

INTERPUMP GROUP

PRESS RELEASE

**Interpump Group
approves the first quarterly report of 2010**

**SIGNS OF RECOVERY APPEARED IN THE FIRST QUARTER OF 2010:
SALES, PROFITABILITY AND FREE CASH FLOW ARE IN CLEAR INCREASE**

The policy of cost containment and optimization of financial management continues

Net sales up by 9.5% to EUR 99.4 million (EUR 90.8 million in Q1 2009)

EBITDA up by 32.7% to EUR 16.3 million (16.4% of sales)

EBIT up by 38.5% to EUR 11.6 million (11.7% of sales)

Free cash flow at EUR 10.7 million (EUR 4.2 million in Q1 2009; +155%)

Consolidated profit before taxes at EUR 9.7 million (EUR 5.9 million in Q1 2009; +63.9%)

Consolidated net profit at EUR 5.7 million (EUR 7.1 million in Q1 2009, due to non-recurring tax benefits), 5.7% of net sales

**NET SALES OF APRIL COMPARED TO APRIL 2009: up by 31%
(+26% on a like for like basis)**

Milan, 12 May 2010 - In its meeting held today, the Board of Directors of Interpump Group S.p.A. approved the **First Quarterly Report of 2010**.

Following the serious international economic crisis that continued throughout 2009, the **first signs of a recovery** became apparent in the first quarter of 2010. However, the Group maintained and further strengthened all those initiatives it had begun in 2009, which were aimed at containing costs and strictly monitoring working capital and investments. These actions resulted in profits that were noticeably up in the first quarter of the year: EBITDA increased to EUR 16.3 million (16.4% of sales) compared to EUR 12.3 million in the first quarter of 2009 (13.5% of sales), with growth of 32.7%.



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NET SALES IN THE FIRST QUARTER OF 2010

The **net sales in the first quarter of 2010** increased by 9.5% to **EUR 99.4 million** (EUR 90.8 million in the same period of 2009). On a like for like basis, the increase amounted to 5.1%.

Net sales in the first quarter, by area of activity, were distributed as follows:

	<i>Ist quarter</i>	<i>%</i>	<i>Ist quarter</i>	<i>%</i>	<i>Increase/ Decrease</i>
	<i>2010</i>		<i>2009</i>		
	<i>€/000</i>		<i>€/000</i>		
Hydraulic sector	45,270	46	39,625	44	+14.2%
Industrial Sector	47,787	48	44,330	49	+7.8%
Electric Motors Sector	<u>6,373</u>	<u>6</u>	<u>6,831</u>	<u>7</u>	-6.7%
Total	<u>99,430</u>	<u>100</u>	<u>90,786</u>	<u>100</u>	+9.5%

The **Hydraulic Sector** grew by 14.2% (+4.1% on a like for like basis). The **Industrial Sector** had sales of EUR 47.8 million, a 7.8% increase, while the sales of the **Electric Motors Sector** amounted to EUR 6.4 million (-6.7% compared to Q1 2009).

PROFITABILITY

Although the growth in the first quarter continued to be fragile, the Interpump Group posted **profits clearly on the upturn**.

EBITDA (gross operating margin) increased to **EUR 16.3 million (16.4% of sales)** compared to EUR 12.3 million in the first quarter of 2009, which represented 13.5% of sales (+32.7% and +30.8% on a like for like basis).

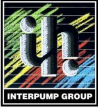
The following table shows EBITDA by sector of activity:

	<i>Ist quarter</i>	<i>% of</i>	<i>Ist quarter</i>	<i>% of</i>	<i>Increase/ Decrease</i>
	<i>2010</i>	<i>total</i>	<i>2009</i>	<i>total</i>	
	<i>€/000</i>	<i>sales</i>	<i>€/000</i>	<i>sales</i>	
Hydraulic sector	5,331	11.8%	4,703	11.9%	+13.4%
Industrial Sector	10,679	22.3%	7,798	17.6%	+36.9%
Electric Motors Sector	286	4.2%	(226)	-3.2%	n.a.
Other sectors	<u>1</u>	n.a.	<u>5</u>	n.a.	
Total	<u>16,297</u>	<u>16.4%</u>	<u>12,280</u>	<u>13.5%</u>	+32.7%

EBIT (operating result) increased to EUR 11.6 million (11.7% of sales) compared to EUR 8.4 million in the first quarter of 2009 (9.2% of sales), with growth of 38.5%. On a like for like basis, EBIT increased by 44.4% to reach EUR 12.1 million (12.7% of sales).

