



## PRESS RELEASE

**Interpump Group:  
Board of Directors approves the results for the financial year 2005**

**PROPOSAL OF DIVIDEND OF 15 CENTS (up 15.4%)**

**CONSOLIDATED PROFIT 79.2 MILLION EUROS**

**CONSOLIDATED NET PROFIT FROM CONTINUING OPERATIONS:  
UP 142.6% TO 27.4 MILLION EUROS**

**Net revenues from continuing operations\*: up 22.5% to 331.6 million euros**  
**Consolidated gross operating profit (EBITDA) from continuing operations:  
up 40.1% to 68.0 million euros (20.5% of revenues)**  
**Consolidated EBIT from continuing operations: up 44.6% to 57.4 million euros**  
**ROCE from continuing operations: 20.2% against 10.1% in 2004**  
**ROE from continuing operations: 17.3% against 7.0% in 2004**

\*= Continuing operations are defined as such by International Financial Reporting Standards as they regard operations which will continue as opposed to those that will cease; in the Group's case these relate to the disposed Cleaning Sector, which was consolidated for the whole of 2004 and in 2005 has been consolidated for the first five months up to the date of its sale.

*Milan, 14 March 2006* – The Board of Directors of Interpump Group S.p.A. – leader in very-high-pressure pumps and hydraulic power take-offs – met today in Milan to approve the 2005 results. The Board of Directors also proposed to the Shareholders' Meeting – due to be convened on 19 April in first call and 20 April 2006 in second call at Interpump Group's registered office in Sant'Ilario d'Enza – the distribution of a **dividend equal to 15 cents**, up 15.4% against 0.13 euro paid in the previous year. The dividend, if approved, will be paid out on 5 May 2006, with a coupon detachment date of 2 May 2006.

### Results for the financial year 2005 from continuing operations

#### **Consolidated net revenues**

At 31 December 2005 Interpump Group has achieved **an increase of 22.5% in consolidated net revenues from continuing operations which amount to 331.6 million euros** (compared to 270.6 million euros in 2004). Sales from continuing operations also include those of the Hammelmann Group from 1 April 2005, which total 44.4 million euros. On a like-for-like basis, net sales from consolidated operations grew by 6.1% (16.6 million euros).

The following table sets out the trend in 2005 sales by sector.



	31/12/2005 (twelve months) €/000	%	31/12/2004 (twelve months) €/000	%	Increase/ decrease
<i>Continuing operations:</i>					
Hydraulic Sector	154,782	47	135,594	50	+14.2%
Industrial Sector	141,032	43	92,409	34	+52.6%
Electric Motors Sector	34,347	10	39,542	15	-13.1%
Other Sectors	<u>1,447</u>	<u>-</u>	<u>3,067</u>	<u>1</u>	-
<b>Total</b>	<b><u>331,608</u></b>	<b><u>100</u></b>	<b><u>270,612</u></b>	<b><u>100</u></b>	<b>+22.5%</b>

The **Hydraulic Sector** grew by **14.2%** to **154.8 million euros**. Sales of the American subsidiary Muncie grew by 21.0% both in dollars and when converted into euros, following the already strong growth recorded in 2004. Sales of European companies grew by 9.1% over the previous year.

The **Industrial Sector** grew by **52.6%** to **141.0 million euros**. On a like-by-like basis (excluding the Hammelmann Group) the Industrial Sector grew by 4.5%. The turnover of high pressure pumps grew by 8.7%. Sales of high pressure pumps and accessories in the North American market, the most important for the Group, grew by 15.7%, reaching 41.3 million dollars. The sales of pumps in other markets reached 39.2 million dollars (up 3.5% over 2004).

Sales of electric motors reached 34.3 million euros (down 13.1% over 2004) mainly as a result of the reduced sales to the Cleaning Sector which was due to a decrease in the sales of that Sector itself. Sales of electric motors excluding those to the Cleaning Sector amounted to 27.3 million euros (27.7 million euros in 2004), a drop of 1.4%.

**Earning before interests, taxes depreciation and amortization, including impairment of losses (EBITDA)** from continuing operations grew by 40.1% to 68.0 million euros in 2005, equivalent to 20.5% of net sales (48.5 million euros in 2004, equivalent to 17.9% of sales). The following table sets out EBITDA by operating sector:

	31/12/2005 (twelve months) €/000	% of total sales*	31/12/2004 (twelve months) €/000	% of total sales *	Increase/ Decrease
Hydraulic Sector	35,584	23.0%	28,718	21.2%	+23.9%
Industrial Sector	32,424	23.0%	17,849	19.3%	+81.7%
Electric Motors Sector	431	1.2%	2,204	5.4%	-80.4%
Other Sectors	<u>(454)</u>	<u>-</u>	<u>(236)</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>67,985</u></b>	<b><u>20.5%</u></b>	<b><u>48,535</u></b>	<b><u>17.9%</u></b>	<b>+40.1%</b>

\* = Total sales also include those to other companies included in continuing operations, while those sales analysed previously consist solely of those outside the Group. As a result, for reasons of consistency, this percentage is calculated on total sales, rather than on those reported above.

