



PRESS RELEASE

RESULTS FOR FIRST SIX MONTHS OF 2011

**Net sales: €54.7 million (€10.2 in the first six months of 2010): + 21.2%,
 EBITDA: €48.7 million (19.1% of sales), €35.5 million in the first six months of 2010: +37.2%,
 EBIT: €39.2 million (15.4% of sales), €26.3 million in the first six months of 2010: +49.5%,
 Consolidated net profit at €2.6 million (8.9% of sales), €13.9 million in the first six months of
 2010: +62.9%**

2011 SECOND QUARTER RESULTS

**Net sales: €31.0 million (€10.8 million in the second quarter of 2010): +18.2%
 EBITDA: €25.4 million (19.4% of sales); €19.2 million in the second quarter of 2010: +32.4%,
 EBIT: €20.4 million (15.6% of sales), €14.7 million in the second quarter of 2010: +38.9%,
 Consolidated net profit at €1.6 million (8.9% of sales), €3.2 million in the second quarter of
 2010): +42.3%**

Milan, 3 August 2011 – Interpump Group posts its **results for the first six months and the second quarter of 2011**, as approved by its Board of Directors at the Board meeting held today.

RESULTS FOR THE FIRST SIX MONTHS OF 2011

The first six months of 2011 have confirmed the upturn in sales and profitability that started in March 2010. The Industrial Sector has exceeded its highest figures for the same period prior to the crisis, while the Hydraulic Sector, which underwent a much larger contraction during the crisis, has achieved approximately 75% of the results it attained pre-crisis.

During the first six months of 2011, Interpump Group has reported **consolidated net sales in the amount of EUR 254.7**, which figure has risen by 21.2% against the EUR 210.2 million reported for the first six months of 2010.

The following table provides a breakdown of sales by business sector:

	<i>1st six months 2011</i>	<i>%</i>	<i>1st six months 2010</i>	<i>%</i>	<i>Growth</i>
	<i>€/000</i>		<i>€/000</i>		
Hydraulic Sector	116,190	46	95,881	46	+21.2%
Industrial Sector	123,280	48	101,255	48	+21.8%
Electric Motors Sector	<u>15,206</u>	<u>6</u>	<u>13,070</u>	<u>6</u>	+16.3%
Total	<u>254,676</u>	<u>100</u>	<u>210,206</u>	<u>100</u>	+21.2%



Hydraulic Sector sales have risen by 21.2%. Sales by the European companies have increased by 19.2% compared to the same period last year. Sales by the American companies have risen by 34.0% in Dollars, translating into a rise of 26.6% in euros.

The **Industrial Sector** has reported sales of EUR 123.3 million (+21.8% compared to the first six months of 2010).

The following table provides a breakdown of Industrial Sector sales by product type.

	<i>1st six months</i> 2011 €/000	<i>1st six months</i> 2010 €/000	<i>Growth</i>
High-pressure pumps	43,722	38,103	+14.7%
Very high-pressure systems	73,163	57,058	+28.2%
Others	<u>6,395</u>	<u>6,094</u>	+4.9%
Total	<u>123,280</u>	<u>101,255</u>	+21.8%

PROFITABILITY

The **EBITDA** (gross operating profit) amounted to EUR 48.7 million, corresponding to 19.1% of sales (EUR 35.5 million in the first six months of 2010, corresponding to 16.9% of sales) and thus representing a rise of 37.2%.

The following table shows the EBITDA for each business sector:

	<i>1st six months</i> 2011 €/000	<i>% of</i> <i>total</i> <i>sales*</i>	<i>1st six months</i> 2010 €/000	<i>% of</i> <i>total</i> <i>sales*</i>	<i>Growth</i>
Hydraulic Sector	16,602	14.3%	11,796	12.3%	+40.7%
Industrial Sector	30,523	24.7%	23,240	22.9%	+31.3%
Other Products	<u>1,165</u>	n.s.	<u>(38)</u>	n.s.	n.s.
Sub-total	<u>48,290</u>	20.2%	<u>34,998</u>	17.8%	+38.0%
Electric Motors Sector	<u>364</u>	2.2%	<u>464</u>	3.3%	-21.6%
Total	<u>48,654</u>	19.1%	<u>35,462</u>	16.9%	+37.2%

* = The total sales figures also comprise sales to other Group companies, whereas the sales figures examined previously only referred to sales outside the Group. Therefore, for the sake of uniformity, the percentages have been calculated on total sales rather than on the figures previously reported.

