



PRESS RELEASE

INTERPUMP GROUP: 2006 FIRST HALF RESULTS ¹

Net sales: +19.5% to 196.5 million euro
EBITDA: +27.3% to 43.8 million euro (22.3% of sales)
EBIT: +33% to 39.3 million euro (20% of sales)
Consolidated net profit: +35.8% to 19.2 million euro

INTERPUMP GROUP: 2006 SECOND QUARTER RESULTS ¹

Net sales: +8.1% to 100.2 million euro
EBITDA: +16.5% to 22.6 million euro (22.5% of sales)
EBIT: +22% to 20.2 million euro (20.1% of sales)
Consolidated net profit: +25.7% to 9.6 million euro

Sant'Ilario d'Enza (RE) Italy, 11 August 2006 – The Interpump Group S.p.A. has disclosed its results relative to the first half of 2006 and second quarter of 2006, as approved by the Board of Directors in today's meeting. The results confirm the competitive strength of Interpump Group, the world leader in the majority of its business sectors.

CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2006.

Net sales of Interpump Group in the first half of 2006 totalled **196.5 million euro (+19.5% compared to the same period in 2005**, when sales were recorded for 164.4 million euro). On an equal consolidation area net sales were up by 10.5% (+17.2 million euro).

Net sales for the first half of 2006 show the following changes:

	2006	%	2005	%	Increase/ Decrease
	1 st half		1 st half ¹		
	€/000		€/000		
Hydraulic Sector	91,373	46	77,401	47	+18.1%
Industrial Sector	82,377	42	65,467	40	+25.8%
Electric Motors Sector	22,683	12	20,823	13	+8.9%
Other Revenues Sector	45	-	708	-	n.s.
Total	<u>196,478</u>	<u>100</u>	<u>164,399</u>	<u>100</u>	+19.5%

The **Hydraulic Sector** grew by 18.1%. Sales of our US subsidiary Muncie rose by 18.0% in dollar-on-dollar terms; after conversion into euro overall growth was 23.3%, following on from the already significant gains

¹ The comparison refers to continuing operations for 2005. Continuing operations are thus defined by international accounting standards inasmuch as they are ongoing operations, unlike operations relative to the divested Cleaning Sector, which was consolidated for the first five months of 2005. Sales of continuing operations also include sales of the Hammelmann Group for six months in 2006 and three months in 2005, since Hammelmann was acquired on 1 April 2005.



recorded in 2004 and 2005. Sales of European companies were up by 14.1% compared to the same period in 2005.

The **Industrial Sector**, which includes Hammelmann for the first half of 2006 and only for the second quarter in 2005, generated a turnover of 82.4 million euro, reflecting a growth of 25.8%. On an equal consolidation basis growth of the Industrial Sector would have been 3.1% (growth of 7.8% was recorded for high pressure pump sales).

EBITDA in the first half of 2006 was 43.8 million euro (22.3% of sales), compared to the 34.4 million euro for the first half 2005 (20.9% of sales), **with an increase of 27.3%**² (+13.0% on an equal consolidation area). The following table gives a breakdown of EBITDA by area of business.

	30/06/2006 (six months) €/000	% on total sales ²	30/06/2005 (six months) €/000	% on total sales ²	Increase/ Decrease
Hydraulic Sector	20,670	22.6%	16,780	21.7%	+23.2%
Industrial Sector	23,983	29.1%	17,561	26.8%	+36.6%
Electric Motors Sector	180	0.8%	371	1.7%	-51.5%
Other Revenues Sector	(1,007)	n.s.	(289)	n.s.	n.s.
Total	<u>43,826</u>	22.3%	<u>34,423</u>	20.9%	+27.3%

EBIT was 39.3 million euro or 20.0% of sales compared to the 29.6 million euro of the first half of 2005 (18.0% of sales) **reflecting growth of 33.0%**. On an equal consolidation area the increase was 17.8%.