Consolidated profit before taxes stood at EUR 9.7 million (EUR 5.9 million in Q1 2009) or a 63.9% increase.

The first quarter of 2010 ended with **consolidated net profits** of EUR 5.7 million (EUR 7.1 million in Q1 2009), down by 19.9% on account of a non-recurring tax benefit of EUR 3.8 million that was received in 2009.



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Net financial indebtedness dropped from EUR 185.5 million as at 31 December 2009 to EUR 174.4 million. The Group also has debts and binding commitments to purchase residual shares of subsidiaries amounting to EUR 16.5 million (EUR 16.4 million as at 31 December 2009). The **cash flow from operations** amounted to EUR 13.2 million (EUR 8.2 million in Q1 2009), up by 61.5%. **Free cash flow** amounted to EUR 10.7 million, compared to EUR 4.2 million in 2009, up by 155%.

Non-annualised ROCE was 2.6% (1.8% in Q1 2009). **Non-annualised ROE** was 2.2% (3.6% in Q1 2009).

NET SALES IN APRIL 2010

Net sales in April increased by 31% (26% on a like for like basis), to reach EUR 36.9 million. This growth concerned all sectors of activity. In this way is confirmed the forecast of increased sales and profitability for 2010.

* * *

Pursuant to articles 65-bis, par. 2 and 82 of Consob resolution no. 11971/1999 as it is currently applicable, we hereby note that the **First Quarterly Report of 2010** is **available to the public** at the company's offices and Borsa Italiana S.p.A. and may also be viewed on the "Financial Statements and Reports" page of the "Investor Relations" section in the company's website www.interpumpgroup.it.

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Milan, 12 May 2010

On behalf of the Board of Directors
Giovanni Cavallini
Chairman

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, 12 May 2010

Carlo Banci
Manager in charge of the preparation
of the corporate accounting documents.

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FINANCIAL STATEMENTS

Consolidated balance sheet

(€/000)

	<u>31/03/2010</u>	<u>31/12/2009</u>
ASSETS		
Current assets		
Cash and cash equivalents	89,585	85,361
Trade receivables	87,711	76,731
Inventories	102,801	100,784
Tax receivables	4,636	5,541
Derivative financial instruments	-	102
Assets available for sale	4,556	4,556
Other current assets	4,655	3,999
Total current assets	<u>293,944</u>	<u>277,074</u>
Non-current assets		
Property, plant and equipment	106,376	107,055
Goodwill	198,841	195,969
Other intangible assets	25,512	25,640
Other financial assets	3,176	2,873
Tax receivables	3,329	3,270
Deferred tax assets	14,321	14,153
Other non current assets	453	425
Total non current assets	<u>352,008</u>	<u>349,385</u>
Total assets	<u>645,952</u>	<u>626,459</u>

(€/000)

LIABILITIES

Current liabilities

	<u>31/03/2010</u>	<u>31/12/2009</u>
Trade payables	48,849	41,475
Payables to banks	8,722	9,569
Interest bearing financial payables (current portion)	174,138	169,373
Derivative financial instruments	3,282	1,623
Taxes payable	5,450	5,329
Other current liabilities	22,730	19,869
Provisions for risks and charges	2,457	2,563
Total current liabilities	<u>265,628</u>	<u>249,801</u>

Non-current liabilities

Interest bearing financial payables	81,206	91,892
Liabilities for employee benefits	9,961	9,955
Taxes payable	91	91
Deferred tax liabilities	18,486	18,269
Other non-current liabilities	11,902	11,872
Provisions for risks and charges	1,768	1,783
Total non current liabilities	<u>123,414</u>	<u>133,862</u>
Total liabilities	<u>389,042</u>	<u>383,663</u>