The operating profit (**EBIT**) was EUR 39.2 million, corresponding to 15.4% of sales (EUR 26.3 million in the first six months of 2010, corresponding to 12.5% of sales) and representing a rise of 49.5%.

The first six-month period of 2011 closes with a **consolidated net profit of EUR 22.6 million**, corresponding to 8.9% of sales (EUR 13.9 million in the first six months of 2010) and representing a rise of 62.9%.

The EPS (basic earnings per share) figure has risen by 61.5% to EUR 0.231 (against the EUR 0.143 reported for the first six months of 2010).



The amount of **capital employed** has risen from EUR 439.2 million at 31 December 2010 to EUR 451.0 million at 30 June 2011.

The **non-annualized six-monthly ROCE** figure stands at 8.7% (5.8% in the first six months of 2010).

The **non-annualized six-monthly ROE** rate is 7.7% (5.0% in the first six months of 2010).

Net financial debt figure has risen from EUR 126.1 million at 31 December 2010 to EUR 135.5 million at 30 June 2011. The amount of **net cash** from operations stands at EUR 33.6 million (EUR 27.8 million in the first six months of 2010), having risen by 21.2%. The **free cash flow** figure stands at EUR 8.2 million, compared to the EUR 29.3 million reported for the first six months of 2010. During the first six months of 2011, working capital in the amount of EUR 23.9 million was deployed due to the strong growth registered in that period after the actions taken in 2009 and 2010 respectively generated liquid assets of EUR 44.7 million and EUR 5.5 million. The working capital figure has risen by 18% with respect to that reported at 31/12/2010 and by 7% with respect to that reported at 30/06/2010.

Despite uncertainties of the macroeconomic scenario, the company foresees to record largely positive results in the second half of the year.

2011 SECOND QUARTER CONSOLIDATED RESULTS

2011 second quarter net sales amounted to **EUR 131.0 million**, compared to EUR 110.8 million in the same period in 2010 (+18.2%).

Second quarter net sales are broken down by business sector as follows:

	<i>2nd quarter 2011 €/000</i>	<i>% of total sales</i>	<i>2nd quarter 2010 €/000</i>	<i>% of total sales</i>	<i>Growth</i>
Hydraulic Sector	60,374	46	50,611	42	+19.3%
Industrial Sector	62,998	48	53,468	48	+17.8%
Electric Motors Sector	7,581	6	6,697	6	+13.2%
Total	<u>130,953</u>	<u>100</u>	<u>110,776</u>	<u>100</u>	+18.2%

Hydraulic Sector sales have risen by 19.3%. Sales by the European companies increased by 15.0% compared to the same period last year. Sales by the American companies have risen by 48.7% in Dollars, translating into a rise of 31.6% in euros.

The **Industrial Sector** sales figure has risen by 17.8% to EUR 63.0 million.

The following table provides a breakdown of Industrial Sector sales by product type.

	<i>2nd quarter 2011 €/000</i>	<i>2nd quarter 2010 €/000</i>	<i>Growth/ Reduction</i>
High-pressure pumps	22,322	20,653	+8.1%
Very high-pressure systems	37,722	29,601	+27.4%
Others	2,954	3,214	-8.1%
Total	<u>62,998</u>	<u>53,468</u>	+17.8%



Sales of **electric motors** amounted to EUR 7.6 million (+13.2% compared to the second quarter of 2010).

PROFITABILITY

The **EBITDA** (gross operating profit) amounted to EUR 25.4 million, corresponding to 19.4% of sales (compared to the 2010 second quarter figure of EUR 19.2 million, corresponding to 17.3 of sales; +32.4%).

The following table shows the EBITDA for each business sector:

	<i>2nd quarter</i>	<i>% of</i>	<i>2nd quarter</i>	<i>% of</i>	<i>Growth</i>
	<i>2011</i>	<i>total</i>	<i>2010</i>	<i>total</i>	
	<i>€/000</i>	<i>sales*</i>	<i>€/000</i>	<i>sales*</i>	
Hydraulic Sector	8,574	14.2%	6,465	12.8%	+32.6%
Industrial Sector	15,792	25.0%	12,561	23.4%	+25.7%
Other Products	<u>1,149</u>	n.s.	<u>(39)</u>	n.s.	n.s.
Sub-total	<u>25,515</u>	20.7%	<u>18,987</u>	18.2%	+34.4%
Electric Motors Sector	<u>(138)</u>	-1.7%	<u>178</u>	2.5%	n.s.
Total	<u>25,377</u>	19.4%	<u>19,165</u>	17.3%	+32.4%

* = The total sales figures also comprise sales to other Group companies, whereas the sales figures examined previously only referred to sales outside the Group. Therefore, for the sake of uniformity, the percentages have been calculated on total sales rather than on the figures previously reported.

