



## PRESS RELEASE

### **Interpump Group: the Board of Directors approves the results for the financial year 2004**

**The dividend proposed of 0.13 euro (up 8.3%)  
will be paid out on 16 June with coupon detachment date on 13 June 2005**

**2004 NET REVENUES: 535.3 MILLION EURO (UP 6.7%)**

**EBITDA TO 79.3 MILLION EURO (UP 5.4%)**

**OPERATING INCOME TO 61.8 MILLION EURO (UP 4.4%)**

**CASH FLOW FROM OPERATIONS TO 48.0 MILLION EURO (UP 12.6%)**

Mr. **Giovanni Cavallini**, vice chairman and chief executive of Interpump Group, stated: *‘Despite the dollar weakness and the difficult economic situation, in 2004 Interpump Group reported a growth in turnover (up 6.7%), EBITDA (up 5.4%), and EBIT (up 4.4%). The Group continues to generate value for the Shareholders, as it is confirmed by the distribution of a dividend that increased by 8.3% against the previous year. These results confirm the competitive force, the products’ value and the general strengths of the Group’.*

Milan, 15 March 2005 – The Board of Directors of Interpump Group S.p.A. – world leader in very-high-pressure pumps and hydraulic power take-offs – met today in Milan to approve the 2004 results. The Board of Directors also proposed to the Shareholders’ Meeting – due to be convened on 26 April in first call and 27 April 2005 in second call at Interpump Group’s registered office in Sant’Ilario d’Enza – the distribution of **a dividend equal to 0.13 euro**, up 8.3% against 0.12 euro paid in the previous year. The dividend, if approved, will be paid out on 16 June 2005, with a coupon detachment date of 13 June 2005.

### **RESULTS FOR THE FINANCIAL YEAR 2004**

As at 31 December 2004, **Interpump Group** achieved **a 6.7% growth rate in consolidated net revenues, reaching 535.3 million euro** (against 501.7 million euro in 2003). At constant dollars turnover would be higher by 10%.

**Consolidated gross operating margin (EBITDA)** as at 31 December 2004 grew by 5.4% to 79.3 million euro, equal to 14.8% of net revenues (75.3 million euro in 2003, equal to 15.0% of net revenues).

**Consolidated operating income (EBIT)** was equal to 61.8 million euro (11.5% of net revenues), up 4.4% against 59.2 million euro in 2003 (equal to 11.8% of net revenues).

**Consolidated net earnings** in 2004 were equal to 8.4 million euro (14.3 million euro in 2003, down 41.2%). This fall is attributable for 2.5 million euro to a higher tax burden, due to an optimization no

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longer possible with the current legislation, and for 6.4 million euro to the impairment of the goodwill related to the subsidiary company General Technology, which is reconverting its activity to the production of accessories for high-pressure pumps and very-high-pressure pumps.

**Net earnings of the Parent Company** were equal to **57.8 million** euro, against 9.5 million euro in 2003. This increase in earnings is also due to extraordinary income for 30.3 million euro, in relation to the cleaning up of financial statements from tax interferences in accordance with the new corporate legislation, and for 23.5 million euro to capital gains in relation to the conferment and sale of shareholdings to the subsidiary company IP Cleaning S.p.A. in the context of the corporate rationalization process completed in 2004. On the contrary, it is necessary to consider a write-down of investments for 10.7 million euro (5.1 million in 2003).

**Net financial indebtedness** increased from 205.6 million euro in 2003 to 211.6 million euro; after decreasing by 14.2 million euro in the first half of 2004, in spite of a dividend payment of 10.4 million euro, in the second half indebtedness grew due to a temporary increase in the consumer segment's working capital.

**Cash flow from operations** in 2004 was equal to 48.0 million euro, up 12.6% against 42.6 million euro in 2003.

**Net earnings per share (EPS)**, adjusted for the amortization and impairment of goodwill and calculated on the weighted average of outstanding shares, were equal to 0.322 euro, up 2.2% against **0.315 euro** as at 31 December 2003.

## **COMMENTARY ON THE ECONOMIC FIGURES**

**The increase in turnover in 2004** was mainly due to the **Hydraulic Sector, expanding 16.2%**. In particular, turnover in the North American market increased by 34.4% in terms of dollars (up 22.3% after the translation into euro) confirming and strengthening the signals of strong recovery already recorded in the first half of the year. In the European and Asian markets the growth in the Hydraulic Sector was equal to 12.1%, showing a strong trend reversal against the decrease recorded in 2003.