Consolidated net profit for the first half of 2006 was **19.2 million euro** (profit from continuing operations was 14.2 million for the first half of 2005) showing **growth of 35.8%**. Basic earnings per share were 0.245 euro, up by 26.9% compared to the 0.193 euro for continuing operations in the first half of 2005. **Net financial debt** at 30 June 2006 was 154.7 million euro, compared to the 127.7 million euro at 31 December 2005. Invested capital increased from 284.4 million euro at 31 December 2005 to 306.0 million euro at 30 June 2006. Half-year non-annualised **ROCE** was 12.9% (14.2% in the first half of 2005). The slight decrease is attributable to the increase in invested capital, mainly following the purchase last February of a minority stake in our US subsidiary, Muncie, for 17.8 million euro.

Half-year non-annualised **ROE** was 12.7% with respect to the 9.6% of the first half of 2005, with an increase of 32.3%, influenced by the reduction in shareholders' equity further to the distribution of a special dividend in the amount of 53.4 million euro (0.69 euro per share) in December 2005 and aimed at optimising the group's equity structure (said effect having been amply confirmed by the marked improvement in ROE).

2006 SECOND QUARTER CONSOLIDATED RESULTS.

Net sales of Interpump Group in the second quarter of 2006 totalled **100.2 million euro (+8.1% compared to the equivalent period in 2005**, when net sales were recorded at 92.7 million euro).

Net sales for the second quarter of 2006 break down as follows (the 2005 result refers only to continuing operations):

² Total sales include also sales to other companies within the area of consolidation, while the sales analysed previously are exclusively external to the Group. Therefore, for the purposes of comparability the percentage is calculated on total sales rather than the sales indicated earlier.



	2006	%	2005	%	Increase/ Decrease
	2nd quarter		2nd quarter		
	€/000		€/000		
Hydraulic Sector	46,029	46	40,551	44	+13.5%
Industrial Sector	43,381	43	41,188	44	+5.3%
Electric Motors Sector	10,741	11	10,454	11	+2.7%
Other Revenues Sector	<u>23</u>	<u>-</u>	<u>478</u>	<u>1</u>	n.s.
Total	<u>100,174</u>	<u>100</u>	<u>92,671</u>	<u>100</u>	+8.1%

The **Hydraulic Sector** grew by 13.5%. Sales of our subsidiary Muncie increased by 14.6% in dollar-on-dollar terms, after the already significant growth recorded in the last quarters; following conversion into euro overall growth was 14.9%. Sales by our European companies rose by 12.4% with respect to the figure for the equivalent period in 2005.

The **Industrial Sector** generated a turnover of 43.4 million euro, reflecting growth of 5.3%. Sales of **electric motors** totalled 10.7 million euro (+2.7% compared to second quarter of 2005).

EBITDA in the **second quarter of 2006** was **22.6 million euro** (22.5% of turnover), with respect to the 19.3 million euro for the second quarter of 2005, which was equivalent to 20.9% of sales, **reflecting growth of 16.7%**. The following table gives a breakdown of EBITDA by area of business.

	2006	% on	2005	% on	Increase/ Decrease
	2nd quarter	total	2nd quarter	total	
	€/000	sales ³	€/000	sales ³	
Hydraulic Sector	10,429	22.7%	9,009	22.2%	+15.8%
Industrial Sector	12,864	29.6%	10,266	24.9%	+25.3%
Electric Motors Sector	(9)	-0.1%	160	1.5%	n.s.
Other Revenues Sector	<u>(732)</u>	n.s.	<u>(105)</u>	n.s.	n.s.
Total	<u>22,552</u>	22.5%	<u>19,330</u>	20.9%	+16.7%

EBITDA of the **Industrial Sector** was 25.3% higher than in the second quarter of 2005. The decrease of EBITDA relative to the Electric Motors Sector is mainly due to the increased cost of raw materials.

EBIT totalled **20.2** million euro or 20.1% of sales compared to the 16.5 million euro of the second quarter of 2005 (17.8% of sales), **reflecting an increase of 22.0%**.

Consolidated net profit for the second quarter of 2006 was **9.6 million euro** (net profit from continuing operations totalled 7.6 million euro in the second quarter of 2005), posting a rise of 25.7%. **Basic earnings per share** were 0.122 euro **with a 23.2% increase** compared to the 0.099 euro for continuing operations in the second quarter of 2005.

Quarterly non-annualised **ROCE** at 30 June 2006 was 6.6% (7.4% in the first quarter of 2005). Quarterly **ROE** was 6.3% as compared to the figure of 4.9% for the second quarter of 2005.