There was an increase of 9.2% in EBITDA for the Industrial sector, based on a like-by-like basis (excluding Hammelmann). The decrease in EBITDA for the Electric Motor Sector is due to a large extent to the contraction in sales volumes and the increase in the price of raw materials.



**Earning before interests, taxes and impairment of losses (EBIT) from continuing operations** amounted to 57.4 million euros (17.3% of sales), **showing a growth of 44.6%** over the figure of 39.7 million euros for 2004 (equal to 14.7% of sales).

**Continuing operations for 2005 result in a net profit of 27.1 million euros (12.6 million euros in 2004).**

**Net earnings per share** from continuing operations amounted to **0.363 euros** with a growth of 66.5% compared to the figure of 0.218 euros in 2004.

**ROCE reached 20.2%**; in 2004 the corresponding figure was 10.1%. **ROE was 17.3%**, compared to 7.0% in 2004.

### **Net financial indebtedness and total consolidated profit**

**Net financial indebtedness at 31 December 2004 of 211.5 million euros fell to 127.7 million euros** at 31 December 2005, **due not only to 57.1 million euros of operating cash flows** but also to the proceeds of 75.2 million euros from the sale of the Cleaning Sector, to which must be added 133.2 million euros of transferred net debt. The major outflows regarded the purchase of the Hammelman Group for 89.4 million euros, net of the cash and debt received, and the investment in and financing of X Equity for a total of 22.5 million euros.

In order to optimise the Interpump Group's financial and equity structure, **a special dividend of 0.69 euros per share** was distributed and made available for payment from 22 December, with the share going ex-dividend on 19 December, leading to a total payment of 53.4 million euros.

Total consolidated net profit amounted to 79.2 million euros (19.7 million euros in 2004), inclusive of a gain of 48 million euros linked to the sale of the Cleaning Sector and of 4.2 million euros relating to profits from discontinued operations which will not recur in future years.

### **Results of the Parent Company Interpump Group S.p.A.**

The **net profit** of the Parent Company in 2005 was 27.8 million euros, of which 31.1 million euros relates to net extraordinary income from the net gains realised on the sale of the investment in IP Cleaning S.p.A. and of two factories no longer being used. In addition, there was a write-down of investments in 2005 by 11.4 million euros for permanent losses in value, mostly linked to the sale of the investment in IP Cleaning S.p.A.. Net profit for 2004 amounted to 57.8 million euros, of which 54.0 million euros related to extraordinary income from the sale and contribution of certain investments to IP Cleaning and to the effect of a fiscal neutralisation exercise connected with the write-down of investments in prior years made solely to obtain fiscal benefits. Write-downs of investments of 10.7 million euros were also recognised.

The Shareholders' Meeting is due to be convened on April 19 in first call and on 20 April 2006 in second call at Interpump Group's registered office in Sant'Ilario d'Enza.

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**Financial statements**  
**Consolidated balance sheet**

31/12/2005 31/12/2004  
 €/000 €/000

**ASSETS**

**Non-current assets**

Property, plant and equipment	51,165	109,928
Goodwill	133,885	130,329
Other intangible assets	15,598	7,597
Investments in associated companies	5,390	1,505
Treasury stock	-	27,957
Other financial assets	14,361	3,804
Tax receivables	371	864
Deferred tax assets	11,926	12,506
Other non current assets	210	3,915

**Total non-current assets**

**232,906 298,405**

**Current assets**

Cash and cash equivalents	56,078	22,391
Trade receivables	70,974	96,200
Inventories	85,239	107,250
Tax receivables	5,229	11,940
Treasury stock	-	5,296
Derivative financial instruments	359	-
Other financial assets	-	265
Assets held for sale	2,454	-
Other current assets	2,150	4,057

**Total current assets**

**222,483 247,399**

**Total assets**

**455,389 545,804**

**SHAREHOLDERS' EQUITY**

Share capital	41,559	43,694
Legal reserve	8,747	8,747
Share premium reserve	16,739	15,094
Reserve for the measurement at fair value of derivatives used as hedging instruments	(558)	-
Reserve for translation differences	(4,664)	(11,107)
Other reserves	87,801	106,182
<b>Shareholders' equity attributable to the Group</b>	<b>149,624</b>	<b>162,610</b>
Minority interests	7,055	17,245

