



**INTERPUMP  
GROUP**

**PRESS RELEASE**

**RESULTS FOR THE FOURTH QUARTER OF 2009**

**Net sales: 86.9 million euros (94.9 million euros in the same period in 2008),  
an improvement over the 81.2 million euros achieved in the third quarter of 2009**  
**EBITDA: 11.8 million euros (or 13.6% of sales),  
an improvement over the 10.5 million euros achieved in the third quarter of 2009**  
**Free cash flow of 21.7 million euros (5.4 million euros in the fourth quarter of 2008) +302%,  
an improvement over the 10 million euros achieved in the third quarter of 2009**  
**Consolidated net profit of 1.4 million euros or 1.6% of sales (3.6 million euros in 2008), in line with  
the third quarter of 2009**

**PRELIMINARY RESULTS FOR 2009**

**Net sales: 342.9 million euros (424.5 million euros in 2008)**  
**EBITDA: 46.9 million euros or 13.7% of sales (87 million euros in 2008)**  
**Free cash flow of 63.1 million euros (22.1 million euros in the same period in 2008): +186%**  
**Consolidated net profit of 14.0 million euros or 4.1% of sales  
(40.1 million euros in 2008)**

*Milan, 11 February 2010* – Interpump Group announces its **results for the fourth quarter of 2009 and its preliminary figures for 2009**, as approved by the Board of Directors today.

**Some signs of improvement were noted in the fourth quarter**, although any comparison with the fourth quarter of 2008 is influenced by the fact that elements of a crisis were already evident in that period. More specifically, in the third quarter and even more so in the fourth quarter the high pressure pumps segment showed signs of a pick-up, especially in the United States.

For a better understanding of the figures it should be remembered that the results for the fourth quarter of 2009 and for the full year ended 31 December 2009 include those 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 for the second half year). The fourth quarter of 2008 includes three months of Modenflex Hydraulics S.r.l., two months of the Contarini Group and one and a half months of IKO Hydraulics.



# INTERPUMP GROUP

## CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2009

Net sales for the fourth quarter of 2009 totalled **86,9 million euros**, compared to 94.9 million euros in the same period in 2008 (-8.4% and -17.4% with an unchanged consolidation scope).

Net sales for the fourth quarter may be analysed by business area as follows:

	<i>4th quarter 2009</i>	<i>%</i>	<i>4th quarter 2008</i>	<i>%</i>	<i>Increase/ Decrease</i>
	<i>€/000</i>		<i>€/000</i>		
Hydraulic Sector	40,058	46	38,981	41	+2.8%
Industrial Sector	42,262	49	48,408	51	-12.7%
Electric Motors Sector	<u>4,619</u>	<u>5</u>	<u>7,519</u>	<u>8</u>	-38.6%
<b>Total</b>	<b><u>86,939</u></b>	<b><u>100</u></b>	<b><u>94,908</u></b>	<b><u>100</u></b>	<b>-8.4%</b>

Sales in the **Hydraulic Sector** rose by 2.8% (-19.3% with an unchanged consolidation scope). Excluding the Cylinder Hub, sales of the European companies dropped by 13.9% compared to the same period of the previous year. The sales of the subsidiary Muncie fell by 13.3% in dollar terms; translated into euros there was a fall of 24.5%. Sales of the companies of the Cylinder Hub suffered a drop of 44.9% compared to the fourth quarter of 2008.

The **Industrial Sector** achieved a turnover of 42.3 million euros, representing a decrease of 12.7%.

Sales of **Electric Motors** amounted to 4.6 million euros (-38.6% compared to the fourth quarter of 2008).

Faced with a fall in the market arising from the serious international crisis, Interpump Group has succeeded in **maintaining a good profitability level**.

In fact **EBITDA** (gross operating profit) amounted to 11.8 million euros or 13.6% of sales (16 million euros in the fourth quarter of 2008 when it represented 16.9% of sales; -26.2%).

**EBIT** (operating profit) totalled 6.8 million euros or 7.8% of sales (12.7 million euros in the fourth quarter of 2008, representing 13.4% of sales; -46.3%). With an unchanged consolidation scope EBIT amounted to 8.3 million euros or 10.6% of sales (-34.6%).

**Consolidated net profit** for the fourth quarter amounted to 1.4 million euros (3.6 million euros in the fourth quarter of 2008; -61.3%).

