



**INTERPUMP
GROUP**

PRESS RELEASE

**THE BOARD OF DIRECTORS
APPROVES THE 2008 RESULTS**

Net sales: 424.5 million euro (-1.8% against 432.2 million euro in 2007)

EBITDA: 87.0 million euro (20.5% of sales, 94.3 million euro in 2007)

EBIT: 75.7 million euro (17.8% of sales, 82.2 million euro in 2007)

**Consolidated net profit of 40.2 million euro (-6.5% against 42.9 million euro in 2007)
equal to 9.4% of sales**

Milan, 12 March 2009 – Meeting in Milan today the Board of Directors of Interpump Group S.p.A. approved the 2008 results.

CONSOLIDATED RESULTS FOR 2008

Despite the existence of a grave global crisis, **Interpump Group's turnover remained essentially stable in 2008: net sales totalled 424.5 million euro** (432.2 million euro in 2007, -1.8%), **with earnings figures of considerable note**, such as a **gross operating margin on sales of 20.5%** and a **net profit after tax equal to 9.4% of sales**. Notwithstanding the perseverance of adverse economic conditions and the considerable uncertainties as to how the situation may develop, **the Group believes that it will be able to achieve a positive performance in 2009, thanks also to the competitive positions it holds and its capital soundness**, although turnover and earnings are going to be probably lower than those of 2008. The Group also believes that over the next few months **interesting opportunities for external growth under particularly favourable conditions may appear on the market**.

As a consequence of this, the Board has decided to propose to shareholders at their upcoming meeting to allocate the net profit to retained earnings. **This decision is due partially to the extraordinary economic situation and related uncertainties, but is above all aimed at the further growth of the Group, including through acquisition.**

Net sales by business sector may be summarised as follows.

The **Hydraulic Sector** had a turnover of 172.7 million euro (-2.1%, and -5.8 % with the same consolidation basis*). The new Cylinder Hub made a contribution of 6.5 million euro. The sector's operations were affected by the contraction in the construction business in both the United States, where the fall had already begun to show itself the previous year, and in Europe, where the contraction emerged in the second half of 2008. Sales of the European companies, excluding those relating to the new cylinder hub, amounted to 110.3 million euro (-1.8% compared to 2007). Sales of the American subsidiary Muncie amounted to 82.2 million dollars (-6.4% compared to 2007 and, after the conversion to euro, -12.8%). Despite the unfavourable economic situation **the Hydraulic Sector as a whole grew by 0.2% at an unchanged euro/dollar exchange rate.**

*= See note at the end of this press release



INTERPUMP GROUP

The **Industrial Sector** achieved a turnover of 216.4 million euro, **representing a rise of 1.8%** (+0.2% with the same consolidation basis; +3.1% with an unchanged exchange rate), confirming the sector's significant competitiveness in an adverse global situation, in particular with regard to its very high pressure pumps. Sales of **electric motors** totalled 35.5 million euro (-18.0% over 2007). This performance is to a large part due to a decrease in sales to the sector's main Italian customer, a manufacturer of high-pressure washers, which has taken the decision to produce a significant portion of its finished products in the Far East rather than internally in Italy.

EBITDA amounted to 87.0 million euro, equivalent to 20.5% of sales, compared to 94.3 million euro in 2007 when it represented 21.8% of sales (-7.7%, and -8.8% with the same consolidation basis). If two non-recurring events, one taking place in 2007 and the other in 2008, are excluded, the fall in EBITDA amounts to 6.6% (-7.8% with the same consolidation basis). The following table sets out EBITDA by business sector:

	2008 €/000	% of total sales*	2007 €/000	% of total sales*	Increase/ decrease
Hydraulic Sector	33,436	19.4%	38,453	21.8%	-13.0%
Industrial Sector	53,226	24.6%	53,607	25.2%	-0.7%
Electric Motors Sector	262	0.7%	2,188	4.9%	-88.0%
Other Sectors	62	-	7	-	-
Total	<u>86,986</u>	20.5%	<u>94,255</u>	21.8%	-7.7%

EBIT (operating profit) amounted to **75.7 million euro, equal to 17.8% of sales**, compared to 82.2 million euro in 2007 (19.0% of sales), a decrease of 8% (8.7% with the same consolidation basis). If the two non-recurring events referred to above are excluded, EBIT decreased by 6.8% (-7.5% with the same consolidation basis).

Net profit amounted to 40.2 million euro in 2008 compared to 42.9 million euro in 2007 (-6.5%).

