



INTERPUMP GROUP

PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

PROPOSED DIVIDEND OF 12 euro cents

Net sales: €493.3 million compared to €424.9 million in 2010 +16.1%

EBITDA: €95.0 million – record high in absolute terms for the Interpump Group and equal to 9.3% of sales – compared to €74.1 million in 2010: +28.2%

**Consolidated net profit: €42.6 million (8.6% of sales)
compared to €27.4 million in 2010: +55.5%**

Continuing operations

Net sales: €472.3 million (€400.1 million in 2010): +18.0%

EBITDA: €94.7 million (20.0% of sales) compared to €73.9 million in 2010: +28.0%

EBIT: €75.7 million (16.0% of sales) compared to €49.9 million in 2010: +37.9%

Proposal to shareholders for the purchase of treasury shares

Milan, 13 March 2012 – In a meeting held today in Milan, the Board of Directors of Interpump S.p.A. approved the results for the year ended 31 December 2011. The Board of Directors will recommend to the shareholders the payment of a dividend of €0.12 per share. If approved, the dividend will be paid on 10 May 2012 and the ex-dividend date will be 7 May 2012.

On 26 September 2011 the **Electric Motor Division (Unielectric)** was sold. IFRSs require separate reporting for **continuing** operations and **discontinued** operations, so as to give a more transparent view of the Group's outlook.

In addition, in April 2011 the acquisition of American Mobile Power was completed and, accordingly, the consolidated accounts reflect nine months of operations for this company.

CONSOLIDATED RESULTS FOR 2011

Net sales in 2011 amounted to €493.3 million, compared to €424.9 million in 2010, reflecting a 16.1% increase.

Net sales from **continuing operations** in 2011 amounted to €472.3 million, compared to €400.1 million in 2011, up 18%. On a like-for-like basis, the increase was 16.7% while at constant exchange rates net sales rose by 18.8%.



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Details of sales from continuing operations by business sector and geographical area are as follows:

(€/000)

	Italy	Rest of Europe	North America	Pacific Area	Rest of world	Total
2011						
Hydraulic Sector	57,039	60,161	62,979	10,592	39,150	229,921
Industrial Sector	<u>19,688</u>	<u>73,445</u>	<u>92,007</u>	<u>39,668</u>	<u>17,562</u>	<u>242,370</u>
Total continuing operations	<u>76,727</u>	<u>133,606</u>	<u>154,986</u>	<u>50,260</u>	<u>56,712</u>	<u>472,291</u>
2010						
Hydraulic Sector	51,281	50,003	47,598	6,256	35,175	190,313
Industrial Sector	<u>19,368</u>	<u>60,303</u>	<u>81,031</u>	<u>32,579</u>	<u>16,550</u>	<u>209,831</u>
Total continuing operations	<u>70,649</u>	<u>110,306</u>	<u>128,629</u>	<u>38,835</u>	<u>51,725</u>	<u>400,144</u>
Percentage changes 2011/2010						
Hydraulic Sector	+11.2%	+20.3%	+32.3%	+69.3%	+11.3%	+20.8%
Industrial Sector	+1.7%	+21.8%	+13.5%	+21.8%	+6.1%	+15.5%
Total	+8.6%	+21.1%	+20.5%	+29.4%	+9.6%	+18.0%

A significant contribution to performance came from the BRIC (Brazil, Russia, India and China), which grew by 48.2%, though with limited volumes (€43.5 million in sales in 2011), with their share of consolidated sales rising from 7.3% to 9.2%

Sales in the Hydraulic Sector increased by 20.8% (up 18.1% on a like-for-like basis). Sales by the US companies rose by 38.3% in dollar terms (up 27.8% on a like-for-like basis) and 31.6% in terms of euros (up 21.7% on a like-for-like basis). Sales by the other companies of the Hydraulic Sector went up by 16.7% on the previous year.

The Industrial Sector posted sales of €242.4 million, up 15.5% on the previous year. The following table breaks down sales by product.

	2011 (€/000)	2010 (€/000)	Increase/ Decrease
High pressure pumps	82,090	75,429	+8.8%
Very high pressure systems	148,427	122,366	+21.3%
Other	<u>11,853</u>	<u>12,036</u>	-1.5%
Total	<u>242,370</u>	<u>209,831</u>	+15.5%

EBITDA reached €95 million (19.3% of sales) compared with €74.1 million in 2010 (17.4% of sales), reflecting a 28.2% increase, and setting a record high in absolute terms for the Interpump Group. EBITDA from continuing operations was €94.7 million, accounting for 20% of sales, compared with €73.9 million in 2010, representing 18.5% of sales (up 28.0% and up 26.6%, respectively, on a like-for-like basis).