Also the **Industrial Sector**, including high-pressure pumps and very-high-pressure pumps, **grew by 5.2% against 2003**. The sales of high-pressure pumps and their related accessories in the US market increased by 13.9% in local currency (up 1.8% after the translation into euro). In the other markets revenues from high-pressure pumps grew by 8.3%.

Overall, North America (39% of total turnover) reported a growth of 9.2%, while the Rest of Europe (29% of total revenues) grew by 4.0% (while Italy is stable: up 0.3%, with 20% of total revenues). The Pacific Area (5% of revenues) grew by 16.9% while the rest of the World (7% of turnover) increased by 18.5%.



The **Cleaning Sector** reported a growth of 3.6%, attributable to the strong increase recorded in the first half of the year. This growth is linked both to the professional segment (up 1.9%) and to the hobby washers (consumer segment) that increased by 6.3%, above all in the US market.

### **TRANSITION TO IAS/IFRS**

The company has activated since April 2003 an IAS/IFRS project to update and revise accounting and organisational structures in accordance with the new accounting standards which shall be implemented on the Group Accounts from 2005. The conversion process of the procedures to the new accounting requirements is at an advanced stage, even though the completion of a number of procedures is dependant on the definition of the accounting treatment of certain items. As regards 2005 interim reports, Consob has defined a process of progressive transition, allowing a transitional phase for the first two consolidated quarterly reports. The company intends to prepare the second quarterly report in accordance with the new principles and in the same time to show a table with the impacts of IAS/IFRS on the Net Equity and net profit of the year 2004.

Mr. **Giovanni Cavallini**, vice chairman and chief executive of Interpump Group, stated: *“Despite the dollar weakness and the difficult economic situation, in 2004 Interpump Group reported a growth in turnover (up 6.7%), EBITDA (up 5.4%), and EBIT (up 4.4%). The Group continues to generate value for the Shareholders, as it is confirmed by the distribution of a dividend that increased by 8.3% against the previous year. These results confirm the competitive force, the products’ value and the general strengths of the Group”*.

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**INTERPUMP GROUP**  
**RECLASSIFIED CONSOLIDATED BALANCE SHEETS**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2004</i>		<i>31/12/2003</i>	
Trade receivables	96,200		83,927	
Inventories	107,344		100,546	
Prepayments and accrued income within one year	2,514		2,478	
Other receivables, net of deferred tax assets	13,075		14,300	
Trade payables	(75,035)		(85,685)	
Tax payables due within one year	(6,054)		(6,082)	
Other current liabilities, net of payables for the acquisition of equity investments	(15,154)		(13,767)	
Accrued expenses, net of interest charges	(302)		(759)	
<i>Net operating working capital</i>	<u>122,588</u>	31.9%	<u>94,958</u>	25.0%
Tangible fixed assets	105,928		105,495	
Goodwill	121,605		136,929	
Treasury stock	33,253		33,253	
Other financial fixed assets	5,548		11,092	
Other non current assets	24,404		23,090	
Provisions for risks and charges	(12,225)		(9,057)	
Staff severance indemnities	(16,838)		(15,739)	
Payables for the acquisition of equity investments	-		(258)	
Other non current liabilities	(253)		(350)	
<i>Total net fixed assets</i>	<u>261,422</u>	68.1%	<u>284,455</u>	75.0%
<i>Total capital employed</i>	<u>384,010</u>	100.0%	<u>379,413</u>	100.0%
<i>Financed by:</i>				
Share capital	43,694		43,447	
Retained earnings	103,034		99,863	
Profit for the period	8,396		14,253	
Total shareholders' equity for the Group	<u>155,124</u>		<u>157,563</u>	
Minority interests	17,242		16,234	
<i>Total consolidated shareholders' equity</i>	<u>172,366</u>	44.9%	<u>173,797</u>	45.8%
Cash on hand	(22,390)		(42,634)	
Payables to banks within one year	47,173		30,915	
Current portion of medium/long term financing	61,673		57,424	
Accrued interests	967		1,424	
Total short term indebtedness	<u>87,423</u>		<u>47,129</u>	
Medium/long-term indebtedness	<u>124,221</u>		<u>158,487</u>	
<i>Total net indebtedness</i>	<u>211,644</u>	55.1%	<u>205,616</u>	54.2%
<i>Total sources of financing</i>	<u>384,010</u>	100.0%	<u>379,413</u>	100.0%

