



## PRESS RELEASE

### INTERPUMP GROUP

#### RESULTS FOR THE SECOND QUARTER OF 2007

**Net sales: +16.8% at €117m**  
**EBITDA: +21.1% at €27.3m (23.3% of sales)**  
**EBIT: +21.9% at €24.6m (21% of sales)**  
**Consolidated net profit: +37% at €13.1m**

#### RESULTS FOR THE FIRST HALF OF 2007

**Net sales: +14.9% at €225.8m**  
**EBITDA: +13.1% at €49.6m (21.9% of sales)**  
**EBIT: +12.5% at €44.3m (19.6% of sales)**  
**Consolidated net profit: +20.5% at €23.2m**

*Sant'Ilario d'Enza (Reggio Emilia), 7<sup>th</sup> August 2007* - The Board of Directors of Interpump Group S.p.A. met today and approved the results for the first half of 2007 and the second quarter of 2007.

For a better understanding of these results, it should be borne in mind that on 31<sup>st</sup> January 2007 the Group bought 80% of the American company NLB, a major global producer of ultra-high pressure systems and pumps: therefore the first half of 2007 includes the NLB Corporation for five months, while it was not present in 2006.

#### CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2007

Interpump Group had **net sales** in the second quarter of 2007 of **€117m (+16.8% on the same period in 2006**, when they were €100.2m), with the same consolidation area of 2006, net sales would be €104,7m (+ 4.5% higher than the figures for the second quarter of 2006).

Net sales in the second quarter of 2007 can be broken down as follows:

	<i>2<sup>nd</sup> quarter</i>	<i>%</i>	<i>2<sup>nd</sup> quarter</i>	<i>%</i>	<i>Increase/ Decrease</i>
	<i>2007</i>		<i>2006</i>		
	<i>€/000</i>		<i>€/000</i>		
Hydraulic Sector	46,936	40	46,029	46	+2.0%
Industrial Sector	56,121	48	43,381	43	+29.4%
Electric Motors Sector	13,913	12	10,741	11	+29.5%
Other Sectors	-	-	23	-	
<b>Total</b>	<b><u>116,970</u></b>	<b><u>100</u></b>	<b><u>100,174</u></b>	<b><u>100</u></b>	<b>+16.8%</b>



# INTERPUMP GROUP

The **Hydraulic Sector** grew by 2%. Sales of the European companies increased by 13.8% on the same period of the previous year, continuing the strong growth already seen in 2006. The sales of the subsidiary Muncie fell by 6.9% in dollars; the drop was 13.2% in euros. The decrease in Muncie's turnover is explained in the remarks on the first half results. Overall the Hydraulic Sector grew by 4.7% at exchange rate parity.

The **Industrial Sector** had a turnover of €56.1m, an increase of 29.4%. More specifically, in this sector, the ultra-high pressure systems produced by Hammelmann and NLB saw 91.2% growth (+15.1% on a like for like basis).

Sales of **electric motors** totalled €13.9m (+29.5% on the second quarter of 2006).

Geographically, sales in the second quarter of 2007 can be broken down as follows:

	2 <sup>nd</sup> quarter 2007 €/000	%	2 <sup>nd</sup> quarter 2006 €/000	%	Increase/ Decrease
Italy	26,737	23	24,387	24	+9.6%
Rest of Europe	35,040	30	28,166	28	+24.4%
North America	35,593	30	32,906	33	+8.2%
Pacific Area	7,774	7	4,079	4	+90.6%
Rest of the World	<u>11,826</u>	<u>10</u>	<u>10,636</u>	<u>11</u>	+11.2%
<b>Total</b>	<b><u>116,970</u></b>	<b><u>100</u></b>	<b><u>100,174</u></b>	<b><u>100</u></b>	<b>+16.8%</b>

The upsurge in the Pacific Area has mainly been led by China (+55.1% on sales in the second quarter of 2006).