SHAREHOLDERS' EQUITY

Share Capital	48,414	48,414
Legal reserve	8,747	8,747
Share premium reserve	66,067	65,548
Reserve for valuation of hedging derivatives at fair value	(2,177)	(1,122)
Translation reserve	(11,349)	(20,171)
Other reserves	140,782	135,332
Shareholders' equity for the Group	<u>250,484</u>	<u>236,748</u>
Minority interests	6,426	6,048
Total shareholders' equity	<u>256,910</u>	<u>242,796</u>
Total shareholders' equity and liabilities	<u>645,952</u>	<u>626,459</u>

Consolidated income statements for the first quarter

(€/000)	<u>2010</u>	<u>2009</u>
Net sales	99,430	90,786
Cost of sales	<u>(64,499)</u>	<u>(60,154)</u>
Gross industrial margin	34,931	30,632
Other net revenues	1,611	1,148
Distribution costs	(9,811)	(9,500)
General and administrative expenses	(14,757)	(13,699)
Other operating costs	<u>(386)</u>	<u>(213)</u>
Ordinary profit before financial charges	11,588	8,368
Financial income	839	1,946
Financial charges	(2,722)	(4,359)
Adjustment of investments according to the equity method	<u>38</u>	<u>(9)</u>
Profit for the period before taxes	9,743	5,946
Income taxes	<u>(4,054)</u>	<u>1,160</u>
Consolidated profit for the period	<u>5,689</u>	<u>7,106</u>
Due to:		
Parent company shareholders	5,450	6,938
Subsidiaries' minority shareholders	<u>239</u>	<u>168</u>
Consolidated profit for the period	<u>5,689</u>	<u>7,106</u>

Statements of consolidated comprehensive income for the first month

(€/000)	<u>2010</u>	<u>2009</u>
Consolidated profit (A)	5,689	7,106
<i>Cash flow hedge accounting for derivatives hedging interest rate risk</i>		
- Gains (losses) on derivatives for the period	-	-
- 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>(1,328)</u>	=
<i>Total</i>	<u>(1,328)</u>	-
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	(73)	79
- Less: Adjustment for gains (losses) reclassified to the income statement	10	(41)
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>(69)</u>	<u>(186)</u>
<i>Total</i>	<u>(132)</u>	<u>(148)</u>
<i>Gain (losses) on translating the financial statements of foreign entities</i>	8,951	6,002
<i>Gain (losses) from companies accounted for under the equity method</i>	10	(41)
<i>Related taxation</i>	<u>405</u>	<u>52</u>
Gains (losses) recognized directly in equity (B)	<u>7,906</u>	<u>5,865</u>
Consolidated comprehensive income for the first nine months(A) + (B)	<u>13,595</u>	<u>12,971</u>
Attributable to:		
Owners of the parent	13,217	12,625
Non-controlling interests of subsidiaries	<u>378</u>	<u>346</u>
Consolidated comprehensive income for the period	<u>13,595</u>	<u>12,971</u>

Consolidated cash flow statements for the first quarter

(€/000)	<u>2010</u>	<u>2009</u>
Cash flow from operating activities		
Earnings before taxes	9,743	5,946
Adjustments for non-cash items:		
Losses (capital gains) from the sale of fixed assets	(320)	(28)
Amortisation and depreciation	4,408	3,795
Impairment losses	93	72
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	519	249
Loss (profit) from investments	(38)	9
Net change of risk funds and allocations to liabilities for benefits for employees	(197)	(157)
Expenditures for tangible assets to be leased	(542)	(968)
Collections from leased tangible assets	507	519
Net financial charges	1,883	2,413
Other	10	(7)
	<u>16,066</u>	<u>11,843</u>
(Increase) decrease in trade receivables and other current assets	(8,960)	14,144
(Increase) decrease in inventories	729	6,273
Increase (decrease) in trade payables and other current liabilities	7,452	(21,371)
Interest paid	(1,580)	(2,974)
Currency exchange gains	216	133
Taxes paid	(1,485)	(743)
Net liquidity utilised in investing activities	<u>12,438</u>	<u>7,305</u>
Cash flow of financing activities		
Payment for the purchase of equity investments net of cash received and the sale of treasury stock	(210)	(33,442)
Capital expenditure in property, plant and equipment	(1,121)	(3,237)
Proceeds from sales of tangible fixed assets	164	18
Increase in intangible assets	(397)	(600)
Financial income collected	41	174
Other	(68)	82
Net liquidity utilised in investing activities	<u>(1,591)</u>	<u>(37,005)</u>
Cash flow of financing activities		
Outlays for purchases of treasury shares	-	(6,651)
Sale of treasury stock as part of the purchase of Oleodinamica Panni and Cover	-	13,390
Expenditures relating to the share capital increase	(508)	-
Disbursement (repayment) of loans	(5,763)	33,602
Payment of financial leasing instalments (principal)	(691)	(244)
Net liquidity obtained through (utilised in) financing activities	<u>(6,962)</u>	<u>40,097</u>

