



PRESS RELEASE

The Group focuses on high technology and high profitability sectors

INTERPUMP GROUP ANNOUNCES THE CLOSING OF THE SALE OF THE IP CLEANING GROUP

**The sale was concluded at the price of 220 million euro,
a multiple equal to about 10 times the EBIT**

Giovanni Cavallini, the Chairman of Interpump Group, stated: *“The sale of IP Cleaning and the recent acquisition of Hammelmann, the world leading company in the field of high-pressure pumps, confirm the strategy of Interpump Group, which focuses on high-tech and highly profitable sectors. This choice will imply the strengthening of Interpump Group in the Hydraulic and Industrial sectors also through ad hoc acquisitions.”*

Sant’Ilario d’Enza (RE), 31 May 2005. Interpump Group concluded the announced sale of the Cleaning Sector to two investment funds: BS Private Equity and MCC Sofipa Equity Fund. The group of companies that was sold includes IP Cleaning S.p.A. and all its subsidiaries, excluding Unielectric and SIT. The price for 100% of IP Cleaning S.p.A. was calculated on the basis of an Enterprise Value (EV) of 220 million euro, net of the financial indebtedness, to be equal to about 145 million euro. This price is subject to an adjustment based on the average final financial indebtedness of the four quarters from 30 June 2004 to 31 March 2005.

The transaction was completed through a newco, into which Interpump Group invested 12.5 million euro, equal to 17.3% of the newco share capital. Moreover, Interpump Group granted a loan of 10 million euro to the newco with capitalized interest calculated at a rate equal to Euribor plus a spread of 5.125%; this loan is redeemable upon the sale of the investment by the acquiring funds.

In 2004 the consolidated turnover of the sold group was equal to 292.9 million euro; EBITDA amounted to 30.7 million euro, while operating income was equal to 22.1 million euro. Net earnings, after goodwill amortization (equal to 6.4 million euro) amounted to 1.7 million euro. Operating cash flow was equal to 19.1 million euro, while working capital absorbed liquidity for 24.4 million euro mainly for the consumer segment. Net equity amounted to 61 million euro as at 31 December 2004.

On the basis of the consolidated financial statements of Interpump Group as at 31/12/2004, the capital gain resulting from the transaction would be equal to about 57 million euro. This amount will be modified by the Cleaning Group’s net earnings for the period from 1 January 2005 and today - the closing date - (but will be included into 2005 consolidated net earnings) and by the adoption of international accounting principles (IAS/IFRS) in the consolidated financial statements. The capital gain realized in the Parent Company financial statements amounts to 33 million euro and is not taxable, as the consolidated one.



The legal advisor on behalf of Interpump Group was Bonelli Erede Pappalardo, whilst the legal advisor on behalf of the Buyers was Gianni, Origoni, Grippo & Partners.

Giovanni Cavallini, the Chairman of Interpump Group, stated: *“The sale of IP Cleaning and the recent acquisition of Hammelmann, the world leading company in the field of high-pressure pumps, confirm the new strategy of Interpump Group, which focuses on high-tech and highly profitable sectors. This strategic choice will imply the strengthening of Interpump Group in the Hydraulic and Industrial sectors also through ad hoc acquisitions.”*

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