**Total shareholders' equity**

**156,679 179,855**

	<i>31/12/2005</i>	<i>31/12/2004</i>
	<i>€/000</i>	<i>€/000</i>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Interest-bearing loans	121,515	123,854
Employee benefits	10,982	17,208
Deferred tax liabilities	14,493	15,133
Other non-current liabilities	229	417
Provisions for risks and charges	2,514	1,671
<b>Total non-current liabilities</b>	<b>149,733</b>	<b>158,283</b>
<b>Current liabilities</b>		
Trade payables	43,874	75,035
Amounts payable to banks	11,591	48,141
Interest bearing loans (current portion)	50,673	62,029
Derivative financial instruments	1,023	-
Tax payables	6,267	6,053
Other current liabilities	33,960	15,168
Provisions for risks and charges	1,589	1,240
<b>Total current liabilities</b>	<b>148,977</b>	<b>207,666</b>
<b>Total liabilities</b>	<b>298,710</b>	<b>365,949</b>
<i>Total shareholders' equity and liabilities</i>	<i>455,389</i>	<i>471,045</i>

## Consolidated income statement at 31 December

(€/000)	2005			2004		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
<b>Gross sales</b>	<b>331,608</b>	<b>119,894</b>	<b>451,502</b>	<b>270,612</b>	<b>261,133</b>	<b>531,745</b>
Cost of sales	(209,386)	(84,776)	(294,162)	(177,884)	(183,804)	(361,688)
<b>Gross industrial margin</b>	<b>122,222</b>	<b>35,118</b>	<b>157,340</b>	<b>92,728</b>	<b>77,329</b>	<b>170,057</b>
Other revenues	4,319	394	4,713	2,767	1,671	4,438
Selling expenses	(25,460)	(15,469)	(40,929)	(19,745)	(35,281)	(55,026)
General and administrative expenses	(43,039)	(8,542)	(51,581)	(35,271)	(21,121)	(56,392)
Other operating costs	(658)	(210)	(868)	(804)	(1,785)	(2,589)
Goodwill impairment loss	(4,011)	-	(4,011)	(6,807)	-	(6,807)
<b>Ordinary profit before financial charges</b>	<b>53,373</b>	<b>11,291</b>	<b>64,664</b>	<b>32,868</b>	<b>20,813</b>	<b>53,681</b>
Financial income	4,673	1,452	6,125	1,026	1,020	2,046
Financial charges	(10,636)	(4,051)	(14,687)	(6,115)	(5,654)	(11,769)
Adjustments of investments to the equity method	(42)	103	61	419	(123)	296
<b>Profit for the period before taxes</b>	<b>47,368</b>	<b>8,795</b>	<b>56,163</b>	<b>28,198</b>	<b>16,056</b>	<b>44,254</b>
Income taxes	(20,294)	(4,600)	(24,894)	(15,562)	(8,966)	(24,528)
<b>Profit for the period after taxes but before gains from discontinued operations</b>	<b>27,074</b>	<b>4,195</b>	<b>31,269</b>	<b>12,636</b>	<b>7,090</b>	<b>19,726</b>
Gains from discontinued operations	-	47,978	47,978	-	-	-
<b>Consolidated profit for the period</b>	<b>27,074</b>	<b>52,173</b>	<b>79,247</b>	<b>12,636</b>	<b>7,090</b>	<b>19,726</b>
<b>Attributable to:</b>						
Shareholders of the Parent	26,539	51,526	78,065	11,149	5,666	16,815
Minority shareholders of subsidiaries	535	647	1,182	1,487	1,424	2,911
<b>Consolidated profit for the period</b>	<b>27,074</b>	<b>52,173</b>	<b>79,247</b>	<b>12,636</b>	<b>7,090</b>	<b>19,726</b>
Basic earnings per share (euro)	0,363		1,067	0,145		0,218
Diluted earnings per share (euro)	0,363		1,067	0,143		0,215

Included in continuing operations are the Industrial Sector, the Hydraulic Sector and the other activities which remain in the Interpump Group. The Hammelmann Group is included in the Industrial Sector only for the second, third and fourth quarter of 2005. Discontinued operations include the operations of the IP Cleaning Group for the whole year 2004 and for the first five months of 2005, up to its disposal.