**INTERPUMP GROUP**  
**RECLASSIFIED CONSOLIDATED INCOME STATEMENTS**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2004</i>		<i>31/12/2003</i>	
Net revenues	535,306	100.0%	501,721	100.0%
Purchases, net of changes in inventories	<u>(251,366)</u>		<u>(228,118)</u>	
<i>Gross industrial margin</i>	<u>283,940</u>	53.0%	<u>273,603</u>	54.5%
Personnel expenses	(88,654)		(85,394)	
Other operating costs	<u>(115,937)</u>		<u>(112,942)</u>	
<i>Gross operating profit</i>	<u>79,349</u>	14.8%	<u>75,267</u>	15.0%
Operating depreciation and amortization and allowance to provisions	<u>(17,545)</u>		<u>(16,086)</u>	
<i>Operating profit</i>	<u>61,804</u>	11.5%	<u>59,181</u>	11.8%
Amortization and impairment of goodwill	(16,412)		(9,896)	
Amortisation of the consolidation difference allocated to buildings	(208)		(208)	
Financial income (charges), net	(7,151)		(8,422)	
Exchange rate differences	70		(2,719)	
Financial discounts granted to customers	(2,353)		(2,620)	
Adjustment of value of investments according to the equity method	296		(202)	
Extraordinary income (charges), net	<u>(1,462)</u>		<u>(182)</u>	
<i>Profit for the period before taxes and minority interests</i>	<u>34,584</u>	6.5%	<u>34,932</u>	7.0%
Income taxes	<u>(23,293)</u>		<u>(17,461)</u>	
<i>Net profit before minority interests</i>	<u>11,291</u>	2.1%	<u>17,471</u>	3.5%
Minority interests	<u>(2,895)</u>		<u>(3,218)</u>	
<i>Net profit for the period</i>	<u><u>8,396</u></u>	1.6%	<u><u>14,253</u></u>	2.8%

## CONSOLIDATED CASH FLOW STATEMENTS

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2004</i>	<i>31/12/2003</i>
Net profit for the period	8,396	14,253
Minority interests	2,895	3,218
Non cash items:		
Amortisation and depreciation of intangible and tangible fixed assets	26,804	26,118
Impairment of goodwill	6,443	-
Changes in staff severance indemnities	1,099	822
Changes in provision for deferred taxation and deferred tax assets	2,995	(929)
Losses (profits) of non-consolidated equity investments	(296)	202
Losses (gains) from sales of fixed assets	(465)	(330)
Exchange rate (profit) loss on intra-group financing and receivables	-	204
Dividends received	-	(9)
Write-down of investments	171	257
Change in other provisions	(41)	(1,194)
<i>Cash flow from operations</i>	<i>48,001</i>	<i>42,612</i>
Cash flow obtained (used) through (in) net operating working capital	(29,345)	(7,138)
<i>Operating cash flow</i>	<i>18,656</i>	<i>35,474</i>
<i>Investing activities</i>		
Increase in tangible fixed assets	(14,910)	(17,392)
Increase in intangible fixed assets	(3,135)	(3,845)
Net acquisitions of equity investments and lines of business	(1,258)	(20,662)
Change in payables related to the acquisition of equity investments	(258)	-
Proceeds from sales of equity investments	5,000	494
Acquisition of treasury stock	-	(3,286)
Proceeds from sales of fixed assets	653	1,710
Other changes	(268)	155
<i>Total cash flow used for investing activities</i>	<i>(14,176)</i>	<i>(42,826)</i>
<i>Financing activities</i>		
Increase in (repayment of) long term borrowings	(29,330)	23,284
Increase in (repayment of) shareholder loans	(54)	(209)
Collection (increase) of (in) medium/long term financial receivables	(121)	(1,329)
Increase in share capital	247	369
Dividends collected from companies not wholly consolidated	-	327
Dividends paid	(10,574)	(24,914)
<i>Total cash flow obtained through (used in) financing activities</i>	<i>(39,832)</i>	<i>(2,472)</i>
<b>Total cash flow generated (used)</b>	<b>(35,352)</b>	<b>(9,824)</b>

## CONSOLIDATED CASH FLOW STATEMENTS

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2004</i>	<i>31/12/2003</i>
Net cash and cash equivalents at the beginning of the period	10,295	19,601
Adjustment:		
Opening net cash and cash equivalents (debt) of companies not consolidated in prior period	(813)	(145)
Net cash and cash equivalents at the beginning of the year	<u>9,482</u>	<u>19,456</u>
Cash flow generated (used)	(35,352)	(9,824)
Exchange differences	120	663
<i>Net cash and cash equivalents at the end of the period</i>	<u><u>(25,750)</u></u>	<u><u>10,295</u></u>