The **EBITDA (gross operating margin)** in the **second quarter of 2007 was €27.3m** (23.3% of turnover), compared with €22.6m in the second quarter of 2006, which accounted for 22.5% of sales, **an increase of 21.1%**. It should be pointed out that in the second quarter of 2007 the impact of new severance pay regulations accounted for €2.1m. On the other hand, capital gains of €0.9m were recorded after the sale of a stake in other companies in the second quarter of 2006. Excluding these two non-recurrent events, growth of EBITDA was 16.7% (+7.6% on a like for like basis).

The following table sets out the EBITDA for each area of activity:

	2 <sup>nd</sup> quarter 2007 €/000	% of total sales*	2 <sup>nd</sup> quarter 2006 €/000	% of total sales*	Increase/ Decrease
Hydraulic Sector	11,234	23.9	10,429	22.7	+7.7%
Industrial Sector	14,651	26.1	12,864	29.6	+13.9%
Electric Motors Sector	1,457	10.2	(9)	-0.1	n.a.
Other Sectors	<u>(30)</u>	n.a.	<u>(732)</u>	n.a.	n.a.
<b>Total</b>	<b><u>27,312</u></b>	<b>23.3%</b>	<b><u>22,552</u></b>	<b>22.5%</b>	<b>+21.1%</b>

\* = Total sales also include sales to other companies in the consolidation area, while the figures used previously were for sales made outside the Group. Therefore, for reasons of uniformity, the percentage has been calculated on total sales, and not on the figures used previously.

**Operating profit (EBIT)** were €24.6m, equivalent to 21% of sales, compared with €20.2m in the second quarter of 2006 (20.1% of sales), an increase of 21.9%. On a like for like basis, the EBIT was €23.1m (22% of sales, an increase of 14.3%). Excluding the two non-recurrent events cited above, the EBIT rose by 18.5% (+9.1% on a like for like basis).



# INTERPUMP GROUP

**Consolidated net profit** in the second quarter of 2007 were **€13.1m** (second quarter profit in 2006 were €9.6m), an **increase of 37%**. **Underlying earnings per share** were €0.171, an **increase of 40.2%** on the €0.122 in the second quarter of 2006.

The non-annualized **ROCE** for the second quarter of 2007 was 7% (6.6% in the second quarter of 2006). The quarterly **ROE** was 8.2%, compared with 6.3% in the second quarter of 2006.

## CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2007

Interpump Group had **net sales** in the **first half of 2007** of **€225.8m (+14.9% on the same period in 2006**, when they were €196.5m). On a like for like basis, net sales rose by 4.3% (to €204.9m).

Net sales in the first half of 2007 show the following variations:

	<i>1<sup>st</sup> half</i>	<i>%</i>	<i>1<sup>st</sup> half</i>	<i>%</i>	<i>Increase/</i>
	<i>2007</i>		<i>2006</i>		<i>Decrease</i>
	<i>€/000</i>		<i>€/000</i>		
Hydraulic Sector	93,924	42%	91,373	47%	+2.8%
Industrial Sector	105,886	47%	82,377	42%	+28.5%
Electric Motors Sector	25,971	11%	22,683	11%	+14.5%
Other Sectors	-	-	45	-	n.a.
<b>Total</b>	<b><u>225,781</u></b>	<b><u>100</u></b>	<b><u>196,478</u></b>	<b><u>100</u></b>	<b>+14.9%</b>

The **Hydraulic Sector** grew by 2.8%. Sales of the European companies increased by 14.6% on the same period of the previous year, continuing the strong growth already seen in 2006. The sales of the subsidiary Muncie fell by 4.7% in dollars; the drop was 11.9% in euros. Muncie's turnover was expected to decline due to new environmental regulations which came into force on 1<sup>st</sup> January 2007 and particularly because of a drop in their vehicle sales. However, the drop in Muncie's sales was much lower than the average decrease in industrial vehicle sales in the United States of 25% in the categories concerned. From this comparison, it can be deduced that Muncie has increased probably its market share. Overall the Hydraulic Sector grew by 6% at exchange rate parity.

The **Industrial Sector** had a turnover of €105.9m, an increase of 28.5%. For the same consolidation area, the growth in the Industrial Sector would have been 3.2%.

Sales of **electric motors** totalled €26m (+14.5% on the first half of 2006).