## Consolidated cash flow statement at 31 December

(€000)	2005			2004		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
<b>Cash flows from operating activities</b>						
Profit before taxes and gains from discontinued operations	47,368	8,795	56,163	28,198	16,056	44,254
Adjustments for non-monetary items:						
Gains from disposals of fixed assets	(1,343)	(21)	(1,364)	(225)	(56)	(281)
Gains from disposals of investments	(366)	-	(366)	(191)	-	(191)
Depreciation and amortisation	9,521	3,130	12,651	8,471	7,239	15,710
Goodwill impairment loss	4,011	-	4,011	6,807	-	6,807
Expenses recognised in the income statement relating to stock options which do not result in cash outflows for the Group	1,645	-	1,645	295	-	295
Profits from investments	42	(103)	(61)	(419)	123	(296)
Net change in provisions and accruals for employee benefits	1,966	828	2,794	833	1,251	2,084
Net financial charges	5,963	2,599	8,562	5,089	4,634	9,723
Other items	(18)	-	(18)	(125)	-	(125)
	<b>68,789</b>	<b>15,228</b>	<b>84,017</b>	<b>48,733</b>	<b>29,247</b>	<b>77,980</b>
(Increase) decrease in trade receivables and other current assets	(2,786)	(10,290)	(13,076)	(4,343)	(8,733)	(13,076)
(Increase) decrease in inventories	(8,663)	4,903	(3,760)	(5,797)	(2,632)	(8,429)
Increase (decrease) in trade payables and other current liabilities	1,069	17,253	18,322	(2,180)	(12,347)	(10,167)
Interest paid	(5,899)	(1,597)	(7,496)	(5,744)	(4,823)	(10,567)
Realised exchange differences	416	(151)	265	(313)	282	(31)
Income taxes paid	(21,221)	-	(21,221)	(13,042)	(5,175)	(18,217)
<b>Net cash from operating activities</b>	<b>31,705</b>	<b>25,346</b>	<b>57,051</b>	<b>21,674</b>	<b>(4,181)</b>	<b>17,493</b>
<b>Cash flows from investing activities</b>						
Purchase of Hammelmann, net of cash received	(87,163)	-	(87,163)	-	-	-
Proceeds from the sale of IP Cleaning S.p.A.	-	75,233	75,233	-	-	-
Ancillary expenses connected with the sales of IP Cleaning S.p.A.	-	(1,881)	(1,881)	-	-	-
Bank overdrafts (cash) transferred relating to the IP Cleaning Group	-	10,671	10,671	-	-	-
Investment in X Equity	-	(12,500)	(12,500)	-	-	-
Purchase of minority interests of subsidiaries	-	(1,408)	(1,408)	(425)	(1,092)	(1,517)
Proceeds from the sale of associated companies	1,557	-	1,557	5,000	-	5,000
Purchase of treasury stock	(8,829)	-	(8,829)	-	-	-
Proceeds from the sale of treasury stock to the holders of stock options	12,939	-	12,939	-	-	-

(€000)	2005			2004		
	<i>Continuing operations</i>	<i>Discontinued operations</i>	<i>Total</i>	<i>Continuing operations</i>	<i>Discontinued operations</i>	<i>Total</i>
Investment in property, plant and equipment	(5,743)	(1,328)	(7,071)	(6,105)	(7,587)	(13,692)
Proceeds from the sale of tangible fixed assets	3,099	105	3,204	453	252	705
Proceeds from the sale of intangible fixed assets	(1,859)	(339)	(2,198)	(1,394)	(1,483)	(2,877)
Financial income received	1,064	146	1,210	636	461	1,097
Dividends distributed by companies within the scope of discontinued operations and received by the Parent Company	-	-	-	1,340	(1,340)	-
Other items	14	(23)	(9)	159	95	254
<b>Net cash used in investing activities</b>	<b>(84,921)</b>	<b>68,676</b>	<b>(16,245)</b>	<b>(336)</b>	<b>(10,694)</b>	<b>(11,030)</b>
<b>Cash flows from financing activities</b>						
Loan granted to X Equity	-	(10,000)	(10,000)	-	-	-
Proceeds from increase in share capital	-	-	-	247	-	247
Proceeds from (repayments of) loans	46,919	58,680	105,599	(16,326)	(12,805)	(29,131)
Repayment of shareholders' loan	-	(54)	(54)	-	(54)	(54)
Payment of finance lease liabilities (capital portion)	(219)	(1,120)	(1,339)	(289)	(2,020)	(2,309)
Dividends paid	(63,725)	(893)	(64,618)	(9,589)	(987)	(10,576)
<b>Net cash from (used in) financing activities</b>	<b>(17,025)</b>	<b>46,613</b>	<b>29,588</b>	<b>(25,957)</b>	<b>(15,866)</b>	<b>(41,823)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(70,241)</b>	<b>140,635</b>	<b>70,394</b>	<b>(4,619)</b>	<b>(30,741)</b>	<b>(35,360)</b>
Net cash of companies consolidated for the first time			-			(813)
Conversion differences of cash held by non-EU companies			(157)			120
Cash and cash equivalents at beginning of period			(25,750)			10,303
Cash and cash equivalents at end of period			<b>44,487</b>			<b>(25,750)</b>



