



INTERPUMP GROUP

PRESS RELEASE

Interpump Group approves the results for the first quarter of 2013

Net sales: €132.3 million (€138.5 million in the first quarter of 2012)

EBITDA: €25.4 million (19.2% of sales); €29.8 million in the first quarter of 2012 (21.5% of sales)

EBIT: €20.4 million (15.4% of sales); €25.0 million in the first quarter of 2012 (18.0% of sales)

Consolidated net profit: €12.8 million (€13.7 million in the first quarter of 2012)

Recent acquisition of Hydrocontrol, turnover of €57 million in 2012

Sant'Ilario d'Enza (RE), 14 May 2013 –Board of Directors of Interpump Group S.p.A., which met today, approved the results for the **first quarter of 2013**.

NET SALES FOR THE FIRST QUARTER OF 2013

Net sales for the first quarter of 2013 amounted to 132.3 million euros, a decrease of 4.5% over the corresponding period in 2012 when sales totalled 138.5 million euros (-3.9% at constant exchange rates).

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

1st quarter 2013

| (€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 | 13,039 | 17,118 | 18,961 | 2,395 | 13,460 | 64,973 |
| Water Jetting Sector | <u>4,967</u> | <u>20,196</u> | <u>29,428</u> | <u>9,289</u> | <u>3,411</u> | <u>67,291</u> |
| Total | <u>18,006</u> | <u>37,314</u> | <u>48,389</u> | <u>11,684</u> | <u>16,871</u> | <u>132,264</u> |

1st quarter 2012

| | | | | | | |
|----------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Hydraulic Sector | 14,727 | 17,345 | 20,487 | 3,464 | 13,705 | 69,728 |
| Water Jetting Sector | <u>5,131</u> | <u>20,216</u> | <u>27,766</u> | <u>12,276</u> | <u>3,334</u> | <u>68,723</u> |
| Total | <u>19,858</u> | <u>37,561</u> | <u>48,253</u> | <u>15,740</u> | <u>17,039</u> | <u>138,451</u> |



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Percentage changes 2013/2012

| (€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 | -11.5% | -1.3% | -7.4% | -30.9% | -1.8% | -6.8% |
| Water Jetting Sector | -3.2% | -0.1% | +6.0% | -24.3% | 2.3% | -2.1% |
| Total | -9.3% | -0.7% | +0.3% | -25.8% | -1.0% | -4.5% |

APRIL NET SALES

Only in April net sales amounted to **45,7 million euros** (44.5 million euros in the same period of 2012) with a 2.7% growth.

The Hydraulic Sector registered sales of 22.5 million euros with a 3.1% growth compared with 21.8 million euros of 2012. The Water Jetting Sector reported a turnover of 23.2 million euros (+2,4% compared with 22.7 million euros of 2012).

PROFITABILITY

Operating income (**EBIT**) amounted to 20.4 million euros (15.4% of sales) compared to 25.0 million euros in the first quarter of 2012 (18.0% of sales).

Gross operating income (**EBITDA**) amounted to 25.4 million euros (19.2% of sales) compared to 29.8 million euros in the first quarter of 2012 when it represented 21.5% of sales. The following table sets out EBITDA by business sector:

| | <i>Ist quarter</i> | <i>% of</i> | <i>Ist quarter</i> | <i>% of</i> | |
|----------------------|----------------------|--------------|----------------------|--------------|------------------|
| | <i>2013</i> | <i>total</i> | <i>2012</i> | <i>total</i> | <i>Increase/</i> |
| | <u>€/000</u> | <u>sales</u> | <u>€/000</u> | <u>sales</u> | <u>Decrease</u> |
| Hydraulic Sector | 9,484 | 14.6% | 11,767 | 16.9% | -19.4% |
| Water Jetting Sector | 15,901 | 23.6% | 18,001 | 26.1% | -11.7% |
| Other Sectors | <u>26</u> | N/A | <u>60</u> | N/A | N/A |
| Total | <u>25,411</u> | 19.2% | <u>29,828</u> | 21.5% | -14.8% |

Net profit amounted to 12.8 million euros (13.7 million euros in the first quarter of 2012), being a decrease of 7.0%. Basic earnings per share amounted to 0.123 euros (0.145 in the first quarter of 2012), a reduction of 15.2%.

Net debt fell to 74.1 million euros compared to 74.5 million euros at 31 December 2012.

This balance does not include commitments of 28.7 million euros (28.0 million euros at 31 December 2012) for the purchase of investments (put options) in companies which are already subsidiaries.

Capital employed rose from 499.4 million euros at 31 December 2012 to 517.4 million euros at 31 March 2013. This increase is mostly due to a rise in working capital, as usually occurs during the first part of the year.