³ Total sales include also sales to other companies within the continuing operations area, while the sales analysed previously are exclusively external to the Group (see point 2 of the notes). Therefore, for the purposes of comparability the percentage is calculated on total sales rather than the sales indicated earlier.



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Financial statements
Consolidated balance sheets

	<i>30/06/2006</i>	<i>31/03/2006</i>	<i>31/12/2005</i>
	<i>€/000</i>	<i>€/000</i>	<i>€/000</i>
ASSETS			
Current assets			
Cash and cash equivalents	47,426	41,417	56,078
Trade receivables	83,689	80,303	70,974
Inventories	84,770	87,195	85,239
Tax receivables	4,550	4,922	5,229
Derivative financial instruments	307	127	359
Assets available for sale	2,454	2,454	2,454
Other current assets	3,445	2,642	2,150
Total current assets	226,641	219,060	222,483
Non-current assets			
Property, plant and equipment	51,199	51,060	51,165
Goodwill	132,679	133,521	133,885
Other intangible assets	15,763	15,650	15,598
Investments in associated companies	4,905	5,390	5,390
Other financial assets	14,855	15,320	14,361
Tax receivables	371	371	371
Deferred tax assets	11,234	11,316	11,926
Other non current assets	628	149	210
Total non current assets	231,634	232,777	232,906
Total assets	458,275	451,837	455,389

30/06/2006 31/03/2006 31/12/2005
 €/000 €/000 €/000

LIABILITIES

Current liabilities

Trade payables	52,179	51,775	43,874
Payables to banks	10,846	11,650	11,591
Interest bearing financial payables (current portion)	37,573	54,509	50,673
Derivative financial instruments	418	458	1,023
Taxes payable	8,126	11,220	6,267
Other current liabilities	14,054	12,447	33,960
Provisions for risks and charges	1,647	1,536	1,589
Total current liabilities	124,843	143,595	148,977

Non-current liabilities

Interest bearing financial payables	153,674	116,191	121,515
Liabilities for employee benefits	11,451	11,231	10,982
Taxes payables	44	-	-
Deferred tax liabilities	14,099	14,305	14,493
Other non-current liabilities	179	218	229
Provisions for risks and charges	2,658	2,502	2,514
Total non current liabilities	182,105	144,447	149,733
Total liabilities	306,948	288,042	298,710

SHAREHOLDERS' EQUITY

Share Capital	41,559	41,559	41,559
Legal reserve	8,747	8,747	8,747
Share premium reserve	17,253	16,739	16,739
Reserve for valuation of hedging derivatives at fair value	(192)	(165)	(558)
Reserve for valuation of investments at fair value	-	918	-
Translation reserve	(8,126)	(5,859)	(4,664)
Other reserves	85,091	94,791	87,801
Shareholders' equity for the Group	144,332	156,730	149,624
Minority interests	6,995	7,065	7,055
Total shareholders' equity	151,327	163,795	156,679
Total shareholders' equity and liabilities	458,275	451,837	455,389

Consolidated income statements first-half of the year

	2006	2005		Total
		<i>Continuing operations</i>	<i>Discontinued operations</i>	
(€000)				
Net sales	196,478	164,399	119,894	284,293
Cost of sales	(123,956)	(104,685)	(84,776)	(189,461)
Gross industrial margin	72,522	59,714	35,118	94,832
Other net revenues	3,808	2,668	394	3,062
Distribution costs	(14,162)	(12,086)	(15,469)	(27,555)
General and administrative expenses	(22,384)	(20,332)	(8,542)	(28,874)
Other operating costs	(452)	(400)	(210)	(610)
Ordinary profit before financial charges	39,332	29,564	11,291	40,855
Financial income	1,638	2,765	1,452	4,217
Financial charges	(5,735)	(5,856)	(4,051)	(9,907)
Adjustment of investments according to the equity method	(486)	(23)	103	80
Profit for the period before taxes	34,749	26,450	8,795	35,245
Income taxes	(15,499)	(12,278)	(4,600)	(16,878)
Profit for the period after taxes and before the capital gain on discontinued operation	19,250	14,172	4,195	18,367
Gains from discontinued operations	-	-	50,230	50,230
Consolidated profit for the period	19,250	14,172	54,425	68,597
Due to:				
Parent company shareholders	18,778	13,744	53,778	67,522
Subsidiaries' minority shareholders	472	428	647	1,075
Consolidated profit for the period	19,250	14,172	54,425	68,597
Basic earnings per share (euro)	0.245	0.193		0.917
Diluted earnings per share (euro)	0.244	0.189		0.896

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 for six months in 2006 and only for three months in 2005. Discontinued operations include the operations of the IP Cleaning Group for the first five months of 2005, up to its disposal.

