



PRESS RELEASE

Interpump Group Shareholders' Meeting

2003 FINANCIAL STATEMENTS APPROVED
NET REVENUES 2003: €501.7 MILLION (UP 1.8%)
EBITDA AT 15% DESPITE THE DOLLAR WEAKNESS
AND THE MARKET STAGNATION

GROWTH IN NORTH AMERICA (UP 17.8%)
AND THE CLEANING SECTOR (UP 12.1%)

DIVIDEND OF €0.12 (UP 9%)

THE REORGANIZATION PROCESS OF THE CLEANING SECTOR ANNOUNCED, LAST JANUARY 22, HAS BEEN ACCOMPLISHED

PRELIMINARY TURNOVER DATA
FOR THE FIRST QUARTER OF 2004: UP 10% TO €155 MILLION

Giovanni Cavallini, Deputy Chairman and CEO of Interpump Group:

“A difficult economic environment and conflicting signals characterized a year which Interpump Group was able to overcome whilst maintaining its leadership position and even strengthening in some sectors. The preliminary turnover data for the first quarter 2004 (up 10%) allow forecasting a better 2004 in terms of turnover and results”.

Sant'Ilario d'Enza (RE), 22 April 2004 – The Interpump Group Shareholders' Meeting convened today in Sant'Ilario d'Enza (province of Reggio Emilia) to approve the Company's financial statements for the year-ending 31 December 2003. Based on the results achieved, the Shareholders' Meeting deliberated a **dividend pay-out of 0.12 euro per share** (up 9% as compared to the 2003 dividend pay-out) with ex-dividend date 13 May 2004 and settlement date 10 May.

Vice Chairman and CEO Giovanni Cavallini illustrated the 2003 results that confirmed the leadership position of Interpump Group, with **consolidated net revenues increasing by 1.8% to 501.7 million euro**, against 492.9 million euro in 2002. At constant dollars, turnover would have increased by 5.8%.

The increase in turnover in 2003 was mainly due to the **Cleaning Sector**, expanding 12.1% (up 11% on a like-for-like basis), led also by the increase in sales of the consumer segment (up 32.1%). The professional Cleaning Sector recorded a stable turnover. On the other hand, the **Hydraulic Sector** reported a decrease in turnover of 8.8%, mainly due to the dollar depreciation. Sales on the US market



increased by 1.7% on an annual basis in terms of local currency but decreased by 15% after the translation into euro. However, in the second half of the year the US figure relating to the Hydraulic Sector reported a strong recovery (up 10% in local currency) and – together with the increase in high-pressure pump sales in the fourth quarter (up 1.7%) - shows a clear trend reversal. In the other markets turnover decreased by 4.1%. The **Industrial Sector** contracted 10.8%.

With regard to the turnover breakdown by geographic area, **North America reported a growth of 17.8%**, while Europe (including Italy) contracted 9.4%.

In 2003 also revenues were heavily influenced by the negative performance of the US dollar, the mix shift and the decrease in volumes in some sectors of the Group.

Consolidated EBITDA reached **75.3 million euro** (down 11% from 84.5 million euro in the previous year), **equal to 15% of turnover**.

Consolidated operating income (EBIT) decreased by 4.5% to **59.2 million euro** (against 69.2 million in 2002).

Consolidated net earnings in 2003 decreased to **14.3 million euro** (against 21.1 million euro in 2002).

If the same exchange rates of 2002 were to be used, the decrease in EBITDA would have been equal just to 2.1% against the 11% fall actually reported at current exchange rates; the decrease in operating income would have been limited to 4.2% against the 14.5% reported at current exchange rates.

Consolidated net equity decreased from 193.4 million euro as at 31 December 2002 to **173.8 million euro**.

Net financial indebtedness increased from 175.4 million euro in 2002 to 205.6 million euro. This was mainly attributable to the purchase of minority stakes in subsidiary companies (20.6 million euro), the special dividend payment (15.1 million euro) and the purchase of own shares (3.3 million euro).

Cash flow from operations as at 31 December 2003 was equal to 42.6 million euro (against 55.9 million euro in 2002).

Net earnings per share (EPS), adjusted for the amortization of goodwill and calculated on the weighted average of outstanding shares, was equal to **0.315 euro** (against 0.398 euro as at 31 December 2002).

The Interpump Group Shareholders' Meeting also appointed three new Directors: Giancarlo De Martis, Giuseppe Ferrero and Roberto Tunioi - already co-opted in the Interpump Group S.p.A. Board of Directors on 16 September 2003 - who substitute the Directors: Francesco Loredan, Paolo Pomé and Pierleone Ottolenghi.

In addition, the reorganization plan of the Cleaning sector, resolved last January 22, has been accomplished. The parent company transferred the investments in Euromop S.p.A., Pulex S.r.l., Unielectric S.p.A. and SIT S.p.A. to Interpump Cleaning S.p.A., its subsidiary, in exchange for shares; the value of the transaction was equal to 37,5 million euro.



In the afternoon, the investment in Soteco S.p.A. will be sold for an amount of 51 million euro, also on the base of an independent appraisal, to Interpump Cleaning S.p.A..

Giovanni Cavallini, CEO of Interpump Group: *“A difficult economic environment and conflicting signals characterized a year which Interpump Group was able to overcome whilst maintaining its leadership position and even strengthening in some sectors. The positive signals which emerged during the second half of the year, thanks to the strong growth in the US Hydraulic Sector and in high-pressure pumps, are continuing in the current year, opening the way to an upward trend, despite the constant dollar weakness and the uncertain overall economic situation. The preliminary turnover data for the first quarter 2004 (up 10%) allow forecasting a better 2004 in terms of turnover and results.”*

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