



## PRESS RELEASE

### Meeting of Shareholders of Interpump Group

#### SHAREHOLDERS APPROVE 2004 FINANCIAL STATEMENT

#### DIVIDEND OF 0.13 EURO (+8.3%) RESOLVED

#### PAYABLE JUNE 16 WITH COUPONS CLIPPED JUNE 13, 2005

**NET EARNINGS 2004: 535.3 MILLION EURO (+6.7%)**

**EBITDA up to 79.3 million euro (+5,4%)**

**Operating income up to 61,8 million euro (+4,4%)**

**Cash flow from operations up to 48.0 million euro (+12,6%)**

#### **New Board of Directors elected: Giovanni Cavallini is Chairman, Fulvio Montipò, Deputy Chairman and Executive Director and Paolo Marinsek is also Executive Director**

Giovanni Cavallini, CEO of Interpump Group stated: *“Business improved in 2004 for Interpump Group.*

*We had a growth in turnover (up 6.7%), as well as EBITDA (up 5.4%), and EBIT (up 4.4%). The group continues to generate value for its shareholders, and this is confirmed by the payment of a higher dividend, up 8.3% over last year.*

*Our recent operations, including an acquisition in the sector of very-high pressure pumps (Hammelman) and the sale of the Cleaning Sector, confirm the strategic repositioning of Interpump Group, that has been rewarded by the preference of both markets and shareholders”.*

*Sant’Ilario d’Enza (RE), April 27, 2005* – The meeting of shareholders of the Interpump Group, held today, approved the company’s financial statement as of December 31, 2004. On the basis of the results achieved, the meeting resolved to **distribute a dividend of 0.13 euro** (+8,3% over the dividend distributed in 2004), which will go into payment starting on June 16, 2005, with coupons clipped on June 13.

The Chairman, Giovanni Cavallini, illustrated the results for the year 2004, which confirm that the Group has maintained its position of leadership, with **the growth of consolidated net sales, up 6.7% to 535.3 million euro**, over the previous year’s figure of 501.7 million euro. Without the fluctuation of the dollar exchange, turnover would have been up by 10%.

The **consolidated gross operating margin (EBITDA)** as of December 31, 2004 was up by 5.4% to 79.3 million euro, or 14.8% of net earnings (75.3 million euro in 2003, or 15.0% of net earnings).

The **consolidated operating income (EBIT)** amounted to 61.8 million euro (11.5% of net earnings), with a growth of 4.4% compared to 59.2 million euro in 2003 (equivalent to 11.8% of net earnings).

**Consolidated net earnings** for the year 2004 were 8.4 million euro (14.3 million euro in 2003, down by 41.2%). The reduction is attributable, however, as regards 2.5 million euro, to the higher tax burden resulting after optimizations that can no longer be achieved with the current legislation, and as regards

6.4 million euro to the devaluation of goodwill related to the subsidiary General Technology, which is changing over its activity to production of accessories for high and ultra-high pressure pumps.

**Net profits of the parent company** were **57.8 million euro**, over 9.5 million euro for the previous year. The increase in profits is also due to extraordinary income for 30.3 million euro, relative to eliminating fiscal interference from the financial statement based on the new corporate legislation, and also to 23.5 million euro in capital gains relative to conferment and sale of shareholdings in the subsidiary IP Cleaning S.p.A. in the framework of the process of corporate rationalization completed in 2004. On the opposite side, there was a write-down of investments for 10.7 million euro (5.1 million in 2003).

**Net financial indebtedness** amounted to 211.6 million euro (as compared with 205.6 million euro as of December 31, 2003); after falling by 14.2 million euro in the first quarter of 2004, in spite of the payment of dividends for 10.4 million euro, in the second half there was an increase of indebtedness due to a temporary increase in the working capital of the consumer segment.

**Cash flow from operations** in 2004 amounted to 48.0 million euro with an increase of 12.6% as compared with 42.6 million euro generated in 2003.

**Net earnings per share** (EPS), adjusted for depreciation and devaluation of goodwill and calculated on the weighted average of outstanding shares, was **0.322 euro, up 2.2%** over the 0.315 euro of 2003.

The meeting elected the **new Board of Directors** for the three-year term until approval of the financial statement for the year 2007 subject to the recording in the Company register of the Shareholders' Meeting resolution that increases the maximum number of Directors from 9 to 13. **Giovanni Cavallini was appointed Chairman, Fulvio Montipò Vice Chairman and Managing Director and Paolo Marinsek also Executive Director.** The non-executive members of the Board are Giancarlo De Martis, Sergio Erede, Giuseppe Ferrero and Giovanni Tamburi. Independent executives will be Stefano Beraldo, Marco Reboa and Roberto Tunioli.

Mr. Cavallini will be in charge of elaborating the strategies of the Group, with the Vice Chairman Mr. Montipò and the Executive Director Mr. Marinsek. He will also be responsible for extraordinary financing, acquisitions (with the Vice Chairman) and investor relations.

Mr. Montipò, in addition to elaborating and implementing the strategies of the Group with Mr. Cavallini and Mr. Marinsek, will collaborate with the Chairman on acquisitions. He will also be in charge of product design, which is the focus of Interpump Engineering.

Mr. Marinsek, the new Executive Director, will be directly in charge of ordinary management of the Group, as well as the activities outlined above with the Chairman and Vice Chairman.

Mr. Paolo Marinsek, who has been general manager of the Group since last November, comes from the Fiat Group. His most significant experiences were those of General Manager of Fiat Auto Poland, Ferrari S.p.A. and Maserati S.p.A., as well as Fiat Engineering S.p.A.

Mr. Giovanni Cavallini, Mr. Giovanni Tamburi and Mr. Giancarlo De Martis will form the Remuneration Committee for the top management of the Group, as resolved by the meeting of the Board of Directors held alongside that of the shareholders.

The Audit Committee will consist of Mr. Stefano Beraldo, Prof. Marco Reboa and Mr. Roberto Tunioli, all independent executives.

The meeting also re-elected the Board of Statutory Auditors (again consisting of Enrico Cervellera, Chairman, and Maurizio Salom and Antonio Zini, statutory auditors) and appointed the company of PricewaterhouseCoopers as independent auditors for the next three years.

On April, 2005, Interpump Group signed a contract for the sale of its Cleaning Sector to two investment funds: BS Private Equity and MCC Sofipa Equity Fund. The price of 100% of IP Cleaning S.p.A. was set on the basis of an Enterprise Value (EV) of 220 million euro which includes the financial indebtedness of the group sold, amounting to approximately 145 million euro. The price will be subject to adjustment on the basis of the definitive average financial indebtedness of the four quarters from June 30, 2004 to March 31, 2005 within 45 working days of the closure.

The group sold includes IP Cleaning S.p.A. and all its subsidiaries except Unielectric and SIT. The announcement of the sale of Cleaning and preceding acquisition of the German company Hammelmann, the world leader in the production of very-high pressure pumps, made at the beginning of April 2005, complete the process of strategic repositioning of Interpump Group in 2005 towards higher income sectors.

Giovanni Cavallini, CEO of Interpump Group stated: *“Business improved in 2004 for Interpump Group. We had a growth in turnover (up 6.7%), as well as EBITDA (up 5.4%), and EBIT (up 4.4%). The group continues to generate value for its shareholders, and this is confirmed by the payment of a higher dividend, up 8.3% over last year. Our recent operations, including an acquisition in the sector of very-high pressure pumps (Hammelmann) and the sale of the Cleaning Sector, confirm the strategic repositioning of Interpump Group, that has been rewarded by the preference of both markets and shareholders”.*

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