Net cash and cash equivalents can be broken down as follows:

Cash on hand and securities	22,390	42,634
Payables to banks due within one year	(105,474)	(85,560)
A Adjustments: current portion of long term borrowings	58,301	54,645
Accrued interests	(967)	(1,424)
<i>Net cash and cash equivalents</i>	<u><u>(25,750)</u></u>	<u><u>10,295</u></u>

**Interpump Group business sector information**  
(amounts shown in €000)

	Cleaning		Hydraulic		Industrial		Other		Elimination entries		Interpump Group	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net revenues outside the Group	336,050	324,419	135,731	116,853	60,962	57,964	2,563	2,485	-	-		
Sales between sectors	<u>588</u>	<u>1,218</u>	<u>7</u>	<u>6</u>	<u>9,421</u>	<u>8,661</u>	<u>-</u>	<u>-</u>	<u>(10,016)</u>	<u>(9,885)</u>		
<b>Total net revenues</b>	<b>336,638</b>	<b>325,637</b>	<b>135,738</b>	<b>116,859</b>	<b>70,383</b>	<b>66,625</b>	<b>2,563</b>	<b>2,485</b>	<b>(10,016)</b>	<b>(9,885)</b>	<b>535,306</b>	<b>501,721</b>
Purchases, net of changes in inventories	<u>(172,310)</u>	<u>(159,894)</u>	<u>(62,274)</u>	<u>(53,650)</u>	<u>(23,097)</u>	<u>(20,487)</u>	<u>-</u>	<u>-</u>	<u>6,315</u>	<u>5,913</u>	<u>(251,366)</u>	<u>(228,118)</u>
<b>Gross industrial margin</b>	<b>164,328</b>	<b>165,743</b>	<b>73,464</b>	<b>63,209</b>	<b>47,286</b>	<b>46,138</b>	<b>2,563</b>	<b>2,485</b>	<b>(3,701)</b>	<b>(3,972)</b>	<b>283,940</b>	<b>273,603</b>
<i>% of net revenue</i>	48.8%	50.9%	54.1%	54.1%	67.2%	69.3%					53.0%	54.5%
Personnel expenses	(47,576)	(46,073)	(25,976)	(23,922)	(15,102)	(15,399)	-	-	-	-	(88,654)	(85,394)
Other operating costs	<u>(85,091)</u>	<u>(85,394)</u>	<u>(19,470)</u>	<u>(16,978)</u>	<u>(15,077)</u>	<u>(14,542)</u>	<u>-</u>	<u>-</u>	<u>3,701</u>	<u>3,972</u>	<u>(115,937)</u>	<u>(112,942)</u>
<b>Gross operating profit (EBITDA)</b>	<b>31,661</b>	<b>34,276</b>	<b>28,018</b>	<b>22,309</b>	<b>17,107</b>	<b>16,197</b>	<b>2,563</b>	<b>2,485</b>	<b>-</b>	<b>-</b>	<b>79,349</b>	<b>75,267</b>
<i>% of net revenue</i>	9.4%	10.5%	20.6%	19.1%	24.3%	24.3%					14.8%	15.0%
Operating depreciation and amortisation	<u>(10,731)</u>	<u>(9,672)</u>	<u>(3,727)</u>	<u>(3,391)</u>	<u>(3,087)</u>	<u>(3,023)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,545)</u>	<u>(16,086)</u>
<b>Operating profit (EBIT)</b>	<b>20,930</b>	<b>24,604</b>	<b>24,291</b>	<b>18,918</b>	<b>14,020</b>	<b>13,174</b>	<b>2,563</b>	<b>2,485</b>	<b>-</b>	<b>-</b>	<b>61,804</b>	<b>59,181</b>
<i>% of net revenue</i>	6.2%	7.6%	17.9%	16.2%	19.9%	19.8%					11.5%	11.8%
Profit from investments valued according to the net equity method	(122)	(477)	433	110	(15)	165	-	-			296	(202)
Amortisation of the consolidation difference allocated to buildings	-	-	(208)	(208)	-	-	-	-			(208)	(208)
Amortization and impairment of goodwill	<u>(12,788)</u>	<u>(6,410)</u>	<u>(1,565)</u>	<u>(1,420)</u>	<u>(2,059)</u>	<u>(2,066)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,412)</u>	<u>(9,896)</u>
<b>Profit by sector</b>	<b>8,020</b>	<b>17,717</b>	<b>22,951</b>	<b>17,400</b>	<b>11,946</b>	<b>11,273</b>	<b>2,563</b>	<b>2,485</b>	<b>-</b>	<b>-</b>	<b>45,480</b>	<b>48,875</b>
Net financial charges											(9,434)	(13,761)
Other non-operative items											<u>(1,462)</u>	<u>(182)</u>
<b>Pre-tax profit</b>											<b>34,584</b>	<b>34,932</b>
Income taxes											(23,293)	(17,461)
Minority interests											<u>(2,895)</u>	<u>(3,218)</u>
<b>Net profit</b>											<b>8,396</b>	<b>14,253</b>



