



PRESS RELEASE

RESULTS FOR THE FIRST NINE MONTHS OF 2009

Net sales of 256.0 million euros (329.6 million euros for the same period in 2008)

EBITDA of 35.0 million euros equal to 13.7% of sales

(71.0 million euros for the same period in 2008)

Consolidated net profit of 12.6 million euros equal to 4.9% of sales

(36.5 million euros for the same period in 2008)

Free cash flow of 41.4 million euros (16.7 million euros for the same period in 2008), +147%

Milan, 11 November 2009 - The Board of Directors of Interpump Group meeting today approved the **results for the first nine months of 2009**.

For a better understanding of the results it is noted that the figures for the third quarter of 2009 and the full nine months ended 30 September 2009 include the results for the Cylinder Hub companies purchased in the second half of 2008 (Contarini Group, Modenflex Hydraulics and IKO Hydraulics) and in 2009 (Oleodinamica Panni, Cover and HS Penta, the latter only in the third quarter).

CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2009

Net sales for the first nine months of 2009 amounted to 256.0 million euros, compared to 329.6 million euros for the same period in 2008 (-22.3% and -31.4% with an unchanged consolidation scope).

The following table sets out sales by business sector:

	30/9/2009	%	30/9/2008	%	Increase/ Decrease
	(<i>nine</i> <i>months</i>)		(<i>nine</i> <i>months</i>)		
	€/000		€/000		
Hydraulic Sector	109,640	43	133,718	41	-18.0%
Industrial Sector	<u>130,147</u>	<u>51</u>	<u>167,945</u>	<u>51</u>	-22.5%
<i>Subtotal</i>	239,787	94	301,663	92	-20.5%
Electric Motors Sector	16,198	6	27,942	8	-42.0%
Total	<u>255,985</u>	<u>100</u>	<u>329,605</u>	<u>100</u>	-22.3%

EBITDA (gross operating profit) amounted to 35.0 million euros, equal to 13.7% of sales (71.0 million euros in the first nine months of 2008, representing 21.5% of sales; -50.6% and -54.7% with an unchanged consolidation scope).



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The following table sets out EBITDA by business sector:

	30/09/2009 (nine months) €/000	% of total sales	30/09/2008 (nine months) €/000	% of total sales	Increase/ Decrease
Hydraulic Sector	11,263	10.3%	27,809	20.8%	-59.5%
Industrial Sector	24,211	18.6%	42,834	25.5%	-43.5%
Electric Motors Sector	(524)	-3.1%	251	0.9%	N/A
Other Activities Sector	65	N/A	56	N/A	N/A
Total	<u>35,015</u>	13.7%	<u>70,950</u>	21.5%	-50.6%

With an unchanged consolidation scope the EBITDA of the Hydraulic Sector amounted to 9.2 million euros (11.6% of sales).

EBIT (operating profit) totalled 22.4 million euros, equal to 8.7% of sales (63.0 million euros in the first nine months of 2008, representing 19.1% of sales; -64.5% and -62.4% with an unchanged consolidation scope).

Consolidated net profit for the first nine months of 2009 amounted to **12.5 million euros**, equal to 4.9% of sales (36.5 million euros in the first nine months of 2008; -65.6%). **Basic earnings per share** were 0.169 euros (0.492 euros in the first nine months of 2008).

Invested capital rose from 406.2 million euros at 31 December 2008 to 461.6 million euros at 30 September 2009. The increase is mainly due to the recent acquisitions.

Non-annualized **ROCE** amounted to 4.9% (16.8% in the first nine months of 2008). Non-annualized **ROE** for the period was 6.6% (21.7% in the first nine months of 2008).

Net financial debt rose from 206.4 million euros at 31 December 2008 to 257.1 million euros at 30 September 2009, mainly due to the payments made for the purchase of the companies of the Cylinder Hub.

Net cash from operating activities totalled 46.6 million euros (29.1 million euros in 2008) and accordingly represented a rise of 60.0%, thanks to a reduction in working capital which generated cash of 27.7 million euros (working capital absorbed cash of 12.9 million euros in the first nine months of 2008). **Free cash flow** amounted to 41.4 million euros, almost two and a half times the figure of 16.7 million euros for 2008, demonstrating management's commitment to optimize financial management notwithstanding the serious economic crisis.

CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2009

The distinguishing feature of the third quarter of 2009 was the continuation of the profound financial crisis which began in 2008 and subsequently spread to the real economy, hitting all production sectors and all geographical areas. Nevertheless the third quarter has seen the first signs of a pick-up taking place in the high-pressure pumps segment, in particular concerning the United States market.

