



PRESS RELEASE

INTERPUMP GROUP HAS COMPLETED ITS STRATEGIC REPOSITIONING PLAN BY SELLING THE CLEANING SECTOR FOR 220 MILLION EURO TO BS PRIVATE EQUITY AND MCC SOFIPA EQUITY FUND

The sector sold at approximately 10 times EBIT

“The deal is part of the strategic process of repositioning the Interpump Group’s business, aimed at focusing on the sectors with the highest profitability and technological content” stated Giovanni Cavallini and Fulvio Montipò CEOs of Interpump Group. *“This includes the recent acquisition of Hammelmann, a world leader in the field of very high pressure pumps. The strategy for the future is to strengthen the Industrial and Hydraulic Sectors, including through targeted acquisitions.”*

Sant’Ilario d’Enza (RE), April 18, 2005. Interpump Group signed a contract to sell the Cleaning Sector to two investment funds: BS Private Equity and MCC Sofipa Equity Fund. The price for 100% of IP Cleaning S.p.A. was set on the basis of an Enterprise Value (EV) of 220 million euro, from which will be subtracted the financial indebtedness of the group sold, which is estimated at 145 million euro. The price will be subject to an adjustment based on the final average financial indebtedness for the four quarters from 30 June 2004 to 31 March 2005, within 45 business days from the closing date.

The group sold includes IP Cleaning S.p.A. and all its subsidiaries, with the exception of Unielectric and SIT.

The IP Cleaning Group produces machinery for cleaning for both the professional segment (high pressure washers both cold and hot water, vacuum cleaners, floor sweepers, floor scrubbers, professional trolleys and windows cleaning equipment) and the consumer segment (hobby high pressure washers). The markets are mainly Europe for the professional segment and North America for the consumer segment.

According to the agreement, Interpump Group will invest Euro 12.5 million, or 17.3% of the capital, in the Newco, which will make the acquisition. In addition, Interpump Group will lend 10 million euro to the Newco, with capitalised interest calculated at a rate equal to the Euribor increased by a spread of 5.125 percentage points; the loan will be reimbursed at the time of the divestment by the buying funds.

The price will be paid at the closing date.

Closing will occur as soon as the antitrust procedures are concluded (probably within 6-10 weeks). Closing is subject to the following resolutive conditions: authorisation by the antitrust authority, the occurrence of exceptional and not predictable events, which may substantially affect the value of the Cleaning Sector which has been sold and lack of truthfulness in the representations and warranties issued to the buyers between today and the closing date causing an absolute damage in excess of 55 million euro or an impact on the annual EBITDA in excess of 7.25 million euro. Should the buyer not sign at the closing, for reasons other than those above, a penalty of 7.5 million euro will be owed. If the seller does not sign at the closing, a penalty of 3.75 million euro will be owed.

In 2004 the consolidated turnover of the group sold was 292.9 million euro; the EBITDA was 30.7 million euro, and the EBIT was 22.1 million euro. After amortisation of goodwill for 6.4 million euro, the net profit was 1.7 million euro. The cash flow from operation was 19.1 million euro, while the working capital absorbed 24.4 million euro of cash, mainly for the consumer segment. The shareholders’ equity amounted to 61 million euro at 31/12/2004.



Based on the Interpump Group's financial statements at 31/12/2004, the deal will yield a capital gain estimated at 57 million euro. This amount will however be modified by the net profit of the Cleaning Group from 1 January 2005 to the closing date (which will in any case be included in the consolidated net profit for 2005) and by conversion of the consolidated financial statements to the international accounting standards, which are currently being finalised. The capital gain realised in the parent company's financial statements will be equal to 33 million euro and is not taxable, like the consolidated one.

The proceeds from the sale will be used to reduce the financial indebtedness. Legal advisors on behalf of Interpump Group were Bonelli Errede Pappalardo.

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