## Changes in shareholders' equity

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Share premium reserve</i>	<i>Reserve for the fair value of hedging derivatives</i>	<i>Reserve for translation differences</i>	<i>Other reserves</i>	<i>Group shareholders' equity</i>	<i>Minority interests</i>	<i>Total</i>
<i>Balance at 1 January 2004</i>	43,447	8,747	14,799	-	(8,209)	98,477	157,261	16,221	173,482
Capital increase subscribed on 31/5/2004 for stock options	247	-	-	-	-	-	247	-	247
Distribution of dividends	-	-	-	-	-	(9,110)	(9,110)	(1,464)	(10,574)
Exchange differences on the conversion of the financial statements of foreign companies	-	-	-	-	(1,982)	-	(1,982)	(274)	(2,256)
Exchange differences on the conversion of goodwill of non-EU companies	-	-	-	-	(916)	-	(916)	-	(916)
Minority interests in the share capital and reserves of companies consolidated for the first time	-	-	-	-	-	-	-	5	5
Minority interests purchased by the Group	-	-	-	-	-	-	-	(154)	(154)
Recognition in income of the fair value of the stock options granted and exercisable	-	-	295	-	-	-	295	-	295
Net profit for the period	-	-	-	-	-	16,815	16,815	2,911	19,726
<i>Balance at 31 December 2004</i>	<i>43,694</i>	<i>8,747</i>	<i>15,094</i>	<i>-</i>	<i>(11,107)</i>	<i>106,182</i>	<i>162,610</i>	<i>17,245</i>	<i>179,855</i>
Recognition of the effects of IAS 32 and IAS 39:									
Elimination of treasury stock from assets	-	-	-	-	-	(33,253)	(33,253)	-	(33,253)
Measurement at fair value of derivative financial instruments	-	-	-	(695)	303	(608)	(1,000)	-	(1,000)
Recognition in liabilities of commitments to purchase minority interests in subsidiaries	-	-	-	-	(1,024)	(5,515)	(6,539)	(3,443)	(9,982)
Different accounting treatment of accessory costs on loans	-	-	-	-	-	11	11	-	11
<i>Balance at 1 January 2005</i>	<i>43,694</i>	<i>8,747</i>	<i>15,094</i>	<i>(695)</i>	<i>(11,828)</i>	<i>66,817</i>	<i>121,829</i>	<i>13,802</i>	<i>135,631</i>

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Share premium reserve</i>	<i>Reserve for the fair value of hedging derivatives</i>	<i>Reserve for translation differences</i>	<i>Other reserves</i>	<i>Group shareholders' equity</i>	<i>Minority interests</i>	<i>Total</i>
<i>Balance at 1 January 2005</i>	43,694	8,747	15,094	(695)	(11,828)	66,817	121,829	13,802	135,631
Cancellation of treasury stock	(2,135)	-	-	-	-	2,135	-	-	-
Exchange differences on the conversion of the financial statements of foreign companies	-	-	-	-	5,053	-	5,053	123	5,176
Exchange differences on the conversion of goodwill of non-EU companies	-	-	-	-	2,111	-	2,111	-	2,111
Distribution of dividends	-	-	-	-	-	(9,900)	(9,900)	(1,184)	(11,084)
Recognition in income of the fair value of derivative financial instruments used for hedging	-	-	-	(1,090)	-	-	(1,090)	-	(1,090)
Change in the reserve for the measurement at fair value of the derivatives used as hedging instruments as a result of the sale of the IP Cleaning Group	-	-	-	717	-	-	717	-	717
Recognition in equity of the fair value of hedging agreements for derivative financial instruments entered into during the period and change in fair value of those existing at 1/1/2005 and at 31/12/2005	-	-	-	510	-	-	510	-	510
Recognition in income of the fair value of stock options granted and exercisable	-	-	1,645	-	-	-	1,645	-	1,645
Purchase of treasury stock	-	-	-	-	-	(8,829)	(8,829)	-	(8,829)
Sale of treasury stock on the exercising of stock options	-	-	-	-	-	12,939	12,939	-	12,939
Distribution of special dividend	-	-	-	-	-	(53,426)	(53,426)	-	(53,426)
Minority interests purchased by the Group	-	-	-	-	-	-	-	(307)	(307)
Minority interests sold by the Group	-	-	-	-	-	-	-	(6,561)	(6,561)
Net profit for the period	-	-	-	-	-	78,065	78,065	1,182	79,247
<i>Balance at 31 December 2005</i>	<i>41,559</i>	<i>8,747</i>	<i>16,739</i>	<i>(558)</i>	<i>(4,664)</i>	<i>87,801</i>	<i>149,624</i>	<i>7,055</i>	<i>156,679</i>