**Further Information**  
(amounts shown in €000)

	Cleaning		Hydraulic		Industrial		Other		Elimination entries		Interpump Group	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
<b>Assets by sector</b>	<u>290,559</u>	<u>291,422</u>	<u>117,275</u>	<u>110,662</u>	<u>71,145</u>	<u>77,081</u>	<u>-</u>	<u>-</u>	<u>(2,361)</u>	<u>(1,308)</u>	476,618	477,857
Cash and cash equivalents											22,390	42,634
Treasury stock											<u>33,253</u>	<u>33,253</u>
<b>Total assets</b>											<u>532,261</u>	<u>553,744</u>
<b>Liabilities by sector</b>	<u>84,546</u>	<u>95,102</u>	<u>30,305</u>	<u>24,378</u>	<u>13,876</u>	<u>14,504</u>	<u>-</u>	<u>-</u>	<u>(2,866)</u>	<u>(2,287)</u>	125,861	131,697
Financing											<u>234,034</u>	<u>248,250</u>
<b>Total liabilities</b>											<u>359,895</u>	<u>379,947</u>

**OTHER INFORMATION RELATING**

**TO THE YEAR**

<b>Investments in fixed assets</b>	11,302	14,428	4,354	2,286	2,389	4,523
<b>Amortisation and depreciation</b>	23,519	16,082	5,500	5,019	5,146	5,089
<b>Other non-monetary costs</b>	658	550	130	(67)	311	339

<b>ROCE by sector *</b>	10.2%	12.5%	27.9%	21.9%	24.5%	21.9%
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\* = (Operating profit by sector/assets by sector – liabilities by sector)

**RECLASSIFIED BALANCE SHEETS OF THE PARENT COMPANY  
INTERPUMP GROUP S.p.A.**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2004</i>		<i>31/12/2003</i>	
Trade receivables	11,675		10,780	
Inventories	12,300		10,834	
Prepayments and accrued income within one year	370		329	
Other receivables, net of deferred tax assets	5,889		1,803	
Trade payables	(8,785)		(8,646)	
Tax payables due within one year	(1,673)		(2,730)	
Other current liabilities, net of payables for the acquisition of equity investments	(3,738)		(2,986)	
Accrued expenses, net of interest charges	(1)		(1)	
<i>Net operating working capital</i>	<u>16,037</u>	6.5%	<u>9,383</u>	4.8%
Tangible fixed assets	19,431		17,444	
Goodwill	29,920		32,506	
Treasury stock	33,253		33,253	
Other financial fixed assets	148,397		105,399	
Other non current assets	5,228		5,124	
Provisions for risks and charges	(2,039)		(1,696)	
Staff severance indemnities	(4,442)		(4,174)	
Payables for the acquisition of equity investments	-		(258)	
Other non current liabilities	-		(343)	
<i>Total net fixed assets</i>	<u>229,748</u>	93.5%	<u>187,255</u>	95.2%
<i>Total capital employed</i>	<u>245,785</u>	100.0%	<u>196,638</u>	100.0%
<i>Financed by:</i>				
Share capital	43,694		43,447	
Retained earnings	68,846		68,420	
Profit for the period	57,810		9,536	
<i>Total shareholders' equity</i>	<u>170,350</u>	69.3%	<u>121,403</u>	61.7%
Cash on hand	(8,322)		(22,662)	
Payables to banks within one year	-		-	
Current portion of medium/long term financing	11,667		31,000	
Accrued interests	424		897	
Total short term indebtedness	<u>3,769</u>		<u>9,235</u>	
Medium/long-term indebtedness	71,666		66,000	
<i>Total net indebtedness</i>	<u>75,435</u>	30.7%	<u>75,235</u>	38.3%
<i>Total sources of financing</i>	<u>245,785</u>	100.0%	<u>196,638</u>	100.0%

