



# INTERPUMP GROUP

## PRESS RELEASE

### Interpump Group approves the results for the first quarter of 2012

**Net sales: €138.6 million (€116.1 million in the first quarter of 2011) :+ 19.4%**

**EBITDA: €29.8 million (21.5% of sales): +31.0%**

**EBIT: €25.0 million (18.0% of sales): +35.4%**

**Consolidated net profit: €13.7 million (€11.0 million in the first quarter of 2011): +25.4%**

**Net debt: €138.3 million (€127.0 million at 31 December 2011)**

Milan, 9 May 2012 – Meeting today the Board of Directors of Interpump Group S.p.A. approved the results of the **first quarter of 2012**.

#### NET SALES FOR THE FIRST QUARTER OF 2012

**Net sales** for the first quarter of 2012 amounted to 138,6 million euros, an increase of 19.4% compared to the same period in 2011 (116.1 million euros).

Turnover by business area and geographical area was as follows:

#### *1st quarter 2012*

(€000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
Hydraulic Sector	14,844	16,638	20,472	3,446	14,445	69,845
Industrial Sector	<u>5,128</u>	<u>20,216</u>	<u>27,766</u>	<u>12,276</u>	<u>3,334</u>	<u>68,720</u>
Total	<u>19,972</u>	<u>36,854</u>	<u>48,238</u>	<u>15,722</u>	<u>17,779</u>	<u>138,565</u>

#### *1st quarter 2011*

Hydraulic Sector	15,089	15,574	13,858	2,227	9,068	55,816
Industrial Sector	<u>4,903</u>	<u>18,464</u>	<u>23,719</u>	<u>8,853</u>	<u>4,343</u>	<u>60,282</u>
Total	<u>19,992</u>	<u>34,038</u>	<u>37,577</u>	<u>11,080</u>	<u>13,411</u>	<u>116,098</u>



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Percentage changes 2012/2011

Hydraulic Sector	-1.6%	+6.8%	+47.7%	+54.7%	+59.3%	+25.1%
Industrial Sector	+4.6%	+9.5%	+17.1%	+38.7%	-23.2%	+14.0%
Total	-0.1%	+8.3%	+28.4%	+41.9%	+32.6%	+19.4%
Total change on a like for like basis	-8.0%	+2.1%	+21.8%	+34.6%	+16.2%	+11.5%

The turnover of the Hydraulic Sector rose by 8.7% on a like for like basis.

An important contribution to growth came from the BRIC countries (Brazil, Russia, India and China), where there was growth of 40.1% (18.0% with on a like for like basis), despite being based on limited volumes (15.0 million euros in the first quarter of 2012).

## PROFITABILITY

Operating income (**EBIT**) amounted to 25.0 million euros (18.0% of sales) compared to 18.4 million euros in the first quarter of 2011 relating solely to continuing operations (15.9% of sales), a rise of 35.4%.

Gross operating income (**EBITDA**) amounted to 29.8 million euros (21.5% of sales) compared to 22.8 million euros in the first quarter of 2011 relating solely to continuing operations, which represented 19.6% of sales (+31.0%). The following table sets out EBITDA by business sector:

	<i>1st quarter 2012 €/000</i>	<i>% of total sales*</i>	<i>1st quarter 2011 €/000</i>	<i>% of total sales *</i>	<i>Increase/ decrease</i>
Hydraulic Sector	11,768	16.8%	8,028	14.4%	+46.6%
Industrial Sectors	18,001	26.1%	14,731	24.4%	+22.2%
Other Sectors	<u>60</u>	N/A	<u>16</u>	N/A	N/A
<b>Total</b>	<b><u>29,829</u></b>	<b>21.5%</b>	<b><u>22,775</u></b>	<b>19.6%</b>	<b>+31.0%</b>

\* = Total sales also include sales to other Group companies, while sales analysed above relate only to those made outside the Group. As a result, for consistency the percentage is calculated on total sales rather than on those stated above.

On a like for like basis EBITDA for the Hydraulic Sector amounted to 10.3 million euros (17.0% of sales) representing a rise of 28.3%.

**Net profit** amounted to 13.7 million euros (11.0 million euros in the first quarter of 2011) representing a rise of 25.4%.

**Net debt** amounted to 138.3 million euros compared to 127.0 million euros at 31 December 2011. This does not include commitments (put options) of 28.5 million euros (19.0 million euros at 31 December 2011) to purchase investments in companies that are already controlled. Net cash generated by operations was 24.8 million euros (20.1 million euros in the first quarter of 2011), a rise of 23.7%. Free cash flow was 6.7 million euros (1.0 million euros in the first quarter of 2011).