Net sales for the third quarter of 2009 totalled 81.2 million euros compared to 101.5 million euros in the same period in 2008 (-20.0% and -29.9% with an unchanged consolidation scope).



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The following table sets out **net sales by business sector**:

	<i>3rd quarter</i>	<i>%</i>	<i>3rd quarter</i>	<i>%</i>	<i>Increase/ Decrease</i>
	<i>2009</i>		<i>2008</i>		
	<i>€/000</i>		<i>€/000</i>		
Hydraulic Sector	34,859	43	40,164	40	-13.2%
Industrial Sector	42,298	52	54,033	53	-21.7%
Electric Motors Sector	<u>4,037</u>	<u>5</u>	<u>7,269</u>	<u>7</u>	-44.5%
Total	<u>81,194</u>	<u>100</u>	<u>101,466</u>	<u>100</u>	-20.0%

Faced with a fall in the market of the above-mentioned dimension the Interpump Group has succeeded in maintaining a good **profitability level**, as EBITDA of 12.9% of sales demonstrates (15.6% with an unchanged consolidation scope).

EBITDA (gross operating profit) amounted to 10.5 million euros, equal to 12.9% of sales (23.1 million euros in the third quarter of 2008 when it represented 22.8% of sales; -54.7%).

The following table sets out EBITDA by business sector:

	<i>3rd quarter</i>	<i>% of</i>	<i>3rd quarter</i>	<i>% of</i>	<i>Increase/ Decrease</i>
	<i>2009</i>	<i>total</i>	<i>2008</i>	<i>total</i>	
	<i>€/000</i>	<i>sales</i>	<i>€/000</i>	<i>sales</i>	
Hydraulic Sector	1,845	5.3%	8,049	20.0%	-77.1%
Industrial Sector	8,765	20.7%	15,257	28.2%	-42.6%
Electric Motors Sector	(158)	-3.7%	(161)	-2.1%	-1.9%
Other Activities Sector	<u>32</u>	N/A	<u>(3)</u>	N/A	N/A
Total	<u>10,484</u>	<u>12.9%</u>	<u>23,142</u>	<u>22.8%</u>	-54.7%

With an unchanged consolidation scope the EBITDA of the Hydraulic Sector amounted to 2.5 million euros (10.0% of sales).

EBIT (operating profit) totalled 5.9 million euros, equal to 7.3% of sales (20.3 million euros in the third quarter of 2008, representing 20.8% of sales; -71.0%). With an unchanged consolidation scope the EBIT of the third quarter amounted to 8.1 million euros (11.4% of sales).

Consolidated net profit for the third quarter amounted to 1.8 million euros, equal to 2.2% of sales (12.3 million euros in the third quarter of 2008; -85.3%). **Basic earnings per share** were 0.025 euros (0.169 euros in the third quarter of 2008).

The Group generated **cash from operating activities** of 12.3 million euros in the third quarter of 2009, of which 5.9 million euros was generated by a reduction in operating working capital. **Free cash flow** amounted to 10.0 million euros (6.3 million euros in the third quarter of 2008) as the following table shows:



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(€000)	2009			2008		
	1st Half	3rd Quarter	Total 30/09/2009	1st Half	3rd Quarter	Total 30/09/2008
Cash generated by operations	14,447	6,690	21,137	27,144	13,275	40,419
Cash generated (absorbed) by working capital	20,826	5,861	26,687	(7,889)	(4,974)	(12,863)
Cash generated (absorbed) by other assets and current liabilities	<u>(1,035)</u>	<u>(229)</u>	<u>(1,264)</u>	<u>533</u>	<u>1,015</u>	<u>1,548</u>
Net cash generated by operating activities	34,238	12,322	46,560	19,788	9,316	29,104
Investments in property, plant and equipment	(7,175)	(2,388)	(9,563)	(8,782)	(2,823)	(11,605)
Proceeds from the sale of property, plant and equipment	3,833	991	4,824	604	270	874
Investments in development expenses and other intangible assets	(1,068)	(438)	(1,506)	(1,235)	(600)	(1,835)
Financial income received	263	59	322	506	331	837
Other	<u>1,338</u>	<u>(587)</u>	<u>751</u>	<u>(404)</u>	<u>(230)</u>	<u>(634)</u>
Free cash flow	<u>31,429</u>	<u>9,959</u>	<u>41,388</u>	<u>10,477</u>	<u>6,264</u>	<u>16,741</u>

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EVENTS SUBSEQUENT TO 30 SEPTEMBER 2009

On 9 November subscriptions began for the increase in share capital following the resolution adopted by the Board of Directors on 15 September as supplemented by that adopted on 4 November. On 4 November CONSOB issued its authorisation to publish the prospectus, which may be consulted on the website www.interpumpgroup.it. Those entitled to do so may subscribe to the capital increase until 27 November, while the related rights may be traded until 20 November. Reference should be made to the press release of 4 November for the other conditions relating to the offer.