**Financial statements of the Parent Company Interpump Group S.p.A.****(prepared in accordance with Italian accounting principles)****BALANCE SHEET**

	<b>ASSETS</b>	
<i>(amounts expressed in euro)</i>	<i>31/12/2005</i>	<i>31/12/2004</i>
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Research, development and advertising costs	681,917	1,275,400
Industrial patents and intellectual property rights	22,900	-
Concessions, licences, trade marks and similar rights	75,134	117,646
Goodwill	27,334,653	29,920,276
Assets under construction and advances	1,833,144	1,145,975
Others	309,242	142,561
<i>Total</i>	<u>30,256,990</u>	<u>32,601,858</u>
<i>Tangible fixed assets</i>		
Land and buildings	6,373,720	12,973,454
Plant and machinery	6,687,793	4,764,881
Industrial and commercial equipment	904,087	1,033,835
Other fixed assets	397,734	320,733
Assets under construction and advances	665,970	338,109
<i>Total</i>	<u>15,029,304</u>	<u>19,431,012</u>
<i>Financial fixed assets</i>		
Investments in:		
Subsidiaries	80,487,935	89,605,533
Associated companies	12,499,986	-
Other companies	483,233	483,233
<i>Total investments</i>	<u>93,471,154</u>	<u>90,088,766</u>
Receivables:		
From subsidiaries		
Due within one year	300,000	57,100,000
Due after one year	33,520,000	1,140,000
From associated companies		
Due after one year	10,058,904	-
From others		
Due within one year	37,515	67,808
<i>Total financial receivables</i>	<u>43,916,419</u>	<u>58,307,808</u>
Treasury stock		
(for a total nominal value of €000 1,384 in 2005)	11,804,643	27,956,742
<i>Total financial fixed assets</i>	<u>149,192,216</u>	<u>176,353,316</u>
<i>Total fixed assets</i>	<u>194,478,510</u>	<u>228,386,186</u>

## BALANCE SHEET

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2005</i>	<i>31/12/2004</i>
<b><i>Assets forming part of working capital</i></b>		
<i>Inventories</i>		
Raw materials and supplies	6,358,492	5,577,605
Work in progress and semi-finished products	5,639,001	5,145,935
Finished products and goods	1,655,940	1,576,378
<i>Total</i>	<i>13,653,433</i>	<i>12,299,918</i>
<i>Receivables</i>		
Trade receivables		
Due within one year	7,225,810	5,000,149
From subsidiaries		
Due within one year	3,378,064	11,755,320
From associated companies		
Due within one year	195,229	-
Tax receivables		
Due within one year	294,659	715,378
Due after one year	16,752	516,550
Deferred tax assets		
Due within one year	1,371,481	784,127
Due after one year	1,368,494	1,007,130
From others		
Due within one year	47,314	93,507
Due after one year	4,604	4,338
<i>Total</i>	<i>13,902,407</i>	<i>19,876,499</i>
<i>Financial assets other than fixed assets</i>		
Investments in subsidiaries	10,218,000	-
Treasury stock (for a nominal value of €/000 10 in 2005)	88,888	5,295,899
<i>Total financial assets other than fixed assets</i>	<i>10,306,888</i>	<i>5,295,899</i>
<i>Fixed assets held for sale</i>		
Land and buildings	3,500,000	-
<i>Total fixed assets held for sale</i>	<i>3,500,000</i>	<i>-</i>
<i>Cash</i>		
Bank and postal accounts	34,933,308	8,316,735
Cash	5,114	5,413
<i>Total</i>	<i>34,938,422</i>	<i>8,322,148</i>
<i>Total assets forming part of working capital</i>	<i>76,301,150</i>	<i>45,794,464</i>