The table below breaks down EBITDA from continuing operations by business sector:



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	2011 (€/000)	% of total sales*	2010 (€/000)	% of total sales*	Increase/ Decrease
Hydraulic Sector	32,871	14.3%	23,607	12.4%	+39.2%
Industrial Sector	60,664	25.0%	50,347	23.9%	+20.5%
Other	1,132	n.s.	(16)	n.s.	n.s.
Total	94,667	20.0%	73,938	18.5%	+28.0%

* = Total sales include intercompany sales while the breakdown provided above reflects only sales outside the Group. Thus, for consistency, percentages are calculated as a share of the total instead of sales to third parties.

On a like-for-like basis, EBITDA for the Hydraulic Sector was €31.8 million (14.1% of sales), up 34.7% on 2010.

EBIT amounted to €75.8 million, representing 15.4% of sales, compared with €54.7 million in 2010 (12.9% of sales), reflecting a 38.5% increase.

EBIT from continuing operations was €75.7 million, representing 16.0% of sales, compared with €54.9 million in 2010 (13.7% of sales), reflecting a 37.9% increase. On a like-for-like basis, EBIT from continuing operations rose by 36.3%, to €74.8 million (16.0% of sales).

Consolidated net profit for the year amounted to €42.6 million, accounting for 8.6% of sales (€27.4 million in 2010), **reflecting a 55.5% increase**. Basic earnings per share amounted to €0.439 (€0.84 in 2010), up 54.6%.

Capital employed went from €439.2 million at 31 December 2010 to €411.1 million at 31 December 2011. ROCE was 16.4% (12.5% in 2010) while ROE was 13.5% (9.4% in 2010).

Cash from operating activities amounted to €60.8 million, compared with €54.6 million in 2010, with an increase of 11.2%. Free cash flow was €28.0 million compared with €57.0 million in 2010. In 2011 working capital rose by €24.1 million, due to the high growth rate experience in the period. It is also noted that working capital decreased substantially both in 2009 and 2010.

Net borrowings were largely unchanged, as they went from €126.1 million at 31 December 2010 to €127.0 million at 31 December 2011, as free cash flows were used entirely to pay for the acquisitions, the share buyback and the distribution of dividends. The amount does not include commitments associated to put options exercised on shares of subsidiaries for €19.0 million (€21.6 million at 31 December 2010).

In the first two months of 2012 the Group had consolidated sales of € 86.3 million, up 20.5% compared with the first two months of 2011 (+11.9% on a like-for-like basis).



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RESULTS OF THE PARENT COMPANY INTERPUMP GROUP S.p.A.

Interpump Group S.p.A. had net revenues of €73.5 million (€67.7 million in 2010), up 8.6%.

EBIT amounted to €9.4 million (12.8% of sales), compared with €9.5 million in 2010 (14.0% of sales).

EBITDA totalled €12.5 million (17.0% of sales), compared with €12.4 million in 2010 (18.3% of sales).

Net profit for the year ended 31 December 2011 was €8.0 million (€18.7 million in 2010). The difference was due in essence to the dividends paid by subsidiaries.

GENERAL MEETING OF SHAREHOLDERS

The Board of Directors called the General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2011 for **24 April 2012**, in a single call, to be held at the Interpump Group's offices in Sant'Ilario d'Enza.

Moreover, the Shareholders will be requested to renew the authorization to purchase and dispose of own shares. The proposal calls for the extension of the authorization to purchase and dispose of own shares until October 2013. As of 31 December 2011, the Company held 5,484,280 treasury shares.

REPORT ON CORPORATE GOVERNANCE AND SHAREHOLDER BASE AND REMUNERATION POLICY

Pursuant to articles 123 bis ad 123 ter of the Consolidated Law on Finance (TUF), the company is required to publish on its website, www.interpumpgroup.it, the Report on Corporate Governance and the Shareholder Base for the year ended 31 December 2011.

