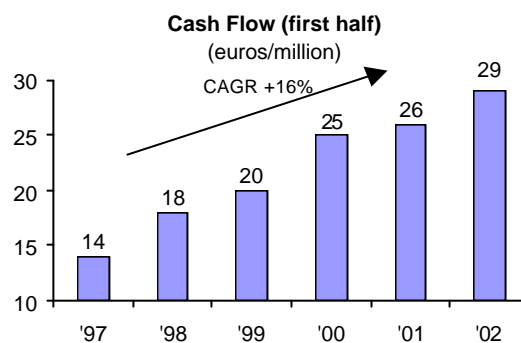
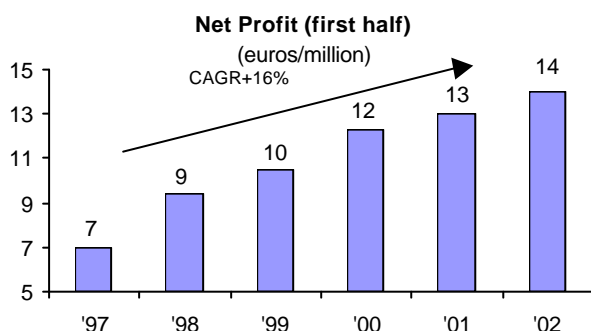
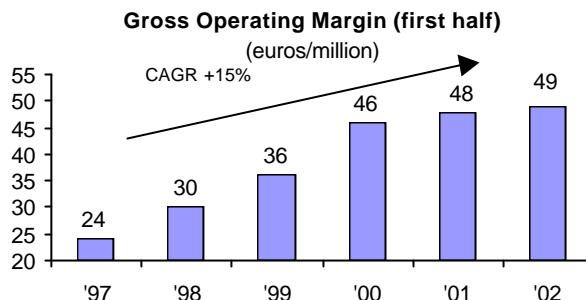
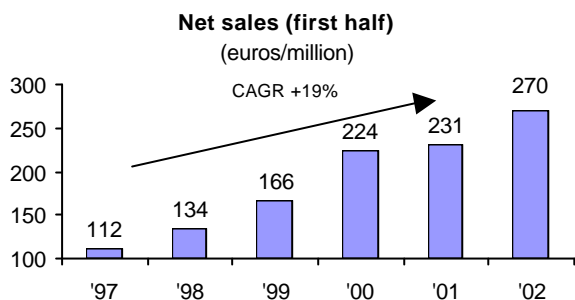
We underline that both ratios were remarkably constant over the last seven year period (see graphs below).

Consolidated net equity as at June 30, 2002 rose to 185.2 million euros, compared with 170.9 million euros posted as at June 30, 2001 (**+8.4%**).



EPS (adjusted earnings per share) was **0.248 euros, up 9.7%** compared with the first half of 2001 (0.226 euro).

Mr. Giovanni Cavallini, Chief Executive Officer of Interpump Group, said: *“The strong rise in net sales focused primarily on the Cleaning sector’s consumer segment once again proves the strength of the geographic and business diversification strategy of Interpump Group”*.



| Interpump Group S.p.A. | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | weighted average |
|------------------------|-------|-------|-------|-------|-------|-------|-------|------------------|
| ROE - 1° half | 12.4% | 8.4% | 10.0% | 10.0% | 12.8% | 11.9% | 11.9% | 11.2% |
| ROE - annual | 11.4% | 16.8% | 17.9% | 18.4% | 20.4% | 20.0% | | 17.8% |
| ROCE - 1° half | 11.9% | 12.3% | 13.1% | 12.9% | 13.1% | 12.6% | 12.6% | 12.7% |
| ROCE - annual | 20.2% | 22.2% | 23.3% | 17.4% | 21.3% | 20.3% | | 20.5% |

ROE = (Net profit + goodwill amortization + minority interest)/consolidated net equity

ROCE = operating profit / (consolidated net equity + financial debt – treasury stock)