## BALANCE SHEET

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2005</i>	<i>31/12/2004</i>
<i>Accruals and deferrals</i>		
Other accruals and deferrals		
Due within one year	94,137	370,222
Due after one year	-	234,024
<i>Total</i>	<u>94,137</u>	<u>604,246</u>
<i>Total assets</i>	<u>270,873,797</u>	<u>274,784,896</u>
<i>Shareholders' equity</i>		
Share capital	41,558,535	43,693,780
Share premium reserve	8,229,715	14,757,236
Revaluation reserve	13,067,110	8,307,534
Legal reserve	8,746,400	8,746,400
Reserve for treasury stock held	11,893,532	33,252,641
Extraordinary reserve	11,442,157	646,543
Accelerated depreciation reserve	-	3,134,524
Profit (loss) for the period	27,826,318	57,809,980
<i>Total shareholders' equity</i>	<u>122,763,767</u>	<u>170,348,638</u>
<i>Provisions for risks and charges</i>		
Retirement benefits and similar rights	398	318
Provisions for taxation including deferred taxes	1,671,987	1,426,522
Other	1,900,685	612,956
<i>Total</i>	<u>3,573,070</u>	<u>2,039,796</u>
<i>Staff severance indemnities</i>	<u>4,826,631</u>	<u>4,441,547</u>
<i>Payables</i>		
Amounts payable to banks		
Due within one year	41,666,667	11,666,667
Due after one year	80,000,000	71,666,666
Advances		
Due within one year	31,279	40,391
Accounts payable to suppliers		
Due within one year	8,550,973	7,695,187
Payable to subsidiaries		
Due within one year	1,250,417	1,090,366
Amounts payable to associated companies		
Due within one year	1,171,000	-
Taxes payable		
Due within one year	2,668,190	1,673,140
Social security charges payable		
Due within one year	909,728	834,625

## BALANCE SHEET

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2005</i>	<i>31/12/2004</i>
Other liabilities		
Due within one year	<u>2,901,545</u>	<u>2,862,655</u>
<i>Total liabilities</i>	<u>139,149,799</u>	<u>97,529,697</u>
Accruals and deferrals		
Other accruals and deferrals	<u>560,530</u>	<u>425,218</u>
<i>Total</i>	<u>560,530</u>	<u>425,218</u>
<i>Total liabilities</i>	<u>270,873,797</u>	<u>274,784,896</u>
<b>Memorandum accounts</b>		
Sureties	26,594	5,026,598
Other memorandum accounts	<u>10,615,389</u>	<u>-</u>
<i>Total</i>	<u>10,641,983</u>	<u>5,026,598</u>

## INCOME STATEMENT

<i>(amounts expressed in thousands of euro)</i>	2005	2004
<b>Sales and other revenues</b>		
Revenues from the sale of goods and services	66,889,787	63,706,400
Changes in inventories of work in progress, semi-finished and finished products	572,629	373,125
Increase on internal work capitalised under fixed assets	47,316	20,280
Other revenues and income	153,965	476,853
<i>Total</i>	<u>67,663,697</u>	<u>64,576,658</u>
<b>Cost of production</b>		
Raw materials, consumables and supplies	21,898,475	22,033,219
Services	12,715,577	12,508,718
Use of third party assets	46,205	28,451
Personnel:		
Wages and salaries	10,164,082	9.363.391
Social security	3,376,802	3.207.141
Staff severance indemnities	822,181	761.744
Amortisation, depreciation and write-downs:		
Amortisation of intangible fixed assets	3,356,558	3.529.440
Depreciation of tangible fixed assets	5,093,453	3.885.289
Other write-down of fixed assets	1,585,278	-
Write down of receivables included under assets forming part of working capital	49,779	52.169
Changes in raw materials, consumables and supplies inventory	(780,886)	(1,092,359)
Sundry operating costs	538,371	453,001
<i>Total</i>	<u>58,865,875</u>	<u>54,730,204</u>
<i>Difference between sales and other revenues and the cost of production</i>	<u>8,797,822</u>	<u>9,846,454</u>
<b>Financial income and expenses</b>		
Income from investments:		
Dividends from subsidiaries	8,082,320	12,919,612
<i>Other financial income:</i>		
From receivables included under fixed assets:		
Subsidiaries	190,794	132,817
Associated companies	61,260	-
	<u>252,054</u>	<u>132,817</u>