The **gross operating margin (EBITDA)** in the **first half of 2007** was €49.6m, accounting for 21.9% of sales, compared with €43.8m in the first half of 2006, which accounted for 22.3% of sales (+13.1% and +5.5% on a like for like basis). Excluding the two non-recurrent events set out in the remarks on the results of the second quarter, the EBITDA grew by 10.7% (+3% on a like for like basis).



# INTERPUMP GROUP

The following table sets out the EBITDA for each area of activity:

	30/06/2007 (six months) €/000	% of total sales*	30/06/2006 (six months) €/000	% of total sales*	Increase/ Decrease
Hydraulic Sector	21,492	22.9%	20,670	22.6%	+4.0%
Industrial Sector	26,231	24.7%	23,983	29.1%	+9.4%
Electric Motors Sector	1,848	6.9%	180	0.8%	> 10 times
Other Sectors	(15)	n.a.	(1,007)	n.a.	n.a.
<b>Total</b>	<b><u>49,556</u></b>	<b>21.9%</b>	<b><u>43,826</u></b>	<b>22.3%</b>	<b>+13.1%</b>

\* = Total sales also include sales to other companies in the consolidation area, while the figures used previously were for sales made outside the Group. Therefore, for reasons of uniformity, the percentage has been calculated on total sales, and not on the figures used previously.

**Operating profit (EBIT)** were €44.3m, equivalent to 19.6% of sales, compared with €39.3m in the first half of 2006 (20% of sales), an increase of 12.5%. For the same consolidation area, growth was 6.0%. Excluding the two non-recurrent events cited above, growth was 9.9% (+3.1% on a like for like basis).

**Consolidated net profit** in the first half of 2007 were **23,190 thousands euro** (first half profits in 2006 were €19,250 thousands euro), an **increase of 20.5%**. Underlying earnings per share rose to €0.302 (+23.3% compared with the €0.245 in the first half of 2006). **Net financial debt** went from €137.5m on 31<sup>st</sup> December 2006 to €189.4m on 30<sup>th</sup> June 2007, essentially due to the acquisition of NLB. The non-annualized half-yearly **ROCE** was 12.7% (12.9% in the first half of 2006). The non-annualized half-yearly **ROE** was 14.5% (12.7% in the first half of 2006), an increase of 14.2%.

## APPOINTMENT OF MANAGER RESPONSIBLE FOR THE PREPARATION OF COMPANY'S ACCOUNTING DOCUMENTS

The Board of Directors of Interpump Group S.p.A., with the approval of the Board of Statutory Auditors, appointed Carlo Banci "Manager Responsible for the preparation of the company's accounting documents" as requested under 154-bis, decree law 58/1998.

This appointment has been made in compliance with Interpump Group's by-law and with current legislation. The Board of Director of Interpump Group has verified that he has adequate powers and resources for the fulfilment of this role.

Carlo Banci has been Chief Financial Officer of Interpump Group since November 13, 2002.

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## Financial statements

### Consolidated balance sheets

	30/06/2007	31/03/2007	31/12/2006
	€/000	€/000	€/000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	32,098	49,864	58,386
Trade receivables	97,868	93,756	66,211
Inventories	105,124	104,527	83,323
Tax receivables	5,669	3,103	1,088
Derivative financial instruments	183	220	184
Assets available for sale	4,630	2,454	21,669
Other current assets	3,540	3,344	2,416
<b>Total current assets</b>	<b>249,112</b>	<b>257,268</b>	<b>233,277</b>
<b>Non-current assets</b>			
Property, plant and equipment	62,529	64,220	51,793
Goodwill	160,476	161,385	130,930
Other intangible assets	23,739	23,973	15,717
Other financial assets	3,403	2,817	4,844
Tax receivables	488	511	511
Deferred tax assets	11,785	12,258	11,245
Other non current assets	457	245	641
<b>Total non current assets</b>	<b>262,877</b>	<b>265,409</b>	<b>215,681</b>
<b>Total assets</b>	<b>511,989</b>	<b>522,677</b>	<b>448,958</b>