Invested capital rose from 349.9 million euro at 31 December 2007 to 406.2 million euro at 31 December 2008. Adjusted **ROCE** amounted to **19.7%** in 2008 (23.6% in 2007). Adjusted **ROE** amounted to **24%** in 2008 (29.2% in 2007).

Basic earnings per share amounted to **0.545 euro** (0.567 euro in 2007, -3.9%).

Net financial debt rose from 175 million euro at 31 December 2007 to 206.4 million euro at 31 December 2008, mainly as the result of the payment of an extraordinary dividend, the purchase of an additional investment in NLB and the acquisition of companies in the cylinder hub as described below. The net financial indebtedness has to be increased in 2008 and 2007 respectively of 21.9 million of euro and 11.2 million of euro that represent the commitments and the amounts payable for the purchase of investments.

RESULTS OF THE PARENT INTERPUMP GROUP

The **Parent Company's net profit** amounted to 28.3 million euro in 2008 compared to 27.4 million euro in 2007, representing a **rise of 3%**.



INTERPUMP GROUP

SIGNIFICANT EVENTS IN 2008

In 2008 Interpump Group took the decision to initiate **a new segment of activities** consisting of **hydraulic cylinders and components**, which has significant synergies with the activities already being performed by the Hydraulic Sector. The Group's ambition is to create an industrial hub of international importance using the same strategic approach which has enabled it to become a world leader in the other segments in which it operates. More specifically, Interpump Hydraulics International acquired the business of **Oledinamica Modenflex S.p.A.**; acquired 51% of **Contarini Leopoldo S.r.l.**; and acquired 51% of **Cover S.r.l.** and 59% of **Oledinamica Panni S.r.l.** (the closing for these latter two acquisitions took place on 9 January 2009). On 19 December 2008 Interpump Group announced the acquisition of **HS Penta S.p.A.**, the leading Italian company and one of the leading European companies specialising in the production and sale of front cylinders and under-body cylinders; the acquisition will be finalised by the end of May 2009.

* For the purposes of comparing the figures for the two years it should be noted that for 2008 Modenflex Hydraulics was acquired on 31 July 2008 and that its results have accordingly been consolidated for five months of the year, that the companies of Gruppo Contarini were acquired on 30 October 2008 and their results have been consolidated for two months and that Iko Hydraulics was acquired on 12 November 2008 and its results have been consolidated from that date. For 2007, NLB was acquired on 31 January 2007 and its results were consolidated for 11 months in that year and for a full year in 2008.

The **Ordinary General Meeting** of the shareholders of Interpump Group has been arranged in first call on 21 April 2009 and in second call on 22 April 2009 at Interpump Group's offices in Sant'Ilario d'Enza.

Milan, 12 March 2009

On behalf of the Board of Directors
The Chairman
Giovanni Cavallini

The manager in charge of preparing the corporate accounting records, Carlo Banci, declares, pursuant to paragraph 2, article 154(2) of the Consolidated Finance Law, that the accounting disclosures provided in this document correspond to the accounting records, books and entries.

Milan, 12 March 2009

Manager in charge of the preparation
of the corporate accounting records
Carlo Banci

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FULLY PAID SHARE CAPITAL Euro 41,558,535.20 - REGISTRAR OF COMPANIES: REGGIO EMILIA

TAX CODE 11666900151 - CHAMBER OF COMMERCE R.E.A. NO. 204185

Financial statements

Consolidated balance sheet

(€000)	<u>31/12/2008</u>	<u>31/12/2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	49,727	70,695
Trade receivables	84,353	84,470
Inventories	120,031	103,925
Tax receivables	8,279	4,476
Derivative financial instruments	371	353
Assets available for sale	4,556	7,796
Other current assets	4,117	2,364
Total current liabilities	<u>271,434</u>	<u>274,079</u>
Non-current liabilities		
Property, plant and equipment	72,491	58,575
Goodwill	174,613	156,407
Other intangible assets	24,402	22,120
Other financial assets	3,584	3,428
Tax receivables	585	623
Deferred tax assets	10,039	10,339
Other non current assets	420	392
Total non current assets	<u>286,134</u>	<u>251,884</u>
Total assets	<u>557,568</u>	<u>525,963</u>