Milan, 13 March 2012

On behalf of the Board of Directors
The Chairman
Giovanni Cavallini

The manager responsible for preparing the company's financial reports, Carlo Banci, hereby states pursuant to paragraph 2 of article 154 bis of the Consolidated Law on Finance that the accounting data shown in this press release are consistent with the amounts reported in the accounting records.

Milano, 13 March 2012

Manager responsible
for preparing the
company's financial reports
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Financial statements- Consolidated balance sheet

€/000	<u>31/12/2011</u>	<u>31/12/2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	109,068	138,721
Trade receivables	95,912	88,536
Inventories	117,021	108,004
Tax receivables	4,425	5,277
Derivative financial instruments	-	375
Assets available for sale	2,123	4,556
Other current assets	8,754	3,835
Total current assets	337,303	349,304
Non-current assets		
Property, plant and equipment	102,777	103,121
Goodwill	213,400	209,655
Other intangible assets	23,562	23,895
Other financial assets	3,424	3,399
Tax receivables	1,017	1,021
Deferred tax assets	15,057	14,161
Other non-current assets	1,490	414
Total non-current assets	360,727	355,666
Total assets	698,030	704,970



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€/000

31/12/2011

31/12/2010

LIABILITIES

Current liabilities

Trade payables	57,962	61,732
Payables to banks	8,762	7,751
Interest bearing financial payables (current portion)	113,700	125,374
Derivative financial instruments	2,006	2,651
Taxes payable	8,552	8,125
Other current liabilities	22,943	19,805
Provisions for risks and charges	2,851	2,243
Total current liabilities	216,776	227,681

Non-current liabilities

Interest bearing financial payables	113,569	131,718
Liabilities for employee benefits	9,698	10,225
Deferred tax liabilities	20,668	18,856
Other non-current liabilities	20,439	23,175
Provisions for risks and charges	1,720	1,856
Total non-current liabilities	166,094	185,830
Total liabilities	382,870	413,511

SHAREHOLDERS' EQUITY

Share Capital	47,936	49,193
Legal reserve	10,157	10,064
Share premium reserve	64,719	74,427
Reserve for valuation of hedging derivatives at fair value	(1,086)	(1,730)
Translation reserve	(2,908)	(8,196)
Other reserves	190,879	160,524
Shareholders' equity for the Group	309,697	284,282
Minority interests	5,463	7,177
Total shareholders' equity	315,160	291,459
Total shareholders' equity and liabilities	698,030	704,970



Consolidated income statements

(€/000)	2011			2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net sales	472,291	21,029	493,320	400,144	24,781	424,925
Cost of sales	(294,661)	(19,187)	(313,848)	(250,207)	(22,429)	(272,636)
Gross industrial margin	177,630	1,842	179,472	149,937	2,352	152,289
Other net revenues	7,570	307	7,877	6,735	213	6,948
Distribution costs	(46,066)	(492)	(46,558)	(40,709)	(631)	(41,340)
General and administrative expenses	(60,372)	(1,549)	(61,921)	(59,687)	(2,091)	(61,778)
Other operating costs	(3,077)	(28)	(3,105)	(1,394)	(36)	(1,430)
Ordinary profit before financial charges	75,685	80	75,765	54,882	(193)	54,689
Financial income	6,365	12	6,377	5,626	30	5,656
Financial charges	(15,032)	(37)	(15,069)	(14,772)	(80)	(14,852)
Adjustment of investments according to the equity method	(367)	-	(367)	147	-	147
Profit for the period before taxes	66,651	55	66,706	45,883	(243)	45,640
Income taxes	(23,019)	(34)	(23,053)	(18,187)	(72)	(18,259)
Profit for the period after taxes but before gains from discontinued operations	43,632	21	43,653	27,696	(315)	27,381
Loss from discontinued operations	-	(1,068)	(1,068)	-	-	-
Consolidated profit for the period	43,632	(1,047)	42,585	27,696	(315)	27,381
Due to:						
Parent company shareholders	42,370	(1,138)	41,232	26,853	(344)	26,509
Minority interests	1,262	91	1,353	843	29	872
Consolidated profit for the period	43,632	(1,047)	42,585	27,696	(315)	27,381
Basic earnings per share (euro)	0.451		0.439	0.288		0.284
Diluted earnings per share (euro)	0.446		0.434	0.288		0.284



