



PRESS RELEASE

Interpump's sustained growth trend continues

THIRD QUARTER OF 2002:

NET REVENUES: UP 10.2% TO €105 MILLION; NET EARNINGS: UP 75.3% TO €4.1 MILLION

OPERATING INCOME: UP 11.0% TO €15.4 MILLION;

EARNINGS PER SHARE: UP 37.7% TO €0.084;

CASH FLOW: UP 33.6% TO €13.1 MILLION

FIRST NINE MONTHS OF 2002:

NET REVENUES: UP 14.8% TO €374.9 MILLION;

NET EARNINGS UP 22.1% TO €18.4 MILLION

Mr. Giovanni Cavallini, Chief Executive Officer of Interpump Group:

“The Interpump Group's solid fundamentals and its sound geographic and business-area diversification strategy have allowed it to take advantage of the best market opportunities and to strengthen its competitive positions.

Results for the third quarter and the first nine months of 2002 confirmed Interpump Group's sustained growth trend in terms of both revenues and earnings, despite the difficult macroeconomic environment”.

Milan, 13 November 2002 – The Board of Directors of Interpump Group met today to approve the Quarterly Report as at 30 September 2002.

THIRD QUARTER OF 2002

In the third quarter of 2002, the Interpump Group achieved improvements in all its income and cash-flow indicators. **Net earnings jumped 75.3% to €4.1 million** from €2.3 million in the third quarter of 2001.

Net revenues increased 10.2% to €105.3 million from €95.5 million in the third quarter of 2001. On a like for like basis, net revenues increased 5.3% to €100.6 million.

The Company again proved its strong capacity to generate cash, increasing its **cash flow from revenues to €13.1 million** in the third quarter of 2002, a **33.6% increase** from €9.8 million in the third quarter of 2001.

Gross operating margin (EBITDA) amounted to €19.1 million, up 10.8% from €17.2 million in the third quarter 2001.

Operating income (EBIT) amounted to €15.4 million, an 11.0% increase from €13.9 million in the third quarter of 2001.

Net financial debt amounted to **€175.3 million**, up from €170.0 million as at 30/09/2001. As at year end 2001, net financial debt amounted to €176.4 million.



Adjusted Earnings per Share (Eps) was €0.084 in the third quarter of 2002, a **37.7% increase** from €0.061 in the same period of the previous year.

The cleaning sector grew 25.1% (14.2% on a comparable consolidation basis), led by the increase in the consumer segment of high-pressure washers for hobby and home use, as well as by the consolidation of IP Gansow in March 2002.

The hydraulic sector declined by 5.4%, mainly due to the decline in sales on the North American market and the dollar/euro exchange rate.

The industrial sector on the whole grew 0.7% despite the sharp economic slowdown in the US, the main market for high-pressure pumps.

THE FIRST NINE MONTHS OF 2002

Interpump Group reported an increase in turnover in the **first nine months of 2002**, mainly in the Consumer Cleaning segment. **Net revenues grew 14.8% to €374.9 million**, up from €326.4 million in the same period of the previous year. On a like for like basis, the increase in the first nine months of 2002 was **10.7%** to €361.4 million.

Gross operating margin (EBITDA) increased 3.9%, reaching €68.0 million as compared to €65.5 million in the first nine months of 2001.

Operating income (EBIT) amounted to **€56.9 million, up 3.0%** as compared to €55.3 million in the first nine months of 2001. **Net earnings grew 22.1% to €18.4 million** from €15.0 million in the same period of the previous year.

Consolidated net equity as at 30 September 2002 **increased to €190.5 million** from €182.8 million as at 31 December 2001.

Mr. Giovanni Cavallini, Chief Executive Officer of Interpump Group stated that:

“The Interpump Group's solid fundamentals and its sound geographic and business-area diversification strategy have allowed it to take advantage of the best market opportunities and to strengthen its competitive positions. Results for the third quarter and the first nine months of 2002 confirmed Interpump Group's sustained growth trend in terms of both revenues and earnings, despite the difficult macroeconomic environment”.

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Quarterly reclassified consolidated income statements

	<i>3rd quarter 2002 €/000</i>	%	<i>3rd quarter 2001 €/000</i>	%
Net revenues	105,298	100.0	95,524	100.0
Purchases, net of changes in inventories	<u>(44,591)</u>		<u>(43,263)</u>	
Gross industrial margin	60,707	57.7	52,261	54.7
Personnel expenses	(20,516)		(17,964)	
Other operating costs	<u>(21,102)</u>		<u>(17,067)</u>	
Gross operating profit	19,089	18.1	17,230	18.0
Operating depreciation and amortisation	<u>(3,686)</u>		<u>(3,359)</u>	
Operating profit	15,403	14.6	13,871	14.5
Amortisation of goodwill	(2,395)		(2,353)	
Amortisation of the consolidation difference allocated to buildings	(52)		(52)	
Financial income (charges), net	(2,017)		(2,785)	
Financial discounts granted to customers	(367)		(344)	
Adjustment of value of investments according to the equity method	(23)		(168)	
Extraordinary income (charges), net	<u>(164)</u>		<u>72</u>	
Profit for the period before taxes and minority interests	10,385	9.9	8,241	8.6
Income taxes	<u>(5,331)</u>		<u>(4,996)</u>	
Net profit before minority interests	5,054		3,245	
Minority interests	<u>(1,000)</u>		<u>(932)</u>	
Consolidated net profit for the period	<u>4,054</u>	3.9	<u>2,313</u>	2.4