Net increase (decrease) of cash and cash equivalents	<u>3,885</u>	<u>10,397</u>
Exchange differences on conversion of the liquidity of companies in areas outside the EU	1,186	554
Cash and cash equivalents of companies consolidated for the first time	-	281
Cash and cash equivalents at the beginning of the period	<u>75,792</u>	<u>38,180</u>
Cash and cash equivalents at the end of the period	<u>80,863</u>	<u>49,412</u>

Cash and cash equivalents can be broken down as follows:

	31/03/2010	31/12/2009
	€/000	€/000
Cash and cash equivalents from balance sheet	89,585	85,361
Payables to banks (for overdrafts and advances subject to collection)	<u>(8,722)</u>	<u>(9,569)</u>
Cash and cash equivalents from cash flow statement	<u>80,863</u>	<u>75,792</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	Shareholders' equity for the Group	Minority interests	Total
<i>Balances as at 1 January 2009</i>	37,417	8,747	19,364	230	(17,002)	121,176	169,932	8,019	177,951
Purchase of treasury stock	(1,120)	-	(5,531)	-	-	-	(6,651)	-	(6,651)
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 settle the loan from the shareholder IKO Hydraulics S.r.l.	-	-	-	-	-	112	112	-	112
Purchase of minority interests (Hydroven)	-	-	-	-	-	-	-	(2,057)	(2,057)
Estimated value of minority shares within the new equity investments acquired	-	-	-	-	-	-	-	1,845	1,845
Recording in the income statement of the change in fair value of the stock options assigned and exercisable	-	-	249	-	-	-	249	-	249
Comprehensive income in the first quarter of 2009	-	-	-	(150)	5,788	6,987	12,625	346	12,971
<i>Balances as at 31 March 2009</i>	38,039	8,747	25,730	80	(11,214)	128,275	189,657	8,153	197,810
Distribution of ordinary dividends	-	-	-	-	-	-	-	(197)	(197)
Purchase of treasury stock	(5)	-	(23)	-	-	-	(28)	-	(28)
Sale of treasury stock to settle the loan from the shareholder IKO Hydraulics S.r.l.	25	-	138	-	-	(112)	51	-	51
Change in the value of minority shares within the new equity investments acquired	-	-	-	-	-	-	-	27	27
Purchase of minority interests (Oleodinamica Panni)	-	-	-	-	-	-	-	(1,797)	(1,797)
Increase in capital included unassigned options sold and gross of accessory charges allocated to comprehensive income	10,355	-	39,662	-	-	-	50,017	-	50,017
Recording in the income statement of the change in fair value of the stock options assigned and exercisable	-	-	604	-	-	-	604	-	604
Comprehensive income (loss) from 1/04/2009 to 31/12/2009	-	-	(563)	(1,202)	(8,957)	7,169	(3,553)	(138)	(3,691)
<i>Balances as at 31 December 2009</i>	48,414	8,747	65,548	(1,122)	(20,171)	135,332	236,748	6,048	242,796
Recording in the income statement of the change in fair value of the stock options assigned and exercisable	-	-	519	-	-	-	519	-	519
Comprehensive income (loss) in the first quarter of 2010	-	-	-	(1,055)	8,822	5,450	13,217	378	13,595
<i>Balances as at 31 March 2010</i>	48,414	8,747	66,067	(2,177)	(11,349)	140,782	250,484	6,426	256,910