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INTERPUMP GROUP
RECLASSIFIED CONSOLIDATED INCOME STATEMENTS

| | 30/06/2002 | | 30/06/2001 | | 31/12/2001 | |
|---|---------------------|--------|---------------------|--------|------------------------|--------|
| <i>(amounts expressed in thousands of euros)</i> | <i>(six months)</i> | | <i>(six months)</i> | | <i>(twelve months)</i> | |
| Net revenues | 269,583 | 100.0% | 230,899 | 100.0% | 426,075 | 100.0% |
| Purchases, net of changes in inventories | <u>(122,332)</u> | | <u>(105,399)</u> | | <u>(192,744)</u> | |
| <i>Gross industrial margin</i> | <u>147,251</u> | 54.6% | <u>125,500</u> | 54.4% | <u>233,331</u> | 54.8% |
| Personnel expenses | (44,849) | | (39,642) | | (77,394) | |
| Other operating costs | <u>(53,449)</u> | | <u>(37,600)</u> | | <u>(74,623)</u> | |
| <i>Gross operating profit</i> | <u>48,953</u> | 18.2% | <u>48,258</u> | 20.9% | <u>81,314</u> | 19.1% |
| Operating depreciation and amortisation | <u>(7,431)</u> | | <u>(6,852)</u> | | <u>(13,762)</u> | |
| <i>Operating profit</i> | <u>41,522</u> | 15.4% | <u>41,406</u> | 17.9% | <u>67,552</u> | 15.9% |
| Amortisation of goodwill | (4,775) | | (4,647) | | (9,348) | |
| Amortisation of the consolidation difference allocated to buildings | (104) | | (104) | | (208) | |
| Financial income (charges), net | (4,475) | | (5,446) | | (10,515) | |
| Financial discounts granted to customers | (826) | | (960) | | (1,798) | |
| Adjustment of value of investments according to the equity method | 282 | | 344 | | (1,207) | |
| Extraordinary income (charges), net | <u>418</u> | | <u>204</u> | | <u>(168)</u> | |
| <i>Profit for the period before taxes and minority interests</i> | <u>32,042</u> | | <u>30,797</u> | | <u>44,308</u> | |
| Income taxes | <u>(14,849)</u> | | <u>(15,096)</u> | | <u>(17,089)</u> | |
| <i>Net profit before minority interests</i> | <u>17,193</u> | | <u>15,701</u> | | <u>27,219</u> | |
| Minority interests | <u>(2,894)</u> | | <u>(2,987)</u> | | <u>(5,786)</u> | |
| <i>Net profit for the period</i> | <u>14,299</u> | 5.3% | <u>12,714</u> | 5.5% | <u>21,433</u> | 5.0% |

INTERPUMP GROUP
RECLASSIFIED CONSOLIDATED BALANCE SHEETS

| <i>(amounts expressed in thousands of euros)</i> | <i>30/06/2002</i> | | <i>30/06/2001</i> | | <i>31/12/2001</i> | |
|---|-------------------|--------|-------------------|--------|-------------------|--------|
| Trade receivables | 113,076 | | 104,213 | | 90,371 | |
| Inventories | 94,201 | | 92,966 | | 88,337 | |
| Prepayments and accrued income within one year | 3,182 | | 3,850 | | 2,232 | |
| Other receivables, net of deferred tax assets | 13,106 | | 7,844 | | 7,043 | |
| Trade payables | (99,540) | | (76,645) | | (68,768) | |
| Tax payables due within one year | (18,950) | | (14,907) | | (9,477) | |
| Other current liabilities, net of payables for the acquisition of equity investments | (16,003) | | (13,778) | | (10,832) | |
| Accrued expenses, net of interest charges | (682) | | (647) | | (596) | |
| <i>Opening net operating working capital</i> | <u>88,390</u> | 24.9% | <u>102,896</u> | 29.2% | <u>98,310</u> | 27.4% |
| Tangible fixed assets | 93,135 | | 78,303 | | 88,783 | |
| Goodwill | 138,842 | | 143,885 | | 140,238 | |
| Treasury stock | 26,090 | | 24,129 | | 25,726 | |
| Other financial fixed assets | 10,675 | | 11,956 | | 10,792 | |
| Other non current assets | 23,050 | | 17,963 | | 22,899 | |
| Provisions for risks and charges net of the deferred tax provision on dividends | (7,298) | | (7,956) | | (8,643) | |
| Staff severance indemnities | (14,206) | | (12,676) | | (13,379) | |
| Payables for the acquisition of equity investments | (516) | | (1,523) | | (516) | |
| Other non current liabilities | (2,704) | | (4,957) | | (4,999) | |
| <i>Total net fixed assets</i> | <u>267,068</u> | 75.1% | <u>249,124</u> | 70.8% | <u>260,901</u> | 72.6% |
| <i>Total capital employed</i> | <u>355,458</u> | 100.0% | <u>352,020</u> | 100.0% | <u>359,211</u> | 100.0% |
| <i>Financed by:</i> | | | | | | |
| Share capital | 43,055 | | 42,703 | | 42,778 | |
| Retained earnings | 106,912 | | 96,185 | | 95,783 | |
| Profit for the period | 14,299 | | 12,714 | | 21,433 | |
| Total shareholders' equity for the Group | 164,266 | | 151,602 | | 159,994 | |
| Minority interests | 20,960 | | 19,305 | | 22,788 | |
| <i>Total consolidated shareholders' equity</i> | <u>185,226</u> | 52.1% | <u>170,907</u> | 48.6% | <u>182,782</u> | 50.9% |
| Cash on hand | (36,269) | | (44,084) | | (23,181) | |
| Payables to banks within one year | 20,983 | | 29,872 | | 32,817 | |
| Current portion of medium/long term financing | 73,141 | | 79,644 | | 63,728 | |
| Accrued interests | 1,822 | | 1,178 | | 1,273 | |
| Total financial debt (cash) within one year | 59,677 | | 66,610 | | 74,637 | |
| Medium/long-term financing | 110,555 | | 114,503 | | 101,792 | |
| <i>Total net financial debt</i> | <u>170,232</u> | 47.9% | <u>181,113</u> | 51.4% | <u>176,429</u> | 49.1% |
| <i>Total financial sources</i> | <u>355,458</u> | 100.0% | <u>352,020</u> | 100.0% | <u>359,211</u> | 100.0% |