**Free cash flow** amounted to 21.7 million euros compared to 5.4 million euros in the fourth quarter of 2008 (+302%).

## PRELIMINARY FIGURES FOR 2009

On the basis of preliminary figures for 2009 Interpump Group achieved **consolidated net sales of 342.9 million euros** (compared to 424.5 million euros in 2008; -19.2% and -28.3% with an unchanged consolidation scope).

The **Hydraulic Sector** achieved a turnover of 149.6 million euros (-13.3% and -35.6% with an unchanged consolidation scope).



# INTERPUMP GROUP

The **Industrial Sector** achieved a turnover of 172.4 million euros (-20.3% compared to 2008). The following table sets out the sales of the Industrial Sector by product type.

	2009 €/000	2008 €/000	Increase/ Decrease
High pressure pumps	60,274	74,200	-18.8%
Very high pressure systems	101,703	127,086	-20.0%
Sheet metal drawing, blanking and pressing	2,623	3,656	-28.3%
Cleaning machinery	<u>7,809</u>	<u>11,411</u>	-31.6%
Total	<u>172,409</u>	<u>216,353</u>	-20.3%

Sales of **Electric Motors** reached 20.8 million euros (-41.3% compared to 2008).

**EBITDA** (gross operating profit) amounted to 46.9 million euros or 13.7% of sales (87.0 million euros in 2008 or 20.5% of sales; -46.1% and -49.4% with an unchanged consolidation scope).

The following table sets out EBITDA by business sector:

	2009 €/000	% of total sales*	2008 €/000	% of total sales	Increase/ Decrease
Hydraulic Sector	14,992	10.0%	33,436	19.4%	-55.2%
Industrial Sector	32,867	19.0%	53,226	24.6%	-38.3%
Electric Motors Sector	(1,070)	-4.9%	262	0.7%	N/A
Other Activities Sector	<u>67</u>	N/A	<u>62</u>	N/A	N/A
<b>Total</b>	<b><u>46,856</u></b>	<b>13.7%</b>	<b><u>86,986</u></b>	<b>20.5%</b>	<b>-46.1%</b>

**EBIT** (operating profit) totalled 29.2 million euros or 8.5% of sales (75.7 million euros in 2008 or 17.8% of sales; -61.4% and -57.8% with an unchanged consolidation scope).

**Consolidated net profit** for 2009 amounted to **14.0 million euros** or 4.1% of sales (40.2 million euros in 2008; -65.2%).

**Invested capital** rose from 406.2 million euros at 31 December 2008 to 444.6 million euros at 31 December 2009: the increase is mainly due to the acquisitions made in the Cylinder Hub.

**ROCE** amounted to 6.6% (18.6% in 2008).

**ROE** amounted to 5.8 % (22.6% in 2008).

**Net cash from operating activities** totalled 69.9 million euros (38.9 million euros in 2008; +179%), thanks to a reduction in commercial working capital which generated cash of 44.7 million euros (commercial working capital used cash of 0.8 million euros in 2008).

**Free cash flow** amounted to 63.1 million euros, almost three times the figure of 22.1 million euros for 2008, demonstrating management's commitment to optimising financial management despite the serious economic crisis.

**Net financial debt** fell from 206.4 million euros at 31 December 2008 to 185.5 million euros at 31 December 2009, thanks to free cash flow of 63.1 million euros and a capital increase of 49.9 million euros, partially offset by the payments made for the acquisition of the companies of the Cylinder Hub and for the purchase of treasury shares.



# INTERPUMP GROUP

\*\*\*

Milan, 11 February 2010

On behalf of the Board of Directors  
Chairman  
Giovanni Cavallini

The manager responsible for drafting company accounting documents, Carlo Banci, declares, pursuant to the terms of section 2 article 154(2) of the Financial Services Act, that the accounting disclosures in the present document correspond to the contents of documents, account books and the accounting entries.

Milan, 11 February 2010

Manager responsible for drafting  
company accounting documents  
Carlo Banci

*For further information please contact:*

**Moccagatta Associati**  
Tel. +39 02 8645.1695  
Fax +39 02 8645.2082  
[segreteria@moccagatta.it](mailto:segreteria@moccagatta.it)

[www.interpumpgroup.it](http://www.interpumpgroup.it)