The operating profit (**EBIT**) has risen by 38.9% to EUR 20.4 million, corresponding to 15.6% of sales (compared to the 2010 second quarter figure of EUR 14.7, corresponding to 13.2% of sales).

The second quarter of 2011 closes with a **consolidated net profit** of EUR 11.6 million, corresponding to 8.9% of sales (the 2010 second quarter figure was EUR 8.2 million) and rising by 42.3%.

The EPS (basic earnings per share) figure has risen by 41.1% to EUR 0.120, against the EUR 8.085 reported for the second quarter of 2010.

During the first half of 2011, Interpump Group acquired an 80% stake in American Mobile Power (AMP), one of the largest American manufacturers of reservoirs for oil hydraulics systems intended for industrial vehicles, for which it paid USD 6.8 million. In 2010 AMP reported sales amounting to USD 7.5 million and an EBITDA of USD 1.4 million (19% of sales). AMP's business is highly complementary to the operations conducted by Interpump Group's Hydraulic Sector.

On 11 July 2011 Interpump Group signed a framework agreement for the acquisition of Galtech, a company based in Reggio Emilia that is engaged in the manufacture and sale of gear pumps and gear motors, oil hydraulics distributors and parts and components in general. In 2010 it reported a turnover of EUR 13.1 million and achieved an EBITDA of EUR 0.5 million. The agreement provides for the acquisition of 53% of the company's capital, which is expected to be executed by the end of the year against the payment of EUR 3.3 million.



Milan, 3 August 2011

On behalf of the Board of Directors
Giovanni Cavallini
Chairman

The manager responsible for financial reporting, Mr. Carlo Banci, hereby confirms, in compliance with section 154 *bis* of the Consolidated Finance Act, that the financial information contained in this report is consistent with that resulting from the relevant documentation and company books and accounts.

Milan, 3 August 2011

Carlo Banci
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Consolidated financial position statement

	<u>30/06/2011</u>	<u>31/12/2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	147,848	138,721
Trade receivables	111,440	88,536
Inventories	113,893	108,004
Tax receivables	5,313	5,277
Derivative financial instruments	181	375
Assets available for sale	2,123	4,556
Other current assets	6,991	3,835
Total current assets	<u>387,789</u>	<u>249,304</u>
Non-current assets		
Property, plant and equipment	100,464	103,121
Goodwill	209,692	209,655
Other intangible assets	23,904	23,895
Other financial assets	2,845	3,399
Tax receivables	1,000	1,021
Deferred tax assets	13,189	14,161
Other non current assets	1,682	414
Total non current assets	<u>352,776</u>	<u>355,666</u>
Total assets	<u>740,565</u>	<u>704,970</u>

	<u>30/06/2011</u>	<u>31/12/2010</u>
LIABILITIES		
Current liabilities		
Trade payables	70,527	61,732
Payables to banks	6,712	7,751
Interest bearing financial payables (current portion)	127,753	125,374
Derivative financial instruments	1,161	2,651
Taxes payable	9,934	8,125
Other current liabilities	30,329	19,805
Provisions for risks and charges	2,834	2,243
Total current liabilities	249,250	227,681
Non-current liabilities		
Interest bearing financial payables	148,836	131,718
Liabilities for employee benefits	10,067	10,225
Deferred tax liabilities	18,507	18,856
Other non-current liabilities	19,779	23,175
Provisions for risks and charges	1,969	1,856
Total non current liabilities	199,158	185,830
Total liabilities	448,408	413,511
SHAREHOLDERS' EQUITY		
Share Capital	49,010	49,193
Legal reserve	10,157	10,064
Share premium reserve	73,089	74,427
Reserve for valuation of hedging derivatives at fair value	(954)	(1,730)
Translation reserve	(18,339)	(8,196)
Other reserves	171,900	160,524
Shareholders' equity for the Group	284,863	284,282
Minority interests	7,294	7,177
Total shareholders' equity	292,157	291,459
Total shareholders' equity and liabilities	740,565	704,970