## INCOME STATEMENT

<i>(amounts expressed in thousands of euro)</i>	<i>31/12/2005</i>	<i>31/12/2004</i>
<i>Financial income other than the above</i>		
Interest and fee expenses from other parties and other income	677,487	320,534
<i>Interest and other financial charges</i>		
Interests payable to subsidiaries	-	(218,383)
Interest and fee expenses payable to others and sundry charges	(5,136,132)	(4,220,536)
Foreign exchange gains (losses)	34,277	(39,822)
<i>Total financial income and charges</i>	<i>3,910,006</i>	<i>8,894,222</i>
 Adjustments made to financial asset values		
Write-downs		
Of investments	(11,446,000)	(10,692,943)
 Extraordinary income and expenses		
Income	33,965,975	53,971,583
Expenses	(3,338,641)	(301)
<i>Total extraordinary items</i>	<i>30,627,334</i>	<i>53,971,282</i>
<i>Profit for the period before taxes</i>	<i>31,889,162</i>	<i>62,019,015</i>
 Income taxes for the period		
Current taxes	(4,766,097)	(3,716,068)
Deferred taxes	703,253	(492,967)
<i>Total income taxes for the period</i>	<i>(4,062,844)</i>	<i>(4,209,035)</i>
<i>Net profit (loss) for the period</i>	<i>27,826,318</i>	<i>57,809,980</i>



## CASHFLOW STATEMENT

<i>(amounts expressed in thousands of euro)</i>	2005	2004
Net profit for the period	27,826	57,810
Non cash income items:		
Amortisation and depreciation of intangible and tangible fixed assets	8,450	7,414
Write down of fixed assets	1,585	-
Changes in staff severance indemnities	386	268
Changes in the deferred tax provision net of change in deferred tax assets	(703)	493
Change in other provisions	1,032	(193)
Write-downs of investments	11,446	10,693
Write-back of equity investments due to neutralisation of fiscal interference	-	(30,304)
Capital (gains) from the sales of equity investments	(30,658)	(23,667)
Capital (gains) from the sales of fixed assets	(1,440)	-
Losses (gains) from sales of treasury stock	439	-
Dividends from companies in which stakes are held	(8,082)	(12,920)
<i>Cash flow from operations</i>	<u>10,281</u>	<u>9,594</u>
Cash flow obtained (used) through (in) net working capital	2,268	(1,574)
<i>Operating cash flow generated (used)</i>	<u>12,549</u>	<u>8,020</u>
<i>Investing activities</i>		
Increase in tangible fixed assets	(1,598)	(5,873)
Increase in intangible fixed assets	(1,082)	(1,247)
Proceeds from sales of fixed assets	2,706	15
Acquisition of equity investments	(73,760)	(268)
Loss funding of subsidiaries	(579)	-
Proceeds from sales of investments	81,498	5,000
Acquisition of treasury stock	(8,829)	-
Proceeds from sales of treasury stock	12,939	-
Other changes	229	(701)
<i>Total cash flow used for investing activities</i>	<u>11,524</u>	<u>(3,074)</u>
<i>Financing activities</i>		
Increase in (repayment of) medium/long-term borrowings	38,333	(13,667)
Collection (increase) of (in) medium/long-term financial receivables	31	51
Financial reimbursement by (paid out to) Hammelmann acquisition	(48,500)	-
Financial reimbursement by (paid out to) IP Cleaning before sale	56,000	-
Loan granted to X-Equity S.p.A,	(10,000)	-
Financing reimbursed by (paid out to) subsidiaries	16,741	(4,173)
Increase in capital	-	247
Dividends received	13,162	7,839
Dividends paid	(63,326)	(9,110)
<i>Total cash flow obtained through (used in) financing activities</i>	<u>2,441</u>	<u>(18,813)</u>
Cash flow generated (used)	<u>26,514</u>	<u>(13,867)</u>

## CASHFLOW STATEMENT

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<i>(amounts expressed in thousands of euro)</i>	2005	2004
Net cash and cash equivalents at the beginning of the period	7,898	21,765
Cash flow generated (used)	26,514	(13,867)
<i>Net cash and cash equivalents at the end of the period</i>	<u>34,412</u>	<u>7,898</u>

Net cash can be broken down as follows:

Cash on hand	34,938	8,322
Accrued interest	(526)	(424)
<i>Net cash and cash equivalents</i>	<u>34,412</u>	<u>7,898</u>

Pursuant to the terms of the Market Rules of Borsa Italiana S.p.A., which require the publication of the individual financial statements of the parent company in relation to press releases relative to the disclosure of accounting data, the accounting statements indicated above were also presented,

The financial statements of Interpump Group S.p.A, were drawn up in accordance with the provisions of current legislation, interpreted and integrated by the accounting principles stated by the “Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri” (National Councils of Certified Public Accountants), by the documents issued by the Organismo Italiano di contabilità (O.I.C) (Italian Accounting Body) and, when not sufficient, by those established by the International Accounting Standards Board (I.A.S.B.), with the approval of the Board of Statutory Auditors when required,