



PRESS RELEASE

RESULTS FOR THE FOURTH QUARTER OF 2010

Net sales: €110.1 million (€ 86.9 million for the fourth quarter of 2009): +26.6%
EBITDA: €18.9 million (17.2% of sales); €11.8 million for the fourth quarter of 2009: +59.8%
EBIT: €13.2 million (12.0% of sales); €6.8 million for the fourth quarter of 2009: +94.6%
Consolidated net profit: €5.5 million (5.0% of sales); €1.4 million in 2009.: +292.4%

PRELIMINARY RESULTS FOR 2010

Net sales: €424.9 million (€342.9 million in 2009):+23.9%
EBITDA: €74.1 million (17.4% of sales); €46.9 million in 2009: +58.1%
EBIT: €54.7 million (12.9% of sales); €29.2 million in 2009: +87.3%
Consolidated net profit: €27.4 million (6.4% of sales); €14.0 million in 2009: +95.9%
Net financial indebtedness fell to €126.1 million from €185.5 million at 31 December 2009
Free cash flow: €57.0 million (€63.1 million in 2009)

Milan, 10 February 2011 – Interpump Group announces its **results for the fourth quarter of 2010** and its **preliminary figures for the whole year 2010**, approved by the Board of Directors in their meeting today.

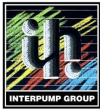
CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2010

Net sales for the fourth quarter of 2010 amounted to **110.1 million euros**, 26.6% higher than the fourth quarter of 2009 when they totalled 86.9 million euros.

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

By business sector

	<i>4th quarter</i>	<i>%</i>	<i>4th quarter</i>	<i>%</i>	<i>Increase/ Decrease</i>
	<i>2010</i>		<i>2009</i>		
	<i>€/000</i>		<i>€/000</i>		
Hydraulic Sector	48,895	44	40,058	46	+22.1%
Industrial Sector	54,467	50	42,262	49	+28.9%
Electric Motors Sector	<u>6,724</u>	<u>6</u>	<u>4,619</u>	<u>5</u>	+45.6%
Total	<u>110,086</u>	<u>100</u>	<u>86,939</u>	<u>100</u>	+26.6%



INTERPUMP GROUP

Sales in the **Hydraulic Sector** increased by 22.1%. Excluding the cylinder hub, sales of the European companies (19.5 million euros) increased by 11.2% compared to the same period in the previous year. Sales of the subsidiary Muncie increased by 23.7% in dollar terms; translated into euros there was an increase of 36.0%. Sales of the companies of the cylinder hub (16.2 million euros) increased by 26.3% compared with the fourth quarter of 2009.

The **Industrial Sector** posted a turnover of 54.5 million euros, a rise of 28.9%. The following table sets out the sales of the Industrial Sector by product type.

	<i>4th quarter 2010 €/000</i>	<i>4th quarter 2009 €/000</i>	<i>Increase/ Decrease</i>
High pressure pumps	18,454	15,295	+20.7%
Very high pressure systems	32,767	24,188	+35.5%
Sheet metal drawing, blanking and pressing	771	643	+19.9%
Cleaning machinery	<u>2,475</u>	<u>2,136</u>	+15.9%
Total	<u>54,467</u>	<u>42,262</u>	+28.9%

Sales of **electric motors** amounted to 6.7 million euros (+45.6% compared to the fourth quarter of 2009).

EBITDA (gross operating profit) totalled 18.9 million euros, equal to 17.2% of sales, compared to 11.8 million euros in the fourth quarter of 2009, equal to 13.6% of sales (+59.8%).

Operating profit (**EBIT**) amounted to 13.2 million euros or 12.0% of sales compared to 6.8 million euros in the fourth quarter of 2009 (7.8% of sales), an increase of 94.6%.

The fourth quarter closed with a **consolidated net profit of 5.5 million euros** equal to 5.0% of sales (1.4 million euros in the fourth quarter of 2009), more than a four-fold increase. Basic earnings per share almost tripled to reach 0.057 euros (0.020 euros in the fourth quarter of 2009).

Free cash flow of 19.4 million euros was generated in the fourth quarter of 2010 (21.7 million euros in the fourth quarter of 2009).

PRELIMINARY DATA FOR 2010

Following the serious international economic downturn which occurred in 2009 and the first signs of recovery seen in the first half of 2010, the second half year showed that the pick up is consolidating. The Group in any case maintained all the initiatives that it undertook in 2009 which are aimed at controlling costs and keeping a tight control on working capital and investments. These measures enabled it to achieve a **decisive progress in profitability and considerable cash generation** in 2010.

Net sales for 2010 amounted to 424.9 million euros, a rise of 23.9% over 2009 when sales amounted to 342.9 million euros (+21.4% on a like-for-like basis).

Sales in the **Hydraulic Sector** increased by 27.1% (+21.5% on a like-for-like basis).



