



PRESS RELEASE

INTERPUMP GROUP: THE SHAREHOLDERS' MEETING APPROVES THE CANCELLATION OF 4,106,240 COMPANY TREASURY SHARES AND THE REDUCTION OF CAPITAL STOCK

THE BoD ALLOWED TO PURCHASE OTHER 3,992,000 COMPANY TREASURY SHARES

*Vice Chairman and Chief Executive of Interpump Group, **Giovanni Cavallini** stated: "The cancellation of the company's treasury shares is part of the broader value-creation strategy for the shareholders, ever since pursued with resolution by Interpump Group. This operation is certainly not so common in Italy and I believe the market will appreciate this decision, which also meets many suggestions and requests by our investors".*

Sant'Ilario d'Enza, 19 October 2004 – The Interpump Group Shareholders' Meeting has announced today the reduction of the capital stock following the requirements of article number 2445 of the Italian Civil Code, through the cancellation of 4,106,240 company treasury shares, compared to a total of 8,106,240 previously owned by the company (as shown in the 2003 financial statements). The company treasury shares owned by the Company until today's decision showed a total nominal value of 4,215,244.80 euro, equal to 9.65% of the capital stock amounting to 43,693,780.00 for a total of 84,026,500 ordinary shares.

After today's Shareholders' meeting, the Interpump Group capital stock has been reduced from 43,693,780.00 euro to 41,558,535.20 euro, through the cancellation of 4,106,240 company treasury shares for a nominal value of 2,235,244.80. The company treasury shares before this cancellation, equal to 4,000,000 shares, will continue to serve the existing stock option plan.

The reduction of the capital stock aims to optimize the company's capital, decrease the average cost of capital, thus maximizing the Shareholders' value.

The meeting has also authorized the BoD of the Interpump Group to purchase other 3,992,000 treasury shares.

This authorization will allow the company to return cash to its Shareholders in a tax-efficient way, to stabilize the price of the shares in case of insufficient liquidity on the stock exchange, as well as to have shares to be allocated to any exchanges for acquisitions with strategic partners, even if at the moment the Group does not expect any such exchange.

Vice Chairman and Chief Executive of Interpump Group, **Giovanni Cavallini** stated: "The cancellation of the company's treasury shares is part of the broader value-creation strategy for the shareholders, ever since pursued with resolution by Interpump Group. This operation is certainly not so common in Italy and I believe the market will appreciate this decision, which also meets many suggestions and requests by our investors".

The Interpump Group reached, in the first half of 2004, revenues equal to 311 million euro, with an increase of 11.9% against 278 million euro recorded in the first half of 2003. The first six months of 2004 show an important increase in margins against 2003: net earnings up 56.7% to 12.7% million



euro; EBITDA up 14.1% to 49.3 million euro; operating cash flow up 156.9% to 31.1 million euro; ROCE 11.9% against 9.9% in the first half 2003.

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