	30/06/2007	31/03/2007	31/12/2006
	€/000	€/000	€/000
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	60,283	58,565	40,724
Payables to banks	6,576	12,432	9,739
Interest bearing financial payables (current portion)	73,017	55,599	50,114
Derivative financial instruments	131	118	249
Taxes payable	10,998	11,777	6,476
Liabilities connected to assets available for sale	-	-	12,782
Other current liabilities	26,445	24,109	11,013
Provisions for risks and charges	1,830	1,838	1,679
<b>Total current liabilities</b>	<b>179,280</b>	<b>164,438</b>	<b>132,776</b>
<b>Non-current liabilities</b>			
Interest bearing financial payables	141,893	160,762	134,509
Liabilities for employee benefits	8,999	11,293	9,539
Taxes payable	44	44	44
Deferred tax liabilities	14,826	14,563	13,697
Other non-current liabilities	4,903	5,662	190
Provisions for risks and charges	2,209	2,339	2,315
<b>Total non current liabilities</b>	<b>172,874</b>	<b>194,663</b>	<b>160,294</b>
<b>Total liabilities</b>	<b>352,154</b>	<b>359,101</b>	<b>293,070</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	37,989	38,130	41,559
Legal reserve	8,747	8,747	8,747
Share premium reserve	17,930	17,753	17,587
Reserve for valuation of hedging derivatives at fair value	(28)	(18)	(105)
Reserve for valuation of investments at fair value	-	-	94
Translation reserve	(13,525)	(12,086)	(9,759)
Other reserves	102,067	104,858	91,619
<b>Shareholders' equity for the Group</b>	<b>153,180</b>	<b>157,384</b>	<b>149,742</b>
Minority interests	6,655	6,192	6,146
<b>Total shareholders' equity</b>	<b>159,835</b>	<b>163,576</b>	<b>155,888</b>
<b>Total shareholders' equity and liabilities</b>	<b>511,989</b>	<b>522,677</b>	<b>448,958</b>

## Consolidated income statements for the first-half of the year

(€000)	<i>2007</i>	<i>2006</i>
<b>Net sales</b>	<b>225,781</b>	<b>196,478</b>
Cost of sales	(142,845)	(123,956)
<b>Gross industrial margin</b>	<b>82,936</b>	<b>72,522</b>
Other net revenues	4,743	3,808
Distribution costs	(18,396)	(14,162)
General and administrative expenses	(24,516)	(22,384)
Other operating costs	(504)	(452)
<b>Ordinary profit before financial charges</b>	<b>44,263</b>	<b>39,332</b>
Financial income	1,860	1,638
Financial charges	(6,529)	(5,735)
Adjustment of investments according to the equity method	(22)	(486)
<b>Profit for the period before taxes</b>	<b>39,572</b>	<b>34,749</b>
Income taxes	(16,382)	(15,499)
<b>Consolidated profit for the period</b>	<b>23,190</b>	<b>19,250</b>
<b>Due to:</b>		
Parent company shareholders	22,168	18,778
Subsidiaries' minority shareholders	1,022	472
<b>Consolidated profit for the period</b>	<b>23,190</b>	<b>19,250</b>
Basic earnings per share (euro)	0.302	0.245
Diluted earnings per share (euro)	0.299	0.244

## Consolidated income statements for the second quarter

(€000)	2007	2006
<b>Net sales</b>	<b>116,970</b>	<b>100,174</b>
Cost of sales	(73,322)	(63,400)
<b>Gross industrial margin</b>	<b>43,648</b>	<b>36,774</b>
Other net revenues	3,419	2,518
Distribution costs	(9,702)	(7,132)
General and administrative expenses	(12,468)	(11,677)
Other operating costs	(312)	(323)
<b>Ordinary profit before financial charges</b>	<b>24,585</b>	<b>20,160</b>
Financial income	934	993
Financial charges	(3,356)	(3,258)
Adjustment of investments according to the equity method	(18)	(477)
<b>Profit for the period before taxes</b>	<b>22,145</b>	<b>17,418</b>
Income taxes	(9,032)	(7,848)
<b>Consolidated profit for the period</b>	<b>13,113</b>	<b>9,570</b>
<b>Due to:</b>		
Parent company shareholders	12,516	9,340
Subsidiaries' minority shareholders	597	230
<b>Consolidated profit for the period</b>	<b>13,113</b>	<b>9,570</b>
Basic earnings per share (euro)	0.171	0.122
Diluted earnings per share (euro)	0.169	0.122