(€000)	<u>31/12/2008</u>	<u>31/12/2007</u>
LIABILITIES		
Current liabilities		
Trade payables	54,234	54,120
Payables to banks	11,547	8,410
Interest bearing financial payables (current portion)	93,891	64,617
Derivative financial instruments	384	167
Taxes payable	4,433	8,419
Other current liabilities	18,898	39,734
Provisions for risks and charges	2,028	1,816
Total current liabilities	<u>185,415</u>	<u>177,283</u>
Non-current liabilities		
Interest bearing financial payables	150,654	172,624
Liabilities for employee benefits	9,094	8,221
Taxes payables	273	30
Imposte differite passive	13,524	13,667
Other non-current liabilities	19,101	4,784
Provisions for risks and charges	1,556	2,223
Total non current liabilities	<u>194,202</u>	<u>201,549</u>
Total liabilities	<u>379,617</u>	<u>378,832</u>
 SHAREHOLDERS' EQUITY		
Share Capital	37,417	37,518
Legal reserve	8,747	8,747
Share premium reserve	19,364	14,766
Reserve for valuation of hedging derivatives at fair value	230	53
Translation reserve	(17,002)	(22,889)
Other reserves	121,176	101,728
Shareholders' equity for the Group	<u>169,932</u>	<u>139,923</u>
Minority interests	8,019	7,208
Total shareholders' equity	<u>177,951</u>	<u>147,131</u>
Total shareholders' equity and liabilities	<u>557,568</u>	<u>525,963</u>

Consolidated income statements

(€000)	<u>2008</u>	<u>2007</u>
Net sales	424,513	432,195
Cost of sales	(265,957)	(271,599)
Gross industrial margin	158,556	160,596
Other net revenues	6,025	8,049
Distribution costs	(38,292)	(37,394)
General and administrative expenses	(49,445)	(47,327)
Other operating costs	(1,178)	(783)
Impairment of assets	(1,692)	(910)
Ordinary profit before financial charges	73,974	82,231
Proventi finanziari	7,117	5,268
Oneri finanziari	(20,307)	(16,083)
Adjustment of investments according to the equity method	8	146
Profit for the period before taxes	60,792	71,562
Income taxes	(20,631)	(28,649)
Consolidated profit for the period	40,161	42,913
Due to:		
Parent company shareholders	39,228	41,287
Subsidiaries' minority shareholders	933	1,626
Consolidated profit for the period	40,161	42,913
Basic earnings per share (euro)	0.545	0.567
Diluted earnings per share (euro)	0.545	0.561

Consolidated cash flow statements

(€000)	<u>2008</u>	<u>2007</u>
Cash flow from operating activities		
Profit before taxes	60,792	71,562
Adjustments for non-cash items:		
Losses (capital gains) from the sale of fixed assets	(121)	(66)
Gains from disposals of investments	(947)	-
Depreciation and amortisation	10,942	10,344
Impairment of assets	1,692	910
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	806	708
(Profits) losses from investments	(8)	(146)
Net change of risk funds and allocations to liabilities for benefits for employees	(1,156)	(2,751)
Net financial charges	13,190	10,815
Other	82	(37)
	<u>85,272</u>	<u>91,339</u>
(Increase) decrease in trade receivables and other current assets	7,575	(6,568)
(Increase) decrease in inventories	(5,959)	(8,305)
Increase (decrease) in trade payables and other current liabilities	(5,367)	5,636
Interest paid	(12,727)	(10,942)
Currency exchange gains	(211)	(633)
Taxes paid	(29,662)	(25,829)
Net liquidity generated by operating activities	<u>38,921</u>	<u>44,698</u>
Cash flow from investing activities		
Purchase of NLB, net of cash received	(9,232)	(49,117)
Expenditure for the acquisition by cash of 12% of Hydroven S.r.l.	(300)	-
Incorporation of the associate Wuxi Weifu China-Italy Company Ltd	(282)	-
Increase of share capital in subsidiaries	-	(421)
Purchase of Interpump Hydraulics International S.r.l.	(20)	-
Disbursement for the acquisition of one line of business by Modenflex Hydraulics S.r.l. including financial debt	(3,071)	-
Disbursement for the acquisition of one line of business by IKO Hydraulics S.r.l. including financial debt	(1,499)	-
Purchase of Gruppo Contarini, net of cash received	(8,480)	-
Proceeds from the sale of equity interests	1,225	960
Portion of the share capital increase of a subsidiary paid by the minority shareholder	147	-
Investment in property, plant and equipment	(15,952)	(11,865)
Proceeds from the sale of tangible fixed assets	1,221	2,067
Increase in intangible assets	(2,679)	(2,146)
Financial income collected	1,617	1,454
Other	767	(790)
Net liquidity utilised in investing activities	<u>(36,538)</u>	<u>(59,858)</u>