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Pursuant to article 65-bis, paragraph 2, and article 82 of Consob resolution no. 11971/1999 and subsequent amendments and additions it is hereby noted that the **third quarter report at 30 September 2009** is available to the public at the company's head office and at Borsa Italiana S.p.A., and that it may also be consulted on the page "Financial Statements & Reports" of the "Investor Relations" section of the website www.interpumpgroup.it.

Milan, 11 November 2009

On behalf of the Board of Directors
Chairman
Giovanni Cavallini

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

Milan, 11 November 2009

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

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Financial statements

Consolidated balance sheets

	<u>30/09/2009</u>	<u>31/12/2008</u>
ASSETS		
Current assets		
Cash and cash equivalents	61,141	49,727
Trade receivables	79,772	84,353
Inventories	108,029	120,031
Tax receivables	7,971	8,279
Derivative financial instruments	292	371
Assets available for sale	4,556	4,556
Other current assets	5,193	4,117
Total current assets	266,954	271,434
Non-current assets		
Property, plant and equipment	109,080	72,491
Goodwill	192,555	174,613
Other intangible assets	26,353	24,402
Other financial assets	3,004	3,584
Tax receivables	728	585
Deferred tax assets	16,159	10,039
Other non current assets	364	420
Total non current assets	348,243	286,134
Total assets	615,197	557,568

	<u>30/09/2009</u>	<u>31/12/2008</u>
LIABILITIES		
Current liabilities		
Trade payables	34,638	54,234
Payables to banks	16,669	11,547
Interest bearing financial payables (current portion)	117,417	93,891
Derivative financial instruments	1,867	384
Taxes payable	4,492	4,433
Other current liabilities	19,541	18,898
Provisions for risks and charges	2,908	2,028
Total current liabilities	197,532	185,415
Non-current liabilities		
Interest bearing financial payables	184,192	150,654
Liabilities for employee benefits	10,727	9,094
Taxes payables	91	273
Deferred tax liabilities	18,346	13,524
Other non-current liabilities	13,624	19,101
Provisions for risks and charges	1,611	1,556
Total non current liabilities	228,591	194,202
Total liabilities	426,123	379,617
SHAREHOLDERS' EQUITY		
Share Capital	38,059	37,417
Legal reserve	8,747	8,747
Share premium reserve	26,234	19,364
Reserve for valuation of hedging derivatives at fair value	(1,225)	230
Translation reserve	(22,410)	(17,002)
Other reserves	133,643	121,176
Shareholders' equity for the Group	183,048	169,932
Minority interests	6,026	8,019
Total shareholders' equity	189,074	177,951
Total shareholders' equity and liabilities	615,197	557,568

Consolidated income statements for the third quarter

(€000)	2009	2008
Net sales	81,194	101,466
Cost of sales	(54,876)	(62,613)
Gross industrial margin	26,318	38,853
Other net revenues	1,381	2,339
Distribution costs	(8,537)	(9,327)
General and administrative expenses	(13,022)	(11,383)
Other operating costs	(232)	(140)
Ordinary profit before financial charges	5,908	20,342
Financial income	392	1,523
Financial charges	(3,059)	(3,488)
Adjustment of investments according to the equity method	56	2
Profit for the period before taxes	3,297	18,379
Income taxes	(1,481)	(6,013)
Consolidated profit for the period	1,816	12,366
Due to:		
Parent company shareholders	1,847	12,099
Subsidiaries' minority shareholders	(31)	267
Consolidated profit for the period	1,816	12,366
Basic earnings per share (euro)	0.025	0.169
Diluted earnings per share (euro)	0.025	0.169

Statement of consolidated comprehensive income for the third quarter

(€000)	2009	2008
Consolidated profit for the third quarter (A)	1,816	12,366
<i>Cash flow hedge accounting for derivatives hedging interest rate risk:</i>		
- Gains (losses) on derivatives for the period	(1,074)	-
- Less: Adjustment for gains (losses) reclassified to the income statement	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	-
<i>Total</i>	<u>(1,074)</u>	<u>-</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	45	(362)
- Less: Adjustment for gains (losses) reclassified to the income statement	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	-
<i>Total</i>	<u>45</u>	<u>(362)</u>
<i>Gain (losses) on translating the financial statements of foreign entities</i>	(4,286)	10,375
<i>Gain (losses) from companies accounted for under the equity method</i>	(4)	(1)
<i>Related taxation</i>	289	85
Gains (losses) recognized directly in equity in the third quarter (B)	<u>(5,030)</u>	<u>10,097</u>
Consolidated comprehensive income for the third quarter (A) + (B)	(3,214)	22,463
Attributable to:		
Owners of the parent	(3,068)	22,098
Non-controlling interests of subsidiaries	(146)	365
Consolidated comprehensive income for the third quarter	<u>(3,214)</u>	<u>22,463</u>