Consolidated income statements for the second quarter

	2006	2005		<i>Total</i>
		<i>Continuing operations</i>	<i>Discontinued operations</i>	
<i>(€/000)</i>				
Net sales	100,174	92,671	53,100	145,771
Cost of sales	(63,400)	(58,422)	(38,065)	(96,487)
Gross industrial margin	36,774	34,249	15,035	49,284
Other net revenues	2,518	1,357	211	1,568
Distribution costs	(7,132)	(7,166)	(6,729)	(13,895)
General and administrative expenses	(11,677)	(11,654)	(3,578)	(15,232)
Other operating costs	(323)	(256)	(101)	(357)
Ordinary profit before financial charges	20,160	16,530	4,838	21,368
Financial income	993	1,773	776	2,549
Financial charges	(3,258)	(3,298)	(1,841)	(5,139)
Adjustment of investments according to the equity method	(477)	(7)	49	42
Profit for the period before taxes	17,418	14,998	3,822	18,820
Income taxes	(7,848)	(7,385)	(2,018)	(9,403)
Profit for the period after taxes and before the capital gain on discontinued operation	9,570	7,613	1,804	9,417
Gains from discontinued operations	-	-	50,230	50,230
Consolidated profit for the period	9,570	7,613	52,034	59,647
Due to:				
Parent company shareholders	9,340	7,389	51,815	59,204
Subsidiaries' minority shareholders	230	224	219	443
Consolidated profit for the period	9,570	7,613	52,034	59,647
Basic earnings per share (euro)	0.122	0.099		0.795
Diluted earnings per share (euro)	0.122	0.097		0.776

Consolidated cash flow statements for the first-half of the year

	2006	2005		Total
		Continuing operations	Discontinued operations	
(€000)				
Cash flow from operating activities				
Profit before taxes and gains from discontinued operations	34,749	26,450	8,795	35,245
Adjustments for non-cash items::				
Capital gains (losses) from the sale of fixed assets	20	(1,285)	(21)	(1,306)
Gains from disposals of investments	(947)	(142)	-	(142)
Amortisation and depreciation	4,103	4,404	3,130	7,534
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	514	284	-	284
Loss (profit) from investments	496	23	(103)	(80)
Net change of risk funds and allocations to liabilities for benefits for employees	726	517	828	1,345
Net financial charges	4,097	3,091	2,599	5,690
Other	1	(13)	-	(13)
	43,759	33,329	15,228	48,557
(Increase) decrease in trade receivables and other current assets	(14,144)	(16,028)	(10,290)	(26,318)
(Increase) decrease in inventories	(2,144)	(8,942)	4,903	(4,039)
(Increase) decrease in trade payables and other current liabilities	7,205	12,658	17,253	29,911
Interest paid	(3,199)	(2,437)	(1,597)	(4,034)
Currency exchange gains	(71)	249	(151)	98
Taxes paid	(10,885)	(9,937)	-	(9,937)
Net liquidity generated by operating activities	20,521	8,892	25,346	34,238
Cash flow from investing activities				
Purchase of Hammelmann, net of cash received	(1,000)	(87,152)	-	(87,152)
Proceeds from the sale of IP Cleaning S.p.A.	(1,171)	-	75,067	75,067
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	(17,921)	-	(1,408)	(1,408)
Increase of share capital in subsidiary	(592)	-	-	-
Proceeds from the sale of associated companies	500	1,557	-	1,557
Payment for purchase of treasury stock	(9,993)	(2,045)	-	(2,045)
Proceeds from the sale of treasury stock to the holders of stock options	15	2,092	-	2,092
Investment in property, plant and equipment	(4,043)	(2,294)	(1,328)	(3,622)
Proceeds from the sale of tangible fixed assets	144	2,958	105	3,063
Increase in intangible assets	(1,052)	(814)	(339)	(1,153)
Financial income collected	268	373	146	519
Other	(175)	484	(23)	461
Net liquidity utilised in investing activities	(35,020)	(84,841)	70,391	(14,450)