Consolidated income statements for the first half year

(€000)	<i>2011</i>	<i>2010</i>
Net sales	254,676	210,206
Cost of sales	(163,988)	(135,083)
Gross industrial margin	90,688	75,123
Other net revenues	4,690	3,767
Distribution costs	(23,459)	(20,804)
General and administrative expenses	(31,501)	(31,251)
Other operating costs	(1,179)	(583)
Ordinary profit before financial charges	39,239	26,252
Financial income	2,948	2,661
Financial charges	(7,017)	(6,386)
Adjustment of value of investments carried at equity	(94)	69
Profit for the period before taxes	35,076	22,596
Income taxes	(12,482)	(8,729)
Consolidated profit for the period	22,594	13,867
Due to:		
Parent company shareholders	21,881	13,339
Subsidiaries' minority shareholders	713	528
Consolidated profit for the period	22,594	13,867
Basic earnings per share (euro)	0.231	0.143
Diluted earnings per share (euro)	0.224	0.142

Statements of consolidated comprehensive income for the first half year

(€000)	2011	2010
Consolidated profit for the first half year (A)	22,594	13,867
<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>1,108</u>	<u>(1,758)</u>
<i>Total</i>	<i>1,108</i>	<i>(1,758)</i>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	28	(199)
- Less: Adjustment for gains (losses) reclassified to the income statement	(91)	26
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>17</u>	<u>-</u>
<i>Total</i>	<i>(46)</i>	<i>(173)</i>
<i>Gain (losses) on translating the financial statements of foreign entities</i>	<i>(10,367)</i>	<i>22,477</i>
<i>Gain (losses) from companies accounted for under the equity method</i>	<i>(16)</i>	<i>32</i>
<i>Related taxation</i>	<i>(287)</i>	<i>535</i>
Gains (losses) recognized directly in equity in the second quarter (B)	<u>(9,608)</u>	<u>21,113</u>
Consolidated comprehensive income for the first half year (A) + (B)	12,986	34,980
Attributable to:		
Owners of the parent	12,514	34,082
Non-controlling interests of subsidiaries	<u>472</u>	<u>898</u>
Consolidated comprehensive income for the first half year	<u>12,986</u>	<u>34,980</u>

Consolidated cash flow statements for the first half year

(€000)	<u>2011</u>	<u>2010</u>
Cash flow from operating activities		
Earnings before taxes	35,076	22,596
<i>Adjustments for non-cash items:</i>		
Losses (capital gains) from the sale of fixed assets	(1,638)	(435)
Amortisation	8,593	8,977
Impairment of assets	-	104
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	556	1,585
Loss (profit) from investments	94	(69)
Net change of risk funds and allocations to liabilities for benefits for employees	551	(938)
Disbursements for tangible fixed assets to be rented	(1,685)	(1,017)
Revenues from sale of rented tangible fixed assets	1,174	998
Net financial charges	4,069	3,725
Other	(22)	30
	<u>46,768</u>	<u>35,556</u>
(Increase) decrease in trade receivables and other current assets	(26,580)	(19,482)
(Increase) decrease in inventories	(8,778)	(1,493)
Increase (decrease) in trade payables and other current liabilities	13,868	26,487
Interest paid	(4,445)	(3,603)
Realised currency exchange gains	(120)	929
Taxes paid	(8,574)	(5,124)
Net liquidity generated by operating activities	<u>12,139</u>	<u>33,270</u>
Cash flow from investing activities		
Payment for the acquisition of equity investments net of cash received	(4,283)	(3,735)
Contribution to cover loss resulting from RP-ITCO transfer	441	-
Investments in property, systems and machinery	(4,572)	(3,014)
Revenues from sale of tangible fixed assets	1,170	124
Increase in intangible assets	(1,346)	(1,003)
Financial income collected	1,390	127
Other	(203)	269
Net liquidity (used by) investing activities	<u>(7,403)</u>	<u>(7,232)</u>

(€000)	<u>2011</u>	<u>2010</u>
Cash flow of financing activities		
Outlays for purchases of treasury stock	(2,265)	-
Receipts from sale of treasury shares to stock option beneficiaries	188	-
Outlays for charges contingent to capital increase	-	(508)
Dividends paid	(10,620)	-
Loan disbursements (repayments)	20,554	(15,299)
Disbursement of loan to non-consolidated subsidiary company	(46)	(21)
Payment of leasing instalments (principal)	(1,248)	(1,098)
Net liquidity obtained through (utilised in) financing activities	<u>6,563</u>	<u>(16,926)</u>
Net increase (decrease) of cash and cash equivalents	<u>11,299</u>	<u>9,112</u>
Exchange differences from the translation of the liquidity of companies in areas outside the EU	(1,133)	3,018
Cash and cash equivalents at the beginning of the period	<u>130,970</u>	<u>75,792</u>
Cash and cash equivalents at the end of the period	<u>141,136</u>	<u>87,922</u>