(€000)	<u>2008</u>	<u>2007</u>
Cash flow of financing activities		
Payment for purchase of treasury stock	(8,371)	(11,231)
Proceeds from the sale of treasury stock to the holders of stock options	-	2,170
Sale of treasury shares as part of the purchase of the investment in Contarini	6,715	-
Proceeds from (repayments of) loans	6,511	51,602
Disbursal (repayment) of shareholder loans	(155)	(122)
Loan granted to non consolidated subsidiary	(158)	-
Payment of financial leasing instalments (principal)	(296)	(217)
Dividends paid	(31,408)	(13,742)
Net cash from (used in) financing activities	<u>(27,162)</u>	<u>28,460</u>
Net increase (decrease) in cash and cash equivalents	<u>(24,779)</u>	<u>13,300</u>
Exchange differences on conversion of the liquidity of companies in areas outside the EU	418	1,098
Cash and cash equivalents of companies consolidated for the first time	256	728
Cash and cash equivalents at the start of the period	62,285	48,647
Group net financial position of assets and liabilities classified as held for sales in 2006	-	(1,488)
Cash and cash equivalents at the end of the period	<u>38,180</u>	<u>62,285</u>

Cash and cash equivalents can be broken down as follows:

	31/12/2008	31/12/2007
	€000	€000
Cash and cash equivalents from balance sheet	49,727	70,695
Payables to banks (for overdrafts and advances subject to collection)	<u>(11,547)</u>	<u>(8,410)</u>
Cash and cash equivalents from cash flow statement	<u>38,180</u>	<u>62,285</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 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	-	-	-	-	-	(7,675)	-	(7,675)	(29)	(7,704)
Exchange differences on the conversion of goodwill of non-EU companies	-	-	-	-	-	(5,391)	-	(5,391)	-	(5,391)
Distribution of ordinary dividend	-	-	-	-	-	-	(13,207)	(13,207)	(535)	(13,742)
Acquisition of treasury stock	(783)	-	(3,529)	-	-	-	(6,919)	(11,231)	-	(11,231)
Sale of treasury stock to the holders of stock options	171	-	-	-	-	-	1,999	2,170	-	2,170
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	708	-	-	-	-	708	-	708
Reclassification of the reserve for valuation at fair value of investments following their consolidation	-	-	-	-	(94)	(64)	158	-	-	-
Current tax recorded directly to shareholders' equity	-	-	-	-	-	-	(44)	(44)	-	(44)
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 31/12/2007	-	-	-	206	-	-	-	206	-	206
Special dividend deliberated	-	-	-	-	-	-	(16,594)	(16,594)	-	(16,594)
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	(48)	-	-	-	(48)	-	(48)
Net profit for the period	-	-	-	-	-	-	41,287	41,287	1,626	42,913
<i>Balances as at 31 December 2007</i>	<i>37,518</i>	<i>8,747</i>	<i>14,766</i>	<i>53</i>	<i>-</i>	<i>(22,889)</i>	<i>101,728</i>	<i>139,923</i>	<i>7,208</i>	<i>147,131</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 1 January 2008</i>	37,518	8,747	14,766	53	-	(22,889)	101,728	139,923	7,208	147,131
Exchange differences on the translation of financial statements for companies in areas outside the EU	-	-	-	-	-	5,016	-	5,016	(76)	4,940
Exchange differences on the conversion of goodwill of non-EU companies	-	-	-	-	-	871	-	871	-	871
Distribution of dividends	-	-	-	-	-	-	(14,381)	(14,381)	(433)	(14,814)
Purchase of treasury stock	(900)	-	(2,124)	-	-	-	(5,347)	(8,371)	-	(8,371)
Sale of treasury stock as part of the purchase of Contarini Leopoldo S.r.l.	799	-	5,916	-	-	-	-	6,715	-	6,715
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	806	-	-	-	-	806	-	806
Current tax recorded directly to shareholders' equity	-	-	-	-	-	-	(52)	(52)	-	(52)
Portion referred to companies consolidated for the first time	-	-	-	-	-	-	-	-	685	685
Purchase of a further 12% of Hydroven S.r.l.	-	-	-	-	-	-	-	-	(596)	(596)
Disposal of investment in Refin S.r.l.	-	-	-	-	-	-	-	-	(119)	(119)
Increase in a subsidiary's share capital	-	-	-	-	-	-	-	-	423	423
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 1/1/2008 and at 31/12/2008	-	-	-	230	-	-	-	230	(6)	224
Recording in the income statement of the fair value of derivative hedging instruments	-	-	-	(53)	-	-	-	(53)	-	(53)
Net profit for the period	-	-	-	-	-	-	39,228	39,228	933	40,161
<i>Balances as at 31 December 2008</i>	<i>37,417</i>	<i>8,747</i>	<i>19,364</i>	<i>230</i>	<i>-</i>	<i>(17,002)</i>	<i>121,176</i>	<i>169,932</i>	<i>8,019</i>	<i>177,951</i>