## Financial statements

### Consolidated balance sheet

(€000)	<u>31/12/2009</u>	<u>31/12/2008</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	85,361	49,727
Trade receivables	76,731	84,353
Inventories	100,784	120,031
Tax receivables	5,541	8,279
Derivative financial instruments	102	371
Assets available for sale	4,556	4,556
Other current assets	3,999	4,117
<b>Total current assets</b>	<u><b>277,074</b></u>	<u><b>271,434</b></u>
<b>Non current assets</b>		
Property, plant and equipment	107,055	72,491
Goodwill	195,969	174,613
Other intangible assets	25,640	24,402
Other financial assets	2,873	3,584
Tax receivables	3,270	585
Deferred tax assets	14,153	10,039
Other non current assets	425	420
<b>Total non current assets</b>	<u><b>349,385</b></u>	<u><b>286,134</b></u>
<b>Total assets</b>	<u><b>626,459</b></u>	<u><b>557,568</b></u>

(€000)

## LIABILITIES

### Current liabilities

	<u>31/12/2009</u>	<u>31/12/2008</u>
Trade payables	41,475	54,234
Payables to banks	9,569	11,547
Interest bearing financial payables (current portion)	95,540	93,891
Derivative financial instruments	1,623	384
Taxes payable	5,329	4,433
Other current liabilities	19,869	18,898
Provisions for risks and charges	2,563	2,028
<b>Total current liabilities</b>	<b><u>175,968</u></b>	<b><u>185,415</u></b>

### Non-current liabilities

Interest bearing financial payables	165,725	150,654
Liabilities for employee benefits	9,955	9,094
Taxes payables	91	273
Deferred tax liabilities	18,269	13,524
Other non-current liabilities	11,872	19,101
Provisions for risks and charges	1,783	1,556
<b>Total non current liabilities</b>	<b><u>207,695</u></b>	<b><u>194,202</u></b>
<b>Total liabilities</b>	<b><u>383,663</u></b>	<b><u>379,617</u></b>

## SHAREHOLDERS' EQUITY

Share Capital	48,414	37,417
Legal reserve	8,747	8,747
Share premium reserve	65,548	19,364
Reserve for valuation of hedging derivatives at fair value	(1,122)	230
Translation reserve	(20,171)	(17,002)
Other reserves	135,332	121,176
<b>Shareholders' equity for the Group</b>	<b><u>236,748</u></b>	<b><u>169,932</u></b>
Minority interests	6,048	8,019
<b>Total shareholders' equity</b>	<b><u>242,796</u></b>	<b><u>177,951</u></b>
<b>Total shareholders' equity and liabilities</b>	<b><u>626,459</u></b>	<b><u>557,568</u></b>

## Consolidated income statements for the fourth quarter

(€000)	2009	2008
<b>Net sales</b>	<b>86,939</b>	<b>94,908</b>
Cost of sales	(58,928)	(59,359)
<b>Gross industrial margin</b>	<b>28,011</b>	<b>35,549</b>
Other net revenues	1,251	1,001
Distribution costs	(8,488)	(9,939)
General and administrative expenses	(13,413)	(13,393)
Impairment of assets	-	(1,692)
Other operating costs	(555)	(541)
<b>Ordinary profit before financial charges</b>	<b>6,806</b>	<b>10,985</b>
Financial income	317	3,404
Financial charges	(2,710)	(6,998)
Adjustment of investments according to the equity method	68	17
<b>Profit for the period before taxes</b>	<b>4,481</b>	<b>7,408</b>
Income taxes	(3,067)	(3,755)
<b>Consolidated profit for the period</b>	<b>1,414</b>	<b>3,653</b>
Due to:		
Parent company shareholders	1,511	3,908
Subsidiaries' minority shareholders	(97)	(255)
<b>Consolidated profit for the period</b>	<b>1,414</b>	<b>3,653</b>
Basic earnings per share (euro)	0.020	0.054
Diluted earnings per share (euro)	0.020	0.054

## Statement of consolidated comprehensive income for the fourth quarter

(€000)	<u>2009</u>	<u>2008</u>
<b>Consolidated profit for the fourth quarter (A)</b>	<b>1,414</b>	<b>3,653</b>
<i>Cash flow hedge accounting for derivatives hedging interest rate risk:</i>		
- Gains (losses) on derivatives for the period	263	-
- 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>-</u>	<u>-</u>
<i>Total</i>	263	-
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	(97)	555
- Less: Adjustment for gains (losses) reclassified to the income statement	6	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>-</u>	<u>-</u>
<i>Total</i>	(91)	555
<i>Ancillary charges to the capital increase</i>	(563)	-
<i>Gain (losses) on translating the financial statements of foreign entities</i>	2,374	2,439
<i>Gain (losses) from companies accounted for under the equity method</i>	(10)	21
<i>Related taxation</i>	104	(195)
<b>Gains (losses) recognized directly in equity in the fourth quarter (B)</b>	<b><u>2,077</u></b>	<b><u>2,820</u></b>
<b>Consolidated comprehensive income for the fourth quarter (A) + (B)</b>	<b>3,491</b>	<b>6,473</b>
<b>Attributable to:</b>		
Owners of the parent	3,468	6,808
Non-controlling interests of subsidiaries	<u>23</u>	<u>(335)</u>
<b>Consolidated comprehensive income for the period</b>	<b><u>3,491</u></b>	<b><u>6,473</u></b>