**RECLASSIFIED INCOME STATEMENTS OF THE PARENT COMPANY  
INTERPUMP GROUP S.p.A**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2004</i>		<i>31/12/2003</i>	
Net revenues	64,183		59,468	
Purchases, net of changes in inventories	<u>(20,567)</u>		<u>(18,379)</u>	
<i>Gross industrial margin</i>	<u>43,616</u>	68.0%	<u>41,089</u>	69.1%
Personnel expenses	(13,312)		(12,420)	
Other operating costs	<u>(13,043)</u>		<u>(10,530)</u>	
<i>Gross operating profit</i>	<u>17,261</u>	26.9%	<u>18,139</u>	30.5%
Operating amortisation and depreciation	<u>(4,828)</u>		<u>(5,199)</u>	
<i>Operating profit</i>	<u>12,433</u>	19.4%	<u>12,940</u>	21.8%
Amortisation of goodwill	(2,586)		(2,586)	
Dividends and relating tax credits	12,919		17,623	
Financial income (charges), net	(2,768)		(3,975)	
Financial discounts granted to customers	(1,257)		(1,261)	
Write-downs of investments	(10,693)		(5,122)	
Extraordinary income (charges), net	<u>53,971</u>		<u>178</u>	
<i>Profit before taxes</i>	<u>62,019</u>		<u>17,797</u>	
Income taxes	<u>(4,209)</u>		<u>(8,261)</u>	
<i>Net profit for the period</i>	<u><u>57,810</u></u>		<u><u>9,536</u></u>	

**CASH FLOW STATEMENTS OF THE PARENT COMPANY  
INTERPUMP GROUP S.p.A.**

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2004</i>	<i>31/12/2003</i>
Net profit for the period	57,810	9,536
Non cash items:		
Amortisation and depreciation of intangible and tangible fixed assets	7,414	7,785
Changes in staff severance indemnities	268	276
Changes in provision for deferred tax liabilities, and deferred tax assets	493	(1,333)
Change in other provisions	(193)	152
Write-downs of equity investments	10,693	5,122
Revaluations of investments	(30,304)	-
Losses (gains) from sales/conferments of fixed assets	(23,667)	-
Exchange losses on loans granted in foreign currency	-	221
Losses (gains) from sales of fixed assets	-	(285)
Dividends received	(12,920)	(11,279)
<i>Cash flow from operations</i>	<u>9,594</u>	<u>10,195</u>
Cash flow obtained (used) through (in) net operating working capital	<u>(1,574)</u>	<u>(5,716)</u>
<i>Operating cash flow</i>	<u>8,020</u>	<u>4,479</u>
<i>Investing activities</i>		
Increase in tangible fixed assets	(5,873)	(1,970)
Increase in intangible fixed assets	(1,247)	(1,249)
Acquisition of equity investments, net	(10)	(20,455)
Change in payables related to the acquisition of equity investments	(258)	-
Proceeds from sales of equity investments	5,000	295
Acquisition of treasury stock	-	(3,286)
Proceeds from sales of fixed assets	15	39
Other changes	(701)	(17)
<i>Total cash flow used for investing activities</i>	<u>(3,074)</u>	<u>(26,643)</u>
<i>Financing activities</i>		
Increase in (repayment of) long term borrowings	(13,667)	(3,924)
Collection (increase) of (in) medium/long term financial receivables	51	(100)
Financing reimbursed by (paid out to) subsidiaries	(4,173)	36,401
Increase in share capital	247	369
Dividends received	7,839	11,279
Dividends paid	(9,110)	(23,392)
<i>Total cash flow obtained through (used in) financing activities</i>	<u>(18,813)</u>	<u>20,633</u>
Total cash flow generated (used)	<u>(13,867)</u>	<u>(1,531)</u>

**CASH FLOW STATEMENTS OF THE PARENT COMPANY  
INTERPUMP GROUP S.p.A.**

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<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2004</i>	<i>31/12/2003</i>
Net cash and cash equivalents at the beginning of the year	21,765	23,296
Cash flow generated (used)	(13,867)	(1,531)
<i>Net cash and cash equivalents at the end of the period</i>	<u>7,898</u>	<u>21,765</u>

Net cash and cash equivalents can be broken down as follows:

Cash on hand and securities	8,322	22,662
Accrued interests	(424)	(897)
<i>Net cash and cash equivalents</i>	<u>7,898</u>	<u>21,765</u>