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

Euro	<u>31/12//2008</u>	<u>31/12/2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	25,860,889	47,532,205
Trade receivables	12,397,205	13,399,475
Inventories	14,481,580	13,490,849
Tax receivables	3,195,278	714,052
Derivative financial instruments	311,528	298,072
Assets held for sale	5,304,084	5,306,092
Other current assets	916,584	193,599
Total current assets	<u>62,467,148</u>	<u>80,934,344</u>
Non-current assets		
Property, plant and equipment	12,237,875	11,920,787
Goodwill	32,505,900	32,505,900
Other intangible assets	3,596,041	2,990,075
Investments in subsidiaries	137,676,940	130,961,879
Other financial assets	26,050,155	26,050,155
Tax receivables	45,757	45,627
Deferred tax assets	2,331,878	2,802,450
Other non current assets	15,628	30,773
Total non current assets	<u>214,460,174</u>	<u>207,307,646</u>
Total assets	<u>276,927,322</u>	<u>288,241,990</u>

Euro	<u>31/12/2008</u>	<u>31/12/2007</u>
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LIABILITIES

Current liabilities

Trade payables	11,247,545	10,744,104
Payables to banks	1,567,199	1,636,330
Interest bearing financial payables (current portion)	54,015,000	38,000,000
Derivative financial instruments	285,912	159,427
Taxes payable	573,062	569,799
Other current liabilities	3,419,555	11,557,608
Payables related to the payment of the special dividend	-	16,594,269
Provisions for risks and charges	162,884	162,334
Total current liabilities	<u>71,271,157</u>	<u>79,423,871</u>

Non-current liabilities

Interest bearing financial payables	99,803,078	115,662,265
Liabilities for employee benefits	3,485,152	3,614,216
Non-current tax payables	101,363	-
Deferred tax liabilities	1,195,039	2,195,967
Other non-current liabilities	4,217,389	3,532,122
Provisions for risks and charges	300,000	300,000
Total non current liabilities	<u>109,102,021</u>	<u>125,304,570</u>
Total liabilities	<u>180,373,178</u>	<u>204,728,441</u>

SHAREHOLDERS' EQUITY

Share Capital	37,416,632	37,517,477
Legal reserve	8,746,400	8,746,400
Share premium reserve	18,835,308	14,380,100
Reserve for valuation of hedging derivatives at fair value	238,255	47,038
Other reserves	31,317,549	22,822,534
Total shareholders' equity	<u>96,554,144</u>	<u>83,513,549</u>
Total shareholders' equity and liabilities	<u>276,927,322</u>	<u>288,241,990</u>

Income statement for the parent company Interpump Group S.p.A.

Euro	<i>2008</i>	<i>2007</i>
Net sales	71,472,925	75,151,565
Cost of sales	(46,449,270)	(48,815,288)
Gross industrial margin	25,023,655	26,336,277
Other net revenues	3,843,705	3,628,816
Distribution costs	(3,285,885)	(2,960,522)
General and administrative expenses	(10,792,203)	(10,501,810)
Impairment losses	(428,000)	(634,104)
Other operating costs	(144,363)	(19,722)
Dividends	24,117,600	22,400,000
Ordinary profit before financial charges	38,334,509	38,248,935
Financial income	3,867,795	3,996,026
Financial charges	(11,572,192)	(9,375,772)
Profit for the period before taxes	30,630,112	32,869,189
Income taxes	(2,353,315)	(5,420,772)
Consolidated profit for the period	28,276,797	27,448,417
Basic earnings per share	0.393	0.377
Diluted earnings per share	0.393	0.374

Cash flow statements

(€000)