Cash and cash equivalents can be broken down as follows:

	30/06/2011	31/12/2010
	€000	€000
Cash and cash equivalents from balance sheet	147,848	138,271
Payables to banks (for overdrafts and advances subject to collection)	<u>(6,712)</u>	<u>(7,751)</u>
Cash and cash equivalents from cash flow statement	<u>141,136</u>	<u>130,970</u>

Consolidated income statements for the second quarter

(€000)	<i>2011</i>	<i>2010</i>
Net sales	130,953	110,776
Cost of sales	(84,375)	(70,584)
Gross industrial margin	46,578	40,192
Other net revenues	2,992	2,156
Distribution costs	(12,334)	(10,993)
General and administrative expenses	(15,872)	(16,494)
Other operating costs	(999)	(197)
Ordinary profit before financial charges	20,365	14,664
Financial income	1,313	1,822
Financial charges	(3,461)	(3,664)
Adjustment of investments according to the equity method	(131)	31
Profit for the period before taxes	18,086	12,853
Income taxes	(6,451)	(4,675)
Consolidated profit for the period	11,635	8,178
Due to:		
Parent company shareholders	11,346	7,889
Subsidiaries' minority shareholders	289	289
Consolidated profit for the period	11,635	8,178
Basic earnings per share (euro)	0.120	0.085
Diluted earnings per share (euro)	0.116	0.084

Statement of consolidated comprehensive income for the second quarter

(€000)	2011	2010
Consolidated profit for the second quarter (A)	11,635	8,178
<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>65</u>	<u>(430)</u>
<i>Total</i>	<u>65</u>	<u>(430)</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	(26)	(126)
- Less: Adjustment for gains (losses) reclassified to the income statement	15	16
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>(30)</u>	<u>69</u>
<i>Total</i>	<u>(41)</u>	<u>(41)</u>
<i>Gain (losses) on translating the financial statements of foreign entities</i>	(1,968)	13,526
<i>Gain (losses) from companies accounted for under the equity method</i>	2	22
<i>Related taxation</i>	(4)	130
Gains (losses) recognized directly in equity in the second quarter (B)	(1,946)	13,207
Consolidated comprehensive income for the second quarter (A) + (B)	9,689	21,385
Due to:		
Owners of the parent	9,384	20,865
Non-controlling interests of subsidiaries	<u>305</u>	<u>520</u>
Consolidated comprehensive income for the second quarter	<u>9,689</u>	<u>21,385</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 2010</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 fair value of the stock options assigned and exercisable	-	-	1,535	-	-	50	1,585	-	1,585
Allocation of profit for 2009	-	1,317	-	-	-	(1,317)	-	-	-
Dividends resolved	-	-	-	-	-	-	-	(147)	(147)
Total profit for first half 2010	-	-	-	(1,396)	22,139	13,339	34,082	898	34,980
<i>Balances as at 30 June 2009</i>	48,414	10,064	67,083	(2,518)	1,968	147,404	272,415	6,799	279,214
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	745	-	-	(50)	695	-	695
Capital increase following exercise of warrants	466	-	3,568	-	-	-	4,034	-	4,034
Sale of treasury shares to pay debts resulting from purchase of equity holdings	313	-	3,031	-	-	-	3,344	-	3,344
2010 second quarter combined consolidated profit	-	-	-	788	(10,164)	13,170	3,794	378	4,172
<i>Balances as at 31 December 2010</i>	49,193	10,064	74,427	(1,730)	(8,196)	160,524	284,282	7,177	291,459
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	556	-	-	-	556	-	556
Allocation of remaining 2010 profit	-	93	-	-	-	(93)	-	-	-
Purchase of treasury stock	(209)	-	(2,056)	-	-	-	(2,265)	-	(2,265)
Sale of treasury shares to stock option beneficiaries	26	-	162	-	-	-	188	-	188
Dividends paid	-	-	-	-	-	(10,412)	(10,412)	(208)	(10,620)
Dividends resolved	-	-	-	-	-	-	-	(147)	(147)
Comprehensive profit (loss) for the first half of 2010	-	-	-	776	(10,143)	21,881	12,514	472	12,986
<i>Balances as at 30 June 2011</i>	49,010	10,157	73,089	(954)	(18,339)	171,900	284,863	7,294	292,157