Non-annualised **ROCE** amounted to 5.1% (4.1% in the first quarter of 2011). Non-annualised **ROE** amounted to 4.2% (3.7% in the first quarter of 2011).



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### **Subsequent events after 31 March 2012**

On 24 April 2012 the Board of Directors resolved amongst other things to exercise the option available under article 2.2 of the regulations for the “Interpump Group S.p.A. 2009 - 2012 Ordinary Share Warrants” and to establish an additional period for exercising the Warrants, the month of June 2012.

Interpump believes that establishing an Additional Exercise Period is to the benefit of Warrant-holders and the market in general because it provides for an extra month (June 2012) in addition to the Exercise Period already planned for October to exercise the warrants at a time when the markets are considerably volatile and unpredictable. In this scenario of extreme uncertainty on the markets and also taking account of the fact that the company wants to continue with, and if possible speed up, its development and investment programmes, it is also in the interest of Interpump Group S.p.A. to grant this opportunity in order to possibly obtain additional funds for this purpose.

As a result of the directors’ resolution, holders of Warrants may request that they be exercised on any market day between 1 June 2012 and 30 June 2012 with the right to subscribe to additional newly-issued Interpump ordinary shares in the ratio of 59 Conversion Shares for every 96 Warrants exercised. The exercise price of the Warrants for the Additional Exercise Period, calculated *pro-rata temporis* by the means stated in article 3.2 of the Warrant Regulations, is 4.999 euros (four point nine nine nine) per share.

Any further right of the holders of Warrants relating to the last ordinary exercise period specified in the Warrant Regulations (October 2012) obviously remains unaffected.

\* \* \*

Pursuant to article 65-bis, paragraph 2 and article 82 of Consob Resolution no. 11971/1999 and subsequent amendments and supplements, it is hereby stated the **Interim Board of Directors’ Report for the first quarter 2012 is available to the public** at the Company’s offices and at Borsa Italiana S.p.A., and may also be consulted on the web page “Financial Statements and Reports” of the section “Investor Relations” of the Company’s website [www.interpumpgroup.it](http://www.interpumpgroup.it).

\* \* \*

Milan, 9 May 2012

On behalf of the Board of Directors  
Giovanni Cavallini  
Chairman



# INTERPUMP GROUP

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, 9 May 2012

Carlo Banci  
Manager responsible for drafting  
company accounting documents

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## Financial Statements

### Consolidated balance sheet

(€000)	<u>31/03/2012</u>	<u>31/12/2011</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	75,372	109,068
Trade receivables	107,433	95,912
Inventories	128,726	117,021
Tax receivables	4,614	4,425
Derivative financial instruments	104	-
Assets available for sale	2,121	2,123
Other current assets	9,430	8,754
<b>Total current assets</b>	<u><b>327,800</b></u>	<u><b>337,303</b></u>
<b>Non-current assets</b>		
Property, plant and equipment	111,054	102,777
Goodwill	227,535	213,400
Other intangible assets	23,609	23,562
Other financial assets	1,919	3,424
Tax receivables	958	1,017
Deferred tax assets	15,608	15,057
Other non current assets	1,536	1,490
<b>Total non current assets</b>	<u><b>382,219</b></u>	<u><b>360,727</b></u>
<b>Total assets</b>	<u><b>710,019</b></u>	<u><b>698,030</b></u>



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(€000)

	<u>31/03/2012</u>	<u>31/12/2011</u>
<b>Current liabilities</b>		
Trade payables	63,743	57,962
Payables to banks	8,430	8,762
Interest bearing financial payables (current portion)	98,321	113,700
Derivative financial instruments	1,447	2,006
Taxes payable	12,950	8,552
Other current liabilities	25,155	22,943
Provisions for risks and charges	2,832	2,851
<b>Total current liabilities</b>	<b><u>212,878</u></b>	<b><u>216,776</u></b>
<b>Non-current liabilities</b>		
Interest bearing financial payables	106,922	113,569
Liabilities for employee benefits	10,082	9,698
Deferred tax liabilities	22,350	20,668
Other non-current liabilities	30,089	20,439
Provisions for risks and charges	1,826	1,720
<b>Total non current liabilities</b>	<b><u>171,269</u></b>	<b><u>166,094</u></b>
<b>Total liabilities</b>	<b><u>384,147</u></b>	<b><u>382,870</u></b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	48,186	47,936
Legal reserve	10,157	10,157
Share premium reserve	66,797	64,719
Reserve for valuation of hedging derivatives at fair value	(707)	(1,086)
Translation reserve	(8,289)	(2,908)
Other reserves	204,308	190,879
<b>Shareholders' equity for the Group</b>	<b><u>320,452</u></b>	<b><u>309,697</u></b>
Minority interests	5,420	5,463
<b>Total shareholders' equity</b>	<b><u>325,872</u></b>	<b><u>315,160</u></b>
<b>Total shareholders' equity and liabilities</b>	<b><u>710,019</u></b>	<b><u>698,030</u></b>