Reclassified consolidated income statements (nine months)

	30/09/2002 €000 (nine months)	%	30/09/2001 €000 (nine months)	%
Net revenues	374,881	100.0	326,423	100.0
Purchases, net of changes in inventories	<u>(166,923)</u>		<u>(148,662)</u>	
Gross industrial margin	207,958	55.5	177,761	54.5
Personnel expenses	(65,365)		(57,606)	
Other operating costs	<u>(74,551)</u>		<u>(54,667)</u>	
Gross operating profit	68,042	18.2	65,488	20.1
Operating depreciation and amortisation	<u>(11,117)</u>		<u>(10,211)</u>	
Operating profit	56,925	15.2	55,277	16.9
Amortisation of goodwill	(7,170)		(7,000)	
Amortisation of the consolidation difference allocated to buildings	(156)		(156)	
Financial income (charges), net	(6,492)		(8,231)	
Financial discounts granted to customers	(1,193)		(1,304)	
Adjustment of value of investments according to the equity method	259		176	
Extraordinary income (charges), net	<u>254</u>		<u>276</u>	
Profit for the period before taxes and minority interests	42,427	11.3	39,038	12.0
Income taxes	<u>(20,180)</u>		<u>(20,092)</u>	
Net profit before minority interests	22,247		18,946	
Minority interests	<u>(3,894)</u>		<u>(3,919)</u>	
Consolidated net profit for the period	<u>18,353</u>	4.9	<u>15,027</u>	4.6

Reclassified consolidated balance sheets	30/09/2002	%	30/06/2002	%	30/09/2001	%	31/12/2001	%
	€000		€000		€000		€000	
Trade receivables	91,265		113,076		86,123		90,371	
Inventories	97,010		94,201		88,248		88,337	
Prepayments and accrued income within one year	2,875		3,182		2,986		2,232	
Other receivables, net of deferred tax assets	21,202		13,106		9,671		7,043	
Trade payables	(75,024)		(99,540)		(61,327)		(68,768)	
Tax payables due within one year	(28,906)		(18,950)		(17,278)		(9,477)	
Other current liabilities, net of payables for the acquisition of equity investments	(15,022)		(16,003)		(11,509)		(10,832)	
Accrued expenses, net of interest charges	(954)		(682)		(906)		(596)	
Opening net operating working capital	92,446	25.3	88,390	24.9	96,008	27.9	98,310	27.4
Tangible fixed assets	103,291		93,135		79,524		88,783	
Goodwill	136,447		138,842		142,614		140,238	
Treasury stock	26,182		26,090		25,071		25,726	
Other financial fixed assets	11,011		10,675		11,038		10,792	
Other non current assets	21,514		23,050		16,471		22,899	
Provisions	(7,331)		(7,298)		(7,365)		(8,643)	
Staff severance indemnities	(14,555)		(14,206)		(13,106)		(13,379)	
Payables for the acquisition of equity investments	(516)		(516)		(1,523)		(516)	
Other non current liabilities	(2,679)		(2,704)		(4,905)		(4,999)	
Total net fixed assets	273,364	74.7	267,068	75.1	247,819	72.1	260,901	72.6
Total capital employed	365,810	100.0	355,458	100.0	343,827	100.0	359,211	100.0
Financed by:								
Share capital	43,055		43,055		42,777		42,778	
Retained earnings	107,211		106,912		95,105		95,783	
Profit for the period	<u>18,353</u>		<u>14,299</u>		<u>15,027</u>		<u>21,433</u>	
Total shareholders' equity for the Group	168,619		164,266		152,909		159,994	
Minority interests	<u>21,891</u>		<u>20,960</u>		<u>20,883</u>		<u>22,788</u>	
Total consolidated shareholders' equity	190,510	52.1	185,226	52.1	173,792	50.5	182,782	50.9
Cash on hand	(45,183)		(36,269)		(47,059)		(23,181)	
Payables to banks within one year	26,534		20,983		18,767		32,817	
Current portion of medium/long term financing	66,168		73,141		78,474		63,728	
Accrued interests	<u>1,397</u>		<u>1,822</u>		<u>3,135</u>		<u>1,273</u>	
Total short term indebtedness	48,916		59,677		53,317		74,637	
Medium/long-term indebtedness	<u>126,384</u>		<u>110,555</u>		<u>116,718</u>		101,792	
Total net indebtedness	175,300	47.9	170,232	47.9	170,035	49.5	176,429	49.1
Total sources of financing	365,810	100.0	355,458	100.0	343,827	100.0	359,211	100.0