Consolidated income statements for first nine months

(€000)	2009	2008
Net sales	255,985	329,605
Cost of sales	(171,253)	(206,598)
Gross industrial margin	84,732	123,007
Other net revenues	5,073	5,024
Distribution costs	(26,895)	(28,353)
General and administrative expenses	(39,759)	(36,052)
Other operating costs	(763)	(637)
Ordinary profit before financial charges	22,388	62,989
Financial income	2,694	3,713
Financial charges	(9,334)	(13,309)
Adjustment of investments according to the equity method	(121)	(9)
Profit for the period before taxes	15,627	53,384
Income taxes	(3,061)	(16,876)
Consolidated profit for the period	12,566	36,508
Due to:		
Parent company shareholders	12,392	35,320
Subsidiaries' minority shareholders	174	1,188
Consolidated profit for the period	12,566	36,508
Basic earnings per share (euro)	0.169	0.492
Diluted earnings per share (euro)	0.169	0.492

Statements of consolidated comprehensive income for the first nine months

(€000)	2009	2008
Consolidated profit for the first nine months (A)	12,566	36,508
<i>Cash flow hedge accounting for derivatives hedging interest rate risk</i>		
- Gains (losses) on derivatives for the period	(1,788)	-
- Less: Adjustment for gains (losses) reclassified to the income statement	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	<u>35</u>
<i>Total</i>	<u>(1,788)</u>	<u>35</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	73	(334)
- Less: Adjustment for gains (losses) reclassified to the income statement	(227)	(80)
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	-
<i>Total</i>	<u>(154)</u>	<u>(414)</u>
<i>Gain (losses) on translating the financial statements of foreign entities</i>	(5,379)	3,351
<i>Gain (losses) from companies accounted for under the equity method</i>	(29)	-
<i>Related taxation</i>	573	138
Gains (losses) recognized directly in equity in the first nine months (B)	<u>(6,777)</u>	<u>3,110</u>
Consolidated comprehensive income for the first nine months (A) + (B)	5,789	39,618
Attributable to:		
Owners of the parent	5,604	38,432
Non-controlling interests of subsidiaries	<u>185</u>	<u>1,186</u>
Consolidated comprehensive income for the period	<u>5,789</u>	<u>39,618</u>

Consolidated cash flow statements as at September 30th (nine months)

(€000)	<u>2009</u>	<u>2008</u>
Cash flow from operating activities		
Profit before taxes	15,627	53,384
<i>Adjustments for non-cash items:</i>		
Losses (capital gains) from the sale of fixed assets	(1,460)	(78)
Losses (capital gains) from disposals of investments	-	(947)
Amortisation and depreciation	12,092	7,700
Impairment of assets	72	-
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	638	596
Loss (profit) from investments	121	9
Net change of risk funds and allocations to liabilities for benefits for employees	(331)	(1,112)
Net financial charges	6,640	9,596
Other	(52)	80
	<u>33,347</u>	<u>69,228</u>
(Increase) decrease in trade receivables and other current assets	29,196	(6,900)
(Increase) decrease in inventories	28,148	(6,358)
Increase (decrease) in trade payables and other current liabilities	(31,921)	1,943
Interest paid	(7,572)	(9,280)
Realised currency exchange gains	420	(201)
Taxes paid	(5,058)	(19,328)
Net liquidity generated by operating activities	<u>46,560</u>	<u>29,104</u>
Cash flow from investing activities		
Payment for the acquisition of equity investments net of cash received and the sale of treasury stock	(68,184)	(12,262)
Price settlement and directly attributable expenditure for the purchase of the Contarini Group	(3,934)	-
Expenditure for the acquisition of 12% in Hydroven S.r.l.	(210)	(300)
Expenditure for the acquisition of the remaining 37% stake in Hydroven S.r.l.	(3,520)	-
Payment to cover losses for the sale of RP-ITCO	(140)	-
Formation of an associate	-	(282)
Proceeds from the sale of equity interests	-	1,225
Capital expenditure in property, plant and equipment	(9,563)	(11,605)
Proceeds from sales of tangible fixed assets	4,824	874
Increase in intangible assets	(1,506)	(1,835)
Financial income collected	322	837
Other	42	363
Net liquidity used in investing activities	<u>(81,869)</u>	<u>(22,985)</u>