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

(€000)	<u>2007</u>	<u>2006</u>
<b>Cash flow from operating activities</b>		
Earnings before taxes	39,572	34,749
Adjustments for non-cash items:		
Losses (capital gains) from the sale of fixed assets	(17)	20
Capital gains from the sale of investments	-	(947)
Amortisation and depreciation	5,012	4,103
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	343	514
Loss (profit) from investments	22	496
Net change of risk funds and allocations to liabilities for benefits for employees	(2,548)	726
Net financial charges	4,669	4,097
Other	(2)	1
	<u>47,051</u>	<u>43,759</u>
(Increase) decrease in trade receivables and other current assets	(19,555)	(14,144)
(Increase) decrease in inventories	(6,466)	(2,144)
Increase (decrease) in trade payables and other current liabilities	13,831	7,205
Interest paid	(4,998)	(3,199)
Realised currency exchange gains	(314)	(71)
Taxes paid	(11,848)	(10,885)
<b>Net liquidity generated by operating activities</b>	<u><b>17,701</b></u>	<u><b>20,521</b></u>
<b>Cash flow from investing activities</b>		
Expenditure for the NLB acquisition net of cash received	(48,976)	-
Adjustment to Cleaning sector sale price	-	(1,171)
Payment of charges connected to the Hammelmann acquisition	-	(1,000)
Acquisition of minority interest in associated companies	-	(17,921)
Subscriptions of subsidiaries' share capital	(178)	(592)
Collection of credit ensuing from sale of equity interests	480	500
Payment for purchase of treasury stock	(2,521)	(9,993)
Proceeds from sales of treasury stock to beneficiaries of stock options	326	15
Capital expenditure in property, plant and equipment	(5,701)	(4,043)
Proceeds from sales of tangible fixed assets	745	144
Increase in intangible assets	(1,058)	(1,052)
Financial income collected	691	268
Other	(311)	(175)
<b>Net liquidity utilised in investing activities</b>	<u><b>(56,503)</b></u>	<u><b>(35,020)</b></u>
<b>Cash flow of financing activities</b>		
Disbursement (repayment) of loans	30,099	18,827
Loans granted to non-consolidated subsidiaries	-	(470)
Disbursal (repayment) of shareholder loans	(126)	-
Payment of financial leasing instalments (principal)	(107)	(106)
Dividend paid	(13,452)	(11,851)
<b>Net liquidity obtained through (utilised in) financing activities</b>	<u><b>16,414</b></u>	<u><b>6,400</b></u>

(€000)	<u>2007</u>	<u>2006</u>
<b>Net increase (decrease) of cash and cash equivalents</b>	<b>(22,388)</b>	<b>(8,099)</b>
Exchange differences on conversion of the liquidity of companies in areas outside the EU	23	192
Cash and cash equivalents of companies consolidated for the first time	728	-
Cash and cash equivalents at the beginning of the period	<u>47,159</u>	<u>44,487</u>
Cash and cash equivalents at the end of the period	<u>25,522</u>	<u>36,580</u>

Cash and cash equivalents can be broken down as follows:

	30/06/2007	31/12/2006
	€000	€000
Cash and cash equivalents from balance sheet	32,098	58,386
Payables to banks (for overdrafts and advances subject to collection)	(6,576)	(9,739)
Bank debts net of assets classified as available for sale	-	<u>(1,488)</u>
Cash and cash equivalents from cash flow statement	<u>25,522</u>	<u>47,159</u>

## Changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Reserve for valuation of hedging derivatives at fair value	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 2006</i>	41,559	8,747	16,739	(558)	-	(4,664)	87,801	149,624	7,055	156,679
Dividends paid	-	-	-	-	-	-	(11,510)	(11,510)	(443)	(11,953)
Exchange differences on the translation of financial statements for companies in areas outside the EU	-	-	-	-	-	(2,253)	-	(2,253)	(92)	(2,345)
Exchange differences on the translation of goodwill of companies in areas outside the EU	-	-	-	-	-	(1,209)	-	(1,209)	-	(1,209)
Portion of investments divested to third parties	-	-	-	-	-	-	-	-	3	3
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	514	-	-	-	-	514	-	514
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	18	-	-	-	18	-	18
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 30/06/2006	-	-	-	348	-	-	-	348	-	348
Recording under shareholders' equity of the fair value of equity interests in other companies	-	-	-	-	918	-	-	918	-	918
Recording in the income statement of the reserve for valuation at fair value of equity holdings for Metalprint sale	-	-	-	-	(918)	-	-	(918)	-	(918)
Purchase of treasury stock	-	-	-	-	-	-	(9,993)	(9,993)	-	(9,993)
Sale of treasury stock to stock options beneficiaries	-	-	-	-	-	-	15	15	-	15
Net profit 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
Exchange differences on the translation of financial statements for companies in areas outside the EU	-	-	-	-	-	(1,051)	-	(1,051)	(13)	(1,064)
Exchange differences on the translation of goodwill of companies in areas outside the EU	-	-	-	-	-	(582)	-	(582)	-	(582)
Distribution of dividends	-	-	-	-	-	-	-	-	(976)	(976)
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 1/7/2006 and at 31/12/2006	-	-	-	87	-	-	-	87	-	87
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	334	-	-	-	-	334	-	334
Purchase of treasury stock	-	-	-	-	-	-	(15,674)	(15,674)	-	(15,674)
Recording under shareholders' equity of the fair value of investments	-	-	-	-	94	-	-	94	-	94
Net profit of the second-half 2006	-	-	-	-	-	-	22,202	22,202	140	22,342
<i>Balances as at 31 December 2006</i>	41,559	8,747	17,587	(105)	94	(9,759)	91,619	149,742	6,146	155,888

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Share premium reserve</i>	<i>Reserve for valuation of hedging derivatives at fair value</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 31 December 2006</i>	41,559	8,747	17,587	(105)	94	(9,759)	91,619	149,742	6,146	155,888
Reclassification of nominal value of treasury stock at 1/1/2007	(3,429)	-	-	-	-	-	3,429	-	-	-
Exchange differences on the translation of financial statements for companies in areas outside the EU	-	-	-	-	-	(3,302)	-	(3,302)	(2)	(3,304)
Exchange differences on the translation of goodwill of companies in areas outside the EU	-	-	-	-	-	(400)	-	(400)	-	(400)
Distribution of dividends	-	-	-	-	-	-	(13,207)	(13,207)	(511)	(13,718)
Purchase of treasury stock	(166)	-	-	-	-	-	(2,355)	(2,521)	-	(2,521)
Sale of treasury stock to the beneficiaries of stock options net of relative tax income	25	-	-	-	-	-	292	317	-	317
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	343	-	-	-	-	343	-	343
Reclassification of the reserve for valuation of investments at fair value subsequent to their consolidation	-	-	-	-	(94)	(64)	158	-	-	-
Current tax recorded directly to shareholders' equity	-	-	-	-	-	-	(37)	(37)	-	(37)
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 1/1/2007 and at 30/6/2007	-	-	-	125	-	-	-	125	-	125
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	(48)	-	-	-	(48)	-	(48)
Net profit of the first-half 2007	-	-	-	-	-	-	22,168	22,168	1,022	23,190
<i>Balances as at 30 June 2007</i>	<i>37,989</i>	<i>8,747</i>	<i>17,930</i>	<i>(28)</i>	<i>-</i>	<i>(13,525)</i>	<i>102,067</i>	<i>153,180</i>	<i>6,655</i>	<i>159,835</i>