Statements of consolidated comprehensive income for the year

(€/000)	2011			2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Consolidated profit (A)	43,632	(1,047)	42,585	27,696	(315)	27,381
<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	<u>1,283</u>	-	<u>1,283</u>	<u>(926)</u>	-	<u>(926)</u>
<i>Total</i>	<u>1,283</u>	-	<u>1,283</u>	<u>(926)</u>	-	<u>(926)</u>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>						
- Gains (losses) on derivatives for the period	(367)	-	(367)	61	6	67
- Less: Adjustment for gains (losses) reclassified to the income statement	(61)	(6)	(67)	24	-	24
- Less: Adjustment for the recognition of fair value in equity	-	-	-	-	-	-
<i>Total</i>	<u>(428)</u>	<u>(6)</u>	<u>(434)</u>	<u>85</u>	<u>6</u>	<u>91</u>
<i>Gain (losses) on translating the financial statements of foreign entities</i>	5,344	-	5,344	12,338	-	12,338
<i>Gain (losses) from companies accounted for under the equity method</i>	18	-	18	40	-	40
<i>Related taxation</i>	<u>(208)</u>	<u>2</u>	<u>(206)</u>	<u>230</u>	<u>(2)</u>	<u>228</u>
Gains (losses) recognized directly in equity (B)	<u>6,009</u>	<u>(4)</u>	<u>6,005</u>	<u>11,767</u>	<u>4</u>	<u>11,771</u>
Consolidated comprehensive income for the period (A) + (B)	<u>49,641</u>	<u>(1,051)</u>	<u>48,590</u>	<u>39,463</u>	<u>(311)</u>	<u>39,152</u>
Attributable to:						
Parent company shareholders	48,305	(1,141)	47,164	38,217	(341)	37,876
Minority interests	1,336	90	1,426	1,246	30	1,276
Consolidated income for the period	<u>49,641</u>	<u>(1,051)</u>	<u>48,590</u>	<u>39,463</u>	<u>(311)</u>	<u>39,152</u>



Consolidated cash flow statements

(€/000)	2011			2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Cash flow from operating activities						
Profit before taxes and loss from discontinued operations	66,651	55	66,706	45,883	(243)	45,640
<i>Adjustments for non-cash items:</i>						
Losses (capital gains) from the sale of fixed assets	(1,928)	(1)	(1,929)	(528)	(11)	(539)
Losses (capital gains) from disposals of investments	-	-	-	(33)	-	(33)
Depreciation and devaluation of tangible and intangible assets	18,077	239	18,316	18,539	354	18,893
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	962	34	996	2,176	104	2,280
Loss (profit) from investments	367	-	367	(147)	-	(147)
Net change of risk funds and allocations to liabilities						
for benefits for employees	612	(31)	581	(349)	(4)	(353)
Disbursements for tangible assets to be leased	(3,700)	-	(3,700)	(2,225)	-	(2,225)
Proceeds from leased tangible assets	2,250	-	2,250	1,426	-	1,426
Net financial charges	8,667	25	8,692	9,146	50	9,196
Other	180	-	180	(8)	-	(8)
	92,138	321	92,459	73,880	250	74,130
(Increase) decrease in trade receivables and other current assets	(14,792)	79	(14,713)	(9,155)	(2,951)	(12,106)
(Increase) decrease in inventories	(11,113)	(1,005)	(12,118)	(3,372)	51	(3,321)
Increase (decrease) in trade payables and other current liabilities	6,223	(1,174)	5,049	22,377	3,179	25,556
Interest paid	(8,702)	(18)	(8,720)	(8,910)	(46)	(8,956)
Currency exchange gains	(264)	(3)	(267)	596	(6)	590
Taxes paid	(22,710)	-	(22,710)	(11,121)	(23)	(11,144)
Net liquidity generated by operating activities	40,780	(1,800)	38,980	64,295	454	64,749
Cash flow from investing activities						
Payment for the purchase of investments net of cash received and gross of treasury shares given as consideration	(9,102)	-	(9,102)	(7,117)	-	(7,117)
Proceeds from sale of investments	1,551	-	1,551	43	-	43
Quota of capital increase of subsidiary paid by minority shareholder	-	-	-	300	-	300
Investment in property, plant and equipment	(10,644)	(342)	(10,986)	(6,644)	(164)	(6,808)
Proceeds from the sale of tangible fixed assets	1,591	12	1,603	331	29	360
Increase in intangible assets	(2,763)	(7)	(2,770)	(2,279)	(21)	(2,300)
Financial income collected	2,896	3	2,899	1,067	22	1,089
Other	166	(33)	133	-	(102)	(102)
Net liquidity utilised in investing activities	(16,305)	(367)	(16,672)	(14,299)	(236)	(14,535)