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Non-annualised **ROCE** amounted to 3.9% (5.1% in the first quarter of 2012). Non-annualised **ROE** amounted to 3.1% (4.2% in the first quarter of 2012), affected by the capital increases which were carried out in the second half of 2012.

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Subsequent events after 31 March 2013

On 6 May Interpump Group announced the acquisition through its subsidiary Interpump Hydraulics S.p.A. of 100% of the share capital of Hydrocontrol S.p.A., a company headquartered in the province of Bologna and a leader in the production and sale of hydraulic valves and distributors. Hydrocontrol has two manufacturing subsidiaries in China and India and a distribution company in the U.S.A.. In 2012 it had consolidated turnover of 57.0 million euros, EBITDA of 7.0 million euros and net debt of 23.65 million euros. To acquire 100% of Hydrocontrol, 4,500,000 listed shares of Interpump Group S.p.A. being carried at an average unit price of 4.97 euros were transferred to the sellers. In addition, on the settlement of the price a final instalment of 3,340,000 euros will be paid in cash by 31 December 2013, subject to adjustment.

Hydrocontrol's business has a strong fit with the Interpump Group's Hydraulic Sector. In fact, Interpump Hydraulics, a wholly-owned subsidiary of Interpump Group S.p.A., world leader in power takeoffs for industrial vehicles, following the recent acquisitions of Galtech ad MTC, expanded its range of products by entering the segment of valves and distributors which are highly complementary with the hydraulic products already manufactured and sold by Interpump Hydraulics.

Today, with the acquisition of Hydrocontrol, the Interpump Group strengthens its position in this segment, laying the ground for significant manufacturing and distribution synergies.

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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 at 31 March 2013** is **available to the public** at the Company's registered office and at Borsa Italiana S.p.A., and may also be consulted on the "Financial Statements & Reports" page of the "Investor Relations" section of the Company's website www.interpumpgroup.it.

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Sant'Ilario d'Enza (RE), 14 May 2013

On behalf of the Board of Directors
Fulvio Montipò
Chairman and Chief Executive Officer

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.

Sant'Ilario d'Enza (RE), 14 May 2013

Carlo Banci
Manager responsible for drafting
company accounting documents

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INTERPUMP GROUP

Financial Statements

Consolidated balance sheet

| (€000) | <u>31/03/2013</u> | <u>31/12/2012</u> |
|----------------------------------|-----------------------|-----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 99,051 | 115,069 |
| Trade receivables | 112,243 | 96,371 |
| Inventories | 139,664 | 131,692 |
| Tax receivables | 5,315 | 6,705 |
| Derivative financial instruments | - | 306 |
| Other current assets | 6,594 | 6,675 |
| Total current assets | <u>362,867</u> | <u>356,818</u> |
| Non-current assets | | |
| Property, plant and equipment | 117,179 | 112,527 |
| Goodwill | 227,980 | 225,921 |
| Other intangible assets | 22,026 | 22,146 |
| Other financial assets | 1,649 | 1,840 |
| Tax receivables | 2,815 | 2,802 |
| Deferred tax assets | 16,872 | 16,707 |
| Other non current assets | 684 | 971 |
| Total non current assets | <u>389,205</u> | <u>382,914</u> |
| Assets available for sale | 2,121 | 2,121 |
| Total assets | <u>754,193</u> | <u>741,853</u> |



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| (€000) | <u>31/03/2013</u> | <u>31/12/2012</u> |
|--|-----------------------|-----------------------|
| Current liabilities | | |
| Trade payables | 60,110 | 53,612 |
| Payables to banks | 11,635 | 10,614 |
| Interest bearing financial payables (current portion) | 79,138 | 87,303 |
| Derivative financial instruments | 820 | 781 |
| Taxes payable | 8,846 | 6,655 |
| Other current liabilities | 28,832 | 27,342 |
| Provisions for risks and charges | 4,316 | 4,653 |
| Total current liabilities | <u>193,697</u> | <u>190,960</u> |
| Non-current liabilities | | |
| Interest bearing financial payables | 82,387 | 91,701 |
| Liabilities for employee benefits | 11,051 | 11,008 |
| Deferred tax liabilities | 22,889 | 22,456 |
| Non current tax payables | 11 | 17 |
| Other non-current liabilities | 28,187 | 27,496 |
| Provisions for risks and charges | 1,390 | 1,339 |
| Total non current liabilities | <u>145,915</u> | <u>154,017</u> |
| Total liabilities | <u>339,612</u> | <u>344,977</u> |
| SHAREHOLDERS' EQUITY | | |
| Share Capital | 52,760 | 52,796 |
| Legal reserve | 10,157 | 10,157 |
| Share premium reserve | 105,357 | 105,514 |
| Reserve for valuation of hedging derivatives at fair value | (331) | (333) |
| Translation reserve | (2,736) | (8,243) |
| Other reserves | 243,392 | 231,152 |
| Shareholders' equity for the Group | <u>408,599</u> | <u>391,043</u> |
| Minority interests | 5,982 | 5,833 |
| Total shareholders' equity | <u>414,581</u> | <u>396,876</u> |
| Total shareholders' equity and liabilities | <u>754,193</u> | <u>741,853</u> |