## Consolidated income statements

(€000)	<u>2009</u>	<u>2008</u>
<b>Net sales</b>	<b>342,924</b>	<b>424,513</b>
Cost of sales	(230,181)	(265,957)
<b>Gross industrial margin</b>	<b>112,743</b>	<b>158,556</b>
Other net revenues	6,324	6,025
Distribution costs	(35,383)	(38,292)
General and administrative expenses	(53,172)	(49,445)
Impairment of assets	-	(1,692)
Other operating costs	(1,318)	(1,178)
<b>Ordinary profit before financial charges</b>	<b>29,194</b>	<b>73,974</b>
Financial income	2,986	7,117
Financial charges	(12,019)	(20,307)
Adjustment of investments according to the equity method	(53)	8
<b>Profit for the period before taxes</b>	<b>20,108</b>	<b>60,792</b>
Income taxes	(6,128)	(20,631)
<b>Consolidated profit for the period</b>	<b>13,980</b>	<b>40,161</b>
<b>Due to:</b>		
Parent company shareholders	13,903	39,228
Subsidiaries' minority shareholders	77	933
<b>Consolidated profit for the period</b>	<b>13,980</b>	<b>40,161</b>
Basic earnings per share (euro)	0.187	0.545
Diluted earnings per share (euro)	0.185	0.545

## Statements of consolidated comprehensive income for the year

(€000)	<u>2009</u>	<u>2008</u>
<b>Consolidated profit (A)</b>	<b>13,980</b>	<b>40,161</b>
<i>Cash flow hedge accounting for derivatives hedging interest rate risk:</i>		
- Gains (losses) on derivatives for the period	(1,525)	-
- Less: Adjustment for gains (losses) reclassified to the income statement	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	35
<i>Total</i>	<u>(1,525)</u>	<u>35</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	(24)	221
- Less: Adjustment for gains (losses) reclassified to the income statement	(221)	(80)
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	-
<i>Total</i>	<u>(245)</u>	<u>141</u>
<i>Ancillary charges to the capital increase</i>	(563)	-
<i>Gain (losses) on translating the financial statements of foreign entities</i>	(3,005)	5,790
<i>Gain (losses) from companies accounted for under the equity method</i>	(39)	21
<i>Related taxation</i>	677	(57)
<b>Gains (losses) recognized directly in equity (B)</b>	<b><u>(4,700)</u></b>	<b><u>5,930</u></b>
<b>Consolidated comprehensive income for the period (A) + (B)</b>	<b>9,280</b>	<b>46,091</b>
<b>Attributable to:</b>		
Owners of the parent	9,072	45,240
Non-controlling interests of subsidiaries	208	851
<b>Consolidated comprehensive income for the period</b>	<b><u>9,280</u></b>	<b><u>46,091</u></b>

## Consolidated cash flow statements as at 31.12.2009

(€000)	<u>2009</u>	<u>2008</u>
<b>Cash flow from operating activities</b>		
Profit before taxes	20,108	60,792
<i>Adjustments for non-cash items:</i>		
Losses (capital gains) from the sale of fixed assets	(1,522)	(121)
Gains from disposals of investments	-	(947)
Depreciation and amortisation	16,753	10,942
Impairment of assets	-	1,692
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	853	806
Loss (profit) from investments	53	(8)
Net change of risk funds and allocations to liabilities for benefits for employees	(1,184)	(1,156)
Net financial charges	9,033	13,190
Other	254	82
	<u>44,348</u>	<u>85,272</u>
(Increase) decrease in trade receivables and other current assets	33,791	7,575
(Increase) decrease in inventories	36,336	(5,959)
Increase (decrease) in trade payables and other current liabilities	(25,720)	(5,367)
Interest paid	(10,004)	(12,727)
Currency exchange gains	349	(211)
Taxes paid	(9,245)	(29,662)
<b>Net liquidity generated by operating activities</b>	<b><u>69,855</u></b>	<b><u>38,921</u></b>
<b>Cash flow from investing activities</b>		
Payment for the acquisition of equity investments net of cash received	(74,977)	(22,602)
Payment to cover losses for the sale of RP-ITCO	(140)	-
Incorporation of an associate	-	(282)
Proceeds from the sale of equity interests	-	1,225
Investment in property, plant and equipment	(12,535)	(15,952)
Proceeds from the sale of tangible fixed assets	5,285	1,221
Increase in intangible assets	(2,002)	(2,679)
Portion of the share capital increase of a subsidiary paid by the minority shareholder	-	147
Financial income collected	650	1,617
Other	742	767
<b>Net liquidity utilised in investing activities</b>	<b><u>(82,977)</u></b>	<b><u>(36,538)</u></b>