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(€/000)	2011			2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Cash flow of financing activities						
Payment for purchase of treasury stock	(16,489)	-	(16,489)	-	-	-
Proceeds from the sale of treasury shares to stock option beneficiaries	188	-	188	-	-	-
Sale of treasury shares for the purchase of an investment	4,309	-	4,309	3,344	-	3,344
Payments for capital increase accessory costs	31	-	31	3,526	-	3,526
Dividends paid	(10,768)	-	(10,768)	(147)	-	(147)
Disbursement (repayment) of loans	(28,956)	(7)	(28,963)	(2,157)	(8)	(2,165)
Disbursal (repayment) of shareholder loans	346	-	346	-	-	-
Disbursement of a loan to an unconsolidated subsidiary	7	-	7	-	-	-
Payment of finance lease instalments (capital portion)	(2,379)	-	(2,379)	(2,201)	-	(2,201)
Net liquidity obtained through (utilised in) financing activities	(53,711)	(7)	(53,718)	2,365	(8)	2,357
Net increase (decrease) of cash and cash equivalents	(29,236)	(2,174)	(31,410)	52,361	210	52,571
Exchange differences on conversion of the liquidity of companies in areas outside the EU			746	2,607	-	2,607
Cash and cash equivalents at the start of the period			130,970	73,772	2,020	75,792
Cash and cash equivalents at the end of the period			100,306	128,740	2,230	130,970

Cash and cash equivalents can be broken down as follows:

	31/12/2011 (€/000)	31/12/2010 (€/000)
Cash and cash equivalents from balance sheet	109,068	138,721
Payables to banks (for overdrafts and advances subject to collection)	(8,762)	(7,751)
Cash and cash equivalents from cash flow statement	<u>100,306</u>	<u>130,970</u>



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Changes in shareholders' equity

€/000	Share capital	Legal reserve	Share premium reserve	Reserve for the fair value of hedging derivatives	Translation reserve	Other reserves	Shareholders' 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
Allocation of 2009 profit	-	1,317	-	-	-	(1,317)	-	-	-
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	2,280	-	-	-	2,280	-	2,280
Dividends distributed	-	-	-	-	-	-	-	(147)	(147)
Capital increase following exercise of warrants	466	-	3,568	-	-	-	4,034	-	4,034
Sale of treasury shares to pay debts for the purchase of investments	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>	49,193	10,064	74,427	(1,730)	(8,196)	160,524	284,282	7,177	291,459
Allocation of residual 2010 profit	-	93	-	-	-	(93)	-	-	-
Recording in the income statement of the fair value of the stock options assigned and exercisable	-	-	996	-	-	-	996	-	996
Acquisition of treasury stock	(1,845)	-	(14,644)	-	-	-	(16,489)	-	(16,489)
Sale of treasury shares to stock option beneficiaries	26	-	162	-	-	-	188	-	188
Sale of treasury shares as part of the purchase of the additional 11% of Interpump Hydraulics International	559	-	3,750	-	-	-	4,309	-	4,309
Dividends distributed	-	-	-	-	-	(10,412)	(10,412)	(356)	(10,768)
Effect on equity of the sale of Unielectric	-	-	-	-	-	-	-	(1,885)	(1,885)
Acquisition of the remaining 49% of AVI	-	-	-	-	-	(372)	(372)	(899)	(1,271)
Capital increase following exercise of warrants	3	-	28	-	-	-	31	-	31
Comprehensive profit (loss) for the year 2011	-	-	-	644	5,288	41,232	47,164	1,426	48,590
<i>Balances as at 31 December 2011</i>	47,936	10,157	64,719	(1,086)	(2,908)	190,879	309,697	5,463	315,160



INTERPUMP GROUP

Financial statements of the parent company Interpump Group S.p.A.