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Consolidated income statements for the first quarter

| (€000) | <u>2013</u> | <u>2012</u> |
|--|-----------------|-----------------|
| Net sales | 132,264 | 138,451 |
| Cost of sales | <u>(82,380)</u> | <u>(85,228)</u> |
| Gross industrial margin | 49,884 | 53,223 |
| Other net revenues | 1,862 | 2,045 |
| Distribution costs | (14,072) | (13,257) |
| General and administrative expenses | (16,943) | (16,959) |
| Other operating costs | <u>(349)</u> | <u>(78)</u> |
| Ordinary profit before financial charges | 20,382 | 24,974 |
| Financial income | 2,069 | 1,143 |
| Financial charges | (2,464) | (3,591) |
| Adjustment of investments according to the equity method | <u>(29)</u> | <u>77</u> |
| Profit for the period before taxes | 19,958 | 22,603 |
| Income taxes | <u>(7,174)</u> | <u>(8,856)</u> |
| Consolidated profit for the period from continuing operations | 12,784 | 13,747 |
| Profit from activities to be sold from discontinued operations | <u>-</u> | <u>(3)</u> |
| Consolidated profit for the period | 12,784 | 13,744 |
| Due to: | | |
| Parent company shareholders | 12,433 | 13,429 |
| Subsidiaries' minority shareholders | <u>351</u> | <u>315</u> |
| Consolidated profit for the period | 12,784 | 13,744 |
| Basic earnings per share | 0.123 | 0.145 |
| Diluted earnings per share | 0.121 | 0.141 |



Statements of consolidated comprehensive income for the first quarter

| (€000) | <u>2013</u> | <u>2012</u> |
|---|----------------------|-----------------------|
| Consolidated profit (A) | 12,784 | 13,744 |
| <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 | - | - |
| <i>Total</i> | <u>200</u> | <u>151</u> |
| | 200 | 151 |
| <i>Cash flow hedge accounting for derivatives hedging currency risk</i> | | |
| - Gains (losses) on derivatives for the period | | |
| - Less: Adjustment for gains (losses) reclassified to the income statement | (115) | 46 |
| - Less: Adjustment for the recognition of fair value in equity in the previous period | (89) | 306 |
| <i>Total</i> | <u>(4)</u> | <u>58</u> |
| | (208) | 410 |
| <i>Gain (losses) on translating the financial statements of foreign</i> | 5,733 | (5,407) |
| <i>Gain (losses) from companies accounted for under the equity</i> | (30) | 10 |
| <i>Related taxation</i> | | |
| Consolidated profit (A) | <u>10</u> | <u>(182)</u> |
| Gains (losses) recognized directly in equity (B) | <u>5,705</u> | <u>(5,018)</u> |
| Consolidated comprehensive income for the first nine months(A) + (B) | <u>18,489</u> | <u>8,726</u> |
| Attributable to: | | |
| Owners of the parent | 17,942 | 8,427 |
| Non-controlling interests of subsidiaries | 547 | 299 |
| Consolidated comprehensive income for the period | <u>18,489</u> | <u>8,726</u> |



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Consolidated cash flow statements for the first quarter

| (€000) | 2013 | 2012 |
|--|-----------------|-----------------|
| Cash flow from operating activities | | |
| Profit before taxes and capital losses from discontinued operations | 19,958 | 22,603 |
| Adjustments for non-cash items: | | |
| Losses (capital gains) from the sale of fixed assets | (450) | (415) |
| Amortisation and depreciation | 4,931 | 4,774 |
| Costs ascribed to the income statement relative to stock options that do not involve monetary outflows for the Group | 209 | 218 |
| Loss (profit) from investments | 29 | (77) |
| Net change of risk funds and allocations to liabilities for benefits for employees | (353) | (292) |
| Expenditures for tangible assets to be leased | (1,252) | (1,276) |
| Collections from leased tangible assets | 874 | 1,502 |
| Net financial charges | 395 | 2,448 |
| Other | 6 | (63) |
| | 24,347 | 29,422 |
| (Increase) decrease in trade receivables and other current assets | (13,251) | (6,384) |
| (Increase) decrease in inventories | (5,598) | (7,188) |
| Increase (decrease) in trade payables and other current liabilities | 3,311 | 524 |
| Interest paid | (1,176) | (1,953) |
| Currency exchange gains | 269 | (192) |
| Taxes paid | (2,770) | (2,472) |
| Net liquidity from operating activities | 5,132 | 11,757 |
| Cash flow from investing activities | | |
| Payments for the purchase of investments net of cash received and gross of treasury shares transferred | (287) | (18,163) |
| Capital expenditure in property, plant and equipment | (5,568) | (4,774) |
| Proceeds from sales of tangible fixed assets | 120 | 92 |
| Increase in intangible assets | (568) | (700) |
| Proceeds from the disposal of financial fixed assets | 990 | 1,614 |
| Financial income collected | 702 | 531 |
| Other | (249) | (14) |
| Net liquidity utilised in investing activities | (4,860) | (21,414) |
| Cash flow from financing activities | | |
| Disbursement (repayment) of loans | (17,111) | (24,379) |
| Dividends paid to shareholders of subsidiaries | - | (342) |
| Payment for the purchase of treasury shares | (402) | (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 | (117) | 16 |
| Payment of financial leasing instalments (principal) | (629) | (711) |
| Net liquidity obtained through (utilised in) financing activities | (18,259) | (23,306) |
| Net increase (decrease) of cash and cash equivalents | (17,987) | (32,963) |