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## Consolidated income statements for the first quarter

(€000)	<u>2012</u>	<u>2011</u>
<b>Net sales</b>	<b>138,565</b>	<b>116,098</b>
Cost of sales	(85,273)	(73,010)
<b>Gross industrial margin</b>	<b>53,292</b>	<b>43,088</b>
Other net revenues	2,045	1,579
Distribution costs	(13,317)	(10,961)
General and administrative expenses	(16,969)	(15,089)
Other operating costs	(79)	(168)
<b>Ordinary profit before financial charges</b>	<b>24,972</b>	<b>18,449</b>
Financial income	1,143	1,632
Financial charges	(3,591)	(3,546)
Adjustment of investments according to the equity method	77	37
<b>Profit for the period before taxes</b>	<b>22,601</b>	<b>16,572</b>
Income taxes	(8,857)	(5,984)
<b>Consolidated profit for the period from continuing operations</b>	<b>13,744</b>	<b>10,588</b>
Profit from discontinued operations	-	371
<b>Consolidated profit for the period</b>	<b>13,744</b>	<b>10,959</b>
<b>Due to:</b>		
Parent company shareholders	13,429	10,535
Subsidiaries' minority shareholders	315	424
<b>Consolidated profit for the period</b>	<b>13,744</b>	<b>10,959</b>
Basic earnings per share from continuing operations	0.145	0.112
Basic earnings per share from discontinued operations	-	(0.001)
Basic earnings per share (euro)	0.145	0.111
Diluted earnings per share from continuing operations	0.141	0.109
Diluted earnings per share from discontinued operations	-	(0.001)
Diluted earnings per share (euro)	0.141	0.108



## Statements of consolidated comprehensive income for the first month

(€000)	<u>2012</u>	<u>2011</u>
<b>Consolidated profit (A)</b>	<b>13,744</b>	<b>10,959</b>
<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>151</u>	<u>1,043</u>
<i>Total</i>	<i>151</i>	<i>1,043</i>
<i>Cash flow hedge accounting for derivatives hedging currency risk</i>		
- Gains (losses) on derivatives for the period	46	54
- Less: Adjustment for gains (losses) reclassified to the income statement	306	(106)
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>58</u>	<u>47</u>
<i>Total</i>	<i>410</i>	<i>(5)</i>
<i>Gain (losses) on translating the financial statements of foreign entities</i>	(5,407)	(8,399)
<i>Gain (losses) from companies accounted for under the equity method</i>	10	(18)
<i>Related taxation</i>	<u>(182)</u>	<u>(283)</u>
<b>Gains (losses) recognized directly in equity (B)</b>	<b><u>(5,018)</u></b>	<b><u>(7,662)</u></b>
<b>Consolidated comprehensive income for the first nine months(A) + (B)</b>	<b><u>8,726</u></b>	<b><u>3,297</u></b>
<b>Attributable to:</b>		
Owners of the parent	8,427	3,130
Non-controlling interests of subsidiaries	<u>299</u>	<u>167</u>
<b>Consolidated comprehensive income for the period</b>	<b><u>8,726</u></b>	<b><u>3,297</u></b>





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## Consolidated cash flow statements for the first quarter

(€000)