	<u>2008</u>	<u>2007</u>
Cash flow from operating activities		
Profit before taxes and before gains on discontinued operations	30,630	32,871
Adjustments for non-monetary items:		
Gains from disposals of fixed assets	(17)	(30)
Gains from disposals of investments	(1,186)	-
Depreciation and amortisation	2,063	2,052
Expenses recognised in the income statement relating to stock options which do not result in cash outflows for the Group	663	591
Write down (reversal of write down) of assets	428	633
Net change in provisions and accruals for employee benefits	(247)	(1,305)
Dividends in the income statement	(24,118)	(22,400)
Net financial charges	7,705	5,380
	<u>15,921</u>	<u>17,792</u>
(Increase) decrease in trade receivables and other current assets	(2,214)	(2,187)
(Increase) decrease in inventories	(991)	795
Increase (decrease) in trade payables and other current liabilities	7,821	5,849
Income taxes paid	(9,808)	(11,479)
Interest paid	(9,275)	(7,845)
Realised exchange differences	(382)	16
Net cash from operating activities	<u>1,072</u>	<u>2,941</u>
Cash flows from investing activities		
Acquisition of NLB	(7,927)	(50,424)
Proceeds from the sale of investments	1,225	960
Increase in share capital of Interpump Hydraulics S.p.A.	(6,715)	-
Purchase of treasury stock	(8,371)	(11,231)
Sale of treasury shares as part of the purchase of the investment in Contarini	6,715	-
Proceeds from the sale of treasury stock to the holders of stock option	-	2,170
Investments in property, plant and equipment	(1,849)	(2,485)
Proceeds from the sale of tangible fixed assets	26	79
Increase in intangible fixed assets	(1,131)	(1,172)
Financial income received	2,038	1,348
Other items	13	(40)
Net cash generated (used) in investing activities	<u>(15,976)</u>	<u>(60,795)</u>
Cash flows from financing activities		
Dividends paid	(30,975)	(13,207)
Dividends received	24,118	22,400
Distribution of the pre-acquisition reserves of Hammelmann Maschinenfabrik	-	20,000

(€000)	2008	2007
Proceeds from (repayments of) loans	159	38,278
Net liquidity obtained through (utilised in) financing activities	(6,698)	67,471
Net (increase) decrease of cash and cash equivalents	(21,602)	9,617
Cash and cash equivalents at the beginning of the period	45,896	36,279
Cash and cash equivalents at the end of the period	24,294	45,896

Cash and cash equivalents can be broken down as follows:

	31/12/2008	31/12/2007	01/01//2007
		€000	€000
Cash and cash equivalents from the balance sheet	25,861	47,532	37,405
Payables to banks (for current account overdrafts and advances subject to collection)	<u>(1,567)</u>	<u>(1,636)</u>	<u>(1,126)</u>
Cash and cash equivalents as from the cash flow statement	<u>24,294</u>	<u>45,896</u>	<u>36,279</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	Other reserves
<i>Balances as at 31 December 2006</i>	41,559	8,746	17,318	(110)	26,711	94,224
Reclassification of nominal value of treasury stock at 1/1/2007	(3,429)	-	-	-	3,429	-
Distribution of dividends	-	-	-	-	(13,207)	(13,207)
Acquisition of treasury stock	(783)	-	(3,529)	-	(6,919)	(11,231)
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	591	-	-	591
Current tax recorded directly to shareholders' equity	-	-	-	-	(44)	(44)
Sale of treasury stock to the holders of stock options	171	-	-	-	1,999	2,170
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 31/12/2007	-	-	-	200	-	200
Recording under shareholders' equity of the fair value of derivative hedging instruments	-	-	-	(43)	-	(43)
Special dividend deliberated	-	-	-	-	(16,594)	(16,594)
Net profit for the period	-	-	-	-	27,448	27,448
<i>Balances as at 31 December 2007</i>	<i>37,518</i>	<i>8,746</i>	<i>14,380</i>	<i>47</i>	<i>22,823</i>	<i>83,514</i>
Distribution of dividend	-	-	-	-	(14,381)	(14,381)
Acquisition of treasury stock	(900)	-	(2,124)	-	(5,347)	(8,371)
Sale of treasury stock for the purchase of equity investments	799	-	5,916	-	-	6,715
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	663	-	-	663
Current tax recorded directly to shareholders' equity	-	-	-	-	(54)	(54)
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 1/1/2008 and at 31/12/2008	-	-	-	238	-	238
Recording under shareholders' equity of the change in the fair value of derivative hedging instruments	-	-	-	(47)	-	(47)
Net profit for the period	-	-	-	-	28,277	28,277
<i>Balances as at 31 December 2008</i>	<i>37,417</i>	<i>8,746</i>	<i>18,835</i>	<i>238</i>	<i>31,318</i>	<i>96,554</i>