(€000)	<u>2009</u>	<u>2008</u>
<b>Cash flow of financing activities</b>		
Payment for purchase of treasury stock	(6,679)	(8,371)
Sale of treasury stock as part of the acquisitions	13,390	6,715
Sale of treasury stock to repay the IKO Hydraulics S.r.l. shareholders' loan	163	-
Increase in share capital, net of ancillary charges and inclusive of sold right options	49,964	
Proceeds from (repayments of) loans	(4,015)	6,511
Disbursal (repayment) of loans granted to non-consolidated subsidiaries	-	(158)
Disbursal (repayment) of shareholder loans	(200)	(155)
Payment of financial leasing instalments (principal)	(1,724)	(296)
Dividends paid	(195)	(31,408)
<b>Net cash from (used in) financing activities</b>	<u><b>50,704</b></u>	<u><b>(27,162)</b></u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u><b>37,582</b></u>	<u><b>(24,779)</b></u>
Exchange differences on conversion of the liquidity of companies in areas outside the EU	(251)	418
Cash and cash equivalents of companies consolidated for the first time	281	256
Cash and cash equivalents at the start of the period	<u><b>38,180</b></u>	<u><b>62,285</b></u>
Cash and cash equivalents at the end of the period	<u><b>75,792</b></u>	<u><b>38,180</b></u>

Cash and cash equivalents can be broken down as follows:

	31/12/2009	31/12/2008
Cash and cash equivalents from balance sheet	85,361	49,727
Payables to banks (for overdrafts and advances subject to collection)	<u>(9,569)</u>	<u>(11,547)</u>
Cash and cash equivalents from cash flow statement	<u><b>75,792</b></u>	<u><b>38,180</b></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
<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
Acquisition of treasury stock	(900)	-	(2,124)	-	-	(5,347)	(8,371)	-	(8,371)
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	806	-	-	-	806	-	806
Distribution of dividends	-	-	-	-	-	(14,381)	(14,381)	(433)	(14,814)
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)
Sale of treasury stock as part of the purchase of Contarini Leopoldo S.r.l.	799	-	5,916	-	-	-	6,715	-	6,715
Increase in a subsidiary's share capital	-	-	-	-	-	-	-	423	423
Comprehensive profit (loss) for the year 2008	-	-	-	177	5,887	39,176	45,240	851	46,091
<i>Balances as at 31 December 2008</i>	<i>37,417</i>	<i>8,747</i>	<i>19,364</i>	<i>230</i>	<i>(17,002)</i>	<i>121,176</i>	<i>169,932</i>	<i>8,019</i>	<i>177,951</i>
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 derivative hedging instruments	-	-	853	-	-	-	853	-	853
Distribution of dividends	-	-	-	-	-	-	-	(197)	(197)
Purchase of minority interests (Hydroven and Oleodinamica Panni)	-	-	-	-	-	-	-	(3,854)	(3,854)
Minority interests in the investments acquired	-	-	-	-	-	-	-	1,872	1,872
Capital increase	10,355	-	39,662	-	-	-	50,017	-	50,017
Comprehensive profit (loss) for the year 2009	-	-	(563)	(1,352)	(3,169)	14,156	9,072	208	9,280
<i>Balances as at 31 December 2009</i>	<i>48,414</i>	<i>8,747</i>	<i>65,548</i>	<i>(1,122)</i>	<i>(20,171)</i>	<i>135,332</i>	<i>236,748</i>	<i>6,048</i>	<i>242,796</i>

The amount of the capital increase differs from that in the cash flow statement due to the fact that although in both cases the figure is stated net of ancillary charges, it is assumed in the cash flow statement that these costs have been paid. The difference therefore represents the ancillary charges that have still to be paid.