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| (€000) | <u>2013</u> | <u>2012</u> |
|--|----------------------|----------------------|
| Net increase (decrease) of cash and cash equivalents | (17,987) | (32,963) |
| Increase (decrease) of liquidity available from activities to be sold and from discontinued operations | - | 43 |
| Changes of Exchange rates from liquidity conversion of subsidiaries in extra UE areas | 717 | (444) |
| Liquidity available and similar initial funds of GITOP (companies consolidated for first time with integral method) | 231 | - |
| Liquidity available and similar funds at beginning of the period | 104,455 | 100,306 |
| Liquidity available and similar funds at the end of the period of activities to be sold and from discontinued operations | <u>=</u> | <u>(46)</u> |
| Cash and cash equivalents at the end of the period | <u>87,416</u> | <u>66,896</u> |

Cash and cash equivalents can be broken down as follows:

| | 31/03/2013 | 31/12/2012 |
|---|-----------------|-----------------|
| | €000 | €000 |
| Cash and cash equivalents from balance sheet | 99,051 | 115,069 |
| Payables to banks (for overdrafts and advances subject to collection) | <u>(11,635)</u> | <u>(10,614)</u> |
| Cash and cash equivalents from cash flow statement | <u>87,416</u> | <u>104,455</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 2012</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) |
| Sale of treasury shares at stock options' beneficiaries | 163 | - | 1,024 | - | - | - | 1,187 | - | 1,187 |
| Sale of treasury share for payment of stakes | 157 | - | 1,547 | - | - | - | 1,704 | - | 1,704 |
| Dividends to shareholders of subsidiaries | - | - | - | - | - | - | - | (342) | (342) |
| Classification of Hydrocar Roma stake among activities to be sold | - | - | - | - | - | - | - | (195) | (195) |
| 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 | 5,225 | 325,677 |
| Recording in the income statement of the change in fair value of the stock options assigned and exercisable | - | - | 654 | - | - | - | 654 | - | 654 |
| Purchase of treasury shares | (1,336) | - | (13,710) | - | - | - | (15,046) | - | (15,046) |
| Sale of treasury shares to stock option beneficiaries | 117 | - | 721 | - | - | - | 838 | - | 838 |
| Capital increase following the exercising of warrants | 5,829 | - | 51,052 | - | - | - | 56,881 | - | 56,881 |
| Distribution of dividends | - | - | - | - | - | (11,145) | (11,145) | (84) | (11,229) |
| Sale of stake in Hydrocar Roma | - | - | - | - | - | - | - | (1) | (1) |
| Comprehensive income (loss) from 1/4 to 31/12/ 2012 | - | - | - | 374 | 46 | 37,989 | 38,409 | 693 | 39,102 |
| <i>Balances as at 31 December 2012</i> | 52,796 | 10,157 | 105,514 | (333) | (8,243) | 231,152 | 391,043 | 5,833 | 396,876 |
| Recording in the income statement of the change in fair value of the stock options assigned and exercisable | - | - | 209 | - | - | - | 209 | - | 209 |
| Purchase of treasury shares | (36) | - | (366) | - | - | - | (402) | - | (402) |
| Addition acquisition of Penta Africa's stakes | - | - | - | - | - | (193) | (193) | - | (193) |
| Dividends to shareholders of subsidiaries | - | - | - | - | - | - | - | (398) | (398) |
| Comprehensive income (loss) in the first quarter of 2013 | - | - | - | 2 | 5,507 | 12,433 | 17,942 | 547 | 18,489 |
| <i>Balances as at 31 March 2013</i> | 52,760 | 10,157 | 105,357 | (331) | (2,736) | 243,392 | 408,599 | 5,982 | 414,581 |