INTERPUMP GROUP

The **Industrial Sector** posted a turnover of 209.8 million euros, a rise of 21.7% over the figure of 172.4 million euros in 2009.

EBITDA rose to 74.1 million euros (17.4% of sales) compared to 46.9 million euros in 2009 (13.7% of sales), an increase of 58.1%. The following table sets out EBITDA by business sector:

	2010 €/000	% of total sales*	2009 €/000	% of total sales*	Increase/ Decrease
Hydraulic Sector	23,607	12.4%	14,992	10.0%	+57.5%
Industrial Sector	50,347	23.9%	32,867	19.0%	+53.2%
Electric Motors Sector	162	0.6%	(1,070)	-4.9%	N/A
Other Activities Sector	<u>(16)</u>	N/A	<u>67</u>	N/A	N/A
Total	<u>74,100</u>	17.4%	<u>46,856</u>	13.7%	+58.1%

* = Total sales also include those of other Group companies, while the sales analysed earlier consist solely of those made outside the Group. As a result, for consistency the percentage is calculated on total sales rather than on sales as stated earlier.

EBIT rose to 54.7 million euros (12.9% of sales) with an increase of 87.3%.

Net profit reached 27.4 million euros (6.4% of sales) compared to 14.0 million euros in 2009 (4.1% of sales), representing a rise of 95.9%.

The following table sets out the sales of the Industrial Sector by product type.

	2010 €/000	2009 €/000	Increase/ Decrease
High pressure pumps	75,429	60,274	+25.1%
Very high pressure systems	122,366	101,703	+20.3%
Sheet metal drawing, blanking and pressing	3,188	2,623	+21.5%
Cleaning machinery	<u>8,848</u>	<u>7,809</u>	+13.3%
Total	<u>209,831</u>	<u>172,409</u>	+21.7%

Sales of **electric motors** amounted to 24.8 million euros (+19.0% compared to 2009).

Sales in the Hydraulic and Industrial sectors outside Europe and North America reached 90.6 million euros, an increase of 43.6%, and represented 22.6% of total turnover.

Invested capital fell from 444.6 million euros at 31 December 2009 to 439.2 million euros at 31 December 2010. **ROCE** was 12.5% (6.6% in 2009). **ROE** was 9.4% (5.8% in 2009).

Net cash generated by operating activities amounted to 64.8 million euros (69.6 million euros in 2009).



INTERPUMP GROUP

There was **free cash flow** of 57.0 million euros (63.1 million euros in 2009). Despite its significant growth, the Group has succeeded in containing the increase in commercial working capital, producing a free cash flow only slightly lower than that generated in 2009, when the large fall in volumes led to a considerable decrease in working capital.

Net financial debt fell from 185.5 million euros at 31 December 2009 to 126.1 million euros at 31 December 2010 due to the significant generation of cash. The amount does not include put-options in subsidiaries for 21.6 million euros (16.4 million at 31/12/2009).

The Chairman will propose the distribution of a dividend to the Board of Directors of the next March 15th, in consideration of the 2010 results.

Milan, 10 February 2011

On behalf of the Board of Directors
The 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 release correspond to the contents of the underlying documents, the accounting books and the accounting entries.

Milan, 10 February 2011

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

www.interpumpgroup.it

Financial statements
Consolidated balance sheet

<i>(€/000)</i>	<u>31/12/2010</u>	<u>31/12/2009</u>
ASSETS		
Attività correnti		
Cash and cash equivalents	138,721	85,361
Trade receivables	88,231	76,731
Inventories	108,004	100,784
Tax receivables	5,291	5,541
Derivative financial instruments	375	102
Assets available for sale	4,556	4,556
Other current assets	3,834	3,999
Total current assets	<u>349,012</u>	<u>277,074</u>
Non current assets		
Property, plant and equipment	103,121	107,055
Goodwill	209,655	195,969
Other intangible assets	23,895	25,640
Other financial assets	3,419	2,873
Tax receivables	1,021	3,270
Deferred tax assets	14,146	14,153
Other non current assets	414	425
Total non current assets	<u>355,671</u>	<u>349,385</u>
Total assets	<u>704,683</u>	<u>626,459</u>

(€/000)

LIABILITIES

Current liabilities

	<u>31/12/2010</u>	<u>31/12/2009</u>
Trade payables	61,427	41,475
Payables to banks	7,751	9,569
Interest bearing financial payables (current portion)	125,536	95,540
Derivative financial instruments	2,651	1,623
Taxes payable	8,123	5,329
Other current liabilities	19,805	19,869
Provisions for risks and charges	2,263	2,563
Total current liabilities	227,556	175,968

