



## PRESS RELEASE

### Meeting of Shareholders of Interpump Group

#### SHAREHOLDERS APPROVE 2005 FINANCIAL STATEMENTS

#### DIVIDEND OF 0.15 EURO (+15.4%) RESOLVED

#### PAYABLE MAY 5 WITH COUPONS CLIPPED MAY 2, 2006

#### NET REVENUES FROM CONTINUING OPERATIONS\*: UP 22.5% TO 331.6 MILLION EUROS

#### CONSOLIDATED NET PROFIT FROM CONTINUING OPERATIONS:

#### UP 142.6% TO 27.4 MILLION EUROS

#### CONSOLIDATED PROFIT 79.2 MILLION EUROS

#### NEW 2006/2009 STOCK OPTION PLAN APPROVED

#### GO-AHEAD FOR NEW BUY-BACK OF UP TO 7,992,026 SHARES

\*= 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.

Sant'Ilario d'Enza (RE), 20 April 2006 – The meeting of shareholders of Interpump Group, held today, approved the company's financial statements as of December 31, 2005. On the basis of the results achieved, the meeting resolved to **distribute a dividend of 0.15 euro** (+15.4% over the dividend distributed in 2005), which will go into payment starting on May 5, 2006, with coupons clipped on May 2.

The Chairman, Giovanni Cavallini, illustrated the results for the year 2005, which confirm that the Group has maintained its position of leadership, with **the growth of consolidated net sales up 22.5% to 331.6 million euro**. 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<br>(twelve<br>months)<br>€/000 | %                 | 31/12/2004<br>(twelve<br>months)<br>€/000 | %                 | Increase/<br>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                 | 1,447                                     | -                 | 3,067                                     | 1                 | -                     |
| <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>         |



**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:

|                        | <i>31/12/2005</i><br><i>(twelve</i><br><i>months)</i> | <i>% of</i><br><i>total</i><br><i>sales*</i> | <i>31/12/2004</i><br><i>(twelve</i><br><i>months)</i> | <i>% of</i><br><i>total</i><br><i>sales *</i> | <i>Increase/</i><br><i>Decrease</i> |
|------------------------|---|--|---|---|-------------------------------------|
|                        | <i>€/000</i>  |  | <i>€/000</i>  |   |                                     |
| 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>(236)</u>  | -   | -                                   |
| <b>Total</b>           | <b><u>67,985</u></b>                                  | <b>20.5%</b>                                 | <b><u>48,535</u></b>                                  | <b>17.9%</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.

**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), with a growth of 142.6%.**

**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 to **0.363 euros** with a growth of 66.5% compared to the figure of 0.218 euros in 2004.

**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.

**Net financial indebtedness at 31 December 2004 of 211.6 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 asset/financial structure, in 2005 a **special dividend of 0.69 euro** was distributed with a payout of 53.4 million euro, along with an ordinary dividend of 0.13 euro with a cash out of 9.9 million euro.

### **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.

### **Approval of stock option plan**

The Meeting approved a new 2006/2009 stock option plan granting directors, executives and managers holding what are considered to be the most strategically-important positions within Interpump Group S.p.A. and its subsidiaries a maximum of 4,000,000 own shares on hand at the time of allocation, at a price representing the greater of the average book value of the own shares calculated the day before the option offering date and the arithmetic average of the official share price recorded on each stock exchange trading day in the period between the option offering date and the same day of the previous month inclusive.

The plan aims to put management interests on a par with those of shareholders. Options will be granted provided that the objectives set by the Board of Directors have been achieved. For at least 25% of the options offered to each beneficiary, the objectives will be represented by the growth in the company's listed value and/or the total return obtained by shareholders during the reference period, unless otherwise decided by the Board of Directors.

Aside from the achievement of preset objectives, the right to exercise options is also conditional upon the beneficiaries remaining in the Group's employ. Bearing in mind this aim to promote loyalty, one third of the options will be exercisable when granted, one third after one year and the remainder after two years.

### **Authorisation to purchase own shares**

The Meeting has also given permission to purchase own shares up to the maximum number allowed by law (10% of capital consisting solely of ordinary shares), thus enabling the company to make additional purchases of own shares for the purposes of investment or keeping the price stable when shares are in short supply on the stock market and enabling swap operations following acquisitions and/or business agreements with strategic partners and fulfilling the obligations of the stock option plan.

Authorisation is valid for 18 months as of today's date. Own shares may be bought on the market at a minimum price of 0.52 euro (face value) and a maximum of 10 euro. These terms also apply to subsequent sale.

The company currently holds 3,125,630 own shares representing approx 3.9% of share capital consisting of 79,920,260 ordinary shares.

*For further information please contact:*

*Moccagatta Associati*

*Tel. +39 02 8645.1695 – Fax +39 02 8645.2082*

[segreteria@moccagatta.it](mailto:segreteria@moccagatta.it)