(€000)	<u>2009</u>	<u>2008</u>
Cash flow of financing activities		
Outlays for purchases of treasury stock	(6,679)	(3,613)
Sale of treasury stock as part of the acquisitions of Oleodinamica Panni and Cover	13,390	-
Sale of treasury stock to repay the IKO Hydraulics S.r.l. shareholders' loan	163	-
Disbursement (repayment) of loans	36,376	5,263
Loans granted to non-consolidated subsidiaries	-	(38)
Disbursal (repayment) of shareholder loans	(200)	-
Payment of financial leasing installments (principal)	(1,093)	(188)
Dividend paid	(194)	(31,222)
Net liquidity obtained through (utilised in) financing activities	<u>41,763</u>	<u>(29,798)</u>
Net increase (decrease) of cash and cash equivalents	<u>6,454</u>	<u>(23,679)</u>
Exchange differences from the translation of the liquidity of companies in areas outside the EU	(443)	237
Cash and cash equivalents of companies consolidated for the first time	281	256
Cash and cash equivalents at the beginning of the period	<u>38,180</u>	<u>62,285</u>
Cash and cash equivalents at the end of the period	<u>44,472</u>	<u>39,099</u>

Cash and cash equivalents can be broken down as follows:

	30/09/2009	31/12/2008
Cash and cash equivalents from balance sheet	61,141	49,727
Payables to banks (for overdrafts and advances subject to collection)	<u>(16,669)</u>	<u>(11,547)</u>
Cash and cash equivalents from cash flow statement	<u>44,472</u>	<u>38,180</u>

Changes in shareholders' equity

	Share Capital	Legal reserve	Share premium reserve	Reserve for valuation of hedging derivatives at fair value	Translation provision	Other reserves	Shareholde rs' equity for the Group	Minority interests	Total
<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
Purchase of treasury stock	(315)	-	-	-	-	(3,298)	(3,613)	-	(3,613)
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	596	-	-	-	596	-	596
Distribution of dividends	-	-	-	-	-	(14,381)	(14,381)	(433)	(14,814)
Portion referred to companies consolidated for the first time	-	-	-	-	-	-	-	380	380
Purchase of a further 12% of Hydroven S.r.l.	-	-	-	-	-	-	-	(596)	(596)
Disposal of investment in Refin S.r.l.	-	-	-	-	-	-	-	(119)	(119)
Comprehensive profit (loss) for the first nine months of 2008	-	-	-	(283)	3,349	35,366	38,432	1,186	39,618
<i>Balances as at 30 September 2008</i>	37,203	8,747	15,362	(230)	(19,540)	119,415	160,957	7,626	168,583
Purchase of treasury stock	(585)	-	(2,124)	-	-	(2,049)	(4,758)	-	(4,758)
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	-	-	210	-	-	-	210	-	210
Portion referred to companies consolidated for the first time	-	-	-	-	-	-	-	305	305
Increase in a subsidiary's share capital	-	-	-	-	-	-	-	423	423
Comprehensive profit (loss) for the fourth quarter of 2008	-	-	-	460	2,538	3,810	6,808	(335)	6,473
<i>Balances as at 31 December 2008</i>	37,417	8,747	19,364	230	(17,002)	121,176	169,932	8,019	177,951
Purchase of treasury stock	(1,125)	-	(5,554)	-	-	-	(6,679)	-	(6,679)
Sale of treasury stock as part of the purchase of Oleodinamica Panni S.r.l. and Cover S.r.l.	1,742	-	11,648	-	-	-	13,390	-	13,390
Sale of treasury stock to repay the IKO Hydraulics S.r.l. shareholders' loan	25	-	138	-	-	-	163	-	163
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	638	-	-	-	638	-	638
Distribution of dividends	-	-	-	-	-	-	-	(196)	(196)
Purchase of minority interests (Hydroven and Oleodinamica Panni)	-	-	-	-	-	-	-	(3,854)	(3,854)
Minority interests in the investments acquired	-	-	-	-	-	-	-	1,872	1,872
Comprehensive profit (loss) for the first nine months of 2009	-	-	-	(1,455)	(5,408)	12,467	5,604	185	5,789
<i>Balances as at 30 September 2009</i>	38,059	8,747	26,234	(1,225)	(22,410)	133,643	183,048	6,026	189,074