Non-current liabilities

Interest bearing financial payables	131,556	165,725
Liabilities for employee benefits	10,225	9,955
Taxes payables	-	91
Deferred tax liabilities	18,856	18,269
Other non-current liabilities	23,175	11,872
Provisions for risks and charges	1,856	1,783
Total non current liabilities	185,668	207,695
Total liabilities	413,224	383,663

SHAREHOLDERS' EQUITY

Share Capital	49,193	48,414
Legal reserve	10,064	8,747
Share premium reserve	74,427	65,548
Reserve for valuation of hedging derivatives at fair value	(1,730)	(1,122)
Translation reserve	(8,196)	(20,171)
Other reserves	160,524	135,332
Shareholders' equity for the Group	284,282	236,748
Minority interests	7,177	6,048
Total shareholders' equity	291,459	242,796
Total shareholders' equity and liabilities	704,683	626,459

Consolidated income statements for the fourth quarter

(€/000)	<u>2010</u>	<u>2009</u>
Net sales	110,086	86,939
Cost of sales	(71,299)	(58,928)
Gross industrial margin	38,787	28,011
Other net revenues	1,420	1,251
Distribution costs	(10,420)	(8,488)
General and administrative expenses	(16,051)	(13,413)
Impairment of assets	(490)	(555)
Other operating costs	13,246	6,806
Financial income	1,862	317
Financial charges	(4,770)	(2,710)
Adjustment of investments according to the equity method	28	68
Profit for the period before taxes	10,366	4,481
Income taxes	(4,817)	(3,067)
Consolidated profit for the period	5,549	1,414
Due to:		
Parent company shareholders	5,368	1,511
Minority interests	181	(97)
Consolidated profit for the period	5,549	1,414
Basic earnings per share (euro)	0.057	0.020
Diluted earnings per share (euro)	0.057	0.020

Statement of consolidated comprehensive income for the fourth quarter

(€/000)	<u>2010</u>	<u>2009</u>
Consolidated profit for the fourth quarter (A)	5,549	1,414
<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>592</u>	<u>-</u>
<i>Total</i>	<i>592</i>	<i>263</i>
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	(427)	(97)
- Less: Adjustment for gains (losses) reclassified to the income statement	(2)	6
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>-</u>	<u>-</u>
<i>Total</i>	<i>(429)</i>	<i>(91)</i>
<i>Ancillary charges to the capital increase</i>	-	(563)
<i>Gain (losses) on translating the financial statements of foreign entities</i>	3,299	2,374
<i>Gain (losses) from companies accounted for under the equity method</i>	21	(10)
<i>Related taxation</i>	(23)	104
Gains (losses) recognized directly in equity in the fourth quarter (B)	<u>3,460</u>	<u>2,077</u>
Consolidated comprehensive income for the fourth quarter (A) + (B)	9,009	3,491
Attributable to:		
Parent company shareholders	8,683	3,468
Minority interests	<u>326</u>	<u>23</u>
Consolidated comprehensive income for the period	<u>9,009</u>	<u>3,491</u>

Consolidated income statements

(€/000)	<u>2010</u>	<u>2009</u>
Net sales	424,925	342,924
Cost of sales	(272,636)	(230,181)
Gross industrial margin	152,289	112,743
Other net revenues	6,948	6,324
Distribution costs	(41,340)	(35,383)
General and administrative expenses	(61,778)	(53,172)
Other operating costs	(1,430)	(1,318)
Ordinary profit before financial charges	54,689	29,194
Financial income	5,656	2,986
Financial charges	(14,852)	(12,019)
Adjustment of investments according to the equity method	147	(53)
Profit for the period before taxes	45,640	20,108
Income taxes	(18,259)	(6,128)
Consolidated profit for the period	27,381	13,980
Due to:		
Parent company shareholders	26,509	13,903
Minority interests	872	77
Consolidated profit for the period	27,381	13,980
Basic earnings per share (euro)	0.284	0.187
Diluted earnings per share (euro)	0.284	0.185

Statements of consolidated comprehensive income for the year

(€/000)	<u>2010</u>	<u>2009</u>
Consolidated profit (A)	27,381	13,980
<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	<u>(926)</u>	<u>-</u>
<i>Total</i>	<i>(926)</i>	<i>(1,525)</i>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	67	(24)
- Less: Adjustment for gains (losses) reclassified to the income statement	24	(221)
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>-</u>	<u>-</u>
<i>Total</i>	<i>91</i>	<i>(245)</i>
<i>Ancillary charges to the capital increase</i>	-	(563)
<i>Gain (losses) on translating the financial statements of foreign entities</i>	12,338	(3,005)
<i>Gain (losses) from companies accounted for under the equity method</i>	40	(39)
<i>Related taxation</i>	228	677
Gains (losses) recognized directly in equity (B)	<u>11,771</u>	<u>(4,700)</u>
Consolidated comprehensive income for the period (A) + (B)	39,152	9,280
Attributable to:		
Parent company shareholders	37,876	9,072
Minority interests	<u>1,276</u>	<u>208</u>
Consolidated comprehensive income for the period	<u>39,152</u>	<u>9,280</u>