	2006	2005		
		<i>Continuing operations</i>	<i>Discontinued operations</i>	<i>Total</i>
(€000)				
Cash flow of financing activities				
Loan granted to X Equity	-	-	(10,000)	(10,000)
Proceeds from (repayments of) loans	18,827	32,226	58,680	90,906
Repayment of shareholders' loan	-	-	(54)	(54)
Loan granted to non consolidated subsidiary	(470)	-	-	-
Payment of financial leasing instalments (principal)	(106)	(111)	(1,120)	(1,231)
Dividends paid	(11,851)	(10,180)	(893)	(11,073)
Net cash from (used in) financing activities	6,400	21,935	46,613	68,548
Net increase (decrease) in cash and cash equivalents	(8,099)	(54,014)	142,350	88,336
Exchange differences on conversion of the liquidity of companies in areas outside the EU	192			(163)
Cash and cash equivalents at the beginning of the period	44,487			(25,750)
Cash and cash equivalents at the end of the period	36,580			62,423

Cash and cash equivalents can be broken down as follows:

	30/06/2006	01/01/2006	30/06/2005	01/01/2005
	€000	€000	€000	€000
Cash and cash equivalents from balance sheet	47,426	56,078	72,345	22,391
Payables to banks (for overdrafts and advances subject to collection)	(10,846)	(11,591)	(9,922)	(48,141)
Cash and cash equivalents from cash flow statement	<u>36,580</u>	<u>44,487</u>	<u>62,423</u>	<u>(25,750)</u>

Changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Reserve for the fair value of hedging derivatives	Reserve for valuation of investments at fair value	Translation reserve	Other reserves	Shareholders' equity for the Group	Minority interests	Total
<i>Balances as 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	-	-	-
Distribution of dividends	-	-	-	-	-	-	(9,900)	(9,900)	(1,184)	(11,084)
Exchange differences on the translation of financial statements for companies in areas outside the EU	-	-	-	-	-	3,474	-	3,474	480	3,954
Exchange differences on the conversion of goodwill of non-EU companies	-	-	-	-	-	2,323	-	2,323	(442)	1,881
Minority interests purchased by the Group	-	-	-	-	-	-	-	-	(307)	(307)
Proceed of minority interests	-	-	-	-	-	-	-	-	(6,561)	(6,561)
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	284	-	-	-	-	284	-	284
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	(1,008)	-	-	-	(1,008)	-	(1,008)
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
Recording under shareholders' equity of the fair value of derivative hedging instruments taken out during the period and change in the fair value for those existing at 1/1/2005 and at 30/6/2005	-	-	-	101	-	-	-	101	-	101
Acquisition of treasury stock	-	-	-	-	-	-	(2,045)	(2,045)	-	(2,045)
Proceeds from the sale of treasury stock to the holders of stock options	-	-	-	-	-	-	2,092	2,092	-	2,092
Net profit first half 2005	-	-	-	-	-	-	67,522	67,522	1,075	68,597
<i>Balances as at 30 June 2005</i>	<i>41,559</i>	<i>8,747</i>	<i>15,378</i>	<i>(885)</i>	<i>-</i>	<i>(6,031)</i>	<i>126,621</i>	<i>185,389</i>	<i>6,863</i>	<i>192,252</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 valuation of investments at fair value</i>	<i>Translation reserve</i>	<i>Other reserves</i>	<i>Shareholders' equity for the Group</i>	<i>Minority interests</i>	<i>Total</i>
<i>Balances as at 30 June 2005</i>	41,559	8,747	15,378	(885)	-	(6,031)	126,621	185,389	6,863	192,252
Exchange differences on the translation of financial statements for companies in areas outside the EU	-	-	-	-	-	1,579	-	1,579	(357)	1,222
Exchange differences on the conversion of goodwill of non-EU companies	-	-	-	-	-	(212)	-	(212)	442	230
Distribution of special dividend	-	-	-	-	-	-	(53,426)	(53,426)	-	(53,426)
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	(82)	-	-	-	(82)	-	(82)
Recording under shareholders' equity of the fair value of derivative hedging instruments taken out during the period and change in the fair value for those existing at 1/07/2005 and at 31/12/2005	-	-	-	409	-	-	-	409	-	409
Recognition in income of the fair value of stock options granted and exercisable	-	-	1,361	-	-	-	-	1,361	-	1,361
Purchase of treasury stock	-	-	-	-	-	-	(6,784)	(6,784)	-	(6,784)
Sale of treasury stock on the exercising of stock options	-	-	-	-	-	-	10,847	10,847	-	10,847
Net profit of the last six months	-	-	-	-	-	-	10,543	10,543	107	10,650
<i>Balance at 31 December 2005</i>	41,559	8,747	16,739	(558)	-	(4,664)	87,801	149,624	7,055	156,679
Exchange differences on the conversion of the financial statements of foreign companies	-	-	-	-	-	(2,253)	-	(2,253)	(92)	(2,345)
Exchange differences on the conversion of goodwill of non-EU companies	-	-	-	-	-	(1,209)	-	(1,209)	-	(1,209)
Distribution of dividends	-	-	-	-	-	-	(11,510)	(11,510)	(443)	(11,953)
Minority shares sold by the Group	-	-	-	-	-	-	-	-	3	3
Purchase of treasury stock	-	-	-	-	-	-	(9,993)	(9,993)	-	(9,993)
Sales of treasury stock for the exercise of stock options	-	-	-	-	-	-	15	15	-	15
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	514	-	-	-	-	514	-	514
Recording under shareholders' equity of the change in the fair value of investments in other companies	-	-	-	-	918	-	-	918	-	918
Recording in the income statement of the reserve for fair value of the investments for the sale of Metalprint	-	-	-	-	(918)	-	-	(918)	-	(918)
Recording under shareholders' equity of the fair value of derivative hedging instruments taken out during the period and change in the fair value for those existing at 1/1/2006 and at 30/6/2006	-	-	-	348	-	-	-	348	-	348
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	18	-	-	-	18	-	18
Net profit of the first half 2006	-	-	-	-	-	-	18,778	18,778	472	19,250
<i>Balances as at 30 June 2006</i>	41,559	8,747	17,253	(192)	-	(8,126)	85,091	144,332	6,995	151,327

Balance sheets for the parent company Interpump Group S.p.A.

	30/06/2006	31/12/2005
	€/000	€/000
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	23,146	34,938
Trade receivables	11,903	10,610
Inventories	14,816	13,653
Receivables from subsidiaries for dividend	12,500	-
Tax receivables	889	320
Derivative financial instruments	246	-
Land and buildings for sale	3,500	3,500
Other current assets	1,397	336
<i>Total current assets</i>	<u>68,397</u>	<u>63,357</u>
<i>Non-current assets</i>		
Property, plant and equipment	12,918	12,169
Goodwill	32,506	32,506
Other intangible assets	2,960	2,609
Investments in subsidiaries	90,798	90,798
Investments in associated companies	9,306	9,306
Other financial assets	42,609	44,362
Tax receivables	17	17
Deferred tax assets	3,968	4,576
Other non current assets	504	17
<i>Total non current assets</i>	<u>195,586</u>	<u>196,360</u>
<i>Total assets</i>	<u>263,983</u>	<u>259,717</u>

	30/06/2006	31/12/2005
	€'000	€'000
LIABILITIES		
Current liabilities		
Trade payables	12,908	9,801
Payables to banks	910	526
Interest bearing financial payables (current portion)	35,666	41,666
Derivative financial instruments	418	907
Taxes payable	273	2,668
Other current liabilities	4,441	5,228
Provisions for risks and charges	597	901
Total current liabilities	55,213	61,697
Non-current liabilities		
Interest bearing financial payables	94,732	79,677
Liabilities for employee benefits	4,844	4,710
Deferred tax liabilities	2,158	2,156
Provisions for risks and charges	1,000	1,000
Total non current liabilities	102,734	87,543
Total liabilities	157,947	149,240
SHAREHOLDERS' EQUITY		
Share Capital	41,559	41,559
Legal reserve	8,747	8,747
Share premium reserve	17,034	16,596
Reserve for valuation of hedging derivatives at fair value	(230)	(558)
Other reserves	38,926	44,133
Total shareholders' equity	106,036	110,477
Total shareholders' equity and liabilities	263,983	259,717

First-half year income statements for the parent company Interpump Group S.p.A.