	<u>2012</u>	<u>2011</u>
<b>Cash flow from operating activities</b>		
Profit before taxes and capital losses from discontinued operations	22,601	16,572
Adjustments for non-cash items:		
Losses (capital gains) from the sale of fixed assets	(415)	(307)
Amortisation and depreciation	4,776	4,179
Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group	218	293
Loss (profit) from investments	(77)	(37)
Net change of risk funds and allocations to liabilities for benefits for employees	(290)	92
Expenditures for tangible assets to be leased	(1,276)	(973)
Collections from leased tangible assets	1,502	773
Net financial charges	2,448	1,914
Other	(63)	(8)
	<u>29,424</u>	<u>22,498</u>
(Increase) decrease in trade receivables and other current assets	(6,335)	(15,889)
(Increase) decrease in inventories	(7,190)	(3,431)
Increase (decrease) in trade payables and other current liabilities	518	2,205
Interest paid	(1,953)	(2,102)
Realized exchange losses	(192)	(135)
Taxes paid	(2,472)	(206)
<b>Net liquidity from operating activities</b>	<u><b>11,800</b></u>	<u><b>2,940</b></u>
<b>Cash flow from investing activities</b>		
Payments for the purchase of investments net of cash received and gross of treasury shares transferred	(18,163)	(210)
Capital expenditure in property, plant and equipment	(4,774)	(1,767)
Proceeds from sales of tangible fixed assets	92	74
Increase in intangible assets	(700)	(632)
Proceeds from the disposal of financial fixed assets	1,614	-
Financial income collected	531	672
Other	(14)	(116)
<b>Net liquidity utilised in investing activities</b>	<u><b>(21,414)</b></u>	<u><b>(1,979)</b></u>
<b>Cash flow from financing activities</b>		
Disbursement (repayment) of loans	(24,379)	34,464
Dividends paid to shareholders of subsidiaries	(342)	(207)
Payment for the purchase of treasury shares	(781)	-
Disposal of treasury shares to acquire investments	1,704	-
Proceeds from the sale of treasury shares to stock option beneficiaries	1,187	-
Disbursement (repayment) of loans to unconsolidated subsidiaries	16	(61)
Payment of financial leasing instalments (principal)	(711)	(594)
<b>Net liquidity obtained through (utilised in) financing activities</b>	<u><b>(23,306)</b></u>	<u><b>33,602</b></u>
<b>Net increase (decrease) of cash and cash equivalents</b>	<u><b>(32,920)</b></u>	<u><b>34,563</b></u>
Increase (decrease) in cash from discontinued operations	-	(2,818)
Exchange differences on conversion of the liquidity of companies in areas outside the EU	(444)	(934)
Cash and cash equivalents at the beginning of the period	<u>100,306</u>	<u>130,970</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><b>66,942</b></u>	<u><b>161,781</b></u>



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Cash and cash equivalents can be broken down as follows:

	31/03/2012	31/12/2011
	€000	€000
Cash and cash equivalents from balance sheet	75,372	109,068
Payables to banks (for overdrafts and advances subject to collection)	<u>(8,430)</u>	<u>(8,762)</u>
Cash and cash equivalents from cash flow statement	<u>66,942</u>	<u>100,306</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 2011</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 change in fair value of the stock options assigned and exercisable	-	-	308	-	-	-	308	-	308
Dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	(207)	(207)
Comprehensive income (loss) in the first quarter of 2011	-	-	-	757	(8,162)	10,535	3,130	167	3,297
<i>Balances as at 31 March 2010</i>	49,193	10,064	74,735	(973)	(16,358)	171,059	287,720	7,137	294,857
Allocation of 2010 profit	-	93	-	-	-	(93)	-	-	-
Distribution of dividends	-	-	-	-	-	(10,412)	(10,412)	(149)	(10,561)
Capital increase following the exercising of warrants	3	-	28	-	-	-	31	-	31
Purchase of treasury shares	(1,845)	-	(14,644)	-	-	-	(16,489)	-	(16,489)
Recording in the income statement of the change in fair value of the stock options assigned and exercisable	-	-	688	-	-	-	688	-	688
Sale of treasury shares to stock option beneficiaries	26	-	162	-	-	-	188	-	188
Sale of investment in Unielectric	-	-	-	-	-	-	-	(1,885)	(1,885)
Purchase of an additional 49% of AVI	-	-	-	-	-	(372)	(372)	(899)	(1,271)
Transfer of treasury shares to pay for investments	559	-	3,750	-	-	-	4,309	-	4,309
Comprehensive income (loss) from 1/4 to 31/12/ 2011	-	-	-	(113)	13,450	30,697	44,034	1,259	45,293
<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
Recording in the income statement of the change in fair value of the stock options assigned and exercisable	-	-	218	-	-	-	218	-	218
Purchase of treasury shares	(70)	-	(711)	-	-	-	(781)	-	(781)
Transfer of treasury shares to pay for investments and stock options	320	-	2,571	-	-	-	2,891	-	2,891
Dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	(342)	(342)
Comprehensive income (loss) in the first quarter of 2012	-	-	-	379	(5,381)	13,429	8,427	299	8,726
<i>Balances as at 31 March 2012</i>	48,186	10,157	66,797	(707)	(8,289)	204,308	320,452	5,420	325,872