Consolidated cash flow statements

(€/000)	<u>2010</u>	<u>2009</u>
Cash flow from operating activities		
Profit before taxes	45,640	20,108
<i>Adjustments for non-cash items:</i>		
Losses (capital gains) from the sale of fixed assets	(539)	(1,522)
Losses (capital gains) from disposals of investments	(33)	-
Depreciation and devaluation of tangible and intangible assets	18,893	17,024
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	2,280	853
Loss (profit) from investments	(147)	53
Net change of risk funds and allocations to liabilities for benefits for employees	(353)	(1,176)
Disbursements for tangible assets to be leased	(2,225)	(2,367)
Proceeds from leased tangible assets	1,426	2,089
Net financial charges	9,196	9,033
Other	(8)	(17)
	<u>74,130</u>	<u>44,078</u>
(Increase) decrease in trade receivables and other current assets	(10,444)	32,717
(Increase) decrease in inventories	(3,321)	36,336
Increase (decrease) in trade payables and other current liabilities	23,834	(24,703)
Interest paid	(8,956)	(10,004)
Currency exchange gains	590	349
Taxes paid	(11,075)	(9,179)
Net liquidity generated by operating activities	<u>64,758</u>	<u>69,594</u>
Cash flow from investing activities		
Payment for the acquisition of equity investments net of cash received	(7,117)	(74,977)
Payment to cover loss from sale of an affiliate	-	(140)
Quota of capital increase of subsidiary paid by minority shareholder	300	-
Proceeds from the sale of equity interests	43	-
Investment in property, plant and equipment	(6,808)	(9,974)
Proceeds from the sale of tangible fixed assets	360	3,020
Increase in intangible assets	(2,300)	(1,996)
Financial income collected	1,089	650
Other	(111)	701
Net liquidity utilised in investing activities	<u>(14,544)</u>	<u>(82,716)</u>

(€/000)	<i>2010</i>	<i>2009</i>
Cash flow of financing activities		
Payment for purchase of treasury stock	-	(6,679)
Sale of treasury stock as part of the acquisitions	3,344	13,390
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	3,526	49,964
Proceeds from (repayments of) loans	(2,165)	(4,015)
Disbursal (repayment) of shareholder loans	-	(200)
Payment of financial leasing instalments (principal)	(2,201)	(1,724)
Dividends paid	(147)	(195)
Net cash from (used in) financing activities	2,357	50,704
Net increase (decrease) in cash and cash equivalents	52,571	37,582
Exchange differences on conversion of the liquidity of companies in areas outside the EU	2,607	(251)
Cash and cash equivalents of companies consolidated for the first time	-	281
Cash and cash equivalents at the start of the period	<u>75,792</u>	<u>38,180</u>
Cash and cash equivalents at the end of the period	<u>130,970</u>	<u>75,792</u>

Cash and cash equivalents can be broken down as follows:

	31/12/2010	31/12/2009
Cash and cash equivalents from balance sheet	138,721	85,361
Payables to banks (for overdrafts and advances subject to	<u>(7,751)</u>	<u>(9,569)</u>
Cash and cash equivalents from cash flow statement	<u>130,970</u>	<u>75,792</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 2009</i>	37,417	8,747	19,364	230	(17,002)	121,176	169,932	8,019	177,951
Acquisition 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
Purchase of minority interests (Hydroven and Oleodinamica Panni)	-	-	-	-	-	-	-	(3,854)	(3,854)
Minority interests in the investments acquired	-	-	-	-	-	-	-	1,872	1,872
Distribution of dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	(197)	(197)
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	853	-	-	-	853	-	853
Capital increase inclusive of un-opted rights sold and gross of accessory charges ascribed to comprehensive profit	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>
Recording in the income statement of the fair value of derivative hedging instruments	-	-	2,280	-	-	-	2,280	-	2,280
Allocation of 2009 profit	-	1,317	-	-	-	(1,317)	-	-	-
Dividends deliberated to shareholders of subsidiaries	-	-	-	-	-	-	-	(147)	(147)
Capital increase following exercise of warrants	466	-	3,568	-	-	-	4,034	-	4,034
Sale of treasury stock to pay residual debt for acquisition of HS Penta S.p.A.	313	-	3,031	-	-	-	3,344	-	3,344
Comprehensive profit (loss) for the year 2010	-	-	-	(608)	11,975	26,509	37,876	1,276	39,152
<i>Balances as at 31 December 2010</i>	<i>49,193</i>	<i>10,064</i>	<i>74,427</i>	<i>(1,730)</i>	<i>(8,196)</i>	<i>160,524</i>	<i>284,282</i>	<i>7,177</i>	<i>291,459</i>