Consolidated balance sheet

Euro	<u>31/12/2011</u>	<u>31/12/2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	68,231,937	89,281,789
Trade receivables	10,788,069	10,171,546
Inventories	10,533,931	11,588,194
Tax receivables	1,013,785	466,341
Derivative financial instruments	-	368,326
Assets available for sale	2,121,484	5,715,877
Other current assets	4,433,107	433,565
Total current assets	<u>97,122,313</u>	<u>118,025,638</u>
Non-current assets		
Property, plant and equipment	13,397,870	13,015,839
Goodwill	32,505,900	32,505,900
Other intangible assets	3,967,840	3,859,068
Investments in subsidiaries	191,768,276	195,784,687
Other financial assets	34,368,961	24,510,000
Tax receivables	450,624	385,902
Deferred tax assets	1,658,451	2,108,731
Other non-current assets	1,119,060	15,022
Total non-current assets	<u>279,236,982</u>	<u>272,185,149</u>
Total assets	<u>376,359,295</u>	<u>390,210,787</u>



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Euro	<u>31/12/2011</u>	<u>31/12/2010</u>
LIABILITIES		
Current liabilities		
Trade payables	10,034,121	11,675,749
Payables to banks	2,359,796	602,448
Interest bearing financial payables (current portion)	79,941,231	75,453,333
Derivative financial instruments	1,659,351	2,523,440
Taxes payable	660,489	1,704,097
Other current liabilities	4,802,477	5,633,917
Total current liabilities	<u>99,457,465</u>	<u>97,592,984</u>
Non-current liabilities		
Interest bearing financial payables	90,139,961	92,777,735
Liabilities for employee benefits	3,268,929	3,236,711
Deferred tax liabilities	1,004,575	1,050,720
Provisions for risks and charges	303,515	463,331
Total non-current liabilities	<u>94,716,980</u>	<u>97,528,497</u>
Total liabilities	<u>194,174,445</u>	<u>195,121,481</u>
SHAREHOLDERS' EQUITY		
Share Capital	47,935,962	49,193,258
Legal reserve	10,156,890	10,063,665
Share premium reserve	63,887,046	73,622,769
Reserve for valuation of hedging derivatives at fair value	(649,457)	(1,181,841)
Other reserves	60,854,409	63,391,455
Total shareholders' equity	<u>182,184,850</u>	<u>195,089,306</u>
Total shareholders' equity and liabilities	<u>376,359,295</u>	<u>390,210,787</u>



INTERPUMP GROUP

Income statements

Euro	<u>2011</u>	<u>2010</u>
Net sales	73,513,979	67,723,157
Cost of sales	(49,133,228)	(44,361,118)
Gross industrial margin	24,380,751	23,362,039
Other net revenues	1,435,455	2,610,147
Distribution costs	(3,415,560)	(3,626,910)
General and administrative expenses	(12,257,006)	(12,517,455)
Impairment of assets	(662,926)	(327,893)
Reversal of impairment loss	-	411,793
Other operating costs	(49,000)	(47,980)
Dividends	5,905,710	17,600,909
Ordinary profit before financial charges	15,337,424	27,464,650
Financial income	5,323,094	3,893,436
Financial charges	(9,012,508)	(9,279,699)
Profit for the period before taxes	11,648,010	22,078,387
Income taxes	(2,882,316)	(3,367,497)
Profit for the period after taxes but before gains from discontinued operations	8,765,694	18,710,890
Loss from discontinued operations	(797,749)	-
Net profit for the period	7,967,945	18,710,890
Basic earnings per share	0.085	0.201
Diluted earnings per share	0.084	0.200



INTERPUMP GROUP

Statement of comprehensive income

(€/000)	<u>2011</u>	<u>2010</u>
Net profit (A)	7,968	18,711
<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>969</u>	<u>(707)</u>
<i>Total</i>	<i>969</i>	<i>(707)</i>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	(123)	126
- Less: Adjustment for gains (losses) reclassified to the income statement	(126)	20
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>-</u>	<u>-</u>
<i>Total</i>	<i>(249)</i>	<i>146</i>
<i>Related taxation</i>	<i>(188)</i>	<i>148</i>
Gains (losses) recognized directly in equity (B)	<u>532</u>	<u>(413)</u>
Comprehensive net profit (A) + (B)	<u>8,500</u>	<u>18,298</u>



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Cash flow statements

(€/000)