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

	30/06/2007	31/12/2006
	€/000	€/000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	14,695	37,405
Trade receivables	13,493	11,946
Inventories	16,524	14,286
Receivables for dividends from subsidiaries	9,000	-
Tax receivables	2,362	293
Derivative financial instruments	118	139
Fixed assets available for sale	5,676	7,951
Other current assets	714	890
<b>Total current assets</b>	<b>62,582</b>	<b>72,910</b>
<b>Non-current assets</b>		
Property, plant and equipment	11,924	13,224
Goodwill	32,506	32,506
Other intangible assets	3,077	2,704
Investments in associated companies	150,213	83,498
Other financial assets	26,050	26,050
Tax receivables	17	17
Deferred tax assets	3,324	3,856
Other non current assets	24	501
<b>Total non current assets</b>	<b>227,135</b>	<b>162,356</b>
<b>Total assets</b>	<b>289,717</b>	<b>235,266</b>

	30/06/2007	31/12/2006
	€/000	€/000
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	13,717	12,059
Payables to banks	1,306	1,126
Interest bearing financial payables (current portion)	50,000	35,000
Derivative financial instruments	83	234
Taxes payable	193	1,258
Other current liabilities	12,055	3,948
Provisions for risks and charges	161	310
<b>Total current liabilities</b>	<b>77,515</b>	<b>53,935</b>
<b>Non-current liabilities</b>		
Interest bearing financial payables	98,584	79,788
Liabilities for employee benefits	4,082	4,730
Deferred tax liabilities	2,377	2,287
Other non current liabilities	3,542	-
Provisions for risks and charges	301	301
<b>Total non current liabilities</b>	<b>108,886</b>	<b>87,106</b>
<b>Total liabilities</b>	<b>186,401</b>	<b>141,041</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	37,989	41,559
Legal reserve	8,747	8,747
Share premium reserve	17,607	17,318
Reserve for valuation of hedging derivatives at fair value	(27)	(110)
Other reserves	39,000	26,711
<b>Total consolidated shareholders' equity</b>	<b>103,316</b>	<b>94,225</b>
<b>Total shareholders' equity and liabilities</b>	<b>289,717</b>	<b>235,266</b>

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

(€000)	<u>2007</u>	<u>2006</u>
<b>Net sales</b>	<b>38,921</b>	<b>37,530</b>
Cost of sales	(24,960)	(22,871)
<b>Gross industrial margin</b>	<b>13,961</b>	<b>14,659</b>
Other net revenues	1,797	1,983
Distribution costs	(1,439)	(1,411)
General and administrative expenses	(25,403)	(5,766)
Impairment losses on assets	-	(647)
Dividends	21,000	12,772
Other operating costs	(3)	-
<b>Ordinary profit before financial charges</b>	<b>29,913</b>	<b>21,590</b>
Financial income	1,587	1,472
Financial charges	(4,128)	(3,046)
<b>Profit for the period before taxes</b>	<b>27,372</b>	<b>20,016</b>
Income taxes	(3,205)	(3,735)
<b>Net profit for the period</b>	<b>24,167</b>	<b>16,281</b>
Basic earnings per share	0.330	0.212
Diluted earnings per share	0.326	0.212