(€000)	2006	2005
Net sales	37,530	35,210
Cost of sales	(22,871)	(20,463)
Gross industrial margin	14,659	14,747
Other net revenues	1,983	2,184
Distribution costs	(1,411)	(1,379)
General and administrative expenses	(5,766)	(5,847)
Write-down of investments	(647)	(5,969)
Other operating costs	-	(1)
Ordinary profit before financial charges	8,818	3,735
Dividends	12,772	8,082
Financial income	1,472	297
Financial charges	(3,046)	(2,353)
Profit for the period before taxes	20,016	9,761
Income taxes	(3,735)	(3,463)
Profit for the period after taxes and before the capital gain on discontinued operation	16,281	6,298
Gains from discontinued operations	-	28,716
Consolidated profit for the period	16,281	35,014
Basic earnings per share	0.212	0.476
Diluted earnings per share	0.212	0.465

First-half year cash flow statements for the parent company Interpump Group S.p.A.

(€000)	2006	2005
Cash flow from operating activities		
Profit before taxes and gains from discontinued operations	20,016	9,761
Adjustments for non-monetary items		
Gains from disposals of fixed assets	-	(1,290)
Gains from disposals of investments	(947)	-
Depreciation and amortisation	976	1,272
Expenses recognised in the income statement relating to stock options which do not result in cash outflows for the Group	438	260
Write-down of investments	647	5,969
Net change in provisions and accruals for employee benefits	134	141
Net financial charges	(11,198)	(6,026)
	10,066	10,087
(Increase) decrease in trade receivables and other current assets	(2,715)	(887)
(Increase) decrease in inventories	(1,163)	(1,098)
Increase (decrease) in trade payables and other current liabilities	3,172	6,311
Income taxes paid	(4,709)	(4,190)
Interest paid	(2,303)	(1,840)
Realised exchange differences	(21)	31
Net cash from operating activities	2,327	8,414
Cash flows from investing activities		
Proceeds from the sale of IP Cleaning S.p.A.	(1,171)	81,579
Coverage of losses of subsidiaries	-	(579)
Acquisition of investments	(96)	(73,749)
Proceeds from the sale of investments	503	-
Purchase of treasury stock	(9,993)	(2,045)
Proceeds from the sale of treasury stock to the holders of stock options	15	2,092
Investments in property, plant and equipment	(1,209)	(613)
Proceeds from the sale of tangible fixed assets	40	2,692
Increase in intangible fixed assets	(609)	(506)
Financial income received	308	255
Other items	(6)	221
Net cash used in investing activities	(12,218)	9,347
Cash flows from financing activities		
Dividends paid	(11,510)	(9,900)
Dividends received	272	5,162
Loan granted to Hammelmann	-	(48,500)
Repayment of IP Cleaning S.p.A. loan	-	56,000
Loan granted to X Equity	-	(10,000)
Variation in intercompany loans	318	800
Proceeds from (repayments of) loans	8,635	39,274
Net liquidity obtained through (utilised in) financing activities	(2,285)	32,836
Net (increase) decrease of cash and cash equivalents	(12,176)	50,597
Cash and cash equivalents at the beginning of the period	34,412	7,898
Cash and cash equivalents at the end of the period	22,236	58,495

Cash and cash equivalents can be broken down as follows:

	30/06/2006	31/12/2005	30/06/2005	01/01/2005
	€000	€000	€000	€000
Cash and cash equivalents from the balance sheet	23,146	34,938	58,991	8,322
Payables to banks (for current account overdrafts and advances subject to collection)	(910)	(526)	(496)	(424)
Cash and cash equivalents as from the cash flow statement	<u>22,236</u>	<u>34,412</u>	<u>58,495</u>	<u>7,898</u>