	2011	2010
Cash flow from operating activities		
Profit before taxes and loss from discontinued operations	11,648	22,078
<i>Adjustments for non-cash items:</i>		
Gains from disposals of assets	(4)	(1)
Depreciation and amortisation of tangible and intangible assets	3,066	2,885
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	845	1,894
Impairment (restoration of value) of assets	12	(364)
Net change of risk funds and allocations to liabilities for benefits for employees	(118)	56
Dividends to the profit and loss account	(5,906)	(17,601)
Net financial charges	3,689	5,386
	13,232	14,333
(Increase) decrease in trade receivables and other current assets	(1,071)	(1,777)
(Increase) decrease in inventories	1,054	(1,135)
Increase (decrease) in trade payables and other current liabilities	(326)	5,393
Taxes paid	(5,486)	(260)
Interest paid	(6,832)	(6,684)
Currency exchange gains	91	489
Net liquidity generated by operating activities	662	10,359
Cash flow from investing activities		
Purchase of NLB holdings	-	(3,350)
Payments to Interpump Hydraulics S.p.A in capital account	-	(3,344)
Payment for formation of Hammelmann Bombas e Sistemas Ltda	-	(13)
Proceeds from sale of Unielectric, net of ancillary expenses paid	1,128	-
Payments for the acquisition of treasury stock	(16,489)	-
Proceeds from the sale of treasury shares to stock option beneficiaries	188	-
Treasury stock transfer as part of the acquisition transaction of the Cylinder Pole companies	4,309	3,344
Investment in property, plant and equipment	(1,882)	(1,348)
Proceeds from the sale of tangible fixed assets	710	2
Increase in intangible assets	(1,489)	(1,282)
Financial income collected	2,932	1,252
Other	(77)	1
Net liquidity generated (utilised in) by investing activities	(10,670)	(4,738)



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(€/000)	<u>2011</u>	<u>2010</u>
Cash flow of financing activities		
Dividends cashed	5,906	29,601
Dividends paid	(10,412)	-
(Disbursal) repayment of intergroup loans	(9,859)	8,200
Capital increase	31	3,526
Disbursal (repayment) of loans	1,534	3,385
Net cash from (used in) financing activities	<u>(12,800)</u>	<u>44,712</u>
Net increase (decrease) in cash and cash equivalents	<u>(22,808)</u>	<u>50,333</u>
Cash and cash equivalents at the start of the period	<u>88,680</u>	<u>38,347</u>
Cash and cash equivalents at the end of the period	<u>65,872</u>	<u>88,680</u>



INTERPUMP GROUP

Changes in shareholders' equity

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Share premium reserve</i>	<i>Reserve for valuations at fair value of hedging derivatives</i>	<i>Other reserves</i>	<i>Total shareholder's equity</i>
<i>Balances as at 1 January 2010</i>	48,414	8,746	64,866	(769)	45,999	167,256
Allocation of 2009	-	1,318	-	-	(1,318)	-
Recording in the income statement of the fair value of the stock options assigned and exercisable to employees of Interpump Group S.p.A.	-	-	1,894	-	-	1,894
Recording in the income statement of the fair value of the stock options assigned and exercisable to employees of subsidiaries	-	-	263	-	-	263
Capital increase following the exercising of warrants	466	-	3,568	-	-	4,034
Sale of treasury shares as part of the purchase of investments	313	-	3,031	-	-	3,344
Comprehensive net profit for the year	-	-	-	(413)	18,711	18,298
<i>Balances as at 31 December 2010</i>	<i>49,193</i>	<i>10,064</i>	<i>73,622</i>	<i>(1,182)</i>	<i>63,392</i>	<i>195,089</i>
Allocation of 2010	-	93	-	-	(93)	-
Dividends distributed	-	-	-	-	(10,412)	(10,412)
Recording in the income statement of the fair value of the stock options assigned and exercisable to employees of Interpump Group S.p.A.	-	-	845	-	-	845
Recording in the income statement of the fair value of the stock options assigned and exercisable employees of subsidiaries	-	-	124	-	-	124
Capital increase following the exercising of warrants	3	-	28	-	-	31
Acquisition of treasury stock	(1,845)	-	(14,644)	-	-	(16,489)
Sale of treasury shares to stock option beneficiaries	26	-	162	-	-	188
Sale of treasury shares as part of the purchase of investments	559	-	3,750	-	-	4,309
Comprehensive net profit for the year	-	-	-	532	7,968	8,500
<i>Balances as at 31 December 2011</i>	<i>47,936</i>	<i>10,157</i>	<i>63,887</i>	<i>(650)</i>	<i>60,855</i>	<i>182,185</i>



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