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

(€000)	<u>2007</u>	<u>2006</u>
<b>Cash flow from operating activities</b>		
Earnings before taxes	27,372	20,016
Adjustments for non-cash items:		
Capital gains from the sale of fixed assets	(3)	-
Capital gains from the sale of investments	-	(947)
Amortisation and depreciation	946	976
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	289	438
Impairment losses on assets	-	647
Net change of risk funds and allocations to liabilities for benefits for employees	(797)	134
Dividends	(21,000)	(12,772)
Net financial charges	2,541	1,574
	<u>9,348</u>	<u>10,066</u>
(Increase) decrease in trade receivables and other current assets	(3,602)	(2,715)
(Increase) decrease in inventories	(2,238)	(1,163)
Increase (decrease) in trade payables and other current liabilities	3,468	3,172
Taxes paid	(5,115)	(4,709)
Interest paid	(3,638)	(2,303)
Realized currency exchange gains	(26)	(21)
<b>Net liquidity generated by operating activities</b>	<b><u>(1,803)</u></b>	<b><u>2,327</u></b>
<b>Cash flow from investing activities</b>		
Expenditure for NLB acquisition	(50,283)	-
Adjustment of sale price for IP Cleaning S.p.A.	-	(1,171)
Acquisition of investments	-	(96)
Proceeds from the sale of investments	480	503
Payments for purchase of treasury stock	(2,521)	(9,993)
Proceeds from sale of treasury stock for stock option	326	15
Capital expenditure in property, plant and equipment	(1,157)	(1,209)
Proceeds from sales of tangible fixed assets	6	40
Increase in intangible assets	(632)	(609)
Dividends received	12,000	272
Received financial income	317	308
Other	(5)	(6)
<b>Net liquidity obtained through (utilised in) investing activities</b>	<b><u>(41,469)</u></b>	<b><u>(11,946)</u></b>
<b>Cash flow of financing activities</b>		
Dividends paid	(13,207)	(11,510)
Variation in intercompany loans	-	318
Disbursement (repayment) of loans	33,589	8,635
<b>Net liquidity obtained through (utilised in) financing activities</b>	<b><u>20,382</u></b>	<b><u>(2,557)</u></b>
<b>Net (increase) decrease of cash and cash equivalents</b>	<b><u>(22,890)</u></b>	<b><u>(12,176)</u></b>
Cash and cash equivalents at the beginning of the period	<u>36,279</u>	<u>34,412</u>
Cash and cash equivalents at the end of the period	<u>13,389</u>	<u>22,236</u>



Cash and cash equivalents can be broken down as follows:

	31/03/2007	31/12/206	31/03/2006	01/01//2006
	€000	€000	€000	€000
Cash and cash equivalents from the balance sheet	14,695	37,405	23,146	34,938
Payables to banks (accrued expenses for interest payable)	<u>(1,306)</u>	<u>(1,126)</u>	<u>(910)</u>	<u>(526)</u>
Cash and cash equivalents as from the cash flow statement	<u>13,389</u>	<u>36,279</u>	<u>22,236</u>	<u>34,412</u>

## Changes in shareholders' equity for the parent company Interpump Group S.p.A.

	Share capital	Legal reserve	Share premium reserve	Reserve for valuation of hedging derivatives at fair value	Reserve for valuation of investments at fair value	Other reserves	Total shareholders' equity
<i>Balances as at 1 January 2006</i>	41,559	8,747	16,596	(558)	-	44,133	110,477
Acquisition of treasury stock	-	-	-	-	-	(9,993)	(9,993)
Sale of treasury stock to stock options beneficiaries	-	-	-	-	-	15	15
Dividends paid	-	-	-	-	-	(11,510)	(11,510)
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	-	-	-	310	-	-	310
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	18	-	-	18
Recording under shareholders' equity of the change in the fair value of investments in other companies	-	-	-	-	918	-	918
Recording in the income statement of the fair value of a divested equity investment	-	-	-	-	(918)	-	(918)
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	438	-	-	-	438
Net profit for first-half 2006	-	-	-	-	-	16,281	16,281
<i>Balances as at 30 June 2006</i>	41,559	8,747	17,034	(230)	-	38,926	106,036
Acquisition of treasury stock	-	-	-	-	-	(15,674)	(15,674)
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 1/7/2006 and at 31/12/2006	-	-	-	120	-	-	120
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	284	-	-	-	284
Net profit for the second-half of 2006	-	-	-	-	-	3,459	3,459
<i>Balances as at 31 December 2006</i>	41,559	8,747	17,318	(110)	-	26,711	94,225
Reclassification of nominal value of treasury stock at 1/1/2007	(3,429)	-	-	-	-	3,429	-
Distribution of dividend	-	-	-	-	-	(13,207)	(13,207)
Acquisition of treasury stock	(166)	-	-	-	-	(2,355)	(2,521)
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	289	-	-	-	289
Current tax recorded directly to shareholders' equity	-	-	-	-	-	(37)	(37)
Sale of treasury stock to stock options beneficiaries	25	-	-	-	-	292	317
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 1/1/2007 and at 30/6/2007	-	-	-	126	-	-	126
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	(43)	-	-	(43)
Net profit for first-half 2007	-	-	-	-	-	24,167	24,167
<i>Balances as at 30 June 2007</i>	37,989	8,747